

# COMMERCIAL STRATEGY 2022-2027



# Commercial Strategy

## 2022-2027



**Foreward**

**Councillor Maggie Wright**

Finance, People & Performance Portfolio Holder

I am pleased to present the Council's Commercial Strategy. This strategy aligns closely with the Blaby District Plan and other key strategies, contributing towards our ambition to make Blaby District Council financially sustainable and creating a District where people are happy to live work and visit.

We would welcome your comments on this strategy. You can make your views known by contacting the Council at [finance@blaby.gov.uk](mailto:finance@blaby.gov.uk)

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# Commerciality in Context

## Background

In December 2018 the Council formally documented the commercial approach to be adopted by the Council.

Whilst historically the Council had a record of closing the financial gaps that had arisen, this was the first time that it had documented the approach taken despite there already being some excellent examples of commercial activity being undertaken including:

- Cost savings being generated through efficiency and process re-design.
- Joint working to assist partners to deliver more for residents.
- Delivering services that generate an income to the Council and provide resilience to service delivery.

The Council continued to develop the approach and illustrated considerable success in outcomes against the action plan in 2019 but further progress stalled during the period that followed due to the focus of the Council and officers dealing with the pandemic.

The fact that the Council is facing considerable future funding gaps gives great importance to revisiting the Commercial

Strategy as a mechanism to address the financial gaps and ensure the Council remains financially sustainable.

## Financial Picture

Despite managing our finances well over many years, the Council may face significant budget deficits in future years as the costs of providing our services increase and the funding received is forecast to reduce. We estimate that in 2023 this will lead to a budget deficit of approximately £1.5m (after damping) rising to £4.5m in 2026/27.

It is therefore of utmost importance that the Council refocuses the attention on the Commercial Strategy to form part of a structured approach to secure the Council's financial sustainability.

The Council has, for a number of years, held a General Reserve Fund to allow investment to be made in upfront costs associated with commercial activities and to take a structured approach to generating income and making savings in order to meet the budget gap. The General Reserve Fund is estimated to stand at £1.6m as at 31<sup>st</sup> March 2022.

## The Strategy

This strategy sets out the aspirations of the Council and provides a framework that brings together commercial activities that are being pursued across the Council, whilst retaining the clear focus on the customers we serve.

The Commercial Strategy aligns closely with other key strategies including the Blaby District Plan, Medium Term Financial Strategy; the Tourism Strategy and the soon to be updated Economic Development Strategy; “Building Blaby, Shaping Futures”.

The priorities of the Council have been aligned in the Blaby District Plan to create a District made up of thriving vibrant communities, where people are happy to live, work and visit.

Key themes of the Blaby District Plan centre around:

**A Place to Live**, Where sustainable communities are strong, healthy and safe and the most vulnerable are supported.

We will:

- Deliver our Climate Change Strategy and champion the Green Agenda in all we do.
- Deliver the right housing in the right places
- Work in partnership to keep our communities safe and healthy
- Help people to help themselves and live independently
- Deliver services that are ‘digital by choice’

**A Place to Work**, where a thriving, prosperous innovative local economy has a skilled and healthy workforce contributing to the local community.

We will

- Support businesses in our district, encourage investment and growth and respond to evolving challenges that they may face.
- Work with partners to deliver accessible, local employment training opportunities
- Promote a healthy workforce and work places across the District
- Promote ‘think local’ in everything that we do

**A Place to Visit**, where a strong leisure and tourism sector provides well maintained and accessible attractions available in the local area that encourage visitors to the district.

We will:

- Promote Blaby District as a tourism destination
- Continue to promote and focus on our ambitions for Walk / Ride Blaby District
- Provide Desirable, accessible green spaces for our visitors and communities.

Whilst the Commercial Strategy has a strong financial focus the strategy also includes key work streams which strengthen the offer to our customers through partnership working to achieve the Blaby District Plan.

## The Vision

“To place Blaby in a secure financial position; ensuring services are delivered effectively, efficiently and income generation provides for Blaby District to be a Great Place to Live, Work and Visit ”

## How will this be achieved?

- By embedding a commercial culture and ethos – ensuring that all services operate effectively & efficiently; strengthening service provision and generating income.
- Maximising Income but still retaining the status as ‘the safety net for the vulnerable’.
- Maximising the Blaby Pound – encouraging those who reside, work or trade in the District to spend within the District and support the local economy and their community.
- Be proactive in identifying opportunities for commercial investments
- Focus resources on initiatives that will drive financial or social benefit.
- To encourage communication and access to services with residents and customers through digital channels and continue Blaby’s reputation for delivering quality services.
- That chargeable Non-Statutory Services be reviewed and income generated.

