

# Resources Scrutiny Commission

6<sup>th</sup> December 2018



**Report of:** Director: Commercialisation and Citizens

**Title:** New Commercialisation Strategy for Bristol City Council

**Ward:** N/A

**Officer Presenting Report:** Penelope Fell, Director: Commercialisation and Citizens

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## **Recommendation**

That the Resources and Scrutiny Commission note:

1. Progress on the development, implementation and evaluation of the council's New Commercialisation Strategy and Programme requested at Resources Scrutiny Commission (RSC) on 24 September 2018.

### **The Report addresses four significant issues, as follows:**

1. Reference is made to the Director: Commercialisation and Citizens scoping and assessment of previous council activity to commercialise service provision.
2. Provides detail on how the outcomes of the Director's scoping and assessment exercises were considered by attendees at a Commercialisation Summit held on 7 November 2018 and sets out the Summit's recommended actions to make the council more business-like through a New Commercialisation Strategy and Programme.
3. Outlines the resulting New Commercialisation Strategy and Programme to both support council commercialisation development needs and build commercialisation capability, capacity, and competency.
4. Recommends the next steps needed to implement New Commercialisation Strategy and Programme.



## 1. SUMMARY

This Report sets out further progress on the development, implementation and evaluation of the council's New Commercialisation Strategy and Programme as requested at Resources Scrutiny Commission (RSC) held 24 September 2018.

## 2. BACKGROUND

The RSC will recall discussion at their meeting on 24 September 2018 when the Director: Commercialisation and Citizens reported progress on her scoping and assessment phases of a 100-Day Action Plan to reshape and commercialise council services together with the steps needed to begin to implement corporate Commercialisation plans that meet the Mayor's and Council's objectives.

At that meeting the Director presented an evidence base that concluded:

- **first**, the council should tackle internal capability, capacity and competencies that were either impeding commercialisation efficiency savings or were preventing the council fully exploiting the external opportunities that exist to secure income growth through a council-wide Commercialisation Strategy and Programme;
- **second**, the New Commercialisation Strategy and Programme should have a limited number of strategic aims to replace the plethora of commercial aspirations, innovations, methodologies and ideas that have appeared inside the council;
- **third**, each aim needs to be supported by SMART objectives and activities: each objective and activity needs to have ascribed to it individual officer responsibility for delivery and the date that is to be achieved; and future approval of business case development and submission should depend on a direct 'read-across' to these aims, objectives and activities;
- **fourth**, the New Commercialisation Strategy and Programme could not address all BCC efficiency saving and income growth needs. But instead it would be a three year rolling programme that would work on three levels to provide a positive platform for outsourced services, create sustainable best value services, support entrepreneurs and business start-ups, and boost key economic sectors in the City;
- **finally**, a Commercialisation Summit dedicated to delivering the Mayor and Council's commercialisation priorities be held in Autumn 2018. The Summit would be designed to both reshape the council's existing approach to commercialising service provision and introduce a New Commercialisation Strategy and Programme.

### Bristol Council Leadership Forum

To both build on her scoping and assessment exercises and to begin to secure buy-in across the council, the RSC should note that the Director: Commercialisation and Citizens gave a presentation at the council's Leadership Forum on 24 October 2018 and held a workshop dedicated to examining over 130 commercialisation proposals previously considered by the council in September 2017.

Attendees at the Leadership Forum were told that their conclusions would then form part of the Commercialisation Summit agenda.

## 3. BRISTOL CITY COUNCIL COMMERCIALISATION SUMMIT

The Commercialisation Summit was held on 7 November 2018. Attendees included Cllrs Pearce, Negus, Weston, Gollop, Alexander, and Kent (with apologies received from Deputy Mayors Cheney and Craig, and RSC Chair Cllr Clarke), the Executive Director of Growth and Regeneration, and the Interim Director: Education.

The Agenda for the Commercialisation Summit was as follows

- **first**, to agree new commercialisation vision and values for the Council as:
 

“To commercialise council services and optimize council assets so that Directorates achieve efficiency savings and income growth, and meet the Mayor and council's economic, social and environmental priorities.”

