

STRATEGY FRONT COVER



Name of Strategy / Policy: Commercialism Strategy

Date last updated: New Strategy (October 2021)

Links to Council Priorities:

Priority	Linked Yes / No?
Environment	No
Housing & Regeneration	No
Health & Community Safety	No
Commercial and Democratically Accountable Council	Yes

Links to Other Strategies and Policies

Corporate Plan / Financial Planning Strategy & Medium-Term Financial Forecast / ICT Strategy

SMART Action Plan in this document?

Yes

Actions linked to corporate plan objectives.

Yes

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Equality impact assessment undertaken:

Any decision taken or initiative planned using this strategy as a guide will be subject to the appropriate equality impact assessment

Sustainability appraisal undertaken:

Any decision taken or initiative planned using of this strategy as a guide will be subject to the appropriate equality impact assessment



Commercialism Strategy

Becoming a self-sufficient organisation

Copies of the Council's Strategies and Policies can be obtained at the Council Offices or on our website at www.castlepoint.gov.uk.

Produced by: Strategic Director (Resources)

Date of next review: October 2024

Approved by:

- Executive Management Team
- Cabinet

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1. Introduction

- 1.1 The council is not a commercial organisation but is a democratically accountable provider of services that are publicly funded. However, the services which it delivers could be managed with a commercial ethos to whatever degree is politically appropriate.
- 1.2 Reductions in central government funding, higher user expectations and increased demand for welfare-related services has meant that the public sector, and local government in particular, continues to face a challenging time on many fronts. Adopting a more commercial mindset has been identified as being a way of overcoming these challenges.

2. Background and Context

- 2.1 Nationally, local government finance has been under great pressure for many years. With austerity measures taken by the Government causing significant reductions to, and in the case of Castle Point total cessation of, Revenue Support Grant, as well as changes to Redistributed Business Rates and New Homes Bonus, local authorities have had to find alternative ways to fund the services they provide.
- 2.2 At the same time as reducing government funding, local authorities have also had to cope with increasing service pressures. Some of these pressures have been the result of absorbing responsibilities that were previously held by the Government (for example, the replacement of Council Tax Benefit with a locally funded Council Tax Support scheme) whilst other pressures have arisen from increases to the National Living Wage, increased demand for existing services, price pressures on the goods and services the Council purchases and more recently the impact of a world-wide pandemic with uncertain implications for the future of Council services and revenue streams.
- 2.3 Local authorities have responded to this challenging set of circumstances in a variety of ways, but these tend to fall into the same themes
 - a) Efficiencies – making tweaks to existing services, streamlining processes and often reducing staffing, but with the service still being provided in much the same way as before.
 - b) Transformational changes – redesigning services to deliver them in a completely different way at much reduced cost, often with a reduced service offer.
 - c) Service cessation – local authorities provide a number of non-statutory services. Whilst often unpopular with the public, many local authorities have either completely ceased providing some services or have passed them on to private or third sector organisations.
 - d) Tax increases – increasing Council Tax each year, often by the maximum permitted without requiring a local referendum.
 - e) Income generation – reviewing fees and charges.
 - f) Maintaining earmarked reserves to help manage fluctuating cost pressures.
- 2.4 Whilst Castle Point has successfully managed a number of savings and initiatives in previous years in order to deliver a balanced budget, the challenges continue and the Medium Term Financial Forecast indicates that more needs to be done to balance budgets in future years.
- 2.5 It is this continuing challenge which has seen many local authorities start moving towards a more commercial mindset and model of operations, reinvigorating the delivery of savings and efficiencies but also seeking new income opportunities.

- 2.6 Each year, the Council publishes its Policy Framework and Budget Setting report which sets out in more detail the background and challenges being experienced by local government and, specifically, the Council.

3. The need for a new approach

- 3.1 It is clear from the sections above that financial pressures are increasing and require a response that goes beyond cost reductions through “salami slicing” of budgets and organisational redesign. Any approach to commercialism needs to look at both expenditure and income, and what is now required is a step-change in our culture and approach.

Adopting positive traits associated with a commercial organisation

- 3.2 Becoming a commercial organisation is not something that will happen overnight. It requires careful planning, a shift in culture and importantly buy-in and ongoing support from senior leadership, both officers and councillors.

