

EMERGING COUNCIL INNOVATION

Income generation

As councils are facing a 40 per cent decrease in their funding they are looking at the income as well as the expenditure side of the balance sheet in order to protect valuable frontline services. A large number of councils are adopting a more commercial approach to their activities – where possible, that also means ensuring better outcomes for their citizens. Therefore, their income generation activity needs to be closely aligned to their corporate plans and objectives and it needs to be significant i.e. generating big six figure sums or more from developing, for example, new homes to meet housing needs rather than simply increasing fees and charges. It is about generating a serious long term and sustainable income stream from other sources.

Research so far shows that Councils' income generation activity falls broadly into the following three areas:

1. generating income through council assets, for example, buildings, parks and open spaces but also through staff, knowledge and experience
2. through service delivery by trading services with other councils or winning new business to deliver services to other parts of the public sector
3. through selling commodities e.g. recyclables and other waste.

Generating income through council assets

Oxford City Council are making a significant amount of money (£7m) from their assets plus an additional £5m a year profit from developing private rented housing which the council owns & runs, but is let at higher market rents.

Basingstoke and Deane Council - 30 per cent of their income comes from grants and tax, and 70 per cent from other sources - the reverse of the normal proportion. The council receives £15.5m from their commercial property portfolio (the 5th biggest in the country), and £3.5m from investment income, and have purchased the freehold of the Festival Place shopping centre as it gives them a 5-6 per cent annual return.

Generating income by trading services

Cheshire East Council recently launching the first two in a series of wholly-owned arm's-length service delivery companies. Waste and street scene services will be operated by Ansa Environmental Services, and bereavement services – including burial, cremation, memorial and bereavement support – will be managed by Orbitas Bereavement Service. Both will be chaired by councilors.

In addition, **Staffordshire County Council** and Capita have set up an independent joint venture company called Entrust, to improve education services. This innovative joint venture allows the council to combine the best of the public sector, knowledge and expertise in delivering services to schools, with the commercial acumen of the private

sector, so that we can compete robustly in the marketplace and safeguard jobs for the future.

Generating income through trading commodities

Last year **London Borough of Harrow** became one of the first local authorities in the country to sell its recyclables in an online 'e-auction.' The council used an e-bay style system to sell 100 per cent of its dry recyclables to waste management firm Viridor. Last year, the local authority received £36 a ton for its material, plus a share in any profits above a baseline sell-on price of £78 a ton, meaning that it generated £900,000 from 19,000 tons of material.

In another example, **South Holland District Council** has a contract in place for the processing of recyclables which generates an additional £500,000 of income a year.

For more information please visit: <http://www.local.gov.uk/income-generation>

Getting residents into work and connecting people to job opportunities

Essex County Council has created an Employment and Skills Board which involves brokering a forum and skills investment fund to better connect employers and skills providers in the area – a first nationally.

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Suffolk County Council has taken an innovative approach to work inspiration by achieving Raising the Participation Age and supporting young people into employment. The Council also runs a subsidised transport scheme for students in further education.

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Nottingham Employer Hub - The 'Employer Hub' puts the employer at the centre of the recruitment and skills solution, while maximising employment and training opportunities from major developments for local people. It gives employers a single point of contact to match their recruitment needs, including a dedicated account manager and a one-stop shop approach to providing recruitment and training. Since its inception in April 2012 the 'Employer Hub' has placed 1,411 unemployed Nottingham residents into the vacancies it manages.

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Gateshead Utilising new development opportunities - A new Trinity Square development in Gateshead Town Centre incorporates a Tesco Extra store, 47 other retail units, a cinema and accommodation for 1,000 University of Northumbria students. The council built partnerships with Tesco, training providers and the Work Programme, bringing together partners around a strategy to ensure that local unemployed residents were given the support and opportunities to access job opportunities. Over 150 unemployed residents have moved into employment in the development so far.

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Lincolnshire County Council Apprenticeship champions - the council employs two apprenticeship champions, managed on its behalf by a local training provider network. They

are building relationships with local employers in key sectors, providing a gateway to advice and support on taking on apprentices. They also work with schools to promote opportunities and alternative post-16 pathways to pupils. To support this work, Lincolnshire is developing intelligence on local skills shortages and growth areas and will share this with all learning providers to ensure pupils get the right information. One aim is to highlight skills shortages such as food engineering. The council is developing information packages for parents and pupils moving into secondary schools, which will outline the opportunities available and the pathways towards them.

