

Innovating for our success

Commercial Strategy for 2024-2029



Walsall Council

PROUD OF OUR PAST OUR PRESENT AND FOR OUR FUTURE

Contents

Introduction	3
Section 1: Why do we need a Commercial Strategy?	4
Our commercial vision	4
Why have a commercial strategy?	5
Links to other Walsall Council policies and strategies	6
Section 2: What do we want to accomplish?	7
Aims and Objectives	7
Section 3: How will we deliver?	8
Our commercial approach	8
Our Strategic Themes	8
Theme 1 – Commercial Culture	9
Theme 2 – Commercial Process	11
Theme 3 – Commercial Programmes	12
Section 4: How will we measure success?	13
Managing our performance	13
Commercial Strategy Programme 2024–2025	14
Commercial Strategy Programme 2024–2029	15



Introduction

Commercialisation is about behaving in a more business-like, efficient, and practical way in which will deliver better financial, social, and environmental value for our residents.

The strategy acknowledges the council's primary aim is not only income generation, and realising this aspiration will require considered investment, and significant organisational change.

The scope of the strategy includes:

- Reducing costs or increasing efficiency by adopting a more commercial approach.
- Developing a more innovative and forward thinking culture and mindset among staff.
- Partnering with private or third sector organisations to deliver services or projects.
- Investing in or creating new businesses or ventures that support the local economy or social objectives.
- Generating income from existing or new assets, services, or activities.
- Ensuring the Walsall pound remains within the borough.
- Promoting positive social value outcomes, such as addressing inequality and meeting borough needs.

Noteworthy instances of commercial activity to date include:

- Generating cost savings through efficiency and process redesign.
- Collaborating to enhance partner capabilities in serving residents.
- Providing income-generating services for the council while fortifying service delivery resilience.

Section 1

Why do we need a Commercial Strategy?

Our commercial vision

To be a financially resilient, innovative, and effective organisation, delivering excellence for residents in a dynamic, business-like, and efficient manner.





Why have a commercial strategy?

In order to overcome current and future financial challenges, the council will need to adopt a sustainable, commercially focused approach.

This entails fostering a commercial culture that promotes efficiency, innovation, transparency, and intelligent risk management while prioritising customer satisfaction. The council will need to rethink its functions, exploring new income generating avenues and accepting the possibility of some initiatives failing.

This strategy document will guide commercial activities aimed at addressing funding shortfalls, responding to demand for essential services, and reflecting evolving community needs. Implementation will be supported by a commercial strategy steering group, working in collaboration with directors and service managers. The role of the group will be to support idea development and implementation within service areas to become routine service delivery.

Financial position

Despite managing our finances very well over many years, the council is facing significant budget deficits in future years as the costs of providing our services increase and the funding received is forecasted to reduce.

We estimate that in 2025/26 this will lead to a budget deficit of approximately £20m rising to £40m by 2027/28 for the 3-year period.

It is therefore of utmost importance that the council's Commercial Strategy is playing a key role in generating more income through business like trading of services reducing the impact of service cuts and forming an integral part of a structured approach to securing the council's financial sustainability.

The council has, for several years, allowed investment to be made in upfront costs associated with commercial activities and to take a structured approach to generate income and making savings to meet the budget gap and this area of work has supported the achievement of circa £15m of additional income forecast by 2024/25.

Links to other Walsall Council policies and strategies

This strategy will impact all service areas across the council. It will be a key enabler allowing the council to 'work smartly' and its impact will be evidenced in all aspects of service delivery if implemented correctly.

It is therefore essential that the commercial approach aligns and supports the council's ambitions and strategic objectives. This document aligns to:

- Walsall Council Plan: Our Council Plan 2022-2025 ([walsall.gov.uk](https://www.walsall.gov.uk))
- Corporate Budget Plan: A4_Poster_Style_01 ([walsall.gov.uk](https://www.walsall.gov.uk))
- We Are Walsall 2040: We Are Walsall 2040
- Economic Strategy Action Plan: Document.ashx ([walsall.gov.uk](https://www.walsall.gov.uk))
- Income and Commercial Policy principles: (Appendix B)
- Directorate service plan: (Appendix C)



Section 2

What do we want to accomplish?

Aims and objectives

The strategy's primary aim is to deliver better financial, social, and environmental value for residents by behaving in a more business-like and commercial way. The objective is to deliver an additional cumulative financial return of £15m over the period 2025/26 to 2028/29.

