

BOROUGH OF KETTERING

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Report Originator	Head of Commercial & Economic Development Rochelle Mathieson	<i>Fwd Plan Ref No:</i> A18/029	
Wards Affected	All		
Title	Commercialisation Strategy		

Portfolio Holder: Cllr Lloyd Bunday/ Cllr Ian Jelley

1. PURPOSE OF REPORT

The purpose of this report is to present the *Commercialisation Strategy 2019* to the Executive for consideration and approval.

2. BACKGROUND CONTEXT

- 2.1 The need for local government organisations to diversify their income portfolio and develop a more effective and efficient approach to delivery, has never been so evident. Local government finance is an extremely challenging environment, with increasing service pressures, set against a backdrop of ever decreasing funding.
- 2.2 This is not a new challenge for Kettering Borough Council, having successfully continued to deliver a balanced budget whilst continuing to identify and deliver efficiencies, savings and income generation (without having to consider making any front line service reductions), which are reported on a regular basis to the Executive.
- 2.3 Members will appreciate that the strategies the Council has adopted over the past few years have kept the authority in a good position from which to move forward.
- 2.4 Since 2010, the Council's success in delivering a balanced budget has come from having a clear and well established policy position – in particular, the Council adhering to a number of budget guiding principles. Savings and efficiencies of around £12.8m have been realised following the adoption of the Budget Delivery Framework (referenced in section 3 of Appendix 1 – Commercialisation Strategy). However, Members will be aware that savings of this scale are becoming increasingly difficult to achieve.
- 2.5 The Executive will recall that in 2015 the Flexible Resourcing Working Group developed a strategy which brought together a number of interrelated issues and presented a number of reports in both 2015 and 2016 which outlined recommendations to preserve, as far as possible, the Council's fiscal and service performance. One such aspect related to; the developments in the professional leadership arrangements to support the greater emphasis on

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commercial returns and self-sufficiency and to migrate, in a measured way, to new senior leadership arrangements.

- 2.6 This commercialisation strategy sets out the Council's vision and framework of fostering a culture which is underpinned with a more commercialised mind-set, and our ambitions to transform and diversify how we do business, be that cost reductions, efficiencies and/or income generation.

3. DETAILS

- 3.1 Commercialisation can be defined in a variety of ways and is not solely about generating an income, it also defines how services can be delivered in a more commercially efficient manner. For the context of this Commercialisation Strategy the Council define the term as a method and attitude categorised as;
- Transforming the organisation to operate in a more efficient and effective way, making well informed and sound decisions regarding how public funds are used and invested
 - Ensuring the organisation's culture encourages an entrepreneurial mind-set impacting service delivery. Building a resilient workforce that is innovative, inquisitive and challenges the norm
 - Supporting service areas to identify opportunities to deliver or move towards delivering services that are efficient, in a cost neutral or, where appropriate, on a fee earning basis
- 3.2 For the Council to remain in the best possible financial shape and ensure our workforce is resilient and well equipped for the future we will need to ensure that we are 'delivering' on all aspects of the budget delivery framework (section 3 of Appendix 1 – Commercialisation Strategy).
- 3.3 To support in achieving this the Council needs to embrace a more commercially focused mind-set and recognise that by creating a shift in culture it will act as a key building block for maintaining financial sustainability, this strategy will support and reinvigorate the continued delivery of efficiencies, savings and income generation.
- 3.4 The key drivers of the strategy are;
- i. Develop a learning organisation which is outward looking by benchmarking, gaining insight and challenging the norm to inform future best practice
 - ii. Look and think differently about how services are delivered and reinvigorate the continued delivery of the Budget Delivery Framework, to bring about efficiencies, enhance the offer and be more commercial in our approach

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- iii. Generate an income, where possible, to offset the budget gap as well as improve our service offer

4. CONSULTATION AND CUSTOMER IMPACT

- 4.1 Consultation on the proposed strategy has been undertaken with officers from across the organisation who have accessed professional training 'Commercial Acumen' and have been identified as 'Commercialisation Champions' for continued support on implementing the strategy.
- 4.2 No external consultation is required.

5. POLICY IMPLICATIONS

- 5.1 No new implications

6. FINANCE and HR IMPLICATIONS

- 6.1 There will be no cost implication relating specifically to the strategy, however implementing this strategy could identify opportunities in terms of efficiencies, invest to save schemes and new revenue streams. All of which will be assessed and delivered using the commercial project methodology process as outlined within the strategy, as well as existing governance procedures.
- 6.2 This strategy evolves from previous work the Council has undertaken as set out within the Budget Delivery Framework and Flexible Resourcing reports, and is intrinsically related.
- 6.3 There are no HR implications at this stage. As the Council's commercialisation activity grows, it may be necessary in the future to reassess the commercial development team capacity.

7. LEGAL IMPLICATIONS

- 7.1 Where required, Legal Services will be fully consulted with and will form part of the project methodology challenge panel process.

8. RECOMMENDATION

That the Commercialisation Strategy 2019 be approved and adopted

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Appendices:

Appendix 1: (DRAFT) Commercialisation Strategy 2019