



POLICY AND RESOURCES SCRUTINY COMMITTEE – 10TH NOVEMBER 2020

SUBJECT: COMMERCIAL & INVESTMENT STRATEGY

REPORT BY: CORPORATE DIRECTOR OF EDUCATION AND CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 To present to Members the draft Commercial & Investment Strategy and associated action plan detailing the priorities for this work stream for the following 12 months.
- 1.2 To seek views and comments from the Committee members on the draft Commercial & Investment Strategy and associated plan prior to submitting and presenting the information to Cabinet for endorsement on the 09.12.20.
- 1.3 To seek views and comments from Scrutiny on the governance framework and allocation of seed money to launch the Licence to Innovate scheme, prior to consideration by Cabinet on 09/12/20.

2. SUMMARY

- 2.1 The Council's draft Commercial & Investment Strategy is attached at Appendix 1 and the action plan forms the latter part of the strategy.
- 2.2 The Commercial & Investment Strategy has been developed to support the aspirations of the **#TeamCaerphilly - Better Together** Transformation Strategy, adopted by Cabinet on the 12th June 2019, which outlines the aims to develop commercial ideas underpinned by the 'Social Heart and Commercial Head' principle.
- 2.3 The Commercial & Investment Strategy includes a number of key aims, priorities and details on how these will be met and how we will monitor progress and is underpinned by the 'Profit with a Purpose' vision.
- 2.4 The action plan includes the initial list of priorities for the Commercial & Investment Strategy but also notes that this will change and need to be flexible over time. The Strategy also lays the foundations for creation of the Licence to Innovate scheme.

3. RECOMMENDATIONS

- 3.1 Members of the Policy & Resources Scrutiny Committee are asked to consider and comment on the content of the Strategy and High-level Action Plan prior to submitting and presenting the information to Cabinet for endorsement.
- 3.2 Members of the Policy & Resources Scrutiny Committee are asked to consider and comment

on the recommendation of £50,000 allocation of seed money from Education & Corporate Reserves to be made available to progress ideas and concept, prior to consideration by Cabinet.

- 3.3 A core budget allocation for this initiative will need to be considered as part of the 2021/2022 budget setting process. The seed money will be allocated by the Regeneration Board following assessment panel process. Draft process flow for the Licence to Innovate scheme is attached at Appendix 3.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the views of the Scrutiny Committee Members are considered prior to the Strategy being submitted and presented to the Cabinet.

5. THE REPORT

- 5.1 Cabinet has adopted the **#TeamCaerphilly - Better Together** Transformation Strategy, which includes a key focus on the 'Social Heart Commercial Head' principle and developing the commercial aspirations of the Council.
- 5.2 The Commercial & Investment Strategy has been drafted using feedback from Heads of Service and key officers during a workshop on 21st October 2019 as well as Scrutiny Workshop with members on 14th January 2020. Feedback from both workshops has been instrumental in the development of this strategy.
- 5.3 Extensive research has been undertaken in development of the Commercial & Investment Strategy including reviewing over 25 Council Commercial Strategies, attendance at workshops and learning from others who have undertaken successful transformation.
- 5.4 Key elements of successful commercial transformations include;
- Developing well-managed risk appetite and management strategies for development of commercial ideas.
 - Focus on staff engagement, training and culture change linked to clear, defined organisational vision and behaviours.
 - A simple way to move ideas into reality –flexibility and agility are key in developing commercial culture within a local authority.
 - Thorough and detailed analysis of strategic opportunities via robust, transparent and accessible process.
 - Allowing staff to try new ideas, acknowledging that some may not deliver expected outcomes but all will offer learning opportunities. Allowing staff the freedom and autonomy to try innovative ideas with resources available if required to develop ideas.
 - Understanding when and with whom to collaborate.
- 5.5 The Commercial & Investment Strategy has been developed to include aims which link to these key features, and the High-level Action Plan prioritises work of officers for the forthcoming year.
- 5.6 During the course of 2020 the need to become financially sustainable and resilient has become even more pressing in the midst of a with global pandemic, and an uncertain Brexit approaching. The Commercial & Investment Strategy has been reviewed and aligns with the Corporate Recovery thematic reviews previously endorsed by Cabinet. The Strategy also seeks to capitalise on the renewed innovative nature created and nurtured as part of the Council's response to COVID-19 and seeks to implement the Licence to Innovate scheme.
- 5.7 The Licence to Innovate scheme, which will help Council officers turn commercial and/or innovative ideas into reality requires a governance framework in order to launch. The

Regeneration Board will form this governance framework for the assessment and progression of ideas from staff or heads of service seeking investment from the seed money. An assessment panel will be created and led by the Transformation Team and Head of Service, incorporating officers from across the Council which will provide the first level of scrutiny before reporting to the Regeneration Board any ideas which meet the minimum level required. The Regeneration Board will provide cross party scrutiny of ideas as well as receiving input from the relevant Cabinet Member.