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Further examples can be found here

<http://www.local.gov.uk/documents/10180/49928/140611+Councils+supporting+youth+transitions.pdf/9a24ba62-5468-42f6-a1e9-9327b824e03f>

Attracting investment and marketing the place

Birmingham City Council has set up Business Birmingham, an inward investment programme, in partnership with the Greater Birmingham & Solihull LEP and Invest Black Country. In 2013/14, the programme's efforts resulted in a 57 per cent rise in foreign investment projects, driven largely by the area's strengths in sectors such as advanced manufacturing and the automotive industry, as well as its backing for fast-growing new industries such as digital media and IT services. Investment by foreign firms generated a record 4,337 new jobs in the area in 2013/14; almost double the number created the previous year. The jobs boost is worth £362 million to the economy.

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The local economy in the Shoreditch district area of London has transformed as a result of a flow of commerce and inward investment into a cluster of creative industries. The **London Borough of Hackney** has played a very strong role as facilitators of this investment, including sending a team of regeneration officers with a delegation of East London's most innovative companies to the South by Southwest (SXSW) Interactive 2013 festival in Austin, Texas. The experience demonstrated there is now a clear need for further engagement with UKTI to connect the local economy with the global platform/ opportunities. This could be achieved through sharing intelligence, contact and networks to help develop a local strategy and common business plan.

After traditional industries in **Sunderland** went into decline in the late 20th century, the City Council actively sought to identify new growth areas. Automotive and advanced manufacturing were identified, and efforts were made to identify new markets to secure this type of inward investment to replace those jobs that had been lost. This resulted in large amount of investment from foreign direct investment, e.g., a Nissan car plant. The City Council established a partnership with **Washington District Council** and set up agreements with Harbin, the provincial capital of Heilongjiang Province in North Eastern China. Sunderland City Council has a productive partnership arrangement with UKTI, but it has tended to focus on trade rather inward investment. Sunderland is keen to grow the partnership with UKTI, particularly around export growth. Sharing information on small to medium local companies export activity and identifying new local to global opportunities, will help reinforce the national effort.

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Corporate Social Responsibility, fair employment practices, living wage and maximising social value

Corporate Social Responsibility Plus Toolkit – last year Lana Northey won the Local Government Challenge 2013. In the year since Lana has developed the Corporate Social Responsibility Plus Toolkit. To find out more about how local authorities can promote localised corporate social responsibility to businesses that meets the needs and raises the aspirations of local communities and hear best practice examples from the UK, USA and Europe

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Living wage - councils that have done more than merely adopt the Living Wage would include **Brighton & Hove, Newcastle and Oxford**. All are accredited and to varying degrees are rolling it out into procurement arrangements. Brighton & Hove are councils that are encouraging businesses that have no contracts with the council to apply it.

http://www.newcastle.gov.uk/sites/drupalncc.newcastle.gov.uk/files/wwwfileroot/your-council/communications_and_marketing/a_living_wage_for_newcastle_-_april_2012.pdf
<http://www.brighton-hove.gov.uk/content/business-and-trade/brighton-hove-living-wage-commission>

<http://livingwagebrighton.co.uk/>

http://www.oxford.gov.uk/PageRender/decN/newsarticle.htm?newsarticle_itemid=50690

Maximising Social Value – the following LGA guidance will be useful

http://www.local.gov.uk/web/guest/past-event-presentations/-/journal_content/56/10180/5969230/ARTICLE

Digital inclusion and self service

Aside from the [LGA Technology and Digital Exemplars report](#) which highlights how councils are using technology and digital tools to make it easier for citizens to access services and information and help staff work more efficiently while out of the office, the following examples may be of use:

Reading Borough Council - Too often young people who are Not in Education, Employment or Training (NEETs) find themselves trapped in the equivalent of a grid-locked traffic system with all the lights on Red and no clear pathway ahead. At Reading Borough Council the goal has been to create that new, clear pathway for young people aged 16–24 years: putting their aspirations at the heart of the provision and supporting them to achieve the future they dream of. Following their successful pitch to O2's Local Government Future Fund in July 2012, they have developed the equivalent of a “SatNav” tool to help young people find the easiest way to their desired destination: this tool is ElevateMe (www.elevateme.org.uk), which they are now rolling out across Berkshire as part of their City Deal.

