Taking a commercial approach in Coventry

Grant McKelvie

9 march 2021

Coventry approach to commercialisation

A change in culture

- Looking through a business rather than service lens

Creating sustainable income / savings from Council Assets

- Making most efficient use of what we have
- Delivering opportunity to earn income

## Converting capital to revenue – purposeful investment

- Making strategic investments
- Not about property, which we deal with under a different banner

Culture change

- **Service** – doing what we can for the budge
- **Business** – letting the market inform our decisions
- **Investment** to realise a return – sensible decisions
- **Challenging** the normal

- A **vision** for identity and success
- A question of **priorities**
- **Customer centred decisions**
- **Agility** to respond
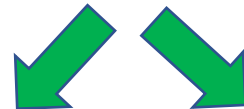
Sustainable income

- Commercial Waste
- Historic buildings
- Pest control services
- Pre-application planning
- Sponsorship & advertising
- Funeral director services
- Outdoor education & adventure experiences
- **Parks Commercial Strategy**

Purposeful investment

- Going concern business acquisition
  - Coombe Abbey Park Hotel
  - Tom White Waste
- Innovative transport schemes (Very Light Rail)
- Advanced recycling plant
- Battery Innovation Centre
- National Collection Centre
- Care home development

Parks Commercial Strategy

Civic requirement to maintain 'free to use' green open space

- Strategy
  - Increase footfall
  - Increase opportunity for secondary spend
  - Destination of choice

- Visitor numbers up 25% (up c.100,000 people)
- Financial net benefit c.£1m

What did we do

- Appointed 'Visitor Experience Manager' – accountable for strategy delivery
- Reduced parking charges – making the park more accessible to more people for longer periods of the day
- Created more events – to showcase the park and generate revenue
  - Outdoor cinema
  - Concerts
  - Food & Drink Festivals
  - Light trail
- One-off activities – climbing wall, bubbles, electric cars
- Private Sector Partnerships
  - Go Ape – outdoor adventure on a JV basis
  - CapCo – commercial play
  - Coombe Abbey Park Limited – expansion of catering offer

Coombe Abbey Park Ltd

Developing the commercial opportunity within the Park

Richard Harrison 9th March 2021

Our Business

Our Approach

Customer Centric

Quality Focused

Operational Efficiency

Asset Utilisation

Park development timeline and results

Timeline

2018
May 2018 - CAPL takes over operation of main cafe

2019
- April - Go Ape opens in Coombe Park
- May - Kiosk in the park opens
- Summer - first summer season for events in the park, theatre, Cinema and two-day music festival
- October - Axe throwing opens on Go Ape site

2020
June - Ice cream concession for the park and new ice cream kiosk opens

Results

Year end, after 8 months trading revenues 26% up on previous operating model and profitable from month 2

Kiosk in the park generates 60k in revenues in first 3 months of trading,
Go ape year 1 profits exceed forecast by 10%.
102% revenue growth for cafes and profitability doubles

Year end revenues up 11% on 2019*
profit up 72%.
Go Apes profits up 194% on previous 2019

What's Next?

Coombe Abbey Park

- Development of the Go Ape site
- Additional retail outlets
- Grow the events calendar through 2021
- New facilities within the park

Off-site Expansion

- Strategic plan to replicate the success in Coombe at other sites with other partners
- Development of a new management contract business to enable this

Thank you and any questions?

APSE – Southern Region Meeting Digital Engagement in Local Authorities

Terry Stocks cdbb IM Consultant
Chair of LA Digital Adopters Group

9th March 2021

Agenda

1. Background to the LA Digital Adopters Group
2. Adoption 'Blockers'
3. LA Digital Adopters Group Engagement Approach
4. The Toolkit for Adoption

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Background

The group was created as 'task and finish' SIG last year

It comprised of LA's, Home Nation Reps, UK BIM Alliance and the MHCLG

The initial groups remit was to produce a 'white paper' on the barriers to BIM adoption within the sector and suggest mitigations, tools and guidance that could counter the identified barriers

The 'White Paper' was issued in March this year.

CDBB's new programme of work has included funding to re-form the group to draft and deliver the recommendations identified in the white paper.

BIM in Local Authorities

A paper discussing the issues surrounding the implementation and adoption of digital ways of working/BIM in local authority organisations

November 2020

CONSTRUCTION INNOVATION HUB

INDUSTRIAL STRATEGY UK Research and Innovation

Introduction

Issues identified:

- Low take-up of BIM (digital ways of working) across the sector.

- The sector's estate capital and operational expenditure is significant. Continued pressure on LA budgets has the potential to drive operational decision-making away from estates to focus more on service delivery.

- There is a low sector understanding of BIM and how it could support better budget efficiency and service delivery.

- There is a perception that BIM is just for new builds and entry cost is high to deploy.

- There is a concern that the impact of change on existing culture and process might be too burdensome.

The uptake of BIM and digital ways of working is low in local authorities. A recent survey undertaken by the local authority procurement group NACF (National Association Contractor Frameworks), stated that around 75% of those polled were neutral or negative to the introduction of BIM. The report also highlighted stated obstacles, which included:

- Organisational culture and senior executive sponsorship.