A detailed set of commercial work programmes will be established and managed through service delivery planning processes, subject to annual updates. It will demonstrate a proactive and adaptive approach that contributes to the council's financial objectives through commercial initiatives.

The initial objectives will be to:

- Optimise the use of council owned assets to deliver better financial, social, and environmental benefits for our residents
- Deliver a financial return to the council to help contribute towards statutory services or to invest in new projects
- Where possible, to assist discretionary services to achieve a break-even financial position, to reduce the risk of closure for these services and to assist the council in generating additional income
- Actively seek new business opportunities that will provide a financial return to the council
- Deliver services to new and existing customers from both within the local authority environment and beyond, particularly where we are uniquely placed to do so

Section 3

How will we deliver?

Our commercial approach

The council's commercial approach is not a 'quick fix' solution, but a medium to long-term programme. Delivering lasting financial security is essential but so too are social and environmental benefits.

The council's commercial approach will be underpinned by **five** principles

Ethical & equal
consideration
of all ideas

Positive
community
impact

Innovation

Leveraging
resources

Good
governance

All council services (or elements of services) will be considered in the context of the commercial approach. Whilst commercial opportunities will be mixed, taking a more business-like and practical approach, namely understanding service performance, cost, and outcomes, will help to drive efficiency and maximise the benefits delivered with the available funding.

Our Strategic Themes

To achieve our commercial ambitions, the council will focus on the following strategic themes:

Commercial Culture

There will have been a cultural shift that embeds new ways of thinking and promotes commercial awareness.

Commercial Process

Day-to-day activities will be delivered in a more business-like, practical, and efficient manner that balances both customer service and true economic potential.

Commercial Programmes

Embracing intelligent investment opportunities will have increased financial returns to the council.

Theme 1 – Commercial Culture

In 2021, the council recognised more commercially focused service delivery models are needed to ensure long-term financial sustainability and to continue to deliver the priorities that matter to our residents against our 2040 vision.

The role of the commercial implementation manager was established and together with staff learning, and development opportunities, provides service managers with the tools needed to begin taking a more business-like approach. To ensure a coordinated approach, strategic leads were identified, and a commercial strategy steering group was established to support the identification and progression of opportunities.

The council acknowledges it is in the initial stages of fostering a commercial culture and to strengthen both culture and capability, the council will implement the following initiatives:

Staff engagement and communication plan

For the council's ambitions to be achieved, all staff must grasp the aspirations, their role's implications, and how their individual and collective efforts contribute through the following activities:

- Develop a robust staff engagement plan, that will engage with staff at all levels. (Ref CC1 – Commercial strategy plan 24/25)
- Develop a campaign plan with communication, marketing, and brand teams to establish an engagement process for staff 'new idea' suggestions. (Ref CC1 – Commercial strategy plan 24/25)
- Continue with annual performance conversations and engagement with staff throughout the year will encourage innovation and support the realisation of opportunities.
- Regular communications, in a variety of formats will keep both staff and managers informed and engaged with the progress in respect to commercial projects.

Staff skills development plan

To implement long term change, staff need to be equipped with the skills, knowledge, and experience to be able to take a more commercial approach. The council will need a skilled and forward-thinking workforce, capable of driving innovation and progressive change.

- Develop a commercial training programme. Coaching, learning and development will enhance the skills of the existing workforce with specific training provided where there is a business benefit. (Ref CC1 Commercial strategy plan 24/25).
- Support the recruitment and selection process with an innovative approach, acknowledging the council's ambitions and provide a mechanism to address skills gaps and facilitate future initiatives.
- Professional networks and partnerships will be embraced with a particular focus on opportunities to benefit from shared learning, best practice, and collaboration.

Commercial governance

Developing and realising commercial propositions is a joint endeavour and requires a collaborative approach across the organisation. Additionally robust governance will be needed to facilitate an intelligent approach to risk and ensure due diligence. Clarity of roles and responsibilities, and the appropriate level of ownership are therefore key to success.

- A rolling pipeline of commercial opportunities will be co-produced with directors and heads of service to ensure that dependencies and opportunities for shared benefit are realised.
- Opportunities will be supported by robust business cases, incorporating full costings, including staffing, concept development and implementation.
- The commercial strategy steering group will provide advice, guidance and appropriate check and challenge throughout the process from conception to delivery.
- This will include agreeing, at an early stage, the appropriate governance based on the value and risk profile of the initiative:



Once a new project is ready for consideration it will be presented to the commercial strategy steering group for review and input.

or

The approach is one of enablement and empowerment and so not all projects will need to go to the commercial strategy steering group for endorsement. Those that are below a financial threshold and where the lead Executive Director and Service Area Director are content to approve as operational decisions, these will be reported into the commercial strategy steering group for information and resulting good news stories being circulated.



