

TITLE	Commercialisation Strategy
FOR CONSIDERATION BY	The Executive on Thursday, 29 July 2021
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Finance and Housing - John Kaiser

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

This report is to allow the adoption of a Commercial Strategy to support and enable members and officers to make positive choices about where they want to invest, rather than having to make decisions about where to reduce expenditure.

RECOMMENDATION

That the Executive:

- 1) agree the adoption of the Commercial Strategy attached at Appendix A to the report;
- 2) delegate to the Chief Finance Officer authority to revise and update the Strategy as required to ensure legislative compliance and delivery of best practice in the Council's commercial ventures and activities.

SUMMARY

The Council's Corporate Plan and MTFP both recognise and highlight the need for the Council to be a more commercial organisation. This is as an enabler to improve service delivery and organisational efficiency and a also critical component of our financial strategy to address the financial budgetary pressures and in pursuit of best value for money in all our activities. The commercialisation strategy is council-wide and applies as much to prevention and demand management in care services as it does to creating new lines of income through traded services.

The vision for Wokingham Borough Council includes an aspiration that we will be a "...commercially-minded council" explained as:

"a commercial mind-setthat promotes the ability to deliver services differently, demands innovation and ensures we are able to maximise our assets for the benefit of our communities and to deliver financial sustainability."

This is further developed by key commercial principles which will allow the Council to reach its commercial objectives by:

- continually identifying and developing opportunities to commercialise existing and new services.
- ensuring our partnerships (private and public) are efficient and deliver value.

- having a strategic commissioning and procurement approach that derives the maximum value from every pound spent.
- adopting the most effective delivery models to deliver best value services.
- ensuring the Council prices commercially ensuring we cover all our direct costs (except when we have made a conscious and evidenced decision to subsidise).
- becoming commercially astute, by understanding the market and developing the knowledge to make it work for us.
- all understanding and recognising where we have a role to play.

This strategy has been developed in consultation with Commercial Gov, a private sector organisation who have worked with developing successful commercial agendas in award-winning Councils.

The strategy is attached at Enclosure 1 to this report. If this strategy is not adopted or fully engaged with, then there is a risk that mandated income and efficiency targets in the MTFP will not be achieved.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Specific MTFP target of: (£200k)	Yes	Both available for pump priming of income generating projects to deliver revenue benefits
Next Financial Year (Year 2)	Specific MTFP target of: (£500k)	Yes	
Following Financial Year (Year 3)	Specific MTFP target of: (£800k)	Yes	

Other Financial Information

Best practice in commercialisation is outlined in this strategy should enable services to achieve best value for money within their own budgets and will support both their individual efficiency targets and the commercial benefits mandated in the MTFP. There are considerable efficiency and income targets across all Directorates that result from commercially minded activities as defined in this strategy. These are in addition to the unattributed savings stated in the box above.

Effective cost reduction and efficiency targets may not be achieved if the Council fails to adopt a commercial approach to its activities.

Stakeholder Considerations and Consultation
This is an internal strategy and has been agreed by Corporate Leadership Team

Public Sector Equality Duty
All commercialisation business cases will consider the Council's ED&I responsibilities, and this will form an essential criteria on the qualitative assessment.

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
Qualitative assessments of Climate Emergency considerations are a relevant part of any business case

List of Background Papers
Enclosure 1 – Commercial Strategy

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