- Client engagement with supply chains, with procurement practices not creating an environment to deliver or benefit from the introduction of BIM/digital deliverables.

- BIM is perceived as only being suitable for large-capital new-build projects.

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https://www.cdbb.cam.ac.uk/files/111120_bim_in_la.pdf

New Group

The new group will remain a 'Task and Finish' SIG – delivering on the recommendations form the white paper.

The new Groups Vision:
To 'bust the myths' and preconceived obstacles Local Authorities have of adopting digital / BIM ways of working.

Groups Mission:
Local Authorities spend c £25bn on capital projects per annum. They engage with many of the supply chain members used across industry – they are therefore potentially very influential in supporting the UK to reach a 'tipping point' for the adoption of BIM / Digital ways of working.

The groups mission is to educate the sector through engagement media, templates, simple tools and a road map adoption plan to raise the awareness of what BIM is and what digital ways of working are, how it can be applied to their business functions, how they can introduce it through low cost POC's and what benefits they might expect.
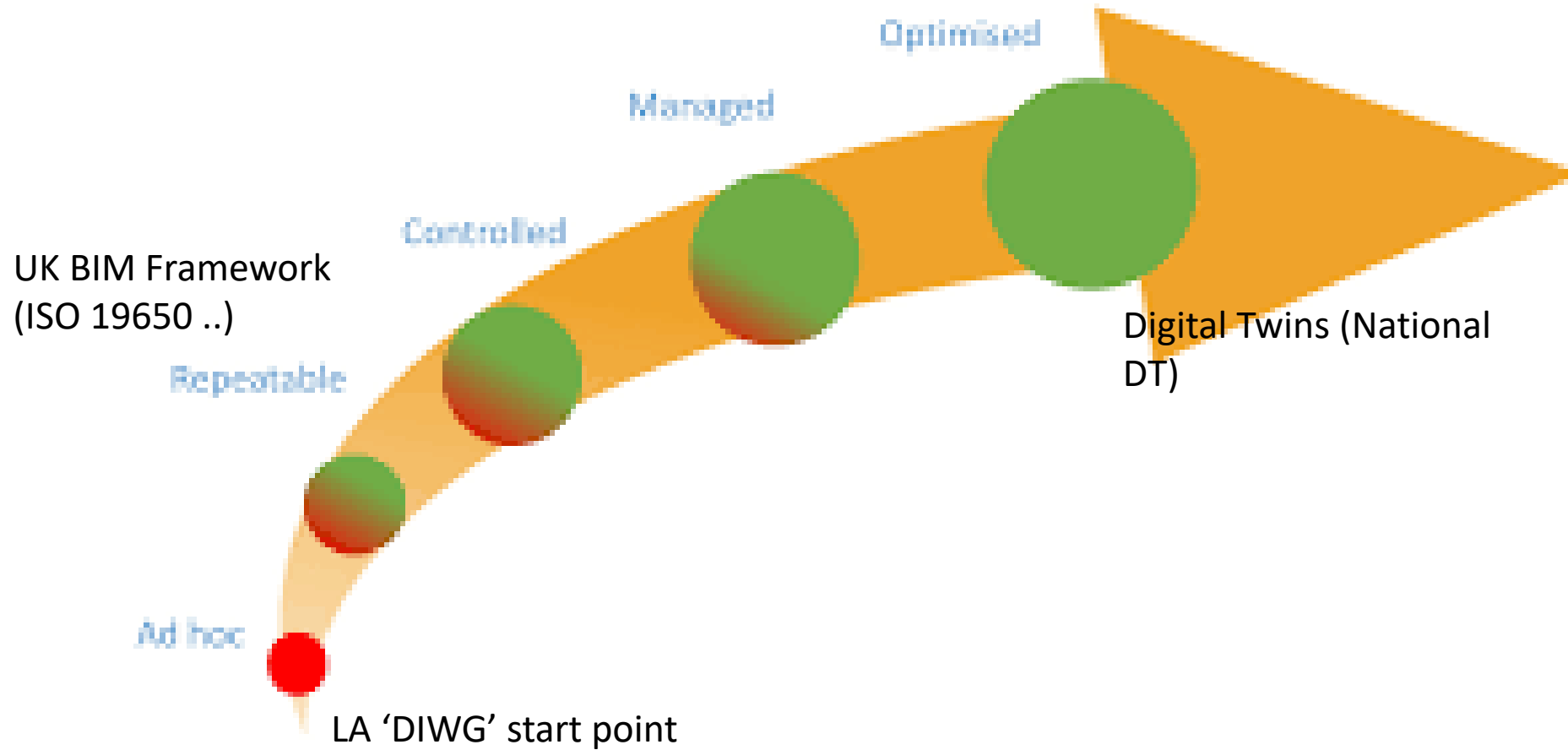
Outputs:

- Following a Do It – Do What – Do This approach!

