

# Introducing Commercialisation at the City of London



Christopher Bell,  
Commercial Director



# City Procurement

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## Tiered Procurement Governance Structure

Strategic Resources Group	Leadership and Senior Officers board managing Corporation's assets including Procurement and Contract Management
Category Boards	Sourcing boards with multi-department members. Key decision forums that assure approval and implementation of the strategy for categories and sourcing initiatives.
Procurement Working Groups	Temporary working groups working on procurement projects or functional procurement matters. i.e. Schools Working Group
Operational Groups	Operations and performance monitoring meetings, covering service performance (internal), social value (external) and savings (FLG)
Sourcing & Category Management teams	City Procurement Sourcing and Category Management teams responsible for day to day delivery of all sourcing and buying activities for the City of London.





## Category Boards

Child & Community

Facilities Services

Construction and Property

Corporate Resources

Information Technology

Land Management

Communications and Marketing\*

Business Support\*



# Procurement Strategy 2019-23

## Draft- summary

### Our Vision:

The City of London Corporation Benefits from the value added through our robust, innovative and responsible procurement activities.

### What we've learned:

This strategy builds upon the success of its predecessor in creating the foundation stones of a high performing procurement service by focusing on customer, corporate and supplier needs in developing our people, stakeholders and services to maximise opportunity through procurement for the next 4 years and beyond.

### Our Aim:

To maintain and improve all our procurement activity by utilising new technology, offering excellent customer service, supporting organisational culture shift and strengthening our internal and external relationships.

### Our Outcomes:

Commercialisation  
is instilled  
throughout the  
organisation

Organisational  
awareness and  
performance are  
improved

Sustainable cost  
assurance is  
guaranteed for  
the future

A culture of  
maximising  
opportunity is  
adopted

Our Customer  
offerings and  
processes are  
advanced





# Procurement Strategy 2019-23

## Draft- summary

### Our Priorities:

To lead on maximising the commercial output of all our 3rd party contracts by developing, training and recruiting greater commercialism corporately.

Enhancing existing contract performance and supplier relationships to provide assurance and develop a culture of continuous involvement.

Driving thought leadership, market intelligence and proactive collaboration to future proof the services.

Adopting simplification, automation and digital innovations to support more intuitive services.

Develop learning and tools to benefit greater understanding corporately in all aspects of procurement and commercialism.

### Our targets and measures of success:

By 2023 we will have a strong sense of commercialism embedded throughout the organisation enabling positive financial decisions including ROI's.

During the next 4 years, improve our cost certainty, have clear mitigation in place to manage risks and develop partnership relationships delivering mutual benefits and lasting results

On conclusion of the strategy, have greatly enhanced our strategic and commercial abilities, have robust market intelligence and spend analytics as standard and established collaborative buying channels.

By 2023, have enhanced self-service offering in place for all officers, streamlined and timely processes maximising automation and robotics and in place a range of digital innovations.

An organisation that has widespread knowledge of procurement processes, buying channels, acts in line with compliance that proactively collaborates to ensure opportunity is taken at all times

### Our Service Values:

Ensuring Value for money

Promoting responsible business

Providing operational customer service excellence

Delivering assurance and risk management proportionally



# USP & Potential Customer Base



A unique organisation, over 800 years old,  
three funds and 125 Elected Members







# Case Study

## Conferences & Events

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# Case Study

## Exploring International Trading

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- Understanding UPS



- Working Partnerships



- Opportunities



- Soft Market Testing



- Developing a Business Plan



- Run Pilots



# Questions?

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# A Regional Approach to Business Growth

# How do we look at Commercialisation and Income Generation.

What does that mean?

New approaches to how we work.

Ensuring services are delivered, funded and managed in a way that promotes value for money.

Creating **sustainability**.

Expand and create new offers for extra income.

Analyse existing charges and SLA's.

We identify 4 different types of commercialisation and we have categorised them as follows...



# How we look at Commercialisation

## Types of commercialisation

### Income generation



Identify opportunities for externally driven revenue streams that deliver income at net profit, for example by providing the service for external customers

### Alternative delivery models



Explore ways to reduce the cost of service delivery and increase productivity by re-designing service models and improving processes

### Leveraging assets



Maximise the value we get from our assets, both our physical estate and the propositions we have developed

