

## Appendix 2

### Commercialisation Programme: Creating the Entrepreneurial Council - Mandate

<b>Programme title:</b>
Commercialisation: Creating the Entrepreneurial Council
<b>The strategic objectives of the programme:</b>
<b>Corporate Plan 2015-2020 Objective (7):</b>  Move to a commercial approach to service delivery to generate income for the council and identify further savings: <ul style="list-style-type: none"><li>• Develop a commercial framework to deliver market core and value-added services.</li><li>• Review current activities and skills.</li><li>• Invest in further developing commercial skills.</li></ul>
<b>The programme's context:</b>
Initially arising from the Business Improvement and Efficiency Programme (BIEP), it is considered that the requirement to deliver a specific corporate objective through a clearer focus on entrepreneurship and cultural change justifies the creation of a separate commercialisation programme in its own right.
<b>Organisations involved/affected:</b>
<ul style="list-style-type: none"><li>• SCDC</li><li>• Ermine Street Housing</li><li>• Shared Service and City Deal public and private sector partners</li><li>• The voluntary and community sectors (including parish councils)</li></ul>
<b>Critical success factors (against which the programme will be assessed):</b>
Hearts and Minds <ul style="list-style-type: none"><li>• Recognition, allowing realisation, of business benefits, career development opportunities</li></ul> <p>To reduce the annual draw on the council's general fund account through the reduction of expenditure and/or an increase in revenue generation.</p> <p>Improved direct and commissioned service delivery – delivering positive outcomes.</p> <p>The retention of important local services which, without new approaches, we may be unable to sustain.</p> <p>The effective coordination of priorities and resources will enable the council to deliver more for less and make best use of taxpayer money.</p> <p>Economic development (local job creation)</p> <p>Environmental Benefits (Energy Generation)</p> <p>Enhanced reputation of SCDC as an innovative community leader.</p>

Income generation from taking advantage of commercial opportunities:

- Protection of front-line services
- Avoid redundancies
- Enhanced partnership working
- Viable MTFS

**What the programme is intended to deliver in terms of organisational improvements:**

- Hearts and Minds - Staff embrace cultural change, understanding and buying into the Vision
- Increased resilience
- Giving the council a more commercial and entrepreneurial outlook.
- Innovative approaches to business operations and service delivery
- The programme will strengthen the ability of the council to meet the financial challenges of the future.

**Programme boundaries:**

The programme's scope will initially be restricted to the specific projects identified as commercial opportunities as part of the BIEP, bringing together work to stimulate the cultural change required to make this a reality, and that underway to review commissioning.

Work to deliver other major corporate programmes will be out of scope, subject to inter-dependencies being identified and managed by the Corporate Programme Hub / Programme Manager, particularly:

- Shared services (Business Hub *in scope*);
- BIEP
- Working Smarter
- Organisational Development Strategy

Also out of scope:

- Major procurement and commissioning exercises arising from service plans and contract expiries (although such exercises should incorporate emerging best-practice principles arising from the programme).
- Taking forward successful commercialisation pilots through normal operations, once they have become 'business as usual'.

**Strategies & approaches for delivery:**

*Commercial opportunities (in progress):* Develop from concept/existing service/pilots to outline and full business cases to determine viability; market testing, trial and full implementation.

*Cultural change:* Deliver through leadership, communication, training and demonstration of the Council's Values.

*Commissioning:* Research project identifying new models of commissioning and how they might be applied by SCDC.

**Assurance arrangements:**

- Programme documentation

- SCDC Project Management toolkit
- EMT as the Sponsoring Group
- Alex Colyer as the Senior Responsible Owner
- Internal Audit
- MSP/PRINCE2 methodology

**Expectations in terms of timescales/deadlines, costs, benefits and constraints:**

*Commercialisation projects some of which have a lifespan of around two years.*

*Ermine St: Pilot review report to Cabinet and Council in November 2015*

*Cultural change project: At least twelve months. Align with OD Strategy review timetable*

*Reviewing how we commission services into the future (PQ)*

**Project costs:** Explored as part of project business cases

**Programme costs:** Within existing? Review at definition stage

**Benefits:** Commercialisation projects benefits delivered during trials. Impacts of cultural change activities measured through demonstrable project outcomes, staff survey, 1:1 meetings etc. Commissioning benefits realised in the medium term following the agreement of a revised framework.

**Constraints:** Statutory limits on the commercial approach, and on which bodies can exercise particular functions.

Traditional mindsets, which need to be influenced by cultural change – both internally, and by external stakeholders viewing local government services in a particular light (manage expectations through proactive communications).

SCDC has significantly scaled back its discretionary activities already, so there is very little low-lying fruit left to pick.

**Current initiatives that will be included in the programme:**

- Trade Waste expansion (shared service with Cambs City)
- Business Hub Pilot with County and Fire (Primary Authority Agreements)
- In-house Enforcement Agent
- Supported Housing
- Energy Company
- Hearts and minds, building an entrepreneurial culture (training and communication)
- Ermine Street Housing
- Strategic review of commissioning
- Housing Delivery/Development Vehicle

**External drivers or pressures:**

- Cuts to Government grants – the need to make financial savings and generate income
- Meeting customer expectations of consistently high quality services.

**Summary of “as-is” state – the starting point of the programme:**

The Council's Business Improvement and Efficiency Programme (BIEP) was set up in 2013/14 to identify ways of reducing Council expenditure and generate income, improve the quality and efficiency of services and support a cultural change in service delivery.

Moving to a commercial approach to service delivery was agreed as a strategic priority within the Council's Corporate 2014-2019, in response to which a series of internal workshops were held to identify potential commercial opportunities. These workshops narrowed a 'long list' of over 20 projects into six priorities to be developed into full business cases for pilot and implementation. These projects were initially included within the BIEP; however, given increasing pressures on the Council's finances, following the establishment of the corporate programme hub and need for commercialisation to develop its own brand, focussed on income generation and entrepreneurship as well as efficiency, it is now appropriate to take forward the work via a stand-alone programme.

A degree of commercial activity at SCDC is already underway. Building Control and Land Charges have always competed with the private sector for business, whilst we have run a successful Trade Waste service for several years. More recently, the establishment of a pilot housing company is intended to deliver a long-term income for the council.

The business change required by this programme is therefore to build on the strengths and experience of commercial operations in specific services towards a corporate approach in which the commercial mindset is the norm rather than the exception.

#### **Links to corporate and service plans:**

As above, the Corporate Plan 2015-2020 commits SCDC to developing a commercial approach to service delivery. The programme will bring together a number of commercialisation projects which are included in 2015/16 service plans.

#### **Initial budget:**

No budget has been specifically identified to support the programme.

*Specific project budgets e.g. HES Business Hub?*

#### **Version History**

<b>Version</b>	<b>Date</b>	<b>Author/Modified by</b>
1.0	17 Sept 2015	Richard May
2.0	22 Sept 2015	Kirsty Human