The case for financial self-sufficiency

- 3.3 Traditionally local government has been dependent on two main sources of funding in order to deliver services: Council Tax and central government funding. Restrictions on the ability to raise local taxation, and a reluctance to charge full cost for discretionary services, has led to significant dependence on central government funding with dire consequences for some authorities now that external funding has diminished substantially. Greater emphasis is now placed on locally raised revenue streams such as service specific fees & charges, and charges for discretionary functions. The table below demonstrates how the funding proportions of the Council have altered over the last ten years and provide context.

Funding profile 10-year comparison	2011/12		2021/22	
	£000's	%	£000's	%
Local Council Tax	(7,360)	45%	(8,311)	47%
Business Rates, Revenue Support Grant, New Homes bonus, Ctax freeze support Grant and s31 Grant - net of levy and tariffs	(5,159)	31%	(3,095)	17%
Local Fees and Charges, Sales, Rents and Memberships	(3,952)	24%	(6,311)	36%
Total funding for local services	(16,471)		(17,717)	

- 3.4 As the table shows, in 2011/12 local services were funded by 45% Local Council Tax, 31% Business Rates and central government grants and 24% revenue raised locally. By 2021/22 the proportions will have shifted to 47%, 17% and 36% respectively. Overall, tax and grant funding sources have reduced by 9% which has had to be offset by increased fees and charges.
- 3.5 For comparison, the change in CPI over the same period is reported as 15.57% which clearly demonstrates the financial pressure which local government has needed to respond to in order to continue delivering services.
- 3.6 This response has been through streamlining services, adopting smarter ways of working, smarter procurement and reducing discretionary spend. Castle Point embarked on a programme of organisation-wide service reviews, including exploration of shared service arrangements with neighbouring authorities. The Council continues with this programme of work in order to keep pace with ongoing funding reductions.

- 3.7 Examples of successful projects during this period include refurbishment of leisure facilities at Waterside Farm and Runnymede Leisure Centres, enabling the redesign and re-launch of services provided at these facilities; service reviews for Revenues and Benefits, First Contact, Environment, Facilities and Fraud; and re-procurement of key external contracts in respect of Grounds Maintenance & Street Cleansing and the managed service for Information, Communications and Technology (ICT). These have all contributed significantly to reducing the Council's net operational spend. In total approximately **£8m** of accumulated cost reductions have been achieved through this work programme.
- 3.8 From 2018/19 the Council continued to focus on projects with a longer delivery timeframe. These include the Paddocks community facility on Canvey Island. Operational costs for a future facility at this site are yet to be determined and significant capital investment will be required which must also be serviced from existing resources. Regeneration of the Canvey seafront has potential to enhance the seafront for residents and visitors, whilst also increasing overall economic gain. This project will also require significant investment and the Council has been successful with a bid for Coastal Communities Funding in support of the project to the value of **£1.5m**.
- 3.9 A cabinet meeting in January 2019 presented the outcome of a review of car parks within the borough and resulted in the extension of chargeable periods of parking at the Council's seafront car parks, provision of new chargeable car parking at the seafront (as part of the Canvey Island seafront masterplan) and increases to car parking charges to the Council's car parks throughout the borough. Car parking charges were reviewed again in 2021 and the Council agreed not to increase charges at its town centre and seafront car parks in order to support business recovery post covid-19.
- 3.10 The Council recognises that it needs to continue to actively pursue other sources of income, maximise fees & charges and introduce innovative and radical changes to the way in which services are delivered in order to achieve financial self-sufficiency in the medium to longer term.

The legal position

- 3.11 A number of different pieces of legislation allow the Council to operate in a more commercial way.
- Section 1 Local Authorities (Goods and Services) Act 1970 enables a local authority to enter into an agreement to provide another local authority with goods and services, including administrative, professional or technical services.
 - Section 113 Local Government Act 1972 allows a local authority to enter into an agreement with another local authority to place its officers at the disposal of other local authorities, subject to consultation with staff.
 - Local government's power to trade is evolving and is set out in the Local Government Act 2003 and in the Localism Act 2011 which gives councils a greater General Power of Competence to trade and charge, to borrow and to invest prudently.
 - The Public Services (Social Value) Act 2012 also provides councils with commissioning obligations and the power to benefit from responsible procurement.
- 3.12 Whilst the general power of competence in the Localism Act 2011 built on existing powers to charge and trade, if a local authority wishes to trade on a commercial basis, this must be

carried out through a company¹. Any local authority that sets up a company must produce a business case before doing so – this is set out in Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 s12009/2393 Regulation 2. Any profits made by the company can be re-invested in other council services.

