

Being more business-like





# Introduction

North West Leicestershire District Council (NWLDC) will stop receiving some grants from central Government in 2019 and needs to be prepared to provide services to our communities from locally generated income.

## Council income

Council Tax Business rates	Paid by our residents and businesses
Paid for services	Like planning, pest control and building control
New Homes Bonus	Grants paid by Government when new houses are built in the district or we bring empty homes back into use
From our industrial units and other assets	Rent from our business tenants
Rent from council housing	Can only be spent on the housing service

## The budget deficit

Despite managing our finances well over many years the cost of providing our services is increasing.

We estimate that this will lead to a budget deficit of in the region of **£5** million by 2023.

In addition to our projected deficit, we have said that we will reduce our reliance on New Homes Bonus Grant by 25% by 2023. This equates to the need to save an extra £1.5 million between now and 2023 by 2023.

The total deficit we need to plan for is **£6.5** million.



## How will we face the challenge of reducing budgets?

We won't simply cut costs by cutting services.

Many of the services we provide are statutory (we have to provide them and carry out certain functions) and we also provide valuable services to our communities, both residents and businesses.

### Self sufficient. Business-like. Commercial.

We have established a self-sufficiency reserve which now stands at £2.76 million (at 31 March 2018). This reserve will be used to cover the upfront costs associated with **commercial initiatives** and a programme of change.

To bridge this budget gap we need to generate additional income and make savings.

Taking a more business-like and commercial approach will give us the opportunity to continue to deliver the excellent cost effective services that our residents and businesses depend on and also to deliver income generating services to external customers.

This approach will help ensure the council's financial sustainability.

This means:

We will be more business-like in how we provide services and with the decisions we make. We will identify ways to reduce our costs and earn extra income.

We will not:

Take unnecessary risks with public money or lose our core public sector ethos.



Coalville by the Sea event

# What does being more business-like mean for NWLDC?

Our business-like, commercial approach is about:



**Knowing our business** - how much it costs us to run our services. This allows us to properly price for commercial opportunities so our costs are covered, we include overheads and we make a surplus.

Identifying **opportunities for trading and charging** for services to external customers in the commercial market place.



Reviewing our **fees and charges**.

Ensuring we procure goods and services and **manage contracts effectively**.



**Promoting and encouraging investment** in the area to generate employment and business rate income.



## **Making the most of our assets**

Our land, buildings or commercial properties, like industrial units, need to work well for us. A new property investment strategy may include reviewing rental and lease arrangements to ensure a proper commercial return is being achieved, selectively disposing of assets or changing their use to secure a better return. We will also consider acquiring assets which realise a future income stream.

Considering the use of **trading companies** or other business models where it makes sense to do so.



**Understanding our customers** and the new markets we could operate in. This could mean marketing our services in a range of sectors locally, regionally and nationally.



Effectively **marketing our services** as a trusted business partner of choice.

# One council, one team - thinking differently together



Recognising that there is **no monopoly on a good idea** - staff will be empowered to come up with and implement good ideas, large or small, which will save time, make money or improve services.



**Investing to save**, where there is a clear business case.

Supporting our staff to **develop the skills** needed to deliver successful commercial outcomes.



Understanding that **every penny counts!**

We will encourage and embed a culture of business-like thinking and shared accountability for the finances sustainability for the organisation.

To be effective, our business-like, commercial approach should be organisation wide and this document should be read alongside other key documents:

- Council Delivery Plan
- Medium Term Financial Strategy (MTFS)
- Asset Management Strategy
- Treasury Management Strategy
- Communications Strategy
- Corporate Portfolio of Programmes and Projects.



## We will approach commercialisation in line with the following core principles.

Values:	<p>Our values will continue to align with the council's values:</p> <ul style="list-style-type: none"><li>• Deliver agreed quality</li><li>• Be fair and proud</li><li>• Listen carefully</li><li>• Support what is possible</li><li>• Spend our money wisely</li><li>• Or new values?</li></ul>	Customer first	Our decisions will put the customer at the heart of what we do.
		Risk	<p>We will understand, manage, and be prepared to take calculated risks.</p> <p>We will use our existing project management framework and governance structures to provide appropriate control and support to the work we do.</p> <p>We will use external professional support if needed.</p>
Income and improvement	<p>Although income generation will be a key focus of our work, we will also look at how we can do things more efficiently and effectively and improve services.</p>		
Proactive	<p>Innovation is not something we do when we have finished our day's work; it's how we work!</p> <p>We will be bold and prepared to do new things.</p> <p>We understand that not everything will succeed but it is the overall success of the commercial approach which is important.</p>	Our ethos	<p>Being a public sector body means that we need to work within legislation, regulation and a political framework.</p> <p>It can sometimes limit the scope of what we want to do. However as well as continuing to do amazing things for the benefit of our local community, our commercial approach will allow us to bring in additional external income to protect front line services.</p>



## How will we know we've been successful?

We are already doing great work, providing services and managing our assets on a commercial basis in a number of areas including:

Assistive technology	Providing lifeline services.
Grounds maintenance	Providing grass cutting and other services to parish councils and development companies.
Legal services	Providing legal services to other councils, colleges and academies.
Industrial units	Providing good quality office and unit space in the district.
Recycling	Thanks to our residents we can sell the recycling we collect for a good price.