Conclusion

- 5.8 The Commercial & Investment Strategy sets out the Council's plans and priorities for the next few years underpinned by the idea that income generation is viewed as 'Profit with a Purpose'. The Strategy aims to capture the key themes and elements to grow the organisation into a commercial thinking organisation.
- 5.9 The High-level Action Plan sets out key deliverables for the strategy over the forthcoming year and includes development of governance processes, benchmarking and business plans for growth and exploration of traded vehicles where appropriate.
- 5.10 The Licence to Innovate Scheme, once launched, will help provide Council officers the opportunity to try new ideas within agreed boundaries and with support from the Transformation Team.

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. LINKS TO RELEVANT COUNCIL POLICIES

- 7.1 The Commercial & Investment Strategy is aligned to the Council's **#TeamCaerphilly - Better Together** Transformation Strategy and the its Corporate Outcomes to embed a new operating model that will encourage innovative approaches to service delivery and ensure that we are making the best use of our resources.

7.2 Corporate Plan 2018-2023.

The Commercial & Investment Strategy underpins all Corporate Well-being Objectives as the overarching theme is one of creating 'Profit for a Purpose' such that any successful commercial ventures create capital which can be reinvested into the Council's critical core services enabling officers to deliver on the 6 Corporate Well-being Objectives which are:

Objective 1 - Improve education opportunities for all

Objective 2 - Enabling employment

Objective 3 - Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being

Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment

Objective 5 - Creating a county borough that supports a healthy lifestyle in accordance with

the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015

Objective 6 - Support citizens to remain independent and improve their well-being

8. WELL-BEING OF FUTURE GENERATIONS

8.1 The Commercial & Investment Strategy is aligned to several of the Well-being of Future Generations goals as it focusses on developing resilient and collaborative business propositions which protect critical services but which develop local economies and promote equality. Specifically the Commercial & Investment Strategy is aligned to the following well-being goals:

- A prosperous Wales
- A resilient Wales
- A more equal Wales

The Commercial & Investment Strategy is also a key driver in looking at how we work now, and how can we develop new operating models that will be resilient in the future. Whilst balancing the need to allow for agility and flexibility all ideas which come before the panel will need to demonstrate **long term** growth plans, **integration** thinking and **prevention** of reduction in core services, and how we can **collaborate** and **involve** local residents, businesses and partners to help meet our strategic aims, Corporate Outcomes and the well-being goals. The assessment criteria used by the panel will include evaluating ideas against the five ways of working as well as other relevant strategic contexts.

In adopting a Commercial & Investment Strategy the Council is taking a critical first step towards outlining the future operating model and commercial aspirations of the organisation. In doing so, it is a clear commitment to the sustainable development of and long term thinking required under the well-being legislation.

9. EQUALITIES IMPLICATIONS

9.1 An EIA 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.

9.2 A copy of the completed Equalities Impact Assessment Form is included at Appendix 2 of the report.

10. FINANCIAL IMPLICATIONS

10.1 It is proposed that a sum of £50,000 is allocated from Education and Corporate reserves for the development of local pilot ideas, "seed money" of £50,000.

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. This seed money will form part of the Licence to Innovate programme as part of the Transformation Strategy. The monitoring of the allocation and outcomes will be done by the Transformation Team.

11. PERSONNEL IMPLICATIONS

11.1 There are no immediate personnel implications to the adoption of the Strategy. 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.

12. CONSULTATIONS

- 12.1 The draft Commercial & Investment Strategy has been developed with input from Heads of Service and the #TeamCaerphilly Programme Board. The Programme Board is comprised of the Leader of the Council, Corporate Management Team, and Head of Business Improvement together with support officers.

13. STATUTORY POWER

- 13.1 Local Government Act 2003, section 12 and section 95
Local Government Act 1972 section 120 and 123

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Consultees: Councillor Phillipa Marsden, Leader of the Council
Councillor Sean Morgan, Cabinet Member for Economy & Enterprise
Cllr J Pritchard, Chair of Policy & Resources Scrutiny Committee
Cllr G Kirby, Vice Chair of Policy & Resources Scrutiny Committee
#TeamCaerphilly Programme Board
Richard Edmunds, Director Corporate Services & Education
Sue Richards, Head of Education Planning and Strategy
Stephen Harris, Section 151 Officer
Rob Tranter, Head of Legal Services and Monitoring Officer
Lynne Donovan, Head of People Services
Kathryn Peters, Corporate Policy Manager
Anwen Cullinane, Senior Policy Officer (Equalities)

Appendices:
Appendix 1 Draft Commercial & Investment Strategy
Appendix 2 Equality Impact Assessment Form
Appendix 3 Licence to Innovate Process Flow