- Do It – Production of a short video to harness 'C suite' engagement

- Do What – Production of an 'easy read' road map with more detailed reference sections supporting 'journey points'

- Do This – Production of a POC / Discovery Phase guide / prompt list.
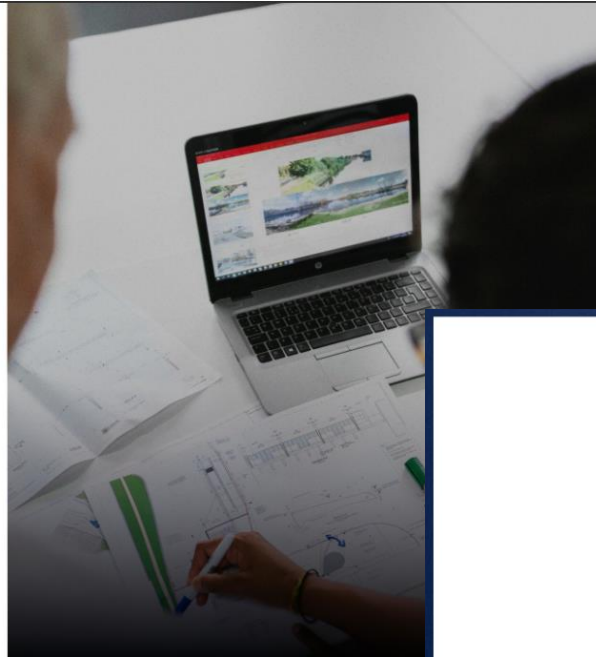
BIM Early Steps Toolkit and Video

Tool Kit Link

https://indd.adobe.com/view/8cecd566-114b-4dd9-b1e0-812c04eaa489

Digital roadmap

2

Construction Innovation Hub

2. Strategic planning

What

Strategic planning sets the framework and direction for key activities, deliverables, objectives and obligations across an organisation. The strategic plan will be broken down into deliverable programmes of work including delivery of environmental targets and regulatory requirements, with allocated owners who are responsible for putting in place delivery programmes, milestone deliverables etc. Effective strategic management of the programme will include timely and accurate reporting. Reporting will be 'nested' such that at project level there is detailed information, with selected key information then flowing up to a programme dashboard.

The different programme dashboards can then be further consolidated to provide a key management set of data to effectively maintain a good level of awareness of the delivery of stated strategic management objectives. The key to good strategic management is 'data'. Having a good information management / reporting process in place will save time on duplicate reporting, increase ownership of allocated tasks (as it will be known that delivery performance dashboards will be reviewed by senior management) and increase the boards / senior management level of control and confidence that statutory obligations are being met, that key strategic deliverables (such as carbon zero) are being managed and interim targets are being met.

Benefits

- Increased visibility of organisational delivery of key objectives and obligations.
- Increased reliability of reporting (as a 'single version of the truth' data process can be put in place.)
- Increased confidence in demonstrably proving delivery of statutory obligations and objectives

Digital / BIM support

A digital / BIM approach supports the creation of a process where the specification, collection and management of information / data is aligned to the organisations strategic aims. The approach not only improves the collaborative delivery of projects, but also provides accurate and insightful reports to senior management leaders on the delivery of the organisational strategic aims and demonstrates the management for discharging of statutory obligations.