4. Commercialism definition and key principles

Definition

- 4.1 The expression “Commercialisation” has many interpretations and encompasses a range of behaviours which may or may not be applicable to this organisation. It is a broad subject and can apply to many different areas. The Capita report, ‘*Creating council commercialism – A conversation*’ November 2013, notes how it can be difficult to precisely define what commercialism means for councils:

‘Commercialism means different things to different people and is being implemented in different ways all over the country. This is a good thing – local government is enjoying a flowering of diverse approaches to problems as well as more freedom to act than previously. There is not – and there shouldn’t be – one right approach to commercialism, nor just one useful definition.’

Therefore, the approach we are taking is to establish a set of Commercial Principles to express how the term will be applied specifically by this Council with the **overall aim of moving to a position of financial self-sufficiency**. These principles have already been adopted by the Council and the narrative below defines precisely how far the Council wishes to go in order to meet each principle.

Key principles

- 4.2 The following eight key principles have been established:
1. **Increase collection of Council Tax and Business Rates revenue:** Ensure services are paid for fairly.
 2. **Maximise the amount received in revenue and capital grants:** Ensure that we apply for and are successful in receiving grants to support delivery of our priorities.
 3. **Ensure a fair income from fees and charges:** Ensure we obtain a fair income for the services we deliver.
 4. **Increase return on our existing assets and explore prudent investment in new assets:** Use the assets we have to their full potential, expand and/or rationalise our asset base where advantageous to do so.
 5. **Deliver services in the most appropriate ways:** Deliver Council-run services in the most efficient and effective way and explore alternative methods of service delivery.
 6. **Procure goods & services in the best way:** Purchase only goods and services that are essential, and at the best available cost.
 7. **Promote the Borough & the Council:** Actively promote our borough and the services the Council provides.
 8. **Reputation & behaviour:** Operate at the highest standard of efficiency and effectiveness and encourage confidence and trust as a service provider of commissioner of services.

¹ Where a local authority has statutory responsibilities to provide specific services, these services cannot be provided on a commercial basis, although additional service levels beyond the required minimum can be.

- 4.3 The following paragraphs focus on each of these principles and provide contextual information as well as details about work already in progress as well as further activity we will undertake.

Principle 1: Increase collection of Council Tax and Business Rates revenue

- 4.4 More than half of funding for local services comes from Council Tax, Business Rates and Government grants. Clearly, it is in the Council's interest to increase the revenue it receives from these sources. However, with plans to implement changes to Business Rates retention in the near future, which may result in less revenue from business rates being retained by the Council, there is even more incentive to ensure that local services are paid for fairly through locally-raised revenue.

- 4.5 The Council will therefore increase collection of Council Tax and Business Rates revenue by:

- Continuing to work with local residents and businesses to collect and recover revenue due to the Council in a fair and transparent way.
- As part of the annual Policy Framework and Budget Setting report, putting forward to Members the case for applying a Council Tax increase to allow the continuation of existing services and the potential for investment in improvements to these services.
- Work with the County Council and external partnerships to maximise regeneration and employment opportunities, making the borough a place where businesses can grow and be successful.

Principle 2: Maximise the amount received in revenue and capital grants

- 4.6 Increasingly, the Government is supplementing more universal forms of grants to local government with specific grants which are allocated through a competitive bid process. Other funding opportunities, such as Lottery Funding, also exist.

- 4.7 Not every grant on offer will be suitable for the Council – which does not have the capacity to apply for everything available – so there should be more of a planned approach to understanding what grants are available and then applying for those which can help the Council to deliver its priorities.

- 4.8 Recent examples of successful grant applications include:

- **£1.5m** funding from Round 5 of the Coastal Communities Fund for a **£1.7m** regeneration scheme at Thorney Bay. This scheme will deliver significant benefits to the community.
- **£700k** funding in respect of the Labworth Car Park from the South East Local Enterprise Partnership (SELEP), Getting Building Fund.

