

CABINET – 12TH MARCH 2020
Report of the Scrutiny Commission

ITEM 6 APPROACH TO COMMERCIALISATION

Purpose of Report

To consider the comments and recommendations of the Scrutiny Commission in relation to the Approach to Commercialisation.

Recommendation of the Scrutiny Commission

That the Cabinet be informed that the Commission supports the recommendations as set out in the report Strategic Director of Corporate Services.

Reason

The Commission, having carefully considered and asked questions on the report felt the Cabinet should approve the recommendations set out.

Meeting Discussion

- i. The Government had reviewed Local Authority commercialisation and had concluded that it was broadly suitable. The scale of investments that the Council would undertake were not substantial in comparison to other Councils.
- ii. The Council acknowledged that the impact of commercialisation would potentially require an increase in Council resources. The employment of staff with the appropriate skillsets was important and the Council had robust plans in place to ensure resourcing requirements were met.
- iii. The measurement of success of the Council's Approach to Commercialisation would be based on the generation of income and the efficiency of the dedicated Directorate post in place. The Council would fund the Directorate role for one year from reserves and anticipated that following this, the post would be self-sufficient.
- iv. The resourcing costs associated with the acquisition of commercial property were known and capped and would be agreed during the purchase process with the relevant providers.
- v. The process of acting within the commercial market required quick decision making. There would be opportunities for the scrutiny of decisions taken by the Council which were subject to the scrutiny call-in procedure exemption, and this was common procedure in Local Government. This included scrutiny of the portfolio, recommendations on, and influencing future purchases, the balance of risk management and identifying best practice.

- vi. There would be further opportunities to develop the Council's commercialisation investments, although the acquisition of commercial properties was considered to be the most significant and potentially the most profitable. The success of the acquisition of commercial property programme would determine the level of investment in other commercial enterprises and the level of efficiency savings required.

Policy Justification and Previous Decisions

Scrutiny Commission Procedure Rule 11.12 sets out the procedure by which a report of a Scrutiny Committee should be considered by Cabinet.

Implementation Timetable including Future Decisions and Scrutiny

The information in this in the Cabinet report is not affected by the recommendation of the Scrutiny Commission.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no further financial implications associated with the recommendation of the Scrutiny Commission.

Risk Management

There are no specific risks associated with the recommendations of the Scrutiny Commission.

Key Decision:	Yes
Background Paper:	Scrutiny Commission Minute 113b 2019/20, 9th March 2020
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