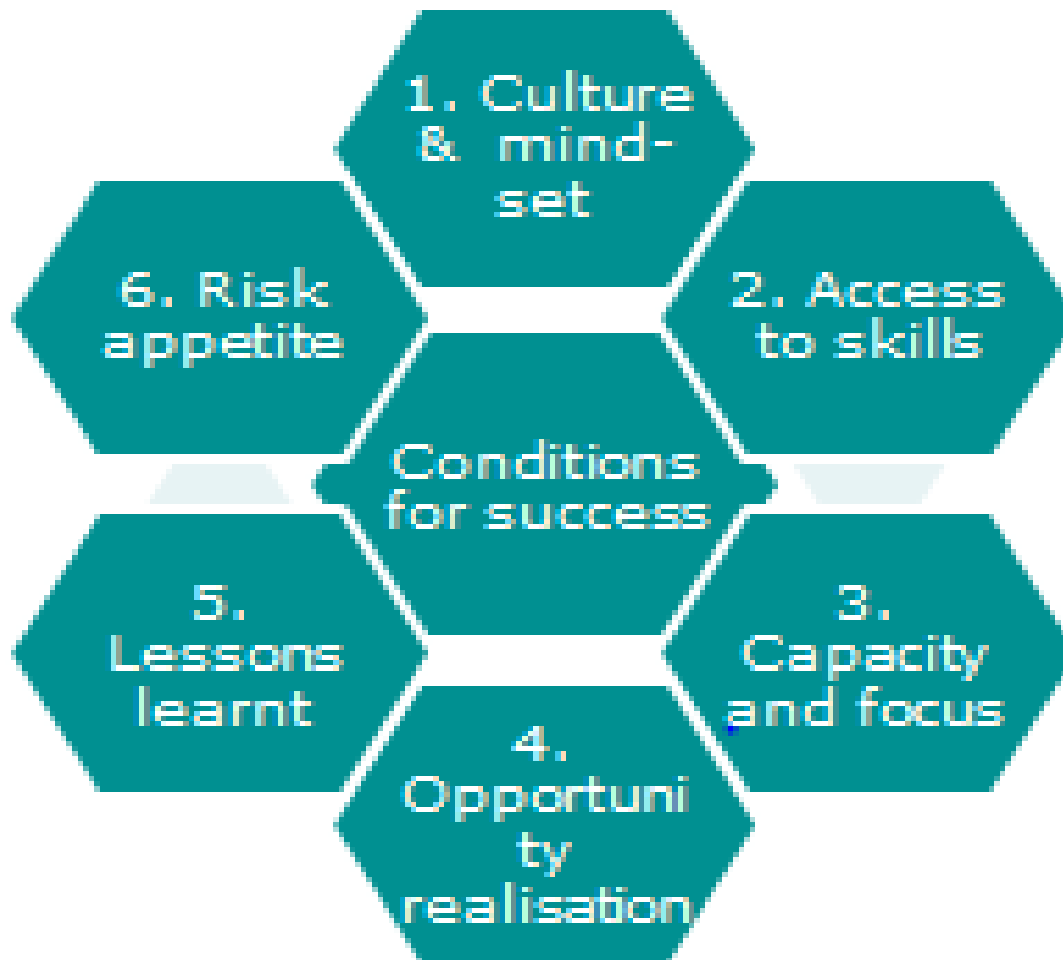
### Cross-selling of services



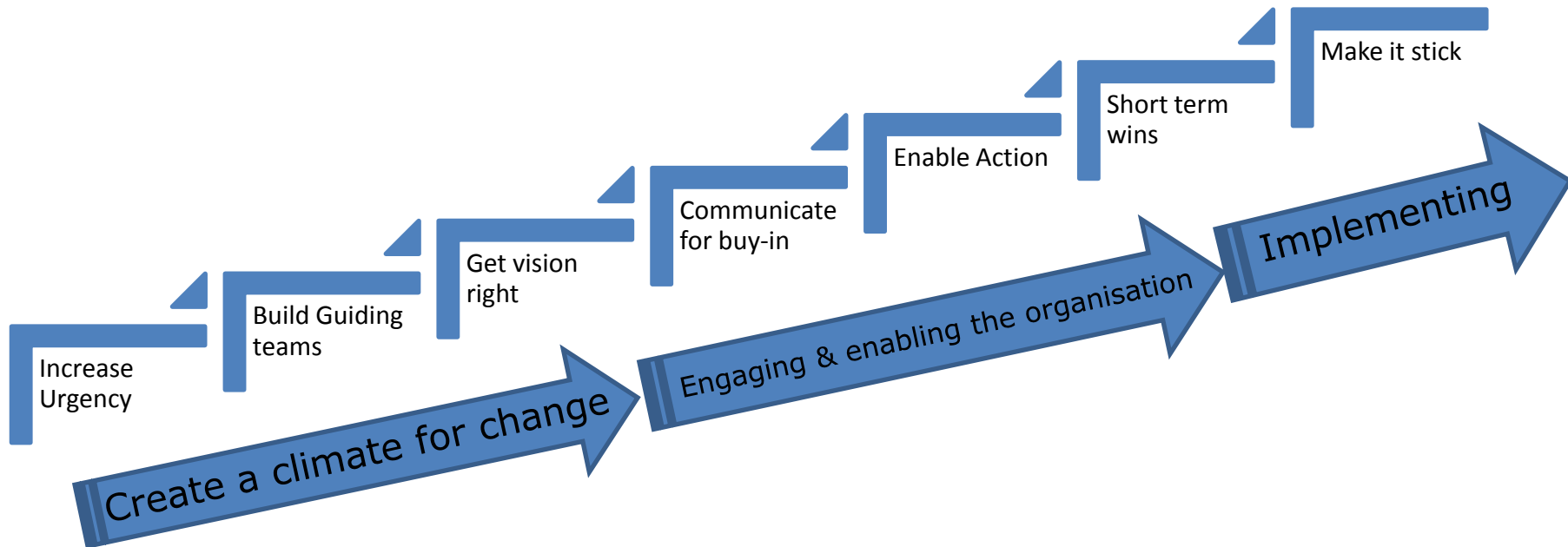
Obtain a clear understanding of our customer base, what is currently offered and where possible offer a holistic package of service to customers