- 4.9 The Council will therefore maximise the amount received in revenue and capital grants by:

- Identifying the best methods of searching for potential opportunities.
- Creating a good-practice guide on applying for grants.
- Ensuring that as part of any new project a funding search is completed; and
- Establishing a virtual “centre of excellence” to share learning from grant applications (both successful and unsuccessful) and support future applications

Principle 3: Ensure a fair income from fees and charges

- 4.10 Councils have legal powers to charge for a wide range of the services they provide in order to recover the costs of providing those services. Where users of services are not charged for the full associated cost (as is the case at Castle Point), the shortfall is borne by all Council Tax-payers in the borough.
- 4.11 Self-sufficiency will require the Council to increase cost recovery for discretionary and chargeable functions so that a larger proportion of Council Tax revenue may be utilised to fund non-chargeable and mandatory services.
- 4.12 There is a wide variation in levels of charging between district councils with the same responsibilities. A recent benchmarking exercise undertaken by LG Futures, based on data for 2019/20, identified that Castle Point's overall income to expenditure ratio was 24.2% compared to the all England average of 25.2% - ranking 88 (118) out of 187 (192) comparable authorities (rankings for previous year shown in brackets).

Extract from LGFutures report:

Summary of Key Points

Overview

- This report contains information from the latest (2019/20) Revenue Outturn returns on the level of sales, fees and charges for your authority as a proportion of total service expenditure. This is referred to as the **income-to-expenditure ratio**. The report can act as an initial guide for further investigation into areas where this ratio appears inconsistent with similar authorities.*

Potential Revenue Gains / Losses

- The *notional* gains or losses that would occur by setting your authority's income-to-expenditure ratio, across all services, equal to:
 - The **top 20%** of authorities in England: ▲ gain of **£3.2m**
 - The **median** of authorities in England: ▼ loss of **£0.5m**

Overall Sales, Fees and Charges

- In 2019/20, Castle Point's income-to-expenditure ratio was 24.2%, higher than the nearest neighbour average (of 23.0%) and lower than the England average (25.2%).

Overall income-to-expenditure ratio	
Your authority	24.2%
Nearest neighbours	23.0%
England	25.2%

- Castle Point's ratio was ranked 7th highest out of 16 nearest neighbours, and 88th highest out of 187 comparable authorities in England.

- Between 2018/19 and 2019/20, your authority's total sales, fee & charges increased by 17.4%.

Change in 2019/20		
Your authority	Neighbours	England
▲ 17.4%	▲ 2.9%	▲ 0.2%

- 4.13 The Council will therefore look to increase revenue through fees & charges by:
- Regularly revisiting its Charging Policy to ensure that it is consistent, clear and fair to both the direct users of services and the general Council Taxpayers in the borough.
 - Understanding the true cost of discretionary and chargeable functions and levels of subsidisation.

- Ensuring that fees and charges are set on a full cost recovery basis unless limited by law or this would cause them to be uncompetitive in the local market.
- Allowing managers to use discretion to vary case by case fees and charges where there is a clear benefit and contribution to a Council priority which outweighs any reduced income.
- Working to reduce the level of subsidisation of chargeable and discretionary services to ensure that Council Tax is fully utilised in support of non-chargeable and mandatory services and functions.
- Adopting appropriate procedures for the collection of fees & charges to minimise the risk of non-collection.
- Utilising new technology to make payment of fees and charges quick and convenient.
- Ensuring that these principles and procedures are fully and consistently applied by all applicable services; and
- Identifying new sources of revenue through an Income Generation Strategy

