

REPORT

SUBJECT: Commercial Strategy

MEETING: Cabinet

DATE: 25th July 2018

DIVISION/WARDS AFFECTED: All

1. PURPOSE:

- 1.1 The purpose of this report is to present for approval the Council's first Commercial Strategy and accompanying action plan. The strategy builds upon aspects of the Procurement, Digital and Asset Management Strategies and is a key means through which the Council can play a role in the self-determination of its future viability and sustainability.

2. RECOMMENDATIONS

- 2.1 That Cabinet considers the draft Strategy and action plan for approval.

3. KEY ISSUES:

- 3.1 The Commercial Strategy is an important means through which the Council can self-direct its own economic future and ensure services, functions and wider activity has an outlook broader than 'survive' – and a real aspiration to 'thrive'. Our Corporate Business Plan sets out a clear direction for the Council up to 2022 and one of its main ambitions is to grow a 'future focussed' Council. The Commercial Strategy makes a key and direct contribution to this aim, as well as working to provide a stronger means through which all services and functions can be sustained and supported in the long-term. Specifically, it seeks to:
- Augment income generation – making money by providing 'charged for' services that generates revenues for reinvestment;
 - Develop an approach to commercialising assets – adoption of an asset investment policy that creates an asset opportunity portfolio, maximising capital receipts and exploring wider commercial opportunities
 - Create a commercial culture and ethos – ingraining the kind of business discipline that will enable the Council to deliver social impact

4. REASONS:

- 4.1 There is a need to create the conditions for the Council to operate with sufficient flexibility and freedoms to generate income, identify and galvanize opportunity and widen the options through which to reinvest in its ongoing sustainability and viability.
- 4.2 This strategy creates the framework through which to consolidate and strengthen the Council's existing commercial activity, providing a framework with defined objectives for wide-ranging commercial activity across key areas of the Council's operation.

5. RESOURCE IMPLICATIONS:

- 5.1 The Council has already approved a £50m borrowing facility for asset acquisitions to support this approach.
- 5.2 The creation of a commercial team requires no additional support since the approach suggested, requires integration and better co-ordination and alignment of existing resources. Any further or additional financial support will be sought and brought forward on an exceptional business case basis.

6. CONSULTEES:

Senior Leadership Team
Economy and Development Select Committee
Commercial officers and managers across the Council

7. BACKGROUND PAPERS:

Commercial Strategy – 2018-22

8. FUTURE GENERATIONS IMPLICATIONS:

- a. The significant Future Generations impact identified in the assessment (Appendix 1) are summarised below for members' consideration:
 - i. The opportunity to self-direct our own economic fortunes through understanding, exploring and delivering options for commercial activity and revenues that sustain and support services;
 - ii. The opportunity to understand future opportunities and develop our own approved pipeline of schemes and projects. This will require an understanding of the 'risk and reward' ratio associated with each project and area of potential; and,
 - iii. The opportunity to create a commercial culture and ethos which will enable the Council to run services on a more stable and sound footing – thus, creating a more hopeful outlook for current and future generations.

- b. The actual impacts from this report's recommendations will be reviewed every 3 years and criteria for monitoring and review will include: Continuous assessment of the Commercial Strategy will be undertaken to ensure it is actively maximising the Council's contribution to the Wellbeing Goals.

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