**The key factors to consider for moving the commercial dial within the council, and building a robust structure in Cornwall are:**

# Factors to consider



# Cultural change





# Factors to consider



# Access to skills

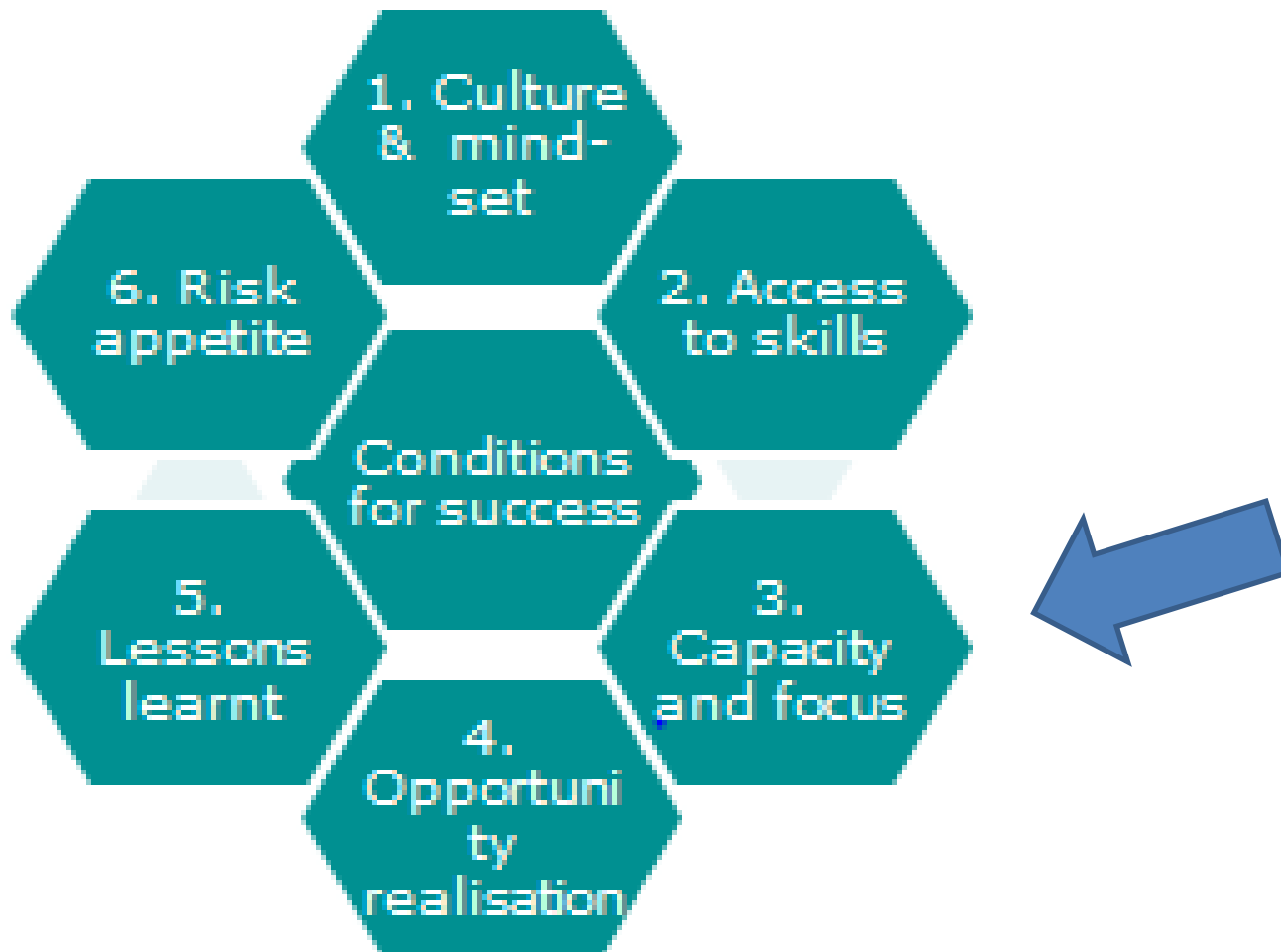
Staff are equipped with the commercial skills and supported with the necessary training required to focus on the right areas, for example in assessing returns on investment for initiatives, conducting feasibility analysis and managing benefits realisation of opportunities

- Assessing ROI is part of my job - There is no point in gaining £1m income if the cost is £1m. We need all Income Generation ideas to yield a better return than at least 6% per year – preferably more like 15%.