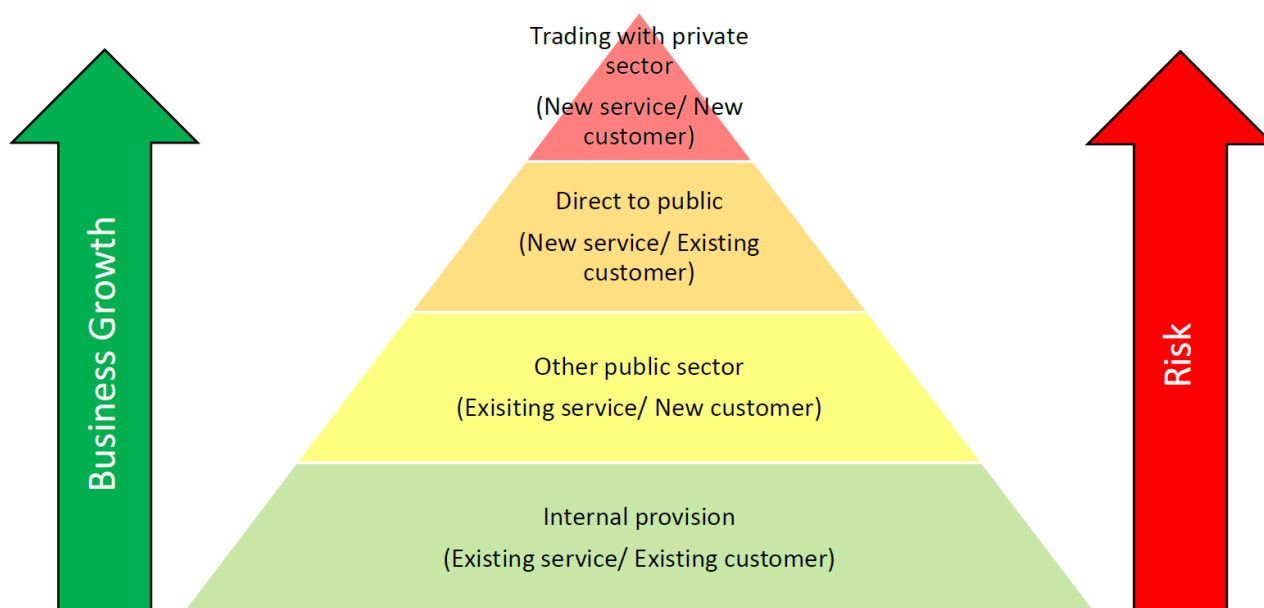
Principle 4: Increase return on our existing assets and explore prudent investment in new assets

- 4.14 Owning assets costs money. If the income generated by their use does not cover the cost of running the assets then the shortfall is borne by all Council Tax-payers in the borough. As budgets are squeezed still further the Council will have to proactively review its assets to ensure that they are being used to their full potential and are affordable in terms of both ongoing capital and revenue costs. The Council will therefore continue to review its assets to ensure that the best outcomes are achieved for the Council Tax- payer.
- 4.15 Examples of work recently completed or currently in include:
- Review of the Paddocks community facility.
 - Conversion of squash courts in order to maintain customer base and increase revenue; and
 - Negotiations with third party organisations for occupancy of vacant office accommodation at Kiln Road.
- 4.16 We also recognise that prudent investment in new assets can help the Council to deliver its longer-term strategic aims as well as generating a potential income stream/cost reduction to help support the delivery of our services. Investment in new assets is at an early exploratory stage although the Council has recently invested in the Knightswick Centre on Canvey Island as well as acquiring new social housing using Right To Buy receipts.
- 4.17 The Council will increase returns on existing assets and explore investment in new assets by:
- Being proactive in its asset management, rationalising assets used and maximising revenue, including a comprehensive review of all leases.
 - Maintaining our buildings and facilities so that they are attractive to hirers and users of our facilities.
 - Promoting our income-generating facilities (ensuring as far as possible, ensure that such facilities are self-funded).
 - Undertaking a “gap analysis” and ensure that current practices are brought into line with our commercial principles; and

- Establishing specific principles around further investment in new assets, including for assets held both inside and outside of the borough purely for investment purposes.

Principle 5: Deliver services in the most appropriate ways

- 4.18 Customer expectations regarding the quality and scope of public services are increasing and customers now expect more personalised and convenient ways to access the services they require, in particular through the use of smart technology. Local authorities are expected to do new things with reduced resources and to be accessible 24/7.
- 4.19 The Council will look at more innovative ways to deliver services to residents whilst also reducing costs, principally by:
- Undertaking service reviews where reasonable opportunities are thought to exist to ensure that they focus on customer need and reduce waste within the confines of a traditional service.
 - Using technology to transform the way that the Council currently works, maximising process automation where cost effective.
 - Reducing spending commitments by delivering more for less.
 - Utilising “invest to save” initiatives decisions about which are informed by robust business cases including whole life cost of policy decisions.
 - Reviewing workforce planning, management and core skills (including re-skilling) to ensure staff resources are appropriately trained and effectively employed.
 - Seeking new opportunities, for example cost sharing with partners; and
 - Investigating opportunities for alternative service delivery through, for example:
 - Partnerships or service level agreements with other councils, public bodies, voluntary and third sectors.
 - Wholly-owned Council companies.
 - Joint ventures; and
 - Contracts with private companies
- 4.20 On the final bullet point in 4.19, there is a trade-off between opportunity for business growth and risk. This is illustrated by the diagram below. Clearly, decisions to trade services will need to give consideration to the Council’s appetite for risk. In the case of establishing a company, a robust business case must be produced (see section 3.12 for the law around this).