But we want to do more.

We have identified some simple, short, medium and long term goals against which we can measure our progress.

Investment income	Investing our money on short, medium and long term basis to generate a return.
Trade waste	Providing efficient trade waste collection service to our businesses.

### Short term - within six months we will:

- Identify two income generating opportunities and develop these to implementation stage
- Identify which of our current commercial activities can be developed
- Identify what our staff think a 'commercial culture' is
- Communicate the commercial strategy to staff and members
- Establish the governance structure for the commercial strategy.

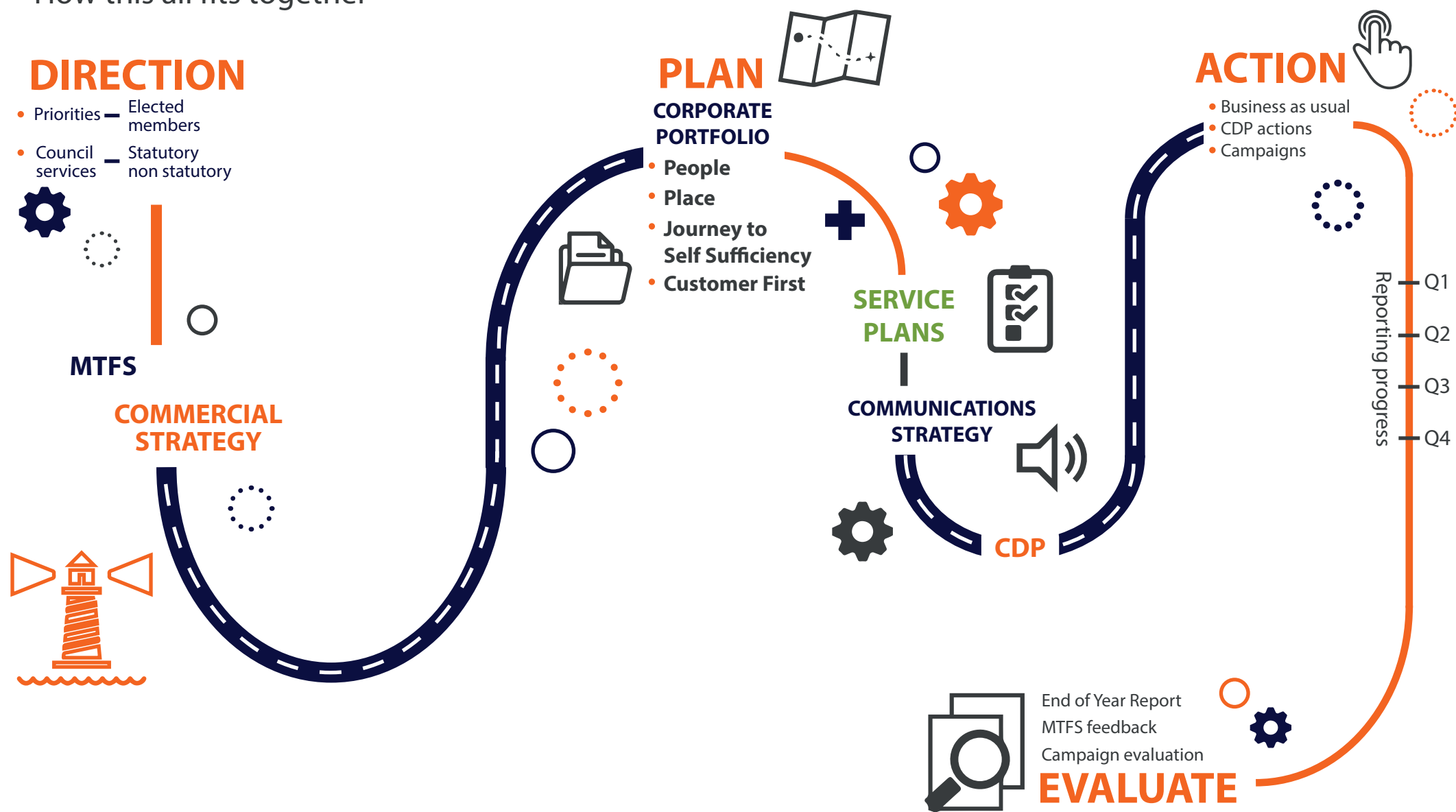
### Medium term - within 12-18 months we will:

- Identify a further three income generating opportunities and develop these to implementation stage
- Generate surplus income from our commercial activities
- Reinvest additional income in commercial opportunities.

### Long term - within five years we will know that our work has been successful if:

- We are able to generate more local income and meet the £6.5 million budget deficit by 2023. We will report our progress to Cabinet via the MTFS.
- We have successfully embedded a business-like, commercial culture within the organisation. We measure this by looking at the ideas that have come forward from staff and also through staff surveys in 2020

# How this all fits together







Values  
One council, one team

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