- ROI, Commercial, Income, Revenue, Profit, Overheads, Net Figures, Pricing.**

- These are everyday terms that are under used - We need to consider all of these when looking at Income Generation.

# Factors to consider



# Capacity and focus

- – leadership messages to staff must be clear on objectives and timeframes for opportunities and ensure there is sufficient capacity and resources to deliver programmes of work. To support this, leaders need to understand interdependencies and ensure these are managed collaboratively.
- Try to break down sylo thinking, we are all part of the council.
- **“A GREAT IDEA CREATES CAPACITY”**



# Opportunity realisation

- Right governance, guidance and tools are in place to provide robust critique and challenge on the right areas, from assessing feasibility of market opportunities and understanding and managing delivery implications. There needs to be strong financial accountability in ensuring return on investment and benefits delivery, and clear governance routes for controls and risks escalations
- ”

How do I know I have a  
good idea?

This has 8 stages:

**Discover** - Talk to services and customers to unearth ideas

**Assess** - Do some initial scope work on the feasibility

**Prioritise\*** - Put the opportunity through the “scoring process”

**Prepare** - Produce more detailed research and comms. to create a paper

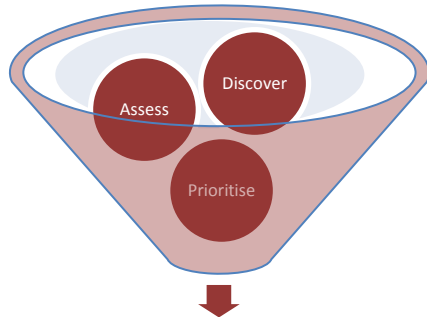
**Recommend** - Put forward recommendations

**Implement** - Get the job done

**Outcome** - review outcome regularly

**Continual Improvement** - always look to improve and revisit.

At the end of the 3 stages we use the prioritisation matrix to filter workflow.



Assessment Criteria

Key Areas	Questions	Score 1-3	Score	Weightings	Final Score
<b>OPPORTUNITY</b>	What is the revenue potential	1-Low (10k or below) 2-10k-99k 3-High Over £100k per annum	0	100%	0
	Are we competing in price	1-Yes; 2-Part; 3 -No	0	100%	0
	What is the payback period	1-One off; 2 - 1 to 3 yrs; 3-Long, 3 Yrs Plus	0	100%	0
	Is it an external provider	1-Yes; 2-Part; 3 -No	0	100%	0
<b>ABILITY TO DELIVER</b>	Do we do it already and what is the quality	1-No experience;3-High quality existing offer	0	100%	0
	What is the ease of implementation	1-Low and complex;3-High and Agile	0	100%	0
	Can we leverage our USP	1-Little influence;3 High leverage	0	100%	0
	What are the risks of implementing	1-High risk;3-Low risk	0	100%	0
<b>THE MARKET</b>	Is our target market well defined	1-No; 2-Partial;3-Yes	0	100%	0
	Expected ROI based on competitive pricing taken from the market	1:Covers costs, little more, 2: 10-25% ROI, 3: 25% plus ROI	0	100%	0
	What is being delivered elsewhere in the market	1-Nothing similar:3-Similar successful offerings	0	100%	0
<b>COMPETITION</b>	Is the market saturated/strong competition	1-Highly saturated;3-Little Competition	0	100%	0
	Do we know any competitors pricing structure	1-No Knowledge;3-Detailed Knowledge	0	100%	0
<b>COUNCIL ALIGNMENT</b>	Does this align with our strategic objectives	1-not all; 2-Part; 3 - Yes	0	100%	0
<b>TOTAL</b>					-

