

Committee: **Executive Committee**

Date of meeting: **11<sup>th</sup> March 2020**

Report Subject: **Commercial Strategy**

Portfolio Holder: **Councillor Nigel Daniels, Leader / Executive Member**

Report Submitted by: **Anne-Louise Clark, Chief Officer Commercial**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
X	22/01/2020	26.06.20			12/02/2010	11/03/2020	26/03/2020	

## 1. Purpose of the Report

- 1.1 The purpose of this report is to present the Blaenau Gwent Commercial Strategy for the period 2020 – 2025. This strategy is aligned to the Council's priority 'Efficient Council' however it is designed to cover all services and be a document that all staff, suppliers and partners can see their role in delivering.

## 2. Scope and Background

- 2.1 The Council's Commercial Strategy 2020 – 2025 was developed over the summer of 2019 with input from senior leaders in October 2019. It brings together themes that will contribute to Blaenau Gwent County Borough Council being a commercially minded council. It covers the development of commercial activities and also highlights the conditions required for the Council to behave as a commercial organisation. This is within the context of maintaining the Council's core purpose to provide public services delivering social value.

- 2.2 Critical themes to being like a commercial organisation are:

- Focussing on the customer experience for existing and new services;
- Understanding our investments including return on investment (benefits), profits and losses;
- Building a trusted brand known for delivering quality services;
- Controlling our costs;
- Using data, technology and insights wisely;
- Having an agile workforce aligned to opportunities

- 2.3 There are a number of related strategies and programmes that contribute to the delivery of our Commercial Strategy and ambitions. These are:

- A Communications Strategy, 2020 – 2025;
- A Digital and Customer transformation programme;
- The Workforce Strategy.

- 2.4 These will also go through the full decision making process separately to ensure there is every opportunity for member engagement and scrutiny.

2.4 In addition to the supporting strategies and programmes highlighted above there are 5 specifically commercial ambitions. These will be driven by the Commercial Services team but clearly involve all services, suppliers and partners. These are:

- Commissioning and Procurement;
- Developing an investment Portfolio;
- Creating true commercial activities – profit and loss;
- Commercial and Entrepreneurial Culture;
- Contract and Supplier Management.

2.5 These ambitions will be governed through a newly created Strategic Commercial Board. This will replace the Strategic Procurement Board. The Procurement and Commissioning cycle will be strengthened to support the Strategic Commercial Board which will also have a role reviewing the delivery of our Service Level Agreements to schools, monitoring the commercial viability of our traded services and in governing investment options using an investment framework.

2.6 Each of the 5 commercial ambitions has a set of actions that make up a programme of work. This programme of work will be scrutinised over the next five years. The actions are detailed in Appendix 1 'Blaenau Gwent County Borough Council – Commercial Strategy 2020 - 2025'. Reporting on the delivery of the work programme will be through Corporate Leadership Team quarterly, Executive Committee quarterly and Corporate Overview Scrutiny on an annual basis.

### 3. **Options for Recommendation**

3.1 **Option 1:** That Executive Committee considers and agrees the Commercial Strategy and associated work programme.

3.2 **Option 2:** That Executive Committee provides comment and challenges the Commercial Strategy and associated work programme.

### 4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

The Local Government (Wales) Measure 2009 (Section 15), places a duty on all Local Authorities in Wales to make arrangements to secure continuous improvement. As part of this, the Council is required to develop a Corporate Plan. The Well-being of Future Generations (Wales) Act 2015 also places individual duties on public bodies. The legislation is about improving the social, economic, environmental and cultural well-being of Wales and creating a Wales that we all want to live in, now and in the future.

The Commercial Strategy supports these objectives and the Corporate Plan priority 'Efficient Council'. It is a critical organisational strategy for the future sustainability of the organisation. It is designed to secure the best use of our resources and to create ways of working that are fit for the 21<sup>st</sup> Century.

### 5. **Implications Against Each Option**

#### 5.1 ***Impact on Budget (short and long term impact)***

It is intended that this strategy complements and supports the Medium Term Financial Strategy and key aspects of its delivery are included in the Bridging the Gap Programme.

## 5.2 ***Risk including Mitigating Actions***

The features of the Commercial Strategy are to be built into the performance management framework so that they are embedded into Directorate Plans and individual objectives. The risks associated with underperformance against the strategy will be mitigated through a whole Council adoption of the ways of working.

## 5.3 ***Legal***

Changes in service delivery that might emerge through the deployment of the strategy will be reviewed from a legal perspective. Where alternative delivery models are explored due diligence will be undertaken before any decisions are made. This will include legal and financial reviews of any business cases.

## 5.4 ***Human Resources***

Where changes in service delivery or role are identified normal human resources processes and policies will be applied including consultation with the Trade Unions.

## 6. **Supporting Evidence**

### 6.1 ***Performance Information and Data***

Key performance information and data will include:

- Delivery of the associated strategies and programmes;
- Transparency and challenge for all third party expenditure;
- Visibility of all commercial activities and publication of profit and loss accounts;
- Business cases and business plans for all new commercial activities;
- Leadership Development activities including entrepreneurial thinking; commissioning and negotiations skills plus contract management;
- Programme of supplier relationship meetings and a clear timeline for contract re-negotiations

### 6.2 ***Expected outcome for the public***

Through the delivery of the strategy the Council will become more effective in the deployment of its resources to ensure value for money is achieved and investments are made in activities that deliver the best outcomes for the public. This strategy will also contribute to the financial resilience and sustainability of the organisation therefore protecting front line services.

### 6.3 ***Involvement (consultation, engagement, participation)***

User research will be a key part of the commissioning cycle to ensure service specifications take account of the needs of service users. Any changes to service delivery models will be consulted on in the usual way.

### 6.4 ***Thinking for the Long term (forward planning)***

This strategy is at the heart of the medium and long term planning for Blaenau Gwent and recognises not only where the Council needs to seek new income streams but also where it needs to review how it deploys its current expenditure.

## 6.5 ***Preventative focus***

This strategy is designed to support the needs of the Council now and in the future. It is designed to build financial resilience and to prevent the need to seek service cuts.

## 6.6 ***Collaboration / partnership working***

There are opportunities through this strategy to consider commercially advantageous ways of working across local authorities and the Public Service Board. This strategy seeks to identify commercial opportunities to work with suppliers across public sector organisations and to spend the Blaenau Gwent pound wisely.

## 6.7 ***Integration (across service areas)***

This strategy takes a whole council approach and promotes transparency across the organisation, learning from each other, building best practice outside of directorate silos and sharing skills. Through the supplier relationship element of the strategy benefits will be seen across services.

## 6.8 ***EqIA (screening and identifying if full impact assessment is needed)***

All service changes arising for this strategy will be screen to ensure there is no adverse impact on any protected characteristics.

## 7. **Monitoring Arrangements**

- 7.1 The Commercial Strategy will be monitored through the Performance Management Framework at directorate level and all activities will be monitored through Corporate Leadership Team and Executive Committee quarterly. Regular updates on impact will be discussed with the Executive Member. An annual performance report will be presented to Council having previously been through Corporate Overview Scrutiny.

### **Background Documents /Electronic Links**

- Appendix 1 - Commercial Strategy and work programme 2020 - 2025