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Digital Scenario Sheet
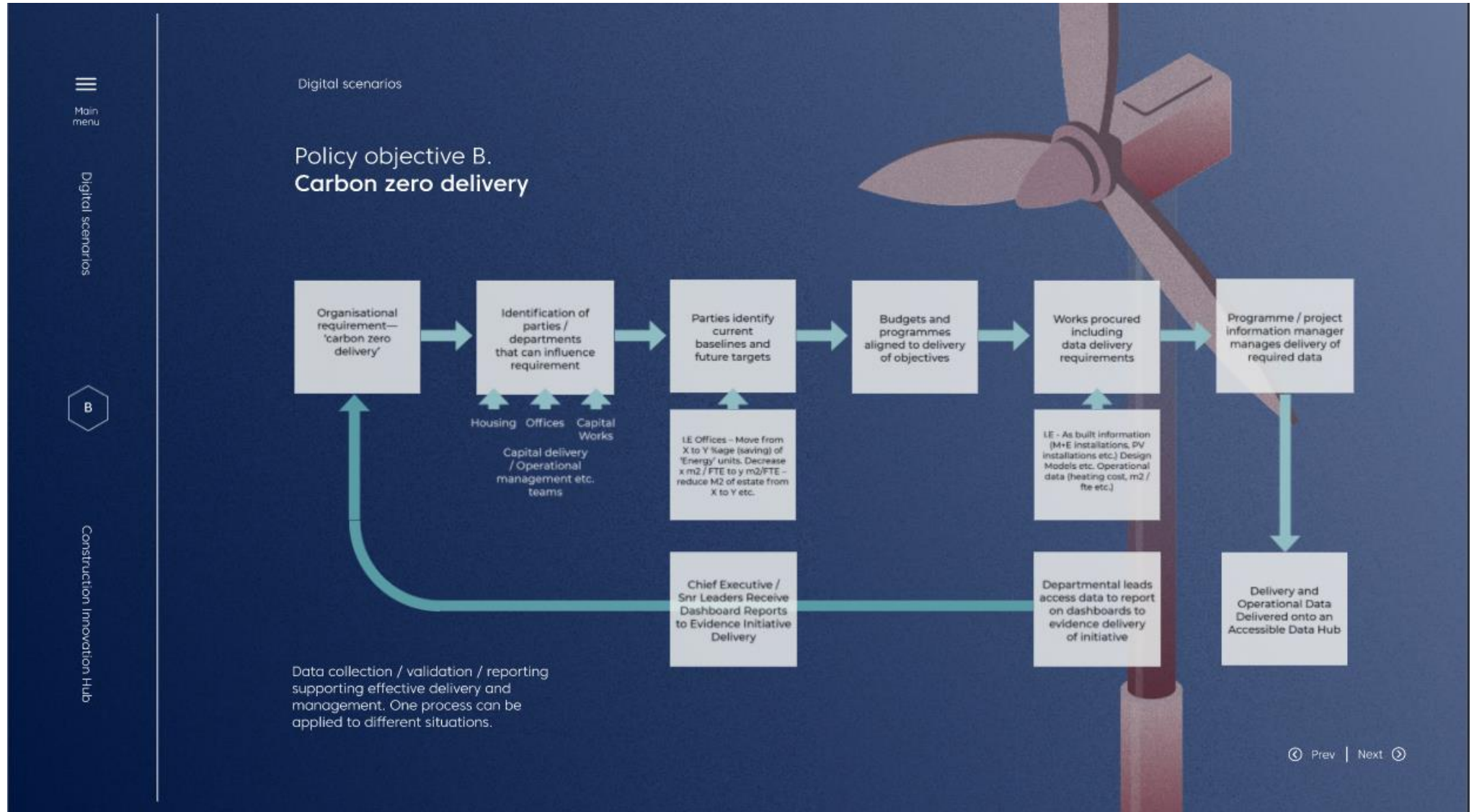
Proof of Concept Delivery Support

Slide 1

Discovery phase & POC template

Proof of concept discovery template

Organisational summary	Status	Outcomes | Recommendations | Actions
Who are you? Name of your organisation.	—	Gives context to the project

POC Planning

What do you want to do?	Select `< >`	Initiate a proof of concept for project handover and operations
Have you identified stakeholders? *(Asset managers, FM, Procurement, operations etc.)*	No ● Yes	Stakeholder identified
Have you identified your stakeholder data requirements? *Maintainable asset list, validated as builts etc.*	No ● Yes	Data requirements collected
Do you need to include a BIM Protocol ⊙ in your contract docs? *Your IM representative will be able to help you decide on use of BIM Protocol etc.*	No ● Yes	Ensure data requirements delivery is included in tender documentation
Have you stated your expected benefits? *Refer to the tool kit POC overviews.*	No ● Yes	Need to agree the expected benefits to be measured
Have you spoken with Procurement?	No ● Yes	Need to consult with procurement
Do you have an Information Manager? Client side IM role ⊙	No ● Yes	Recommend appointing an IM Lead

Slide 2

Discovery phase & POC template

Proof of concept discovery template

Asset information / Data storage systems	Status	Outcomes | Recommendations | Actions
Do you have an Electronic Data Management Storage System?	No ● Yes	Good to use EDMS as CDE
Do you have an asset management data system?	No ● Yes	Note down what data your AM system needs
Do you have a Computer Aided Facilities Management System?	No ● Yes	No CAFM system. Draft your own (minimum) asset data requirement list
Do you have Sharepoint?	No ● Yes	Need to identfy a place to hold delivered data
Do you have a propitiatory Common Data Environment?	No ● Yes	No CDE configure a system you have
Do you have any other electronic data / information systems or softwares?	No ● Yes	No alternative software speak with your IM

Notes

The last three questions above relate to organisational data storage options. If you have more than one yes to the data storage option questions, select the best platform you feel will best fit your proof of concept trial.

UK BIM Framework:

Refer to the UK BIM Framework information protocol template ⊙ for further reference.

⊙ Prev | Next ⊙

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Thank You

APSE Commercialisation, Income Generation & Trading Network

Community Wealth Building Lease Pilot
9th March 2021

Community Wealth Building Approach

The Haringey Council Community Wealth Building approach will create an economy that is rooted in the community, with the council leading by example. It means the council will:

- Use all our available levers to make sure **every public pound delivers maximum public good** and wherever possible builds the prosperity of local people and businesses

- **Support residents economically and socially**, with a focus on employment, particularly in areas with high levels of deprivation

- Give residents a greater **stake in public services** and the Haringey economy

- **Work with partners** to ensure they embed the same approach across the borough

Haringey
LONDON

Economic Impact of Covid-19

Demand for other forms of support and guidance

High streets: expect increased vacancy rates, rapid adaptation of physical environment required