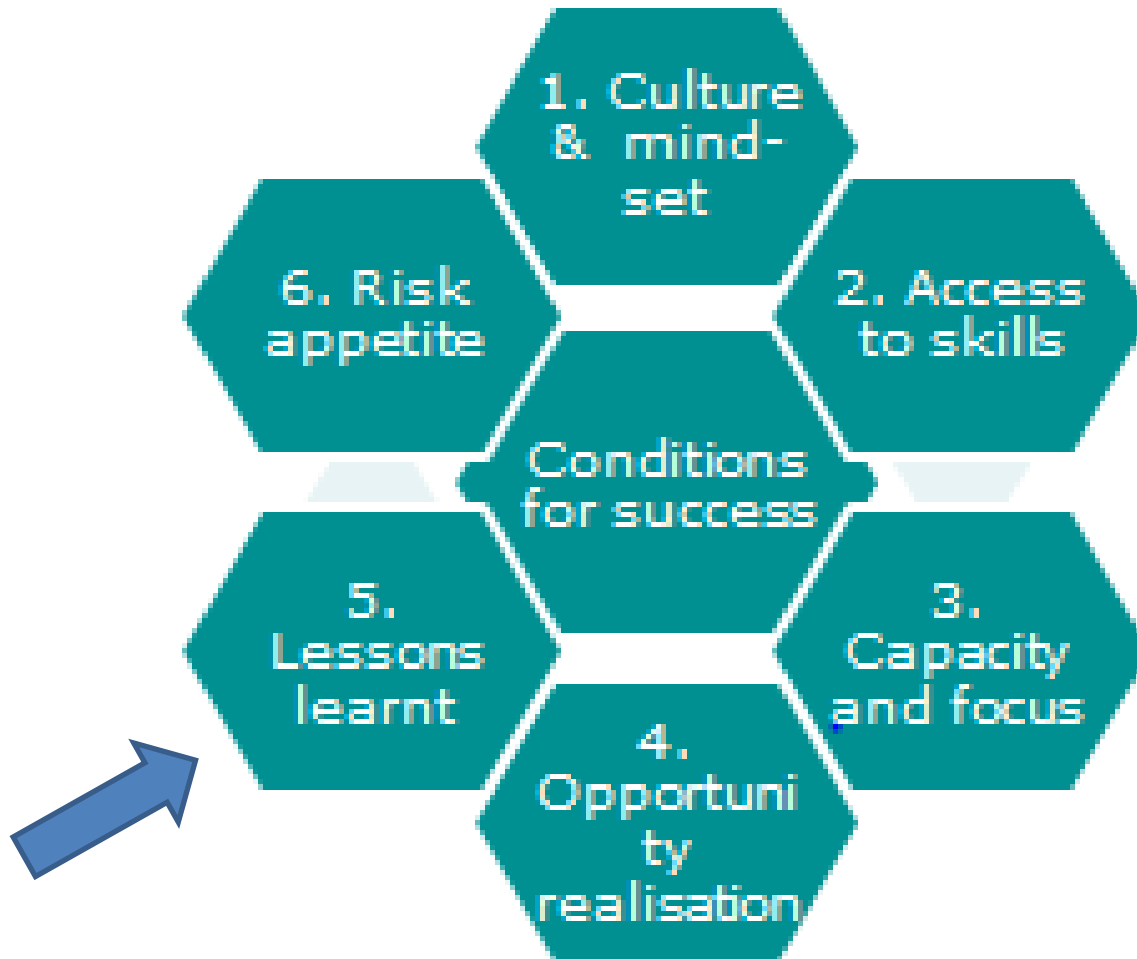
This produces a RAG rating score for each opportunity.

# Assessment Criteria - THE MATRIX

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<b>TOTAL</b>					-

Less than 1.4	Eliminate
1.4 -2.39	Proceed in pipeline
2.40 plus	Priority

# Factors to consider



# Lessons learnt

- Right infrastructure established to share lessons learnt for both successful and failed initiatives so these can be applied in commerciality and to inform future decision-making. This also include drawing on market insights for best practice, in Cornwall we have very real considerations around environmental impact – so quick wins in some councils are non starters in others.



# Risk appetite



# Other important matters

- Assessing and responding to risks
- Legal and Regulatory Matters
- Operational Matters – location, facilities, employees, capacity, culture
- Management
- Financial Requirements
- Trading Structures

Where are we seeing some success?

