



CABINET – 10TH NOVEMBER 2021

**SUBJECT: COMMERCIAL AND INVESTMENT STRATEGY 12-MONTH
PROGRESS UPDATE**

REPORT BY: DIRECTOR OF EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To present to Members a 12-month progress update on the Commercial & Investment Strategy adopted December 2020.
- 1.2 To seek views and comments from the Committee members on the proposed extension to the Commercial & Investment Strategy refresh for an additional 12 months.
- 1.3 To provide members with a summary document in relation to the general power of competence being implemented under the Local Government & Elections Act (Wales) 2021 Act in November 2021.

2. SUMMARY

- 2.1 Good progress has been made with the high-level action plan for the Commercial & Investment Strategy whilst managing demands of the COVID response, and the incorporation of the Corporate Review programme.
- 2.2 Whilst the Commercial & Investment Strategy high level action plan was reframed in light of the ongoing response to COVID there have been additional resource impacts which have limited progress in some areas. Progress has occurred on some action points but others, inevitably, have been delayed due to the focus on COVID.
- 2.3 The Commercial & Investment Strategy was originally adopted with a refresh date of December 2021 and we are now seeking to extend this by 12 months to enable further progress with actions and for a new strategy to be created with staff following feedback and engagement over the course of the next calendar year.
- 2.4 The Local Government & Elections Act introduced this year by Welsh Government includes specific provisions in relation to commercialisation within public bodies and codifies a new power, commonly referred to as the General Power of Competence. The Commercial & Investment Strategy will be refreshed to include reference to this new legislation, as relevant and once these sections of the Act are implemented.

3. RECOMMENDATIONS

- 3.1 The updates for the high-level action plan are agreed and noted.
- 3.2 The 12-month extension for the refresh of the Commercial & Investment Strategy be approved and a new strategy be listed on the forward work programme for Cabinet December 2022.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure Cabinet are appraised of the progress in relation to this key element of the Transformation Programme and to ensure the refreshed strategy is listed for update on the forward work plan.

5. THE REPORT

- 5.1 The Commercial & Investment Strategy adopted by Council in December 2020 was the Council's first strategy of this nature. As such it was listed with a short timescale for refresh to maintain momentum and to allow for agility in its implementation and to incorporate any changes or amendments might be necessary.
- 5.2 The High Level Action Plan associated with the Commercial & Investment Strategy was aligned with current work priorities and amended to allow for COVID responses to take priority and to incorporate the work of the Corporate Reviews.
- 5.3 As can be seen at Appendix 1 good progress has been made against many of the actions included within the strategy. Highlights are noted below.
- 5.4 **Destination Caerphilly** – work has been ongoing with Destination Caerphilly attraction managers during the past 2 years. Significant accomplishments are noted below and the cumulative effect of all this work will hopefully result in a £500k/annum reduction in the subsidy currently provided to the venues towards the end of their business plan cycle.
 - All venues now have 5-year business plans;
 - Venues are collaborating on a marketing strategy and approach across all 5 venues to include a refreshed brand, standard customer care service standards and prioritisation of marketing activities;
 - Delivery plans being developed to ensure the business plans are appropriately resourced for delivery with ongoing project support from the Transformation Team.
 - Commercial and marketing training has been provided on an ongoing basis from Team Caerphilly Transformation Team and some bespoke hackathon training will be provided to the Destination Managers as part of the pilot training schemes.
- 5.5 **Pilot Training Sessions** – as part of the implementation of the Commercial Strategy and the commitment to train staff we have invested in 3 pilot training sessions to roll out across the organisation. The aim of the training sessions will be to deliver commercial skills training and awareness and importantly to evaluate the impact of the training so that the Commercial Strategy refresh can include plans for a wider roll out across the organisation.
 - a. Hackathons – a tried and tested method and ideal for commercial idea and

business plan generation with the high intensity and pace. Hackathons will be held over one day, with a focussed council team who already have the seed of an idea and who will, during the day, produce a progressable business case. We have partnered with Welsh ICE to deliver this training using local talent to deliver the sessions in support of the importance of partnership working identified in the commercial strategy. Destination Caerphilly and Catering have been identified for the initial two sessions both to be scheduled Winter 2021.

