

REPORT OF: CHIEF FINANCIAL OFFICER

TO: POLICY AND RESOURCES COMMITTEE

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COMMERCIAL STRATEGY 2019/20

PURPOSE OF REPORT

The purpose of this report is to seek approval of the Policy and Resources Committee for the Commercial Strategy 2019/20 attached at [Appendix One](#).

RECOMMENDATIONS

That the Commercial Strategy 2019/20 attached at Appendix One be approved.

REASON FOR RECOMMENDATION

The Commercial Strategy seeks to maximise commercial opportunities to make an effective contribution to balancing the budget in future years.

ISSUE

- 1.1. A commercial approach is not a new concept to Local Government and Pendle Borough Council has been undertaking commercial activity for some time. There are, however, further opportunities to explore with a view to widening the scope. To this end this strategy aims to bring all of the options together that are realistic and relevant for Pendle Borough Council.
- 1.2. The main purpose of the strategy is to:
 - Promote a commercial approach across the authority to bring forward new opportunities and initiatives as soon practicable as they arise.
 - Set out the aims and objectives to be achieved when adopting a commercial approach in maximising charging, assets, sharing services and investment opportunities to generate income and reduce costs where applicable.

- Co-ordinate commercial activity that is happening across the authority e.g. recent income reviews will be all encompassing and ensure that all income streams are reviewed regularly and consistently.
- Identify and agree what is relevant and achievable in Pendle.
- Provide clarity and a consistent approach to Commercial Activity re: governance arrangements e.g. standard business cases and ensure due diligence is in place.
- Align commercialisation to other strategies e.g. Medium Term Financial Strategy.
- Set priorities and identify where our focus will be given we have finite resources at our disposal.
- Set out how commercialisation will be driven forward.

1.3 Pendle Borough Council already has a wide range of successful commercial activities. There are many examples which include:

- Income generation through fees and charges, for example, the optional Garden Waste Collection Scheme and Niche walls;
- Joint Venture Companies, involved in commercial activity and also delivering social value;
- Working with partners, for example Pendle Leisure Trust and Liberata;
- Selling services to other Local Government organisations.

1.4 The strategy seeks to explore new income generation opportunities and also maximise the market share from our customers and therefore ensuring that services are customer focused.

1.5 Understanding and prioritising the best opportunities available to us is key to the success of this commercial approach and therefore the strategy sets out the proposed priority areas and next steps suggesting how this may be delivered through the Council's existing business improvement processes. The Management Team will be involved in overseeing governance arrangements such as project management, production of fully costed business cases, due diligence, legal compliance and risk management where appropriate.

1.6 The priorities and next steps within the strategy acknowledges there will be a need to promote the development of new skills around commercial thinking to raise awareness and maximise the benefits from a council-wide commercialisation programme.

IMPLICATIONS

Policy

There are no Policy implications arising directly from this report. Each resulting proposal for Commercial Activity requiring a change to be made to current policy will need to be approved via Policy and Resources Committee and Council where applicable.

Financial

The Commercial Strategy seeks to deliver a variety of initiatives that will increase net income and/or reduce costs to make a positive contribution to the Medium Term Financial Plan. The Strategy at [Appendix One](#) does not include any additional costs or estimates of the levels of income generation that may be achieved.

Legal

Commercial activity needs to be carried out within the legal framework of Local Government.

Risk Management

There are no risks arising as a direct result of this report. Each resulting proposal will for Commercial Activity will need to be risk assessed and managed as part of any Business Case, Due Diligence process and implementation project.

Health and Safety

There are no health and safety implications arising directly from the contents of this report.

Climate Change

There are no climate change implications arising directly from the contents of this report.

Community Safety

There are no community safety issues arising directly from the contents of this report.

Equality and Diversity

There are no equality and diversity implications arising directly from the contents of this report.

APPENDICES

[Appendix One](#) – Commercial Strategy 2019/20.