Source: Copeland DC Commercial Strategy, referenced Association for Public Service Excellence

Principle 6: Procure goods & services in the best way and manage their delivery

- 4.21 Where it has been determined that the private sector is best placed to provide goods and services to or on behalf of the Council we need to ensure that the Council is maximising the value for money from these contractual relationships.
- 4.22 The Council has a comprehensive Procurement Toolkit and we are supported by the Braintree Procurement Hub which provides the Council with advice and expertise. Wherever possible, the Council uses existing public sector frameworks to take advantage of a simplified procurement process and reduced prices because of economies of scale.
- 4.23 Nevertheless, there is still much that can be done working with existing suppliers to ensure that they are performing well against the terms of the contract and continue to be the most appropriate method of service delivery.
- 4.24 The Council will look to procure goods and services in the best way by:
 - Updating the Procurement Toolkit to include a more robust challenge about the decision to procure goods and services through a contractual relationship with the private sector
 - Introduce more challenge where proposals are made for contracts to be extended
 - Ensure robust contract management once contracts are let, with providers being challenged where performance falls short of expectations
 - Review of variable costs to ensure the most appropriate contracting method is used
 - Reviewing our procurement procedures and revisit our agreed list of current suppliers.

Principle 7: Promote the Borough & the Council

- 4.25 The Castle Point Borough has untapped potential. Flanked by a unitary council to the east and a large borough council to the west, there is a risk that the Council and the Borough exist in their shadows. However, Castle Point is well-connected with rail and road links into London and access to other major trunk roads across the county of Essex.

- 4.26 There is also a significant amount of natural beauty in the Borough: large amounts of green open space, including country parks around Hadleigh Castle and Canvey Heights; two Sites of Special Scientific Interest (rare heathland at Thundersley Common and coastal wetland at Canvey Wick); and an RSPB nature reserve at West Canvey Marshes. Castle Point as the “green lungs” of south Essex is a selling point that is currently overlooked.
- 4.27 Castle Point is no longer considered a tourist destination with many tourists travelling further east to Southend. However, historically Castle Point was a popular place to visit including in the Victorian era, when the air was promoted as having healing properties, up until the 1970s when cheap package holidays abroad became popular. Nevertheless, there is potential for the Canvey seafront which is included in a regeneration programme for the Borough.
- 4.28 The Council itself whilst delivering services to residents and businesses does not tend to shout loudly about its achievements. However, it is an organisation that can punch above its weight and is doing so by leading key workstreams for South Essex 2050 project under the umbrella of the Association of South Essex Local Authorities. A Peer Challenge by the Local Government Association in 2018 identified that the approach to communications could be improved to make residents more aware of the services and activities the Council is involved in.
- 4.30 We will look to promote the Borough and the Council by:
- Developing a Marketing and Promotions strategy.
 - Developing a Communication strategy.
 - Working with Visit Essex to promote what’s on in the Borough and what the borough has to offer; and
 - Developing the website to promote the Borough’s assets and to give new residents to the Borough a one-stop shop for all they need to know.
 - Increase our use of social media to promote the Council’s activities and achievements.

Principle 8: Reputation & behaviour

- 4.31 This final principle is an overarching principle and we will give regard to this when following the other principles and implementing the actions in strategy. As a direct provider of services, the Council will continue to operate at the highest standard of efficiency and effectiveness and encourage confidence and trust as a service provider. Where services are provided on behalf of the Council, we will ensure that these same high standards are met to the point where residents and businesses are unable to tell which organisation is the provider.
- 4.32 We also need our employees to think in a more commercial way. This is not about devising ways to maximise income at the expense of service quality, rather, it is changing mindsets to identify opportunities in any parts of the council to either reduce costs or increase income. It is also about ensuring that were new ideas are proposed they are given full consideration.
- 4.33 We will look to further improve our reputation and change behaviour by:
- Including Commercial Acumen as a core behaviour for all employees, to a lesser or greater extent depending on the role.
 - Introducing an Idea Incubation Process (see Appendix 2).
 - Improving systems to deliver timely and relevant business intelligence, reducing the Council’s time from data to decision.