# Strategic Approach and Framework

Through adoption of our Commercial Strategy we will expand the existing commercial culture whilst retaining strong public, community and social values; always placing the residents and customers at the heart of everything we do.

The Strategy will ensure we are a council that continues to utilise its assets, skills and infrastructure to shape and improve public services and enable economic growth in our area.

Our Strategy includes 5 priority themes:-

- **Strengthening and Efficiency of Services**

Continuing to monitor and manage income and expenditure and delivering sustainable services.

To include:

- effective contract management;
- re-design of services to improve resilience and cost effective delivery; focussing on what matters to the our residents and customers.
- alternative delivery solutions to allow for demand increases.
- utilisation of technology to improve efficiency and service to our customers.

- **Investment in and Maximisation of Asset Utilisation**

Maintaining assets to ensure they are cost efficient and fully utilised.

- future asset investment is assessed to ensure the relevance to the Council's functions & are financially prudent.

- Consider regeneration opportunities within the district.

- **Selling Services**

Seeking new and innovative ways of maximising income to support service delivery. To encourage a commercial, business-like approach to service delivery, balancing charging for services against keeping the customer at the heart of everything we do.

- **Maximising Partnership Working and Encouraging Corporate Social Responsibility**

Actively consider opportunities to work with partners to deliver effective, efficient services that provide best value for residents.

- **Exploiting External Funding Opportunities**

- Ensuring that we are creating, through our Local Plan, opportunity for new homes and communities to be built within our district and generate funding available to support this.
- Creating an environment where businesses can flourish and economic growth provides opportunity for Business Rate Retention to increase.
- Actively seeking to gain inward investment in our District through grant funding streams.
- Understand how Levelling up, UK Shared Prosperity Fund & County Deals are distributed and ensure that Blaby District benefits from these funding streams.

# Priority Action Plan

Initiatives for each priority are already being undertaken. The following tables illustrate the work that is currently being actioned or is planned.

## Priority 1: Strengthening and Efficiency of Services

	Action	Timeframe	Potential Partners	Comments	Measures
1.	Hybrid Working	2022		Utilising technology to assist efficient working alongside hybrid working, freeing up Council office accommodation footprint and reducing carbon footprint.	
2.	Redesign of Services & Digitalisation	2022 - ongoing	LICTP	To maximise the use of technology and to include: 1. Development of a New Customer Services Strategy. 2. A new Transformation strategy for service delivery.	
3.	Car Park Strategy	2022		Strategy to be updated 2022.	Income & cost analysis
4.	Homelessness cost minimisation	Ongoing	EMH/ Housing Associations/District Councils	Options considered to lease or buy additional properties or explore alternate solutions.	Homelessness spend & utilisation of property.



## Priority 2: Investment in and Maximisation of Asset Utilisation

	Action	Timeframe	Potential Partners	Comments	Measures
1	Leisure contract – monitoring of current arrangement in light of pandemic.	April 2022 and ongoing	Everyone Active	Potential for profit share to be explored.	Delivery of contract & improved participation Nos.
2.	Options Appraisal of Strategic Assets.	2022		Commission works to explore options for future accommodation needs of the Council to deliver its agile working aspirations and opportunities for developing its assets for housing.	Disposal or rental income generated. Council office footprint reduction.
3.	Investment in Property Funds	2022		Consideration of further investment in property funds.	Return on Investment.
4.	Actively seek opportunities for Investment in Commercial Property	2023		Market research to inform need and market for industrial units in the district to promote economic growth and/or housing need.	
5.	Disposal of Open Space	Ongoing		Review pockets of land owned with options appraisal to dispose of or utilise to meet the priorities of the Council or generate a financial return.	
6.	Feasibility of Infrastructure – EV fleet charging, use of renewable energy sources for depot.	2022			
7.	Deliver new greener and more efficient heating system at the Council offices	2022		Budget included in capital programme of £115k to deliver this initiative.	

### Priority 3: Selling Services

	Action	Timeframe	Potential Partners	Comments	Measures
1.	Building Control Partnership	Ongoing	HDC, HBBC, MBC, O&WBC, RCC	To reduce cost of delivering the service through income generation securing repeat business from customers.	Income & cost analysis – increased contribution to overheads
2.	Land Charges	2023 onwards	HBBC, O&WBC	To consider the impact of migration of land charges to HM Land Registry.	Income & cost analysis – increased contribution to overheads
3.	Introduction of planning pre-application charging process	For introduction in 2023		To introduce a new pre-application charging process and associated fee structure	
4.	Investigate the introduction of charging for bins to new households.	2022/23		Possibility of introducing in year 2022/23.	
5.	Analysis of 'Top 10' fee/income streams & benchmarking exercise for fees and charges.	2022		Analysis of top 10 income streams to ensure all costs and fees are fully understood, alongside a benchmarking exercise for all fees and charges.	Cost recovery data, financial benefit gained.

