

Wiltshire Council

Overview and Scrutiny management Committee – 5 February 2018

Cabinet – 6 February 2018

Council – 20 February 2018

Subject: Wiltshire Council's Commercial Policy and Approach 2018-2027

Cabinet Member: Councillor Philip Whitehead - Cabinet Member for Finance

Key Decision: Yes

EXECUTIVE SUMMARY

Attached is a proposed change to the Council's Policy Framework, through the introduction of a new Commercial Policy and Approach 2018-2027. This sets out a framework by which the Council is defining and setting out an approach through which it will be 'commercial' in order to deliver part of the £57.5 million of savings over the next four years, as well as those in the next decade.

Commercial does not mean we will become a business only here for profit. We can never forget our core business is supporting and helping the vulnerable in society. As such this approach sets out to build a culture whereby Wiltshire Council is not a business, but we act business like to ensure we have the right level of funds and use those effectively. The Policy is built on four pillars:

1. **improving our data and management information** to make intelligent decisions that enable risk to be balanced with return and our public fiduciary duties;
2. **improving the skills of our staff** to ensure they can act and behave in ways that seek and deliver financial opportunities that benefit our financial sustainability;
3. **using our assets and resources to make financial returns**, and disinvest where that is no longer possible;
4. **reviewing and revising our models of delivery** that provide the best opportunity, outcome and financial return for our residents and businesses.

The Policy has been considered by the Financial Task Group (18 December 2017). The Task Group made seven recommendations and all have been incorporated into the Policy attached.

Reasons for Proposals

To enable Council to support its Medium Term Financial Strategy and Plan that drives long term financial sustainability and delivery of its Business Plan.

PROPOSAL

It is proposed that Council endorses the Commercial Policy and Approach 2018-2027 attached at Appendix A.

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1. Purpose of Report

- 1.1. This is a change to the Council's Policy Framework by introducing a Commercial Policy and Approach 2018-27 that enables the Council to support its Medium Term Financial Strategy and Plan (MTFS and MTFP) that drives long term financial sustainability and delivery of its Business Plan.

2. Background

- 2.1 The Council's MTFP identifies that over the coming four years the Council faces £57.5 million target for savings / more income. The MTFS also sets out that in expectations that local authorities funding streams will change over the next few years, that Councils face the prospect of becoming more self-financing. As such the attached Policy and Approach at Appendix A, sets out a proposed approach to how the Council may continue to develop and change the ways it works.

- 2.2 The Policy sets out the following definition of 'commercial':

"All are staff are skilled to behave innovatively and use data to make well thought out decisions, that enables us to use all of our resources to deliver services in a cost-effective way, ideally at nil net cost"

- 2.3 The Approach is built around four pillars, we will:

1. **improve our data and management information** to make intelligent decisions that enable risk to be balanced with return and our public fiduciary duties;
2. **improve the skills of our staff** to ensure they can act and behave in ways that seek and deliver financial opportunities that benefit our financial sustainability;
3. **use our assets and resources to make financial returns**, and disinvest where that is no longer possible;

4. **review and revise our models of delivery** that provide the best opportunity, outcome and financial return for our residents and businesses.
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- 2.4 Commercial does not mean we will become a business only here for profit. We must never forget our core business is supporting and helping the vulnerable in society. As such we are a Council not a business, but we can still act business like to ensure we have the right level of funds and use those effectively.
 - 2.5 We would look to see the first opportunities identified and assessed by the early part of 2018 with a relevant implementation timescale for each opportunity returning additional revenue to Wiltshire Council by 2019/2020 and thereafter.
 - 2.6 The Policy sets out ways to measure our performance and how various stakeholders are affected and how we will work with all to develop new ways of working.
 - 2.7 The Policy was scrutinised by the Finance Task Group (18th December 2017). The Task Group made seven recommendations. Following that meeting the Policy has been amended and reflects and takes account of each one, as follows:
 1. To support the Commercial Policy and Approach document as a timely and useful framework for developing the council's ability to deliver further savings and greater income through innovation and sound business practices. **Noted**
 2. That examples where local authorities have successfully pursued commercial opportunities be highlighted in order to grow confidence in this approach in Wiltshire. **See paragraph 3.23 for amendments.**
 3. That the terms 'commercial' and 'commercialism' in this context be clarified and, where appropriate, reconsidered to avoid them being wrongly interpreted as signifying a change to the council's core purpose. **See Cabinet Member's Foreword for amendments.**
 4. To highlight the cultural change required of the organisation if the ambitions for generating income are to be delivered and to ensure that both officers and councillors have the knowledge and skills to achieve this. **See paragraph 4.13 for amendments.**
 5. That the Overview and Scrutiny Learning and Development programme gives OS councillors the specific skills and knowledge required to scrutinise the council's commercial ventures effectively. **See paragraph 4.5 for amendments.**

6. To ensure that information held by the council that is of potential commercial value is made subject to confidentiality obligations, such as in employment contracts or tender documents. **See paragraph 4.6 for amendments.**
 7. That Management Committee ask the Financial Planning Task Group to undertake more detailed scrutiny work on the action plans relating to the document once available. **See paragraph 4.12 for amendments.**
- 2.8 A detailed delivery plan to set out the first 12 and then 36 months action will be brought back to Scrutiny and Cabinet and it is proposed that Management Overview and Scrutiny assess progress against this then twice a year.

3 Legal advice

- 3.1 The Policy is a change to the Council's Framework, and the Policy supports other strategies and policies within that. It is likely to require changes to the Council's Constitution and it is expected that these will be highlighted in the delivery plan to be brought back to Council and debated at that stage.

4 HR advice

- 4.1 The Policy refers and links to the Council's Workforce Strategy and how it supports the development of that Strategy and the skills of the Council's workforce. It also sets targets for job creation and apprentices which is in support of the Council's Business Plan.

5 Equalities assessment

- 5.1 In order for the Council to fulfil its legal requirements under the Public Sector Equality Duty, individual Equality Impact Assessments will be done on any business case and delivery plan as they are drawn up. These will be made available to all Councillors during the decision-making process so that the full equality implications of proposals are understood, inform final decisions and due regard is paid to the Equality Duty.

6 Environmental and climate change considerations

- 6.1 The Policy and Approach has been developed to support stronger and more resilient communities in Wiltshire.

7 Risk Assessment

- 7.1 The Policy itself recognises the risks associated with the approaches considered, and makes the assessment of these risks paramount. The Policy also seeks to mitigate risks through both openness for checks and challenges including councillors and independents.

8 Financial Implications

- 8.1 The Policy in itself will not deliver savings or more income, however it sets out a clear approach for the Council to work towards to deliver the commercial targets set in the MTFS over the next four years. Its progress will be monitored and reported regularly to councillors.

18 Conclusions

- 19.1 The Commercial Policy and Approach 2018-27 supports both the Council's business plan and its financial plan 2018-22.

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