

COMMERCIALISATION SCRUTINY PANEL

28TH NOVEMBER 2019

Report of Councillor Gill Bolton

ITEM 5 LGIU LEARNING AND DEVELOPMENT SEMINAR

Commercialisation training – developing a commercially aware organisational culture

Introduction

I attended the above training in London on 14th November. The course was run by an organization called LGiU who run a range of Officer and Councillor Training Courses. There were seven delegates on the course (including myself). The other delegates were all officers involved in the commercialisation process within their councils.

Commercialisation ideas

During the course we explored what councils are already doing in this arena and also brainstormed some areas that we felt our councils might usefully look into.

In 2015 a survey carried out by a think tank called Localis found that:

- 94% of Authorities share some services with another
- 58% of Authorities own a trading company
- 57% of Authorities operate a joint venture with the private sector
- Over a third of Authorities are using entrepreneurial methods in areas such as waste, leisure, tourism, IT/back office and housing

In practice commercialisation may mean:

- Doing the business of the Council in a more cost effective manner
- Refocusing on priorities and on what not to do
- Generating income that can be reallocated to priority areas or to enhance local service delivery, for example investments
- Finding new ways of delivering service and trading through 'arms-length' organisations, Mutuels, LATCs (Local Authority Trading Companies) and Community Interest Companies
- Focusing on commissioning rather than delivery, either individually or jointly with other Authorities
- Insourcing
- Working collaboratively with other councils and organisations to achieve best value for money through shared services
- Developing local growth and business to mutually benefit all stakeholders.

We agreed that commercialisation is not only about new initiatives but is also about carrying out our core business in a more efficient and effective manner. This might include:

- Outsourcing more services
- Linking with the service transformation programme
- Using more shared services
- Selling poorly performing assets
- Streamlining basic controls
- Ensuring that our business processes are aligned with our key strategy and objectives
- Reviewing agency staff costs
- Offering support services e.g. printing
- Sharing office space with other organisations

Some of the specific commercial ideas we discussed include:

- In-house vehicle workshops to service fleet vehicles could be offered externally
- Setting up a property and development control company
- Setting up an energy company
- Sponsorship and advertising. For example, allowing businesses to advertise on bins, council owned green spaces etc

The following ideas were generated by the delegates during the course:

- Charging for waste services – we have recently introduced the bulky waste collection
- Introduce donations for existing free leisure services e.g Charnwood Museum
- Council tax for empty properties
- House clearance services
- DBS checks
- Hire out committee/meeting rooms to external parties

It was generally agreed that it's important to involve all staff when developing a commercialization strategy. At some councils staff are encouraged to input ideas which are then measured against a business model they have developed. Decisions around whether to pursue ideas are generally taken within 2 to three hours. This style of approach will only work in organisations where staff have the authority to make decisions.

Conclusion

It was an interesting course. I identified two people on the course who may be happy to attend one of our meetings and share their experiences with us. I have shared this information with Nicky.

Gill Bolton, 22nd November 2019