

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CORPORATE SERVICES	FINANCE AND DEMOCRACY COMMITTEE	28 MARCH 2022	6
COMMERCIAL STRATEGY REVIEW			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The report introduces the revised Commercial Strategy for Fylde Council that has been informed by the cross-party working group.

The revised strategy is appropriate for the current financial position and corporate objectives informed by feedback from the elected members on the working group.

RECOMMENDATIONS

The Committee is invited:

1. To approve the revised Commercial Strategy for Fylde included as Appendix 1 to this report.

SUMMARY OF PREVIOUS DECISIONS

Finance & Democracy Committee – 7 October 2021

It was RESOLVED to set up Commercial Strategy Working group consisting of Councillors Buckley, Settle, P Collins and Withers. The Chairmen from the other programme committees would also be invited to join the group.

CORPORATE PRIORITIES	
Economy - To create a vibrant and healthy economy	✓
Environment - To deliver services customers expect	
Efficiency - By spending money in the most efficient way	✓
Tourism - To create a great place to live or visit	✓

REPORT

1. The Commercial Strategy Working group, consisting of Councillors Buckley, Settle, P Collins and Withers as well as the Chairman from the other programme committees, was established in October 2021 by the committee. The working group met on 25 November 2021 and 20 January 2022 to review the Commercial Strategy. Appendix 1 to this report is the proposed revised draft of the Commercial Strategy that the committee is asked to consider and approve.

2. Appendix 2 to the report provides the terms of reference for the cross-party working group that were agreed at the initial meeting. The Working Group was supported by several officers because the strategy cuts across and influences several strategic initiatives including procurement, investments, asset management, concessions, leases, etc.
3. The group considered the rationale for commercial activity in the public sector to understand the factors that influence risk, appetite, and the nature of activity. Areas discussed in detail included maximising income, legal limits and regulations, outsourcing, investment opportunities, business rates, climate change, and social value placing each of these in context for Fylde.
4. Elected members and officers brought together cumulative knowledge, experience, and skill alongside external evidence to shape a strategy that is appropriate for Fylde. It was evident that many of the examples championed as local authority commercial successes were driven by the need to bridge a financial gap in the budget. The group fully understood that risk and appetite in the commercial sector are driven by different factors with the need to bridge a financial gap in the budget leading to a greater appetite for risk. Fylde is not currently in a position where there is a requirement to achieve savings and / or increase income significantly, although the working group noted the risks around the future uncertainty of central government funding to the local government sector as identified in the council's Medium Term Financial Strategy (MTFS).
5. It was appreciated that for every example of successful local authority commercial success there are risks that have not been a success with the pandemic having an impact on several local authorities that had made retail, leisure, or hospitality investments.
6. The review of the strategy has been shaped with the intention to contribute to the financial resilience and sustainability of the organisation within the context of maintaining the Council's core purpose to provide public services delivering quality and social value. For example, the importance of quality in any procurement or tender exercise is a priority for Fylde. The impact the Commercial Strategy will have on the approach to procurement, asset management, tenders, concessions, and leases was recognised and will be reflected in those activities.
7. The revised strategy fits with the financial requirements set out in the MTFS and is consistent with the current commercial objectives appropriate for Fylde, to secure maximum value for money from all commercial activity with the appropriate emphasis on quality standards that stakeholders expect.
8. The committee is asked to approve the council's approach to commercial activity outlined in the revised commercial strategy included as Appendix 1 to the report.

IMPLICATIONS	
Finance	No implications arising directly from this report
Legal	No implications arising from this report
Community Safety	No implications arising from this report
Human Rights and Equalities	No implications arising from this report
Sustainability and Environmental Impact	No implications arising from this report
Health & Safety and Risk Management	No implications arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
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BACKGROUND PAPERS

Name of document	Date	Where available for inspection
None		

Appendix 1 – The Commercial Strategy for Fylde

Appendix 2 – Terms of Reference for the Commercial Strategy Working Group