- **second**, to spell out the aims of a New Commercialisation Strategy and Programme necessary to meet the Council’s likely service delivery and spending priorities over the next 3 years;
- **third**, to carry out small group exercises on the council’s commercialisation cycle, SMART business objectives and commercialisation ‘drivers’ and ‘barriers’;
- **fourth**, to learn how to build better business cases to assist decision-makers in their consideration, evaluation and monitoring of commercialisation spending proposals; and,
- **finally**, to evaluate the current list of commercialisation opportunities reviewed by the Leadership Forum.

### Recommended Action

Attendees at the Commercialisation Summit said that concrete action was needed that:

1. **Simplified commercialisation decision making structures** and provided opportunities for Directorates with viable commercial projects to be part of a New Commercialisation Strategy that would make the council more business-like.
2. Ensured the council **adopted the (3 year) New Commercialisation Strategy** to meet the council’s economic, social and environmental priorities.
3. **Delivered the New Commercialisation Strategy through a three year Commercialisation Programme** made up of major, medium level and ‘micro’ commercialisation projects to be properly resourced, professionally supported using the council’s pivotal role in the local economy to work in partnership with both the private sector and other Core City councils.
4. **Applied SMART objectives to the commercialisation of council services projects** so that the council approach to commercial development became not only up-to-date but also fit-for-purpose.
5. **Improved business case preparation, evaluation, approval, monitoring and scrutiny by the introduction of a council-wide commercialisation training programme** to up-grade officer skills and knowledge in presenting projects for consideration.
6. **Included, as appropriate, as commercialisation development priorities** (as identified by attendees at the BCC Leadership Forum on 24 October 2018):
  - Event Space - effectively and cohesively utilising our unique spaces as one service
  - Gritting privately owned areas
  - Examine the potential to expand the telecare service
  - Examine the potential to expand the existing cash in transit service
  - Fully explore the potential to expand the Translating and Interpretation service
  - Fully explore the potential to expand services at Exmouth Camp.
7. The Director: Commercialisation and Citizens to report accordingly on the above to the RSC and CIWG.

## 4. NEW COMMERCIALISATION STRATEGY AND PROGRAMME

The New Commercialisation Strategy and Programme that deliver the Mayor’s and Council commercialisation objectives, support council commercialisation development needs, and build commercialisation capability, capacity, and competency, will comprise:

- **first, commercialisation vision and values** agreed at the Summit as follows:
 

“To commercialise council services and optimise assets so that Directorates achieve efficiency savings and income growth, and meet the Mayor and council’s economic, social and environmental priorities”;
- **second, a three year commercialisation strategy** with governance, service delivery, financial, human resource and communication and consultation aims;
- **third, annual SMART objectives and activities** that will underpin each of the above aims;
- **fourth, a three year Commercialisation Programme** with priorities arising from proposals identified by attendees at the 24 November Leadership Forum comprising:
  - a major 3-year service spin-out,
  - up to 3 annual mid-range commercialisation projects, and
  - a rolling programme of commercialisation micro-projects; and,
- **finally**, a phased training programme to help Directorates build commercialisation proposals based on best practice case study, feasibility study and business case development presentation and evaluation.

### Commissioning Case Studies Feasibility Studies and Preparing Business Cases

In partnership with Directorates, it is intended some of the monies referred to below will be allocated to:

- **first**, commissioning **case studies** via the **Commercialisation Programme** of successful commercialisation projects introduced by peer local authorities (such as Birmingham, Plymouth and Oxford City Councils, and Norfolk County Council, and other comparator bodies);
- **second**, commissioning **feasibility studies** to determine the objective economic, social and environmental conditions required to ‘green light’ full business case preparation for a commercialisation project in particular economic sectors; and,
- **third**, full **business case** preparation using the above principles of;
  - **why** should BCC do the project?
    - **how** will it improve customer service quality?
    - **how** will it make efficiency savings, and/or increase income?
  - **what** is the project, scope, impact, independencies and are there alternative delivery options?
  - **what** are the **SMART business plan activities**?
    - **how** will they be delivered?
    - **who** will deliver them? and,
    - **when** will they be delivered?
  - **how** will the project be financed? And, what other resources are required?
  - **what** does a market assessment show (e.g. a PEST)?
  - **what** does a risk assessment show (e.g. managing risk and opportunity)? and,
  - **how** will the project be organised (e.g. governance, decision-making, day-to-day management and reporting).