# Cornwall Council income generation activity

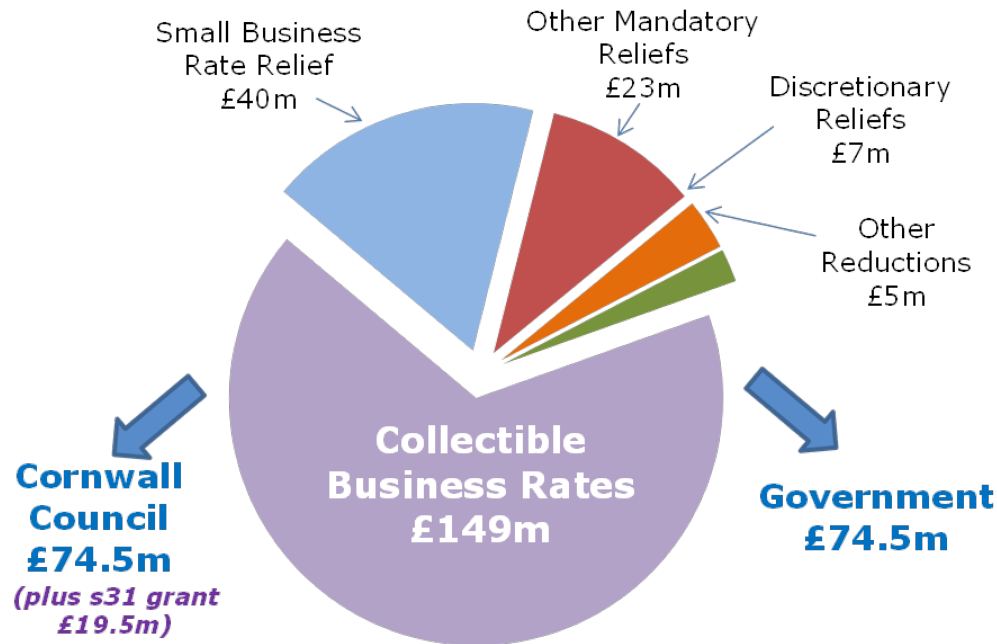
- Examples of Service activity:
  - Public Protection (Environmental Consultancy, Licensing, Training, Accreditation Schemes)
  - Phoenix Trading (Fire and Rescue) (including the Resilience and Emergency Management Team)
  - Services for Schools
  - Cornwall Legal
  - Advertising Hub

The aim is to create a portfolio of services and promote to categories, education, business, public sector etc...

# Council Income Generation Framework

- Helps identify, prioritise and pursue income generation opportunities
- Encourages Services to take ideas forward
- Supports idea generation within and outside Services
- Requires consideration of need for customer or member consultation
- Identifies where some central assurance/approval is required and potential for central funding
- Encourages innovation, creativity, idea stimulation and best practice sharing
- Is supportive, signposting to guidance and advice

# The Business Rates Retention Pilot



- Cornwall Council is responsible for the billing, collection and distribution of Business Rates across Cornwall of **£149m** p.a.
- As for many other rural authorities, a significant proportion of rates is lost to **Small Business Rate Relief**
- Since 2013/14 Business Rates have been collected and retained on a **50/50** basis between the Local Authorities and the Government

# Business Rates in Cornwall

Key issues facing Cornwall e.g. geography, significant number of small businesses, difficulties attracting major business/industries.

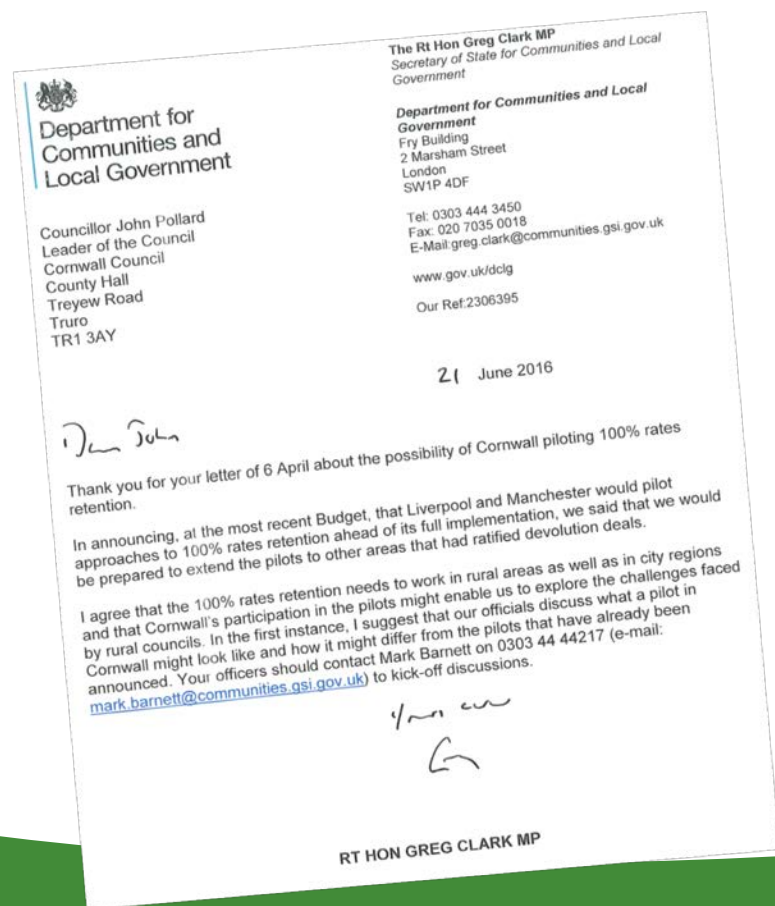
Cornwall's economy performing reasonably well in recent years:

- Growth c@ 2% p.a. / Collection rates > 99%;
- Retained business rates, including s31 grants, of **c£94m** in 2019/20;
- **nearly £11m more than Cornwall's Business Rate Baseline assumed in the Government's funding settlement:**

# 100% Business Rate Retention Pilot

## It started with a ... Devo Deal

In the 2016 Budget, the Chancellor announced pilot BRR schemes in Manchester and Liverpool and that the Government would consider applications to other areas with ratified devolution deals.



