

REPORT TO: CABINET

DATE: 16 FEBRUARY 2023

TITLE: COMMERCIALISATION FRAMEWORK

PORTFOLIO HOLDER: COUNCILLOR STACY SEALES, PORTFOLIO
HOLDER GOVERNANCE

COUNCILLOR JAMES LEPPARD, PORTFOLIO
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**This is not a Key Decision
Call-in procedures may apply
It is on the Forward Plan as Decision Number I015665
This decision will affect no ward specifically.**

RECOMMENDED that:

A The Commercial Framework, attached as Appendix A to the report, be adopted.

REASON FOR DECISION

- A** The current Corporate Strategy (Being an Efficient Council, Governance Key Objectives) sets out the aspiration of the Council to take a more commercial approach to increase income yield from specific opportunities in the years to come by developing a commercial strategy.
- B** The document sets out the proposed framework within which it will seek to develop future Commercial opportunities whilst continuing to deliver its services.

BACKGROUND

1. It is a key challenge of the Council to explore innovative and new ways of working. The Council set out within its three year strategy four themes, those being:
 - a) Economic growth;
 - b) Social cohesion;
 - c) Safeguarding the environment; and

- d) Being an efficient council.
2. The Council's intention is to explore commercial opportunities that support the Council's key strategic themes. A number of references which feature across these themes are brought together within the Framework.

ISSUES/PROPOSALS

3. The current financial conditions faced by the Council are very challenging and the next few years will bring significant challenges for all councils, with increases in demand for key front-line services coming with financial volatility.
4. The funding for our services comes from a variety of sources but only 7 percent of the Council's budgets are raised by Council Tax. In the current year this equates to £8.075 million.
5. The Council has had some recent notable commercial successes:
- a) The purchase of assets within the town centre to create ongoing revenue; and
 - b) Commercial advertising on the Town's roundabouts with maintenance at no cost to the Council and generating shared revenue.
6. The attached framework seeks to enable greater innovation to bring forward schemes whilst setting a boundary for future projects that capture investment in the town, provide social value and help support end service provision. Additionally, it will help create boundaries for the Council to act in a more commercial way within its current service operations.
7. A commercialisation framework for the Council brings the following benefits:
- a) It can help the Council generate additional revenue streams. By commercialising certain assets and services, the Council can create new business opportunities and increase efficiency.
 - b) This can help to offset budget pressure and reduce the need for increased taxes or service charges.
 - c) Improve the service offering without greater burden on the general fund.
8. Within the Framework document, the proposed Commercial Vision is set out. This aims to clearly articulate our aims of supporting growth, investment and regeneration of the town, our approach to future collaborative working and social value:

Our Commercial Vision

- Seizes opportunity to build a legacy of growth, investment and prosperity for our town.
- Generates increased income yield through commercial activity and which supports the regeneration of our town.
- Seeks cost reduction through challenging how we deliver services, ensuring value for money, as well as a return on investment.
- Is transformational, seeking to be innovative in its future ways of working.
- Drives positive collaboration/partnership working on basis of operational and commercial advantage.
- Utilises its LATCO to provide commercial opportunity.
- Maximises the social value return to public services.
- Supports the continued delivery of front-line services.

9. The Framework itself seeks to set a space within which the Council will consider future and current activities. This includes:
 - a) how activities will meet a need;
 - b) the contribution of the activity to financial stability;
 - c) exploiting digital innovation;
 - d) shaping our approach to risk;
 - e) Our focus in any service sharing operations are proposed and use of our LATCO;
 - f) Support our continuing statutory services; and
 - g) The requirement for consistency with the prevailing Corporate Strategy
10. Within this space we are allowing freedom for innovation and by using a standard process, there will be effective and consistent evaluation before consultation (as required by our Community Engagement Strategy) is undertaken leading to implementation.
11. The framework brings forward the next steps in the process:

- a) Staff (now delivered) and member training;
- b) The definition of a corporate risk an appetite (Audit and Standards Committee);
- c) Defining a consistent structure for social value in our contracting, its measurement and weighting;
- d) A standard options appraisal process;
- e) Alignment of our procurement strategy once the awaited Procurement Bill reaches Royal Assent; and
- f) Finally, the development of a pipeline of potential projects.

12. The Framework is commended to the Council to address the key challenge for commercialisation that being how the Council can implement such services and schemes within the current officer base or that fixed and variable costs are supported by the chosen activity.

IMPLICATIONS

Strategic Growth and Regeneration

As set out in the report.

Author: James Gardner, Assistant Director – Regeneration

Finance

As set out in the report.

Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance

Housing

As outlined in the report.

Author: Andrew Murray, Director of Housing

Communities and Environment

None specific.

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Services

As contained in the report.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix A – Draft Commercialisation Framework

Background Papers

Framework Document

Glossary of terms/abbreviations used

None.