



CLLR JANETTE WILLIAMSON

CABINET
26 NOVEMBER 2018

WIRRAL COUNCIL COMMERCIAL
STRATEGY

Councillor Janette Williamson, Cabinet Member Finance & Resources, said:

“Wirral Council, together with the majority of Labour councils, particularly in the North, is facing a hugely challenging financial future. The combination of sustained austerity, with reducing central government grant (ending in 2020/21), and increasing financial demands, is making us address questions about the long term sustainability of all services arranged by the Council. If we are to continue to meet the demands of our residents in service areas such as children’s and adult social care, we must increase the revenue coming into the Council through becoming more commercial. Our commercial strategy will enable us to cope with the challenges of austerity and deliver the high quality services that are vital to our residents. This is about being more business minded in order to continue to serve the needs of Wirral residents.

Commercial activity is not new to us. Wirral currently operates commercial services in a range of diverse sectors including leisure, theatre events, car park charging, garden waste and services to schools directly from the Council. What has been needed is a coordinated approach across the Council looking within for the expertise to drive this forward.

This Commercial Strategy aims to take a commercial approach to service design, management and decisions, encouraging innovation whilst optimising assets and services to exploit opportunities to generate income surplus for reinvestment and reduce costs. An important element of the Commercial approach is finding the right balance between our public sector ethos and delivering social value and our commercial practices, ensuring we meet our pledges, to improve the lives of Wirral residents supporting local businesses, as well as increasing income and opportunity.”

REPORT SUMMARY

Our Medium Term Financial Strategy 2019/20-2022/23 (MTFS) focus is on building the foundations for a sustainable financial future with sufficient support for services and describes how to provide the funding and services so that residents receive the support for their lives and communities.

A key approach in the MTFS is to increase income for the Council. To deliver this increase in income and become more commercial requires a fundamental change in how we do business.

This commercial strategy is one element of this change. Our approach to becoming more commercial is not about simply charging more for our services, it is not about becoming purely profit driven, it is about making our organisation more business-like, more able to take advantage of commercial opportunities which will benefit our borough, and our residents.

RECOMMENDATION/S

- (1) That Cabinet approve the Wirral Council Commercial Strategy contained at Appendix 1 of this report.

- (2) That Cabinet endorses the recommendations of the Business Overview & Scrutiny Committee on 18th September 2018:
 - i) That to acknowledge the importance of Wirral's commercial approach moving forward, it is recommended that Member development should also include commercialisation training.

 - ii) That the Business Overview & Scrutiny Committee should receive presentations by the Investment and Change Board and the New Commercial Ideas Panel as part of its work programme to understand how they operate and to scrutinise their effectiveness.

 - iii) That the Business Overview & Scrutiny Committee should receive quarterly reports detailing the progress made to deliver the Council's Commercial Strategy. This should include reporting on income received under its remit and details of whether targets have been met or not.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

1.1 The Council's Commercial Strategy has been developed to support the outcomes from the MTFS through income generating opportunities. The Commercial Strategy sets out how the Council, will secure the delivery of high quality and value for money services to support the Wirral Plan by being customer focussed, innovative, and entrepreneurial. The Commercial Strategy highlights the governance arrangements in place to:

- Evaluate and potentially approve opportunities related to commercial growth and new commercial ventures.
- Monitor, challenge and support existing income generating services within the Council to become more efficient and secure greater income.

2.0 OTHER OPTIONS CONSIDERED

2.1 Wirral continues to progress a range of measures including recommissioning, contractual negotiation and service re-design to develop its approach to the medium term budgetary pressures it faces. This is in order to maintain a financially sustainable future and meet the pledges outlined in the Wirral Plan. One of the principles is the commercial strategy. As such this is therefore, one of a number of options being developed to respond to the Councils financial challenges

3.0 BACKGROUND INFORMATION

3.1 The Council, together with the majority of Local Government, is facing a challenging financial future. The mix of austerity, with reducing central government grant, and increasing financial demands is making the Council address questions about the long term sustainability of all the services arranged by the Council.

3.2 Council agreed the Commercial Strategy's vision and principals in June 2016 through Cabinet. As well as generating more income to support the financial challenges faced by the Council, the aim was to make Wirral more business-like and more able to take advantage of commercial opportunities to benefit the Borough residents and businesses.

3.3 The Cabinet Report in June 2016 details how the Council needs to modernise and work in new ways to deliver the 2020 vision for Wirral and also highlights a requirement for a commercial approach to be adopted. Specifically looking at opportunities for the Council to generate income, maximise assets and reduce pressure on service delivery.