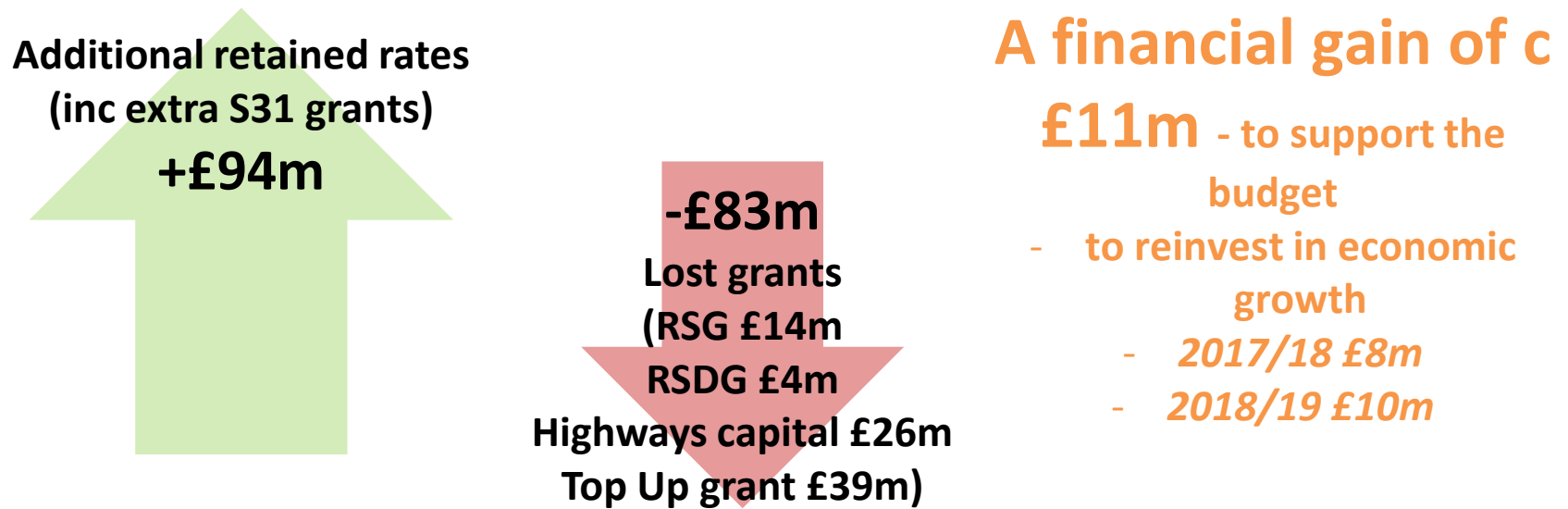
- Letter to Greg Clark (SoS for CLG) seeking support for a pilot in Cornwall
- Bring forward a proposal
  - speed of the essence to make the provisional settlement.
  - keep it simple – straight funding mechanism 'switch'
  - work closely with DCLG



# Cornwall 100% BRR Pilot - Model

- Effective from **1<sup>st</sup> April 2017** and expires “on the national introduction of full business rates retention” – **the first rural pilot**
- Cornwall Council will **retain 100% of business rates** plus **£31 grant for 100% of lost income** as a result of Government announcements.
- **Cost neutral** by removal of other Government grants equivalent to its **Business Rate Baseline**.

# 100% Business Rate Pilot - Outcomes



- ‘**No detriment clause**’ protects Cornwall’s interests in the event of economic downturn
- Greater **flexibility** around the use of Highways funding
- No impact on the actual amount of Business Rates that businesses in Cornwall must pay

## Going Forward

- In 2020/21 we expect the Government to introduce national reforms moving to **75%** Business Rate Retention
- Full Business Rate Baseline reset expected in 2020/21