- Ensuring where new ideas are implemented, they are performance managed and, if necessary, allowed to fail fast; and
- Developing technology to allow greater self-service by residents and businesses, improving the customer experience.

5. Commercialism Work Programme

- 5.1 Some of the current planned activity has been listed in the previous section and this will inform an action plan to be included as a future appendix to this strategy once more exploratory work has been carried out (see below). The approach is to split work into three phases covering the short-, medium- and long-term.

Short term: Identifying Opportunities (2021/22)

- 5.2 Much of the activity in the short-term will be about identifying the opportunities and further defining the approach to becoming a commercial council.
- 5.3 In this phase, we will make use of our contacts at other councils and various resources that are made available online, such as those from the Local Government Association (LGA). It is during this phase that we will identify any “quick wins” for implementation as well as those opportunities which will take more time to implement.
- 5.4 We will also establish the areas of the Council’s business which would derive the greatest benefit from a more commercial approach. In these areas, we will undertake a gap analysis to arrive at an assessment of preparedness. It is likely that the way we do certain things will need to change; it may be that the services we prioritise need a degree of reshaping in order to equip employees to work in different and more commercially-effective ways.
- 5.5 During this phase, we will also develop our commercial programme, a commercial risk register and ideas around commercial behaviour of our employees.
- 5.6 We will introduce the Idea Incubation Process. This process will be designed to allow all employees to put forward ideas which have potential to reduce costs or generate income. The process will see ideas quickly assessed for potential and outline proposals developed where potential exists. The process is set out in Appendix 2

Medium term: Implementing Quick Wins and Developing a Programme of works (2022/23 and 2023/24)

- 5.7 In 2022/23, we expect to see the implementation of many of the “quick wins” identified in the previous year. We will also see the implementation commence for some of the medium-term projects.
- 5.8 Over the medium-term we will work with those services identified as deriving the greatest benefit from a more commercial approach. Depending on the assessment of preparedness, some services may start to implement commercial initiatives.
- 5.9 During this period, we will introduce, where appropriate, commercial behaviours into the appraisal process.

Long term: Financial self-sufficiency (2024/25 onwards)

- 5.10 In the long-term, the Council will have established a cycle of identifying and implementing commercial opportunities; it will become part of “Business as Usual”. Most employees will be appraised against commercial behaviours and will have commercially-related objectives in their Personal Performance and Development Plans (PPDPs).
- 5.11 From this point onwards, all services identified as benefitting from a more commercial approach will have made progress, including providing services to other local authorities. There may be some services which are ready to move closer to full trading arrangements and long-term work will focus on ensuring that such services (and the legal and governance arrangements in which they operate) are ready to make this next step.
- 5.12 We expect by this stage that the Council will reap the benefits of this new approach and will have made significant steps to becoming a financially self-sufficient organisation. Income from commercial activities will be re-invested in the services we deliver and there will be a strong culture of commercialism at all levels of the Council.

Appendix 1 – Detailed Activity

In the longer term, it is envisaged that the identification and progression of commercial opportunities becomes business as usual. By 2023/24, it is expected that the Council is starting to reap the benefits from work in earlier years with most, if not all, of the viable ideas and improvements being implemented. The next phase of the strategy will be required to take stock of progress to date, identify any shortcomings and maximise any new and emerging best practice.

Short Term (2021/22-2022/23)	Medium Term (2022/23-2023/24)	Long Term (2024/25 onwards)
Increase collection of Council Tax and Business Rates revenue		
<ul style="list-style-type: none"> • Ensure that council tax and business rate debts are paid and review any discounts that are applied for appropriateness. • As part of the annual Policy Framework and Budget Setting report, putting forward to Members the case for applying a Council Tax increase to allow the continuation of existing services and the potential for investment in improvements to these services. 	<ul style="list-style-type: none"> • Work with the County Council and local external partnerships to maximise regeneration and employment opportunities, making the borough a place where businesses can grow and be successful 	
Maximise the amount received in revenue and capital grants		
<ul style="list-style-type: none"> • Identify the best methods of searching for potential funding opportunities • Embed external funding search as part of project planning documentation 	<ul style="list-style-type: none"> • Create a good-practice guide on applying for grants • Establish a virtual “centre of excellence” to share learning from grant applications (both successful and unsuccessful) and support future applications 	
Ensure a fair income from fees and charges		
<ul style="list-style-type: none"> • Regularly revisit the charging policy to ensure that it is consistent, clear and fair to 	<ul style="list-style-type: none"> • Work to reduce the level of subsidisation of chargeable and discretionary services to 	<ul style="list-style-type: none"> • Ensure that fees and charges are set on a full cost recovery basis unless limited by