Newcastle City Council – SelfTrav App – revolutionising special educational needs transport. Their project will enable children and young people with Special Educational Needs (SEN) and adults with learning disabilities to travel independently. They currently provide Independent Travel Training to young people and adults because this can open up access to the world of work and social activity. Newcastle has worked closely with young people and their parents and teachers to get to the heart of the issues. We've come up with the idea of a simple app - tailored to the user's needs - to connect young people and their parents which will support and enable independent travel and offer a valuable safety net.

Contact **Jill Bauld**, Special Educational Needs Project Manager:

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Buckinghamshire County Council are maximizing the opportunities and mitigating against the risks from the implementation of the welfare reforms in Buckinghamshire. They are working with O2 and partners to develop the Universal Benefit Calculator mobile app so that the Universal Benefit Calculator tool (a better off in work calculator that they are already using to support advisors to have a different conversation with residents) can be used in areas of poor broadband coverage and in different locations in the community. The support will also include the development of an 'action app' which acts as a type of triage and will help residents identify and overcome their barriers to work. The app will be able to support residents that are impacted by the welfare reforms but also could be developed to other areas such as care. All key organisations in Buckinghamshire, including district councils, voluntary groups, DWP and the business community have been involved.

Contact **Danielle Henry**, Policy Officer, Buckinghamshire County Council:

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Lewes District Council has been working to develop and test new innovative approaches to supporting people who are suffering financially, including the development of two apps.

Contact **Rachel Allan**, Scrutiny and Committee Officer: rachel.allan@lewes.gov.uk

Innovative use of public spaces

Knowsley Metropolitan Borough Council is doing some interesting work in this area. They have set up a Rethinking Parks Task Group through Nature Connected, the Local Nature Partnership for the Liverpool City Region, in order to identify if and how partners can work across boundaries and identify alternative service delivery models to retain the regions public parks and green spaces. The group comprising of officers from the constituent local authorities, is chaired by Knowsley Council and has met on a number of occasions to examine the problems faced across the city region in sustaining its network of parks and to use the best practice information emerging from national HLF programmes. The aim is to seek longer term financial support to develop innovative ways of securing resources to support the management and maintenance of parks and green spaces across the City Region.

In terms of encouraging residents to get involved they have also produced this short video of their Friends of Groups / Volunteers - interesting as it highlights some of the community / personal drivers to become involved in their local green spaces

<http://youtu.be/7DstMmCT810>

Contact: caroline.davies@knowsley.gov.uk

There is more innovative practice around licensing public spaces in the LGA [Community Events publication](#).

Delivering differently/public service reform/residents doing their bit

The joint Cabinet Office and LGA “Delivering Differently” programme is currently supporting 10 councils across the country to look at innovative new ways in which vital local services can be delivered. Further information can be found here

<https://www.gov.uk/government/news/delivering-differently-fund-supports-public-service-innovation>

Oldham Metropolitan Borough Council is currently being supported through funding from the LGA to buddy up with Manchester City Council to learn from their approach to redesign their Domestic Violence and Abuse services.

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Increasing democratic engagement

Local Democracy Week, held every year in October, is a good source of examples for this. There is a focus on schools and youth parliament activities, however there were also more general engagement ideas such as promoting full council for people to attend during democracy week. See for instance:

- [Merton](#)
- [Coventry](#)
- [Stoke on Trent](#)
- [South Tyneside](#)
- [Sheffield](#)
- [South Derbyshire](#)

Also see “Rock Enrol”, run by the Cabinet Office:

<https://www.gov.uk/government/publications/democratic-engagement-programme>

[The LGA’s Be a Councillor campaign](#) is a point of contact and set of resources to help increase the talent pool of councillors and ensure councils are well represented. There are three target audiences for this campaign:

- ‘ordinary’ people - who want to find out more about becoming a councillor.
- councils.
- talent-spotters – councillors, political parties, MPs etc.

