

# Resources Scrutiny Commission

21<sup>st</sup> February 2019



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

**Title:** New Commercialisation Strategy and Programme 2018/21

**Ward:** All

**Officer Presenting Report:** Penelope Fell

## Recommendation

That the Resources and Scrutiny Commission note:

1. The update on progress on the New Commercialisation Strategy and Programme 2018/21 as requested by Resources Scrutiny Commission on 6 December 2018.

## The significant issues in the report are:

The report addresses five significant issues:

1. Refers briefly to the Director: Commercialisation and Citizens 11 January 2019 Report that was previously endorsed at the 7 November 2018 Commercialisation Summit and subsequent meetings of the Resources Scrutiny Commission (RSC) held on 6 December 2018, and the Commercialisation and Innovation Working Group (CIWG) held on 5 December 2018, and 16 January and 13 February 2019.
2. Notes progress made on micro, medium and major commercialisation projects endorsed at the above meetings;
3. Makes further reference to the Director: Commercialisation and Citizens draft proposals to restructure the staffing establishment of her Directorate; and,
4. Concludes with an improved understanding of some of next steps to be taken on a number of projects that could become part of the council's New Commercialisation Strategy and Programme 2018/21.



## **1. Summary**

This Report sets out progress on the implementation of the council's New Commercialisation Strategy and Programme 2018/21 since the Director: Commercialisation and Citizens (C+C) 11 January 2019 Report.

## **2. Background**

The Resources EDM will recall endorsing the Report of the Director: (C+C) of 11 January 2019 that was also previously endorsed by the Commercialisation and Innovation Working Group (CIWG) and Resources Scrutiny Committee (RSC) as referred to above.

As a result, the meeting will also recall that the Director: C+C undertook to report regularly to subsequent Resources EDM meetings on progress made in implementing the micro, medium and major commercialisation projects proposed at the council's Leadership Forum on 24 October 2018, and endorsed at the Commercialisation Summit on 7 November 2018.

## **3. Commercialisation Project Prioritisation Template**

As Resources EDM is aware the Director: C+C has commissioned David Robson, Director of Archemys Consultants to provide dedicated commercialisation training and support to bridge the shortfall in staffing resources prior to the appointment of dedicated Commercialisation resources referred to Section 6 of this Report below.

This dedicated training provided by Archemys includes a Commercialisation Bootcamp that was held on 18 December 2018, to be followed by subsequent training, including a Bootcamp review on 28 February 2019, and a series of incubator sessions to develop individual projects. In addition, CIWG are reviewing the possibility of taking a 'dragons den' approach to select future project proposals for progression from colleagues across BCC.

This work has built on the recommendations of the Commercialisation Summit and the subsequent CIWG and RSC endorsements as set below.

A Commercialisation Project Prioritisation Template has been developed to both apply SMART criteria and prioritise Directorates' Commercialisation projects for implementation as part of the New Commercialisation Programme 2019/22.

Accordingly the following seven steps will be applied to roll out Commercialisation projects as well as to secure early wins from the limited dedicated resources currently available to secure efficiency savings and income growth. They determine whether the Project is likely to:

- achieve agreed service delivery standards;
- have a low implementation cost profile;
- engineer, enhance and extend Council services rather than start-up new ones;
- deliver early results, is cash-positive, and has measurable return on investment (RoI);
- demonstrates a business model capable of being scaled up;
- secure continuing revenue; and,
- directly or indirectly contribute to the Council's community goals.

#### 4. Progress

The above work has resulted in Directorates' Commercialisation projects being considered by the CIWG for implementation as part of the New Commercialisation Programme 2019/22, as follows:

##### Micro Projects

- **Pest Control.** This project is in hand and is coming to the briefing for the Cabinet member for Commercialisation. However, clarity needs to be provided about income growth and revenue continuity. Scope may exist for this proposal as a Medium Term Project, to provide added value via subscription packages comprising regulatory compliance surety, quality standards, translation, communications and media and sales and marketing support.
- **Gritting Private Roads:**  
Doubt exists as to whether this represents a scalable source of income, as it is seasonal rather than providing a year-round source of revenue income growth.
- **Blaise Nursery:**  
This service is run by the BCC Parks team, who are exploring potential low level income generation opportunities, including improved mobile catering provision.

- **Fleet Services:**

This project is already open to the public as an MOT centre. Clarity is required on income growth and revenue continuity, although scope may exist here for this proposal as a Medium Term Project for MOTs **and** repairs. However, spare capacity currently available needs to be clarified, as well as the revenue continuity that could be created by carrying out long wheel base vehicle MOTs.

## Medium Term Projects

- **Know Your Place ‘App’**

This project has multiple applications, such as health and education, and further meetings are taking place to identify scope and potential markets.

- **Translating and Interpreting Services**

This service already operates on a self-funding basis, is of high quality and delivers effective support.

- **Conference and event spaces**

Work is in hand with the Culture team in the Economy of Place Directorate to explore how the market can be expanded to achieve an increased take up of BCC conference and event spaces, leading to improved income generation. This will include benchmarking of the current offer against competitors in the sector across the City, and analysing the current pricing model, as well as the facilities on offer.

- **Telehealth/telecare**

The opportunity to collaborate in a joint venture in telecare is being explored with the Director of Housing and Landlord Services.

## Major Projects

- **Markets**

Work is in hand to improve both the overall Market environment and the facilities available (for example, providing WiFi, and improved customer seating), as well as continuing to expand the retail offerings and the range of food outlets. The Cabinet Member for Commercialisation is receiving regular briefings.

- **Exmouth Camp**

Work is in hand to review the legal position, including reviewing the terms of the current Lease from the National Trust, and the requirements of the local planning authority. The Director: C+C will initially brief the Cabinet Member for Commercialisation on the

legal position, and then report to both the Executive Director: Resources and Deputy Mayor Cllr Craig Cheney.

- **Harbour**

Work has commenced to develop relationships with key stakeholders and a proposed timeline and process to support the Harbour Review is being developed.

### **Projects Where More Information is Required**

A number of other projects are being examined such as shared services, and the promotion of Council services, fire doors and the joinery shop, and a social value brand promotion tool where more information is required.

In some areas there is a great deal of confusion plus overly high expectations from digital services such as digital advertising. Some caution is being exercised in taking these projects forward because of the relatively high investment needed to match the offer of established competitors in these economic sectors.

## **5. Directorate Restructure & Dedicated Commercialisation Resources**

The considerations referred to above will be concluded in a more effective and timely way once the Director: C+C's draft proposals are taken forward to restructure the staffing establishment of her Directorate, and release funding for the appointment of dedicated Commercialisation resources including Commercialisation Development, Market, and Bidding and Funding Analysts, and Information Officer posts.

## **6. Conclusion**

More generally, it has become clear that revenue accrued from commercialising council services from efficiency savings and income growth will be increased if services begin to emphasise subscription packages rather than one-time purchases, particularly with the prospect of delivering shared services for and across other public sector organisations. This business model not only provides revenue continuity income but it also enables commodity products (such as MOTs for example) to be delivered at perceived 'near-zero' pricing. Key to this latter point will be:

- as detailed in earlier Reports, a clear understanding of the cost of delivering commercialised services;

- understanding where we have an existing market, and listening to what those customers are telling us;
- selling on effectively to those customers;
- effective sales and marketing to potential customers;
- thereby ensuring both continuing competitiveness as well as market responsiveness.

## 7. Consultation

### a) Internal

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

### b) External

Not applicable

## 8. Public Sector Equality Duties

- 8a) 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.

8b)

**Appendices:**

None

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

**Background Papers:**

None