

## **REPORT OF LEADER OF THE COUNCIL**

### **COMMERCIAL DEVELOPMENT UNIT 2017**

#### **Purpose of the Report**

1. To seek approval for the inclusion of the two service areas that have been put forward as part of the first cohort for the commercial development programme in 2017.

#### **Information and Advice**

2. The Commercial Development Unit was approved by Policy Committee in November 2016 following a pilot. In the first year the unit will be able to support up to nine services although this number is expected to increase to 12 in the second year.
3. In the first instance, service committees are asked to put forward any areas that have the potential for commercial development. The final list and timetable will be approved by Policy Committee. Due to the tight timescales it has not been possible for Service Committees to put forward the areas they would like to be considered. Therefore the three areas that are recommended in this report have all been agreed between the service head and their respective Committee Chair.
4. A further report will be brought to Policy Committee at a later date to set the full work programme of services going through the commercial development programme in 2017.

#### **The Process**

5. Once approved, services go into an 8-week intensive discovery phase that helps them build a full business case that is then scrutinised by a panel consisting of the Chief Executive, the Monitoring Officer and the Section 151 officer. They then make a recommendation to Policy Committee so that an informed decision can be made.
6. Regular progress reports would then be brought back to the relevant service committee for any areas that receive the go-ahead to implement their commercial plans.
7. While services leads are experts in their own fields, they often lack the commercial acumen to develop full business plans. The unit delivers an accelerated learning programme to supply the necessary skills that the service needs.
8. The services are also supported in regular 1-1 sessions as they apply learning to build a robust business case that include their income and cost projections for the next four years. The intention is to get as many services as possible to a position of zero cost or, ideally, to a position where they are returning an income to the authority which could be used to support other services.

9. Services that receive approval are then supported and monitored for the following 12 months as they start to trade during an “incubation” phase. Early interventions will be made where any services fail to meet income or cost projections.
10. The process is intensive and requires a significant time and work commitment from the service’s management team. The service needs to organise and manage any cover arrangements.
11. Seed investment for the commercial plans would come from an earmarked reserve of £0.5m in the Strategic Development Fund.

### **Services recommended for inclusion in Commercial Development Unit**

12. The following service areas have been recommended as those that would benefit from going through the Commercial Development Unit process
  - **Brooke Farm** – Brooke Farm is a farm shop and horticultural services commercial operation that provides work and training opportunities for a range of service users with different needs with the aim of preparing them for work outside of the service.
  - **Procurement** – The procurement team have developed a number of care related framework agreements that could be utilised by other local authorities in the commissioning/procurement of care services potentially reducing the cost of procurement.

### **Other Options Considered**

13. Other service areas have come forward but were unable to satisfy the demanding resource commitment for the first cohort that will commence next month. Normally three services would go into the unit but the time constraints have meant that this has not been possible for the first cohort.

### **Reason/s for Recommendation/s**

14. To support the Council’s financial position by seeking to reduce the budget needed to run some valued services or, ideally, to return an income to the Council.

### **Statutory and Policy Implications**

15. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Financial Implications**

16. These are contained within the body of this report.

### **Equalities Implications**

17. Equalities implications will be considered by each of the services as they develop their commercial plans.

## **RECOMMENDATION/S**

It is recommended that Policy Committee approves that:

1. The following services are included in the first cohort of the commercial development programme:
  - a. **Brooke Farm**
  - b. **Procurement**
2. A report is brought back to Policy Committee in May with recommendations about the next steps for each of these service areas

**Martin Done**

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**For any enquiries about this report please contact: Mark Knight  
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### **Constitutional Comments [HD 06/01/17]**

18. The recommendations within the report fall within the delegation to Policy Committee

### **Financial Comments [SES 06/01/17]**

19. The financial implications are set out in the report.

### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Commercial Development Unit Report – Policy Committee, November 2016

### **Electoral Division(s) and Member(s) Affected**

- All