Expectation that workspace demand and takeup stagnates: Potential for withdrawal from single use office premises by large companies and a refocus to adaptable, flexible, and decentralised workspaces outside of central London, leading to local growth

Creative/cultural: 80% of local creatives have lost at least half of income, few are confident in trading through to 2021, limitations in accessing government support

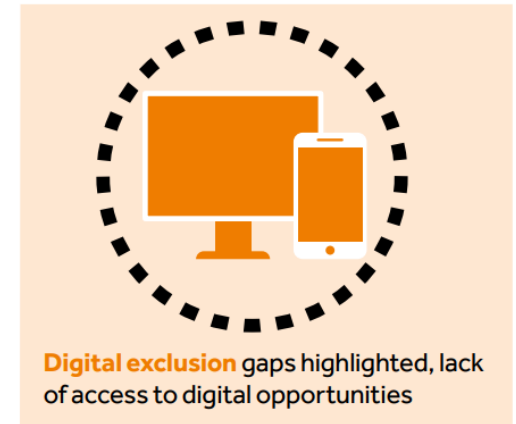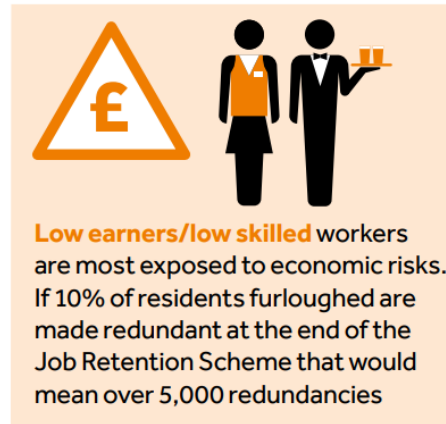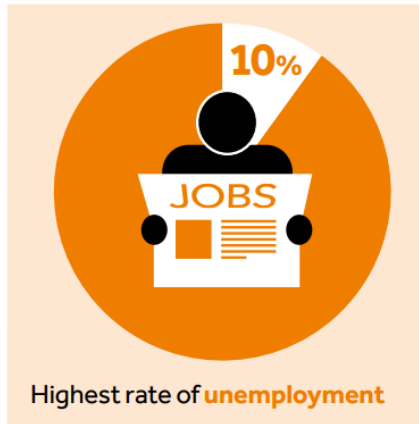**Reports of significant drop in turnover for industrial estates businesses:** Potential to support more local manufacturing and invest towards a more diversified, resilient and self-sufficient local economy

Growth areas: supermarket, logistics

Economic Impact of Covid-19

Tottenham

Largest increase of unemployed claimants in central London

12,000

JOB CENTRE

EMPLOYMENT AND SKILLS

Highest rate of furloughed residents

35%

10%

JOBS

Highest rate of **unemployment**

£

Low earners/low skilled workers are most exposed to economic risks. If 10% of residents furloughed are made redundant at the end of the Job Retention Scheme that would mean over 5,000 redundancies

Digital exclusion gaps highlighted, lack of access to digital opportunities

Haringey LONDON

Good Economy Recovery Plan

Following engagement with our business community and local partners, the council published its [Good Economy Recovery Plan](#) in August 2020 as a guide for the following 12-18 months, with key priorities as follows:

- Reopening and supporting our High Streets and Town Centres

- Supporting Businesses through Recovery and Renewal

- Supporting Residents into Work and Training

- Securing social and economic value through investment in our neighbourhoods and communities

