

## Commercial Strategy

**Portfolio:** Councillor Statham – Deputy Leader and Finance

**Related portfolios:** All

**Service:** Place and Environment

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

### 1 Aim

5.1 The commercial strategy enables the council becoming more commercially minded and more business-like in its activities. It also allows the council to develop new approaches, find new ways to manage and improve services and their cost effectiveness, whilst also identifying ways of generating additional financial income.

### 2 Summary

2.1 Many councils across the UK are facing a challenging financial future. If councils want to continue to meet the needs of its residents, it must increase the revenue coming into the council through becoming more commercial.

2.2 The commercial strategy (Appendix A) is set out to enable the council to consider the ways in which income generation and commercial opportunities contribute to the delivery of the Council's vision.

2.3 This is about behaving in a more business-like way, considering the generation of new sources of income, leveraging our assets to achieve long-term sustainable commercial success whilst continuing to serve the needs of our residents.

### 3 Recommendations

3.1 That Cabinet is recommended to approve Walsall Council's commercial strategy contained at **Appendix A** of this report.

3.2 That Cabinet delegate authority to the Executive Director for Economy, Environment and Communities, in consultation with the Associate Leader and Portfolio Holder for Finance, to make minor amendments to the strategy and update the programmes.

## 4 Report detail - know

### *Context*

- 4.1 Commercial activity is not new to the council, which currently operates commercial services in a range of service areas. The commercial strategy aims to set the framework for a co-ordinated approach across the council, looking within for the expertise to drive this forward.
- 4.2 While not under the formal umbrella of 'Commercialisation', the examples below show how the council has already been working in a more commercially minded way:
- 4.3 The conversion of unused space within a facility into a customer activity area used to generate income, e.g. Bloxwich spin studio, Oak Park Box12. These were joint working and collaborative ventures to assist partners to deliver more for our residents.
- 4.4 Personal training is an example whereby we reviewed the less cost-effective model and redesigned it to increase net gain.
- 4.5 Phasing out cash payments for swimming lessons by encouraging all new starters to sign up to the direct debit payments, therefore reducing admin burden and improving retention.
- 4.6 The creation of a corporate membership scheme to allow companies to promote our leisure services memberships to their employees as a workforce benefit, ultimately boosting leisure sales.
- 4.7 Council catering services support mayor functions and the holiday activity food(HAF) programme whilst council security services support election cleans and cabinet/public meetings, tasks that would otherwise be outsourced to independent contractors.
- 4.8 The commercial strategy outlines our intended approach, emphasising flexibility to leverage the talents of our workforce, partners, contractors, and community in service delivery. In many ways we are already starting to deliver (as referred to in para 4.1 above).
- 4.9 The commercial strategy aims to:
  - Adopt a commercial mindset in service management, fostering innovation and optimising assets and services to generate surplus income for reinvestment and cost reduction.
  - Increase revenue through service-based savings or income; improving efficiency of service delivery through reducing costs and streamlining

processes, increasing community wealth or producing social value by acting on the Council's position.

- Support our corporate priorities and achieve future financial sustainability while collaborating with communities to sustain the economy, environment, and well-being.

### ***Council Plan priorities***

- 4.10 Internal focus: Income generated by the initiatives in the commercial strategy action plan will help support service delivery across the council.

### ***Risk management***

- 4.11 Each business plan associated with an income generation or cost recovery opportunity will have its own risk management plan however there are also some generic risks.
- 4.12 Consideration will need to be given as to the impact of delivering services to external entities on the ability of the council to deliver core services to core customer groups.

### ***Financial implications***

- 4.13 Each business plan associated with an income generation or cost recovery opportunity will have its financial and return on investment data.

### ***Legal implications***

- 4.14 All legal implications will be part of the business case stage.

### ***Procurement Implications/Social Value***

- 4.15 Social value (including the 'Walsall pound') is part of our commercial approach.

### ***Property implications***

- 4.16 The review of our council estate and the need to optimise our assets for a commercial purpose.

### ***Health and wellbeing implications***

- 4.17 There are no health and wellbeing implications to this report.

### ***Reducing Inequalities***

- 4.18 The implications for reducing inequalities have been considered. An equalities impact assessment (EqIA) has been carried out and is attached to this report as **Appendix F**.

### ***Staffing implications***

- 4.19 There are no direct staffing implications arising as a result of this report. However, during the business case stage, the resource requirements, if any, will be considered in more detail.

### ***Climate Impact***

- 4.20 There are no direct climate impacts arising from this report. During the business case stage, climate impacts will be considered.

### ***Consultation***

- 4.21 There will be internal consultation only.

## **5 Decide**

- 5.1 Cabinet is asked to approve the Commercial Strategy

## **6 Respond**

- 6.1 Delivery of the commercial strategy will be integrated into our budget setting process and commercial strategy management system.

## **7 Review**

- 7.1 Regular progress updates will be provided to CMT and Cabinet on the ongoing progress of transformation linked to the Council plan and wider budget reporting and will remain in line with internal governance monitoring.

## **Appendices**

Appendix A – Commercial Strategy 2024-2029  
Appendix B – Income Commercial Principles  
Appendix C – Business Plan Template  
Appendix D – Directorate Service Plan  
Appendix E – Commercial Governance Process  
Appendix F – EqIA

## **Background papers**

None.

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11 September 2024



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11 September 2024