Theme 2 – Commercial Process

Local authorities are mandated to ensure value for money (VFM) in service delivery. Exploring outsourcing, partnerships, service charges and income generation provide opportunities to maintain quality while addressing funding gaps.

The council is empowered to generate income through charging, trading, and investing, unless legal restrictions apply. Trading via Local Authority Trading Companies (LATCo), is common among councils, utilising trading and charging powers to address market failures, provide new services, and cover costs.

Facing economic pressures, the council endeavours to cut costs and boost income, prioritising high-quality service delivery. The commercial strategy aims to reassess service delivery methods and enhance competitiveness.

To support its approach the council will implement the following activities:

Trading income review

A thorough assessment of trading and income potential across all service areas will aim to develop a comprehensive understanding of existing and potential revenue streams using the following criteria:

- Opportunity to maximise contributions to overheads
- Scale of potential contribution versus required investment
- Current capability and commercial approach
- Current service performance and future market potential
- Corporate plan priorities to meet council needs
- Any unique skills or market advantage within the service

Future pipeline commercial projects

All future pipeline commercial projects will be overseen by the council's commercial strategy steering group. This will ensure that ideas and projects can be scoped, developed, and implemented throughout the duration of the Commercial Strategy (2024-2029), with the primary intention of generating sustainable revenue income.

To ensure that all new initiatives are fully explored and vigorously challenged, a robust governance is in place that is inclusive and reflects the inherent value of commercialisation to the local authority.

A summary of the approach to considering future pipeline proposals is set out in Appendix E.

Customer insight and market analysis

The council needs to understand both customer needs and market potential to identify commercial opportunities. This involves staying informed about national and local policies, tracking legislative changes, and aligning strategies with evolving trends and regulations. This can be achieved through a market-based approach as illustrated in Ref CP1 of the commercial strategy programme plan 24/25.

The commercial strategy steering group will be responsible for monitoring the commercial landscape to explore new business opportunities, support the individual service areas by providing key guidance on the commercial opportunities, governance and strategic direction going forward.

Alternative service delivery models

The council will strive to develop alternative ways to deliver outcomes, through shared services, partnership models and outsourcing. The council will assess the most suitable service delivery model based on legal, financial, capability, and capacity considerations, determining the most effective approach in each case. The recommended model will prioritise customer experience and look to optimise service quality, income generation, and alignment with the council's values.

Theme 3 – Commercial Programmes

The strategy builds on the council's experience to date and promotes a culture of continuous improvement and shared learning across the organisation:



Commissioning



Procurement and Contract Management



Assets and Investments



Income Generating Services



Traded Services



Cost Recovery Services

Understanding costs and income

Ensure all departments understand service costs and income opportunities, implementing market-focused delivery.

Traded services

Sustain and enhance commercial performance for existing and new traded services.

Income generation

Secure full cost recovery for existing and new income-generating services, exploring untapped areas for additional income.

Shared services

Collaborate in shared/joint services to share resources, knowledge, skills and capitalise on economies of scale.

Procurement and contract management

Establish a resilient supply chain by prioritising best value for money in commissioning and procurement, while ensuring outsourced activities meet the highest standards and provide optimal returns through effective contract management.

Assets and capital development

Leverage existing assets for optimal financial returns through strategic asset development and utilise funds for capital investment to build a robust investment portfolio.

Adopting a more commercial approach increases risk, necessitating an intelligent approach to risk, with informed evaluation and decisions in respect to tolerance and mitigations for each commercial project.

The financial risk of maintaining the status quo is greater than that of pursuing a 'commercial council'. Financial sustainability and resilience for the council is crucial to avoid impact and reductions on both discretionary services and the quality of statutory services. Therefore, adopting this strategy offers the council a better chance to continue providing all services at a level of excellence to residents.

Section 4

How will we measure success?

Managing our performance

The commercial strategy steering group will oversee the effective delivery and implementation of the commercial strategy.