Following the Commercialisation Summit, the Director: Commercialisation and Citizens met the Director of Finance to agree the final steps necessary to apportion monies from the council revenue and capital budgets for the development and implementation of her Directorate’s commercialisation programme. It was agreed that:

- a budget allocation of £200k would be made for the remainder of the financial year 2018/19, to cover both staffing and non-staffing resources in that year;
- staff would be supported to bring forward projects complying with the principles stated above;
- these projects would be screened using the process detailed above; and,
- there would be an investment ‘pot’ of £2M made available from reserves to pump prime agreed projects as appropriate.

### The Resources Scrutiny Commission and the Commercialisation and Innovation Working Group

One of the key recommendations made by those attending the Commercialisation Summit was that an appropriate decision making structure would need to be considered to focus commercialisation resources more effectively and efficiently, ‘green light’ business case development, monitor progress, evaluate success and replace (where appropriate) the ad-hoc commercialisation approaches that currently exist.

Previously, RSC Chair Councillor Steve Clarke had also asked on 24 September 2018 that in future the Commercialisation and Innovation Working Group (CIWG) report regularly to the RSC on the development, implementation, and monitoring of the Directorate Commercialisation Strategy and Programme, and that the Terms of Reference of both bodies be amended as appropriate to show this.

To help both the RSC and CIWG carry these evaluation responsibilities and roles it will be seen that the Recommendations that follow propose:

- **first**, the Commercialisation and Innovation Working Group (CIWG) report regularly to the RSC on the development implementation and monitoring of the Directorate Commercialisation Strategy and Programme; and,

- **second**, the Commercialisation Strategic Plan 2018/22 and Business Plan 2018/19 become a standing information item on the Agendas of both bodies with exception reporting at the direction of both meetings.

## 5. NEW COMMERCIALISATION STRATEGY - NEXT STEPS

The following next steps are recommended to implement the New Commercialisation Strategy and Programme:

1. That the council adopt the (3 year) New Commercialisation Strategy to meet the council's economic, social and environmental priorities.
2. That the council deliver the New Commercialisation Strategy through a three year Commercialisation Programme made up of major, medium level and 'micro' commercialisation projects to be properly resourced and professionally supported, using the council's pivotal role in the local economy to work in partnership with both the private sector and other Core City councils.
3. That the council apply SMART objectives to the commercialisation of council services projects so that the council approach to commercial development becomes not only up-to-date but also fit-for-purpose.
4. That the council introduce improved business case preparation, evaluation, approval, monitoring and scrutiny by the introduction of a council-wide commercialisation training programme to up-grade officer skills and knowledge in presenting projects for consideration.
5. That the council include the following projects, as appropriate, as commercialisation development priorities arising from proposals identified by attendees at the BCC Leadership Forum on 24 October 2018:
  - Event Space - effectively and cohesively utilising our unique spaces as one service
  - Gritting privately owned areas
  - Examine the potential to expand the existing telecare service
  - Examine the potential to expand the existing cash in transit service
  - Examine the potential to expand the existing Translating and Interpretation service
  - Fully explore the potential to expand services at Exmouth Camp.
6. That the council adopt simplified commercialisation decision-making structures to provide opportunities for other Directorates with viable commercial projects to be part of a New Commercialisation Strategy that would make the wider council more business-like.
7. That the Commercialisation and Innovation Working Group (CIWG) report regularly to the RSC on the development implementation and monitoring of the Directorate New Commercialisation Strategy and Programme.
8. That the Commercialisation Strategic Plan 2018/22 and Business Plan 2018/19 become a standing information item on the Agendas of both bodies with exception reporting at the direction of both meetings.

### 3. Policy

<Where relevant, insert brief statement showing how the recommendation relates to existing Council policy or type “not applicable”>

### 4. Consultation

#### a) Internal

Elected members including CIWG members, BCC Head of Paid Service, BCC s151 Officer, Resources EDM.

#### b) External

Not applicable

### 5. Public Sector Equality Duties

5a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
  - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
  - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
  - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
  - tackle prejudice; and
  - promote understanding.

5b)

#### Appendices:

None

#### LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

#### Background Papers:

None