Haringey's
Good Economy
Recovery Plan

August 2020
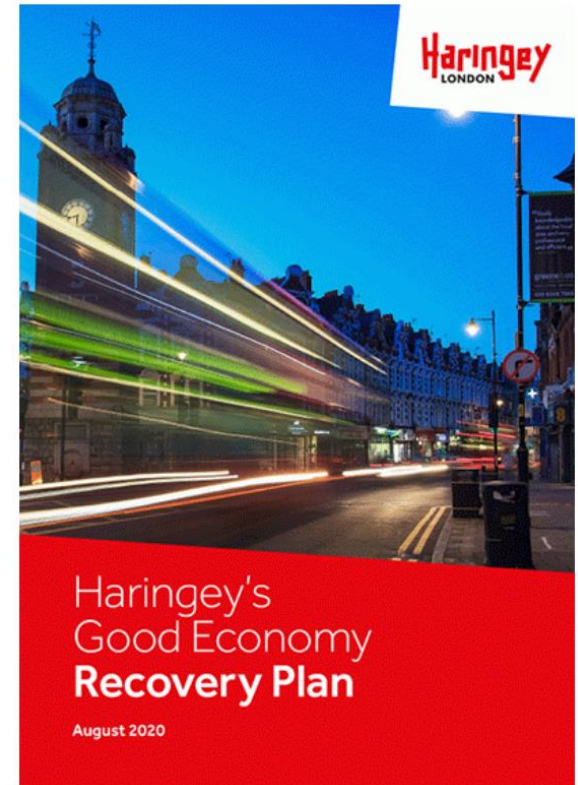
Community Wealth Building Lease
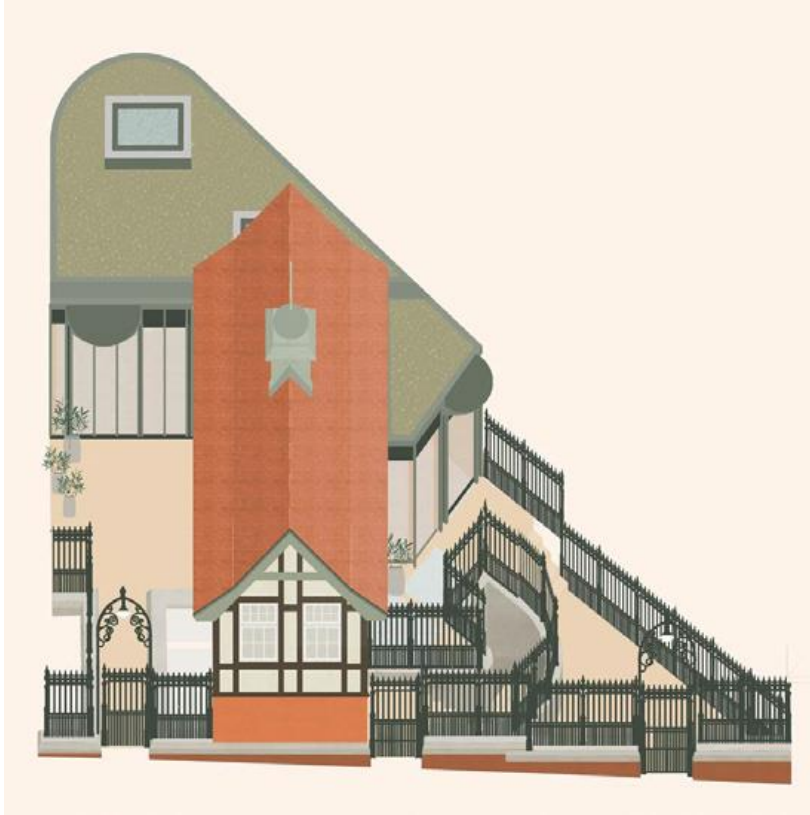
Project Context

- Grade II listed former Public Convenience on the 'Heritage at Risk' Register

- £325,000 of GLA funding, £375,000 from Historic England's High Street Heritage Action Zone and £425,000 Council Match

- Social Value closely aligned with the Borough Plan- building and retaining wealth within the local community