3.4 The vision and principals for the commercial approach aim to balance the public sector ethos and Wirral's commercial practices, ensuring the Wirral Plan pledges are met to improve the lives of Wirral residents, as well as increasing income. The vision – agreed by Cabinet – states:

“Wirral Council will take a customer focussed, innovative, commercial and entrepreneurial approach to secure the delivery of high quality and value for money services to support the Wirral Plan”

3.5 To underpin the vision, the following key principles have been developed;

- AIM - Maximise charging, trading, assets and investment opportunities to generate income, surpluses and reduce costs.
- STRATEGY - To develop and implement a plan that will transform the operation of the Council into a business that takes a commercial approach to ensure that we are more flexible, more efficient, more effective and will ensure we deliver better and sustainable outcomes for local people.
- CUSTOMERS & MARKETS - To provide goods, services, and works to Wirral residents and other public organisations and operate within a complex model of multiple markets, rather than a single service model, within a social value ethical framework.
- CULTURE - Foster and embed an innovative and commercial approach through a commercial development programme across the Council.
- SUPPORT TO SUCCEED - Provide rigorous, flexible processes and support services that promote and develop commercialism.

4.0 FINANCIAL IMPLICATIONS

4.1 Our MTFS 2019/20-2022/23 focus is on building the foundations for a sustainable financial future with sufficient support for services and describes how to provide the funding and services so that residents receive the support for their lives and communities. Outlined, in addition, is how the Council will invest in our local economy to encourage growth to continue.

4.2 The MTFS and the 2018/19 Budget is the first step in resolving the financial challenges we face and moving to a more self-sufficient funding position.

4.3 Maintaining business as usual whilst reforming services and regenerating the local economy will be the future focus to target our resources. Establishing the correct baseline to do this is an essential component of our delivery and the MTFS sets out how we plan to do this in line with our financial principles. It details the financial remit within which the Wirral Plan directs all services up to 2023. A key approach in the MTFS is to increase income for the Council.

5.0 LEGAL IMPLICATIONS

5.1 The Council has powers to charge for services and in certain circumstances to trade. This may require different delivery models, specific commercial projects will be examined to ensure that they are within the Council's powers. As projects to deliver the strategy are developed the legal implications will be identified as part of the project plan.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 This report has implications relating to workforce development. Delivering our ambitious plans for the future will require a fundamental shift in how we do business

and a change in culture. The new operating model is designed to move us towards that new culture, values and behaviours where we think commercially and design our approach based on outcomes for residents, around partnerships, insight and evidence – working to achieve a new Wirral, where all public resources and activity are invested in achieving the vision we set in the Wirral Plan.

6.2 This will require individual and organisational development around commercial thinking including intrapreneurialism (innovation and progressive change within an organisation). We will develop the skills of our workforce and it will also influence the skills that we require in the people that we recruit in future into key roles and in the partnerships that we develop. So far this has included:

- Intranet support site for commercial approach launched
- E-Learning modules developed
- Training packages for managers and above
- Network meetings for commercial leaders and managers

6.3 This report does not have any direct implications relating to ICT or Assets.

7.0 RELEVANT RISKS

7.1 Management of risk is central to our commercial approach and all potential activities will be assessed with due regard to the risks being taken. This will be in line with the Council's corporate approach to risk management including review of risk frequency.

8.0 ENGAGEMENT/CONSULTATION

8.1 As part of the Business Overview & Scrutiny Committee's Work programme for 2018/19, it was agreed to undertake pre-decision scrutiny of the Council's Commercial Strategy before it is submitted to Cabinet for approval. As a result, a scrutiny workshop was held on 20th August 2018 and was open to all Overview & Scrutiny Committee Members.

8.2 A presentation was delivered by the Cabinet Member for Finance and Resources and Stuart Bellerby, Senior Manager (Commercial Approach) before the session was opened up for Member questions. A summary of the outcomes from the workshop are detailed in the report in Appendix 2. This report along with the recommendations was taken to Business Overview & Scrutiny Committee on Tuesday 18th September 2018. The outcome from this Committee on this item was:

Resolved – That the contents and recommendations arising from the Commercial Strategy Scrutiny Workshop be supported as follows:

(1) That officers and Cabinet consider the content of this report prior to approval of the Commercial Strategy.

(2) To acknowledge the importance of Wirral's commercial approach moving forward, it is recommended that Member development should also include commercialisation training.

(3) *The Business Overview & Scrutiny Committee should receive presentations by the Investment and Change Board and the New Commercial Ideas Panel as part of its work programme to understand how they operate and to scrutinise their effectiveness.*

(4) *The Business Overview & Scrutiny Committee should receive quarterly reports detailing the progress made to deliver the Council's Commercial Strategy. This should include reporting on income received under its remit and details of whether targets have been met or not.*

9.0 EQUALITY IMPLICATIONS

9.1 The potential impact has been reviewed with regard to equality and the impact assessment will be published on the Council website.

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2017/business>

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APPENDICES

Appendix 1 – Commercial Strategy

Appendix 2 - Report of the Business Overview & Scrutiny Committee (Aug 2018)

BACKGROUND PAPERS

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|--|---|
| Business Overview & Scrutiny Committee - Scrutiny Report on Workshop on Commercial Strategy | Tuesday 18th September 2018 |
| Cabinet - Developing our Commercial Approach | Monday 27th June 2016 |