- b. Commercial Acumen Training – a more detailed full day classroom style training session, again delivered to one team to help develop commercial skills as the team progress on a longer project of work in support of strategic goals for the department. Infrastructure have been identified for the initial session. Again we have partnered with a national organisation, Human Engine, who are well versed in the area of commercialisation within the local authority setting. Pilot session held with Infrastructure colleagues and the feedback so far has been very positive.
- c. Commercial Leadership Training – we have also developed a bespoke training module for the leadership of the organisation to look at commercialisation and leadership across the authority. This will also be delivered by Human Engine and is scheduled for Winter 2021.

5.6 **Licence to Innovate Scheme** – we have launched and rolled out the staff Licence to Innovate scheme as part of the strategy implementation. The scheme was originally provided with £50k pilot funding from reserves, and this has now been increased with access to an additional £209k reserve funding. The scheme, which is designed to enable staff to get in touch with the transformation team and share their great ideas, receive support in developing the ideas and then, if appropriate, be able to secure funding to trial an idea has been really successful. The initial phase of the scheme was not widely publicised given the size of the investments available and we had 6 ideas, 3 of which were taken forward for Regeneration Board recommendation and received Cabinet approval, 3 of which needed a little more refining. Details of the ideas can be found in Appendix 2.

5.7 A briefing summary has been provided with details of the new General Power of Competence and the implications for Welsh Local Authorities. This legislation has been in place in England for some time and so the parameters around its implication are tried and tested offering us a useful source of information as we progress with any commercial ideas. The summary can be found at Appendix 3.

Conclusion

5.8 As can be seen a great deal of work has been undertaken in support of the Commercial & Investment Strategy despite the challenges brought by the response to COVID and thoughts are already turning to the next iteration of this strategy which it hopes will focus more on our decision making framework, additional staff training and developing a clearer focus on the authorities appetite to risk. Given the work done to date and currently in progress it is felt that to refresh the strategy now would be too soon as it would be useful to gather the feedback from the various training sessions, host workshops with staff to help look at the next iteration and then provide a more detailed longer term commercial strategy for the authority towards the end 2022.

6. ASSUMPTIONS

- 6.1 It is assumed that the Council will continue to face significant financial and service challenges as we move forward and the 'business as usual' approach is no longer appropriate. This underpins the need for the programme of change as adopted in the **TeamCaerphilly – Better Together** Transformation Strategy and that a key component of this change is the development of a Commercial & Investment Strategy.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 An IIA has not been completed as an EIA was done for the original strategy and that any programmes of work that are developed are being assessed with a new Integrated Impact Assessment, as required, and particularly in light of the socio-economic duty. An integrated impact assessment screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified, however a full EIA is also appended.

8. FINANCIAL IMPLICATIONS

- 8.1 It is proposed that the Transformation Team will continue to manage the Licence to Innovate scheme which has a current sum of £0.209m available for the development of local pilot ideas, allocated in addition to the original "seed money" of £50k.

The Regeneration Board will be tasked with issuing this money subject to projects being assessed and meeting minimum criteria determined by the Transformation Team and Heads of Service. The monitoring of the allocation and outcomes will be done by the Transformation Team and Regeneration Team jointly.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no immediate personnel implications to the adoption of the strategy and high level action plan. In developing commercial ideas and business cases both operational efficiencies and growth may be required which may have an impact on personnel. Any change of this nature would be managed in line with corporate policies.

10. CONSULTATIONS

- 10.1 All views of consultees have been included in the body of the report.

11. STATUTORY POWER

- 11.1 Local Government Act 2003, section 12 and section 95
Local Government Act 1972 section 120 and 123
Local Government and Elections Act 2021 Part 2 Chapter 1

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Appendices:

Appendix 1 Commercial Strategy High Level Summary
Appendix 2 Licence to Innovate Ideas Summary
Appendix 3 General Power of Competence Briefing Summary