- Planning secured, start on site in Summer 2021

Haringey
LONDON

Bruce Grove Public Conveniences

SEATING

SERVERY

NORTH YARD

WC

LIFT

SOUTH YARD
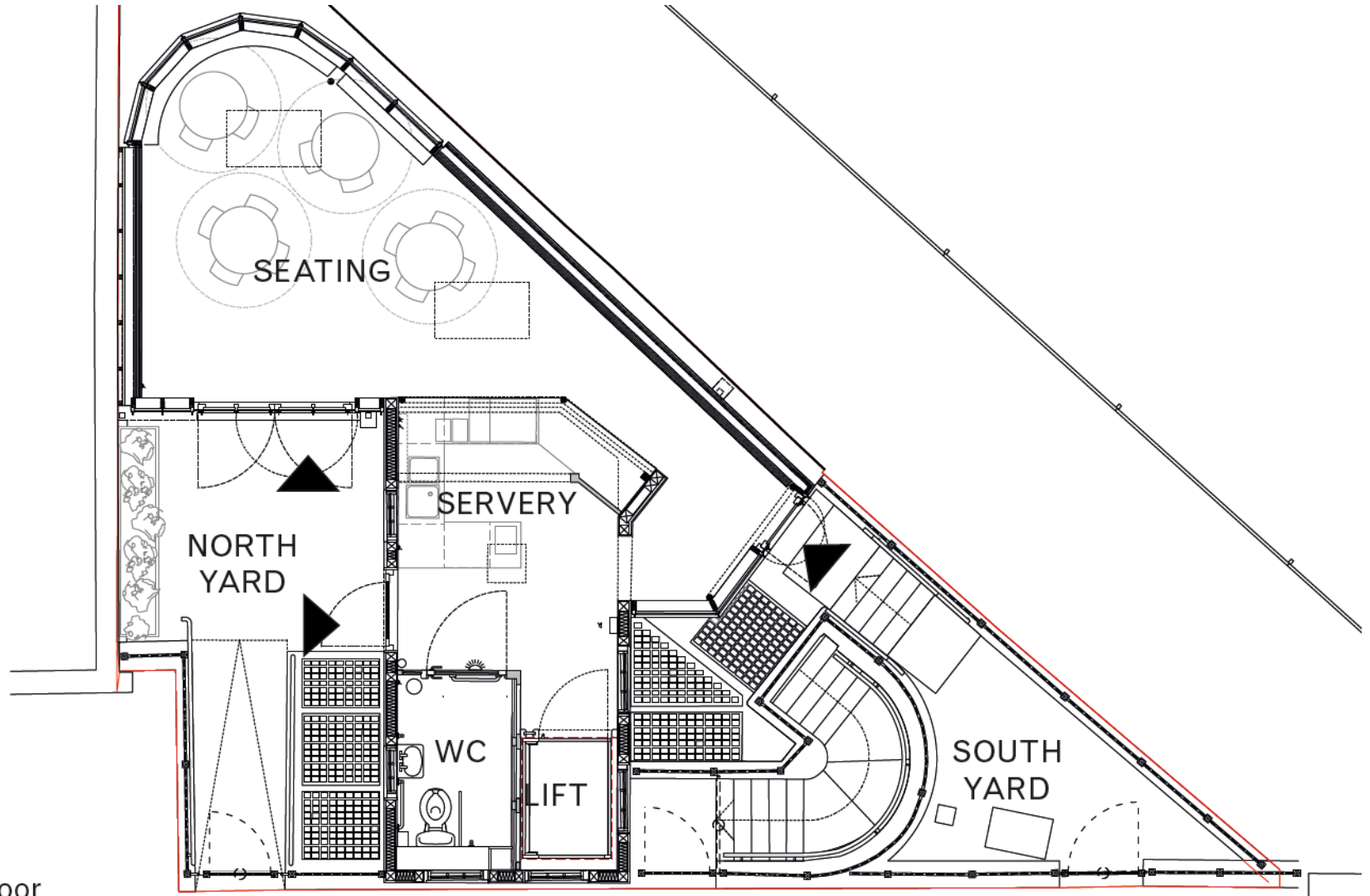
Ground floor

Bruce Grove Public Conveniences

Tottenham

ANCILLARY USE

PLANT

PREP SPACE

WC

LIFT

REFUSE
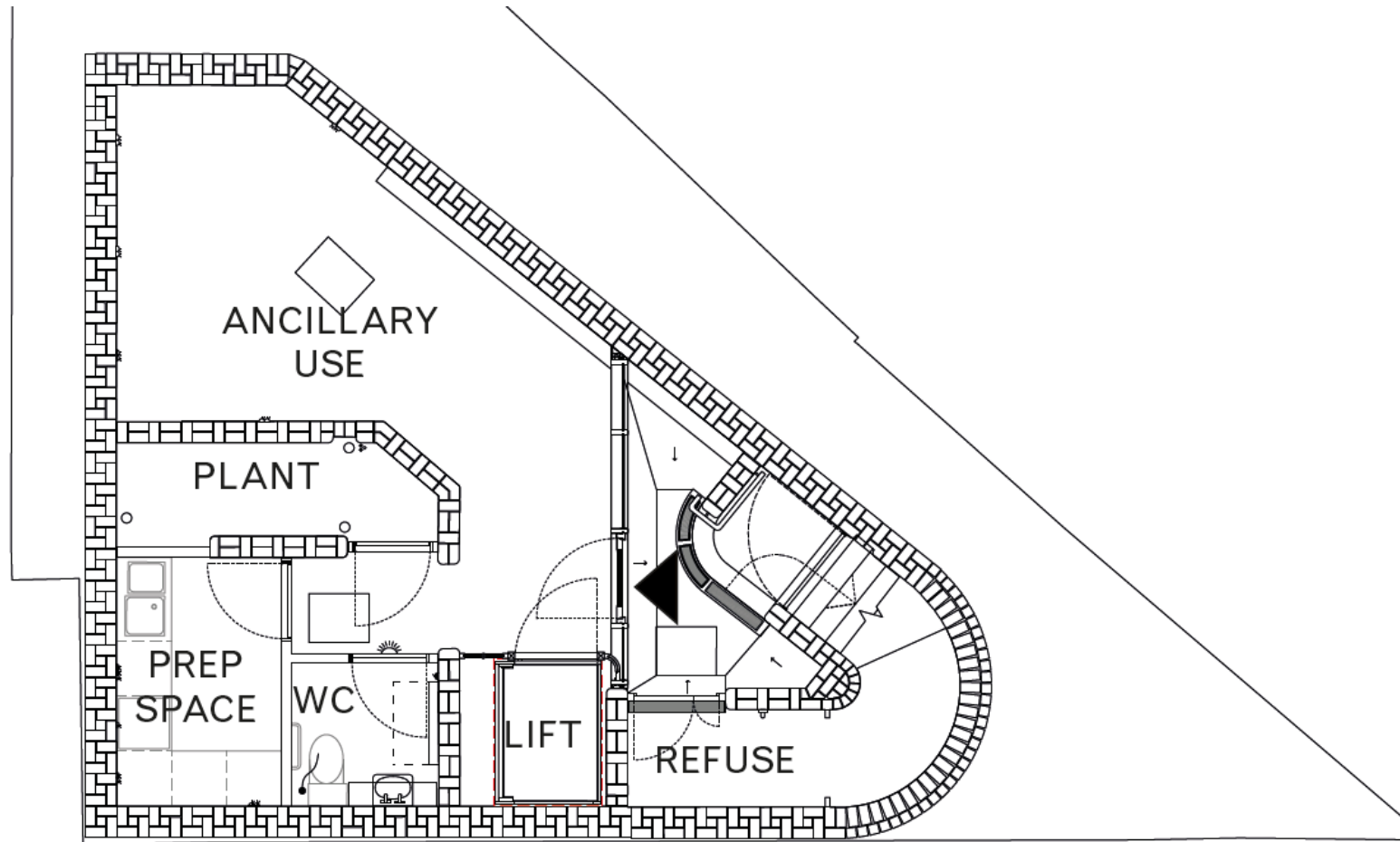
Basement

Portfolio vs Building-by-Building Approach

The Council's preferred approach envisages the concept of SV being embedded in commercial leases via a two-stage approach:

(a) **Procurement approach to tenant selection** – expressions of interest to be invited on the basis of a 60/40 quality/price split placing emphasis on the type of organisation, with the quality assessment addressing the type and quality of SV the tenant is able to offer;

(b) "**Carrot and stick" approach** to delivery of SV – the preferred approach considers ways in which the SVL might contain mechanism(s) to incentivise and ensure the delivery of defined SV outcomes.

Haringey
LONDON

Operator Procurement

- Letting process designed to seek a socially conscious operator

- Shortlisted applications all local SMEs or Social Enterprises with local connections

- Selection criteria:

	Weighting (Total Points 100)
Rental Offer	40
Business Plan	30
Social Value	10
People and Management	10
Fit out Plan	10

Haringey
LONDON

Tenant Offer

Social Value:

- Locally based SME offering jobs to local residents and events
- Commitment to work with Coffee Roastery in Aylesbury Prison and local suppliers

Lease Terms:

- Tenant funds fit out
- £15,000/pa with 3 month rent free period
- 7 year lease with option to break/extend after 5 years

Haringey
LONDON

Pilot Community Wealth Building Lease

Proposed indicator	Proposed discount per annum
i. Number of people from Tottenham (FTE) employed on contract for at least six months	£500/person
i. Number of employees (FTE) taken on who are long-term unemployed	£1,000/employee
i. Number of employees (FTE) taken on who are NEET	£1,000/employee
i. Number of employees (FTE) taken on who are rehabilitating young offenders (18-24 year olds)	£1,000/employee
i. Number of jobs (FTE) created for people with disabilities, especially those with learning difficulties or suffering from mental health issues.	£1,000/job
i. Number of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)	£300/6 weeks (per person capped)
i. Meaningful work placements that pay Minimum or National Living wage according to eligibility – 6 weeks or more (internships or apprenticeship)	£500/6 weeks (per person capped)
i. Total amount (£) spent in Haringey supply chain/annum or with local SMEs	£500/annual contract with local supply where the value of the contract exceeds £1,000 (capped)