#### Priority 4: Maximising Partnership Working and Encouraging Corporate Social Responsibility

	Action	Timeframe	Potential Partners	Comments	Measures
1.	Expansion of Community Volunteer Week	Ongoing	Business Partners in Blaby District	Expansion of participation.	
2.	Work Experience and Apprenticeships		Business Partners & Academies		Number of apprenticeships and work experience placements delivered in the district.
3.	Lightbulb – Service	TBC	All Districts & County	To review partnership as renewal approaches and ensure Blaby cost recovery and most efficient delivery mechanisms.	Measurement against financial model & KPI's of service.
4.	Blaby Lottery	Ongoing	Voluntary Community	Review and expand take up of Blaby Lottery.	Money raised for community groups.
5.	Implementation of the High Streets Action Plan	2022 ongoing	Business Community & Parishes		
6.	Review partnership/commissioning arrangements			Ensure best delivery mechanisms and value for money.	

## Priority 5: Exploiting External Funding Opportunities

	Action	Timeframe	Potential Partners	Comments	Measures
1.	Green Agenda Funding	2022/23 subject to bid timescales	EMH, LCC & Leics LA's.	To continue to work with external partners to facilitate funding and project work to support the work of the Green Agenda e.g. LAD2, 3 & 4. Solar Together funding.	Households taking up offer, CO2 reduction.
2.	Planning Related Bid Income	2022 - 24	Landowners Development Partner, LCC	Garden Village Funding £300k PPA's related to Lubbesthorpe and Strategic Rail Freight developments approx.£250k Further Garden Village bid £156k submitted. Digital Engagement Bid £25k National Model Design Code Pilot bid,	Bid Success
3.	Development of new Economic Development Strategy	Ongoing			Increased/retain levels of Business Rate Retention income
4.	LLEP Funding	Ongoing		To provide support to the business community to submit bids. Submit bids as Blaby District Council to utilise monies retained by the Business Rate Pool.	
5.	Levelling up, UK Shared Prosperity Fund & County Deals	2022 - 2025		Understand how these funds will be distributed and ensure that Blaby District benefits from these funding streams.	

**Key:**

BDC – Blaby District Council

LCC – Leicestershire County Council

O&WBC – Oadby & Wigston Borough Council

HBBC – Hinckley & Bosworth Borough Council

HDC – Harborough District Council

MBC - Melton Borough Council

RCC - Rutland County Council

EMH – EMH Homes

PPA's – Planning Performance Agreements

LICTP – Leicestershire ICT Partnership

LLEP – Leicester & Leicestershire Enterprise Partnership

## Delivery and Governance

This strategy spans many service areas and covers a wide range of initiatives which feed into the overall delivery of the Commercial Strategy and it will be the responsibility of the Strategic Director (Section 151 Officer) to co-ordinate and ensure the delivery of the priority action plan.

Broadening the commercial culture within the Council involves empowering staff to be innovative; to embrace new flexible and agile ways of working; as well as looking for opportunities to trade or sell our services. Training programmes will be sourced and developed to support this cultural change.

Opportunities will be evaluated ensuring that business cases are supported by appropriate market research and the Council develops opportunities based on expertise and knowledge that we hold.

The principle focus will be on investing in projects and schemes that will generate some form of financial return for the Council. Delivering efficiencies, helping communities to become more resilient and independent, managing demand and changing ways of working and utilising technology remain part of the solution and will be embedded as part of the commercial strategy.

Governance, management and performance of partnerships and contracts will continue to be robust to ensure that the Council adheres to its statutory responsibilities and that public money continues to be appropriately used.

The Council will be mindful that:

“Local authorities can borrow for any purpose relevant to its functions and for the prudent management of their financial affairs. In order to comply with the Prudential Code, an authority must not borrow to invest primarily for financial return. It is not prudent for local authorities to make any investment or spending decision that may lead to new borrowing, unless it is directly and primarily related to its functions and where financial return is related to the financial viability of the project or otherwise incidental to the primary purpose.”

The Council will reference future CIPFA guidance on this subject and ensure that Blaby District Council’s approach to investments is consistent with the requirement of fiscal sustainability, prudence and affordability.

It is proposed that the Priority Action Plan is refreshed and updated each year and forms a corporate project which is delivered through the project management framework. Updates on progress will be delivered through quarterly financial reporting, scrutiny of the budget and reports to Cabinet Executive and Council as appropriate.

**This document can be made available on request, in other languages and formats (large print, Braille or on audio tape) by contacting:**

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