Democratic engagement/innovative role of elected members

Kirklees Metropolitan Council and Swansea City and County Council – are promoting digital democracy through their becoming a digital councillor programme. They have done some great work on raising awareness with councillors as to what digital tools such as twitter and Facebook can (and can’t) do to help councillors with engaging the community,

making meetings more social, council decision-making and scrutiny, elections and campaigns. Contact **Carl Whistlecraft**, Head of Governance and Democratic Services at Kirklees Metropolitan Council and **Dave Mckenna**, Overview and Scrutiny Manager at Swansea City and County Council, who are leading the Rewiring Local Democracy work stream of LocalGov Digital (a national group of leading edge digital experts in local government). Follow them on Twitter: @ldbytes.

The LGA worked with the CLG Select Committee [enquiry on the role of the councillor](#) which set out our thinking on councillors' changing roles. It would be worth looking at the [evidence](#) submitted for an overview of councils' work in this area.

Guide on what to consider when changing governance structures, including case studies (LGA and CfPS):

http://www.local.gov.uk/publications/-/journal_content/56/10180/5857934/PUBLICATION

[The Networked Councillor](#) (PDF), based on work in the **East of England** is also a great place to start.

[LGA resources](#) to support councillors as community leaders

We did some work with **Suffolk County Council** to help them explore the role of councillors. You can see some of their [resources online](#).

Engaging with private landlords and selective licensing

Aside from the [LGA's Supporting a Thriving Rented Sector report](#) the following examples may be of interest:

Some councils are going down the road of providing services to landlords. This improves standards and offers some revenue generating opportunities. **Somerset West Landlord and Tenants Service** is an example of this type of approach

<http://www.swpshp.org/index.aspx?articleid=8489>

An idea that some councils have started to explore is to become private landlords themselves. **Woking Council** has done this through their Arm's Length Company Thamesway Housing.

Leeds City Council has stopped using licensing and is using an area based approach to improving housing standards instead.

Other possibilities are the London rental standard for privately rented homes, brought in by the mayor

<http://www.london.gov.uk/priorities/housing-land/renting-home/london-rental-standard/for-landlords>

London Borough of Newham and **Oxford City Council** have used licensing schemes across their whole area. Newham is introducing a borough wide scheme covering all private rented housing.

Oxford City Council is covering all House of Multiple Occupation. Both are structuring their licensing fees to incentivise and reward co-operation from landlords. In Oxford only 4 per cent of properties inspected have not required improvements, so there has been a substantial improvement in the quality of the stock. Complaints about rubbish have fallen by 66 per cent and about conditions by 37 per cent.

Where councils have used licensing powers they report the following problems:

- It is not self-funding. The cost of setting up a discretionary licensing scheme (including consultation, evidence, mandatory press advertising) have to be met by the council. A selective licensing scheme in Leeds took two years to set up and cost the council around £10k¹. A selective licensing scheme cannot include enforcement fees in the license costs
- Selective licensing is restricted to areas of low demand and anti-social behaviour. Areas experiencing problems relating to high demand and poor conditions cannot use licensing, unless they can prove that anti-social behaviour is being caused by privately rented housing.

Innovation around tackling loneliness and isolation and mental health

Central Bedfordshire Council and **East Riding of Yorkshire Council** are using iPads to support older lone adults to combat loneliness.

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<http://sites.idea.gov.uk/annual-conference-2014/files/2014/07/Central-Bedfordshire-Council-Technology-and-Older-People-Central-Bedfordshire-Councils-Experience-of-Running-a-Trial.pdf>

A Social Impact Bond has been launched in Worcestershire and will target 20 to 30 per cent of the lonely population in the area. It aims to reduce loneliness among over 50-year-olds to reduce dependency on health and social care services. This is the first ever SIB to address this particular issue and is being commissioned by **Worcestershire County Council** and local Clinical Commissioning Groups.

The following LGA document may also be of interest

http://www.bristol.gov.uk/sites/default/files/documents/health_and_adult_care/health/A-guide-for-local-authorities-combating-loneliness_0_0.pdf

In addition the Joseph Rowntree Foundation have done some good work in this area
<http://www.jrf.org.uk/topic/loneliness>