- Total level of discount cannot exceed 35% of total rental income
- Clauses incorporated as a service level agreement appended to the Lease
- Tenant required to maintain records and monitor compliance

Haringey LONDON

Legal

- External consultant supporting with tenant procurement, monitoring performance, evaluation and critique of the delivery model to inform best practice for the Council's commercial portfolio

- Lease falls well below the de minimus State Aid threshold of €200,000 over three years.

- The Council is able to grant a lease for less than best consideration up to a value of £2m, provided it will help to secure the promotion or improvement of the economic, social or environmental well-being of its area.

Documenting Social Value

The concept of embedding social value into a lease via KPIs was explored using a number of approaches:

- **A KPI schedule appended to a lease with a certain point score to be achieved by a tenant in a 12 month period.**

- *The challenges with this model are that KPIs can be open to interpretation, particularly where broad aspirations are set out at the start. Risks include monitoring and enforcement.*

- **A Social Value Portal – operators can specify their offering, and the Council can monitor delivery via the external online portal in return for a fee**

- *Generally more geared towards construction projects with scope to link to the financial model for larger projects*

- **A separate service level agreement, where the lease is on market terms and the SLA sets our social value deliverables along with monitoring and governance frameworks**

- *Suitable for larger projects where the Council has a more hands on role in monitoring activity*

Monitoring and Enforcing Delivery

Potential approaches to protect the Council's position include:

(i)an unconditional break, say at year 5 of a 7 year lease, which may be unappealing to tenants/funders but provides certainty provided it is properly operated;

(ii)a conditional break, which could be hard to enforce depending on how the conditionality is expressed;

(iii)a "partnership approach" in which the landlord and tenant work together to try to resolve issues, it being recognised that the building may be hard to get back from a non-performing tenant.

Summary

The Council's approach seeks to incentivise delivery of social value through the Community Wealth Building Lease pilot, monitoring and enforce performance by offering discount(s) for performing tenants based on the monetary value of what is delivered

This aims to reduce inequality and enhance community resilience and wellbeing, in line with the post Covid 'Good Economy Recovery Plan' and the Council's Community Wealth Building Agenda.

Tottenham

Haringey LONDON

Any questions?