The commercial strategy will be supported by a delivery plan, identifying the initiatives that are to be developed and implemented within each financial year. The delivery plan is expected to be confidential due to the commercially sensitive nature of some of the initiatives. An annual report will be produced and presented to the corporate management team (CMT) on the progress of the delivery of the commercial strategy.

As set out in section 3 above, all new initiatives will be fully explored and robustly challenged and if the outline business case demonstrates the initiative is worth pursuing, a detailed business case will be produced. The business case will be subjected through the service area governance process, seeking approval and will have clear timeframes and outputs. If the proposal is approved, these outputs will be measured against and reported to the corporate management team (CMT).

Commercial projects and activities will be integrated into relevant service area business plans, with progress tracked through the council's existing directorate governance process.

Evaluating the success of commercialism involves more than recording additional income, as for many statutory services fees are set centrally or they are legally required to be breakeven. We need to be able to report on how the council embraces commercialism in daily activities, such as cost reduction, offering additional services, and staff behaviours.



Appendix 1

Commercial Strategy Programme 2024-2025

Ref	Theme	Activity	Lead Officer	Target Completion Date
CC1	Commercial Culture	<ul style="list-style-type: none"> ■ Develop the staff engagement plan. ■ Develop a communications campaign plan. ■ Establish a campaign to generate new ideas and create a shortlist of new opportunities. ■ Investigate and develop the staff commercial training options and pricing. 	CMB lead – Commercial Implementation manager	March 2025
CP1	Commercial Process	<ul style="list-style-type: none"> ■ Perform comprehensive analysis of both discretionary and statutory services to identify opportunities for commercial growth, emphasising collaboration and competitive market exploitation. ■ The marketing-based approach will focus on identifying unique selling points and market positioning to inform pricing structures and promotional activities for the targeted services. 	Head of Marketing, Service area lead, Commercial Implementation Manager	March 2025
CP2	Commercial Programmes	<p>Fees and charges, Traded services</p> <ul style="list-style-type: none"> ■ Strengthen the customer-centric approaches to income generation through enhanced financial management, focusing on the profit and loss and full cost recovery of non-trading statutory services. ■ All services will review their fees and charges, traded services, annually in line with the Income commercial policy 	Corporate Finance Director, Commercial Implementation Manager	Annually
CP3	Commercial Programmes	<p>Budget setting process</p> <ul style="list-style-type: none"> ■ Senior officers and councillors to prioritise the council's income-generating expertise, identifying the top potential areas currently delivered by the council. Market analysis is crucial for understanding where the greatest impact on income generation can be made. ■ Development of service area plans (Appendix D) will be a key driver in the budget setting process and contribute to the corporate budget plan. 	Corporate Finance Director	Annually

Appendix 2

Commercial Strategy Programme 2024-2029

Ref	Theme	Description	Lead Officer
CC2	Commercial Culture	<ul style="list-style-type: none"> ■ Deliver the staff engagement plan. ■ Deliver the training programme plan ■ Support the recruitment and selection process to ensure we have a mechanism to address the current skills gap and identify skills required for future initiatives. ■ Develop a commercial culture, changing mindsets, encouraging commercial behaviours, and celebrating commercial successes. ■ We will build commercial skills into our recruitment processes, particularly in the areas with the most substantial commercial focus. ■ We will ensure there is effective horizon scanning for new commercial opportunities, including bidding for grant funding, and ensure there are effective channels for staff to suggest new commercial ideas. 	Commercial Implementation Manager/service area leads
CP4	Commercial Programmes	<ul style="list-style-type: none"> ■ Maximise returns from existing traded services and bring them in line with our current Income commercial policy. ■ Deliver increased value and financial savings through more effective contract management and procurement. ■ Increase returns from our existing property, land, and investments. ■ Innovate in our approach to debt collection. 	Commercial Implementation Manager – Service area leads
CP5	Commercial Programmes	<ul style="list-style-type: none"> ■ We will invest in opportunities that bring financial returns, as well as social environmental and wider economic benefit. 	Commercial Implementation Manager – Service area leads
A09	Commercial Programmes	<ul style="list-style-type: none"> ■ Develop a future pipeline through annual budget reviews, regular service reviews and planning within departments will enable teams to provide opportunities for staff to reflect on the guiding principles in the strategy and give rise to the development of proposals that could meet key objectives. 	Commercial Implementation Manager – Service area leads

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Economy, Environment & Communities

Walsall Council
Civic Centre
Darwall Street
Walsall
WS1 1TP

Web: www.walsall.gov.uk