<p>both the direct users of services and the general Council Taxpayers in the borough</p> <ul style="list-style-type: none"> • Understanding the true cost of discretionary and chargeable functions and levels of subsidisation 	<p>ensure that Council Tax is fully utilised in support of non-chargeable and mandatory services and functions</p> <ul style="list-style-type: none"> • Adopt appropriate procedures for the collection of fees & charges to minimise the risk of non-collection • Utilise new technology to make payment of fees and charges quick and convenient • Identify new sources of revenue through an Income Generation Strategy 	<p>law or this would cause them to be uncompetitive in the local market</p>
Increase return on our existing assets and explore prudent investment in new assets		
<ul style="list-style-type: none"> • Review of the Paddocks community facility. • Conversion of squash courts in order to maintain customer base and increase revenue; and • Negotiations with third party organisations for occupancy of vacant office accommodation at Kiln Road. • Maintain our buildings and facilities so that they are attractive to hirers and users of our facilities • Promote our income-generating facilities (ensuring as far as possible, ensure that such facilities are self-funded) • Undertaking a gap analysis and ensure that current practices are brought into line with our commercial principles 	<ul style="list-style-type: none"> • Being proactive in its asset management, rationalising assets used and maximising revenue, including a comprehensive review of all leases • Establishing specific principles around further investment in new assets, including for assets held both inside and outside of the borough purely for investment purposes 	

Deliver services in the most appropriate ways		
<ul style="list-style-type: none"> • Develop a plan of appropriate service reviews • Reduce spending commitments by delivering more for less • Maximise the benefit from joining the Essex Commercial Network, a group of Essex local authorities working together to identify income and savings opportunities 	<ul style="list-style-type: none"> • Undertake a series of service reviews to ensure that they focus on customer need and reduce waste within the confines of a traditional service • Use technology to transform the way that the Council currently works • Utilise “invest to save” initiatives decisions about which are informed by robust business cases including whole life cost of policy decisions • Review workforce planning, management and core skills (including re-skilling) to ensure staff resources are appropriately trained and effectively employed • Seek new opportunities, for example cost sharing with partners • Investigate opportunities for alternative service delivery through, for example: <ul style="list-style-type: none"> ○ Partnerships or service level agreements with other councils, public bodies, voluntary and third sectors. ○ Wholly-owned Council companies. ○ Joint ventures; and ○ Contracts with private companies 	

Procure goods & services in the best way		
<ul style="list-style-type: none"> Update the Procurement Toolkit to include a more robust challenge about the decision to procure goods and services through a contractual relationship with the private sector 	<ul style="list-style-type: none"> Introduce more challenge where proposals are made for contracts to be extended Review of variable costs to ensure the most appropriate contracting method is used 	
Promote the Borough & the Council		
<ul style="list-style-type: none"> Work with Visit Essex to promote what's on in the Borough and what the borough has to offer Develop the website to promote the Borough's assets and to give new residents to the Borough a one-stop shop for all they need to know 	<ul style="list-style-type: none"> Developing a Marketing and Promotions strategy Developing a Communication strategy 	
Reputation & behaviour		
<ul style="list-style-type: none"> Introduce the Idea Incubation process 	<ul style="list-style-type: none"> Including Commercial Acumen as a core behaviour for all employees Improve systems to deliver timely and relevant business intelligence, reducing time from data to decision New ideas implemented, performance managed and, if necessary, allowed to fail fast Develop technology to allow greater self-service by residents and businesses, improving the customer experience 	<ul style="list-style-type: none"> Most employees will be appraised, to differing extents, against commercially minded behaviours and commercially orientated objectives

Appendix 2 – Idea Incubation Process

Whilst small and simple ideas can just be implemented, ideas for something new or which require substantial change will need to follow the process below.

