

Pwyllgor Craffu Perfformiad ac Adnoddau Corfforaethol

29 Mai 2024

Y Pwnc: Strategaeth Masnacheiddio

Y Pwrpas: Datblygwyd Strategaeth Masnacheiddio i ddarparu dull mwy strategol o ddatblygu a gweithredu gweithgareddau cynhyrchu incwm ar draws y Cyngor. Cynhyrchu incwm/masnacheiddio yw un o'r prif flaenoriaethau yn Strategaeth Trawsnewid y Cyngor a gall chwarae rhan hanfodol wrth helpu i liniaru effaith yr heriau sylweddol yn y gyllideb y mae'r Cyngor yn debygol o barhau i'w hwynebu yn y tymor byr i'r tymor canolig.

GOFYNNIR I'R PWYLLGOR CRAFFU:-

Adolygu ac asesu'r wybodaeth sydd wedi ei chynnwys yn yr Adroddiad a darparu unrhyw argymhellion, sylwadau, neu gyngor i'r Aelod Cabinet a/neu Gyfarwyddwr cyn i'r adroddiad gael ei ystyried gan y Cabinet.

Y Rheswm/Y Rhesymau

Llunio sylwadau i'w rhoi gerbron y Cabinet / Cyngor i'w hystyried.

YR AELOD CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:- Y Cynghorydd Phillip Hughes - Aelod Cabinet dros Drefniadaeth a'r Gweithlu/Y Cynghorydd Alun Lenny – Aelod Cabinet dros Adnoddau

Y Gyfarwyddiaeth

Enw Pennaeth y Gwasanaeth:

Chris Moore/ Paul Thomas

Awdur yr Adroddiad:

Jon Owen

Swydd:

Cyfarwyddwr y Gwasanaethau Corfforaethol/ Prif Weithredwr Cynorthwyol (Rheoli Pobl)

Rheolwr Trawsnewid

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EXECUTIVE SUMMARY

Corporate Performance and Resources Scrutiny Committee

29th May 2024

Subject : Commercialisation Strategy

1. BRIEF SUMMARY OF PURPOSE OF REPORT

An increasing number of local authorities in the UK are seeking to adopt a more commercial approach to the delivery of Council services as a way of providing for a more sustainable approach to dealing with the on-going challenges of shrinking budgets and increasing demands.

The Audit Wales study on 'Commercialisation in Local Government' (*October 2020*) identified that '*local councils are looking at different ways of making savings, safeguarding services, and generating income. Commercialisation is consequently becoming more important for Councils*'.

A Commercialisation Strategy will provide a structured framework to the development and implementation of future/income generation activities. It will aim to optimise financial sustainability by generating more income, reducing costs and maximising the use of assets. A key element of this approach will seek the introduction of new income sources and review existing fees and charges to ensure that they take account of costs, demand and affordability and comparable charges made by others.

The Commercial Strategy will also look to promote the development of a commercial culture across the organisation and a comprehensive training programme will be rolled out across the authority to equip staff with the necessary skills and knowledge to support the develop and delivery of commercial projects.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

ALL IMPLICATIONS REQUIRE SIGN OFF BY THE DIRECTOR OR HEAD OF SERVICE

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Chris Moore **Director of Corporate Services**

Paul Thomas **Asst CEX People Management**

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Bio-diversity & Climate Change
YES	YES	YES	NONE	YES	YES	NONE	YES

1. Policy, Crime & Disorder and Equalities

The Commercialisation Business Case and Commercial Strategy outline the aims, objectives and specific initiatives that the Council would pursue as part of the adoption of a more commercial approach to the delivery of Council services. The proposed governance arrangements will also require the development of robust business cases for individual projects which will need to demonstrate their contribution to the achievement of wider Council aims and objectives

2. Legal

There are legal considerations associated with the adoption of a more commercial approach. As local authorities are statutory bodies, they must be able to point to specific legal powers authorising them to charge for the delivery of a service before they are able to levy any such charge. Each separate piece of legislation governing the myriad of local authority functions contains (where appropriate) their own charging provisions and these provisions differ between the various pieces of legislation. and these will need to be considered on a case-by-case basis as part of the development of project business cases. Whilst the Local Government and Elections (Wales) Act 2021 gives local authorities a general power of competence which includes the power to charge, section 26 of the Act establishes limits on the exercise of this power.

3. Finance

Income generation/commercialisation is one of the key priorities within the Council's Transformation Strategy and this can play a vital role in helping to mitigate the impact of the significant budget challenges that the Council is likely to face in the short to medium term.

4. Risk Management

The development and agreement of a Commercial Strategy provides the authority with an opportunity to set out its ambitions and 'risk appetite' for increased commercialisation. The governance arrangements set out within the report also propose that a Board is established to have oversight of the implementation of this approach and individual projects will need to be supported by robust business case which will outline the associated risks with the proposed activity.

5. Physical Assets

Adopting a more commercial approach could involve seeking to maximise income through use of Council land and buildings.

6. Staffing Implications

The report recommends that the Council ensures that it has capacity and expertise to help maximise the opportunities presented by adopting a more commercial approach. One of the key objectives of the Commercial Strategy is to support the development of a more commercial culture and this will involve ensuring that managers have the appropriate skills and knowledge.

The Council will also need to ensure that it has sufficient capacity at a corporate level to lead this more commercial approach. This could involve employment of a Commercial Manager or creating capacity within the internal Transformation Team to undertake this work

8. Biodiversity and Climate Change

As part of the development of individual project business cases, there will be a requirement to identify any associated biodiversity/climate change implications associated with the implementation of the project/activity.

**CABINET MEMBER PORTFOLIO
HOLDER(S) AWARE/CONSULTED
YES**

Include any observations here

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE (Delete as applicable)

Title of Document	File Ref No.	Locations that the papers are available for public inspection