# THANK YOU

# Wokingham Town Centre A Masterplan for Regeneration

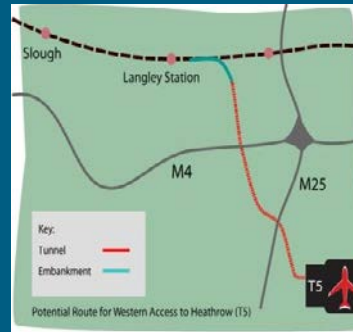
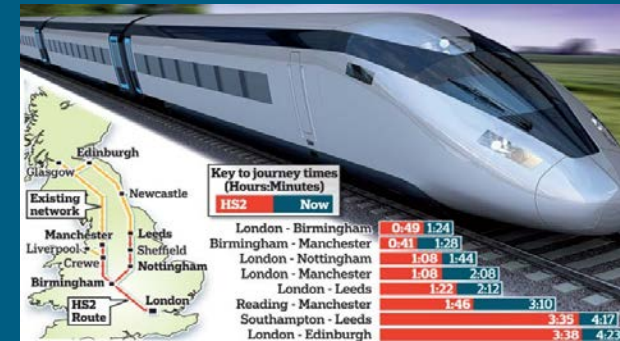
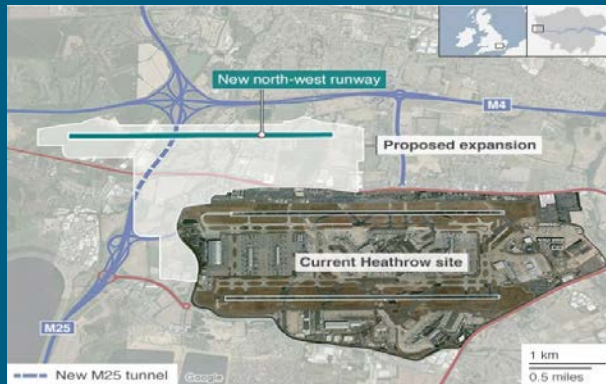
April 2019

Cllr Philip Mirfin – Executive Member for Regeneration

Bernie Pich – Assistant Director Commercial Property

# Growth and Infrastructure

# Wider Regional Infrastructure



- Expansion of Heathrow
- Links to Crossrail and HS2
- Old Oak common
- M4 smart motorway





# Long term vision: a growing town in a growing borough





# Core Strategy 2010 – Investing in Infrastructure

**TOTAL £994m**

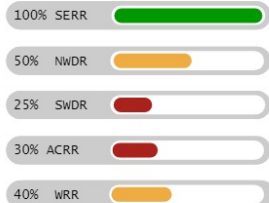
## SCHOOLS £98m



### 7 Primary & 1 Secondary

We have opened a new primary at Montague Park and a new secondary at Arborfield. We just completed a new primary school in Shinfield, although it isn't open yet, and are just beginning one each in North Wokingham and Arborfield. And, we have 3 more primary schools to come.

## MAJOR ROADS £250m



### 5 Major New Roads

Shinfield Eastern Relief Road (SERR) opened earlier this year. North and South Wokingham Distributor Roads (NWDR & SWDR) and Womersley Relief Road (WRR) are being built in phases and are currently under construction. Arborfield Cross Relief Road (ACRR) is in for planning now. Other road improvements include Barkham Bridge, Station Link Road, Coppid Beech Roundabout, improvements to the cycle network, footpaths, bridleways and public transportation.

## PARKS & PLAY AREAS £170m\*



### Parks

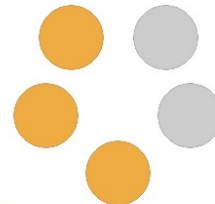
110 hectares of new public open space, play areas and parks have already been opened to the public (that's equivalent to about 150 football pitches) with another 150 hectares still to come (180 football pitches).

About 40 new children's play parks will also be built across the major developments as well as other open space. There will be about 12.5 hectares of community allotments, with at least 400 plots.

A Greenways network of about 20 miles of new and upgraded routes will connect the new developments to each other and other locations across the borough.

\* This amount appears high as land values are included

## COMMUNITY FACILITIES £11m\*



### 5 Community Centres

New community centres in Shinfield Village, Montague Park and Matthews Green are now in the detailed planning phase, with one each to come in Arborfield and South Wokingham.

There are also significant investments in our libraries, health centres and other community facilities as a result of the major developments.

\* Does not include land values

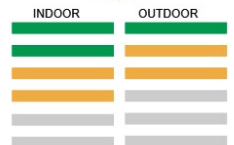
## AFFORDABLE HOUSING £420m



### Affordable Housing

The Council has secured a range of different affordable homes at low rents and for shared ownership (part rent/part buy) across the major developments working in partnership with housing associations. In addition, on some sites, we have taken monetary contributions to fund other affordable housing projects around the Borough. These have included Fosters Extra Care homes for older people and the redevelopment of Phoenix Avenue, both delivered by the Council's own housing companies. Last year, the Council completed 482 new affordable homes.

## SPORTS FACILITIES £45m\*



### Sports Facilities

A new sports hall and gym recently opened in Arborfield. A new sports hall is underway at Ryelish Green, with outdoor pitches already open. Still to come are an outdoor sports hub at Gray's Farm, a sports hall, pool and gym at Carnival, a pool at Arborfield and further sports facilities in Shinfield.

There will also be improvements to existing facilities at Cantley Park and Bulmershe Leisure Centre.

\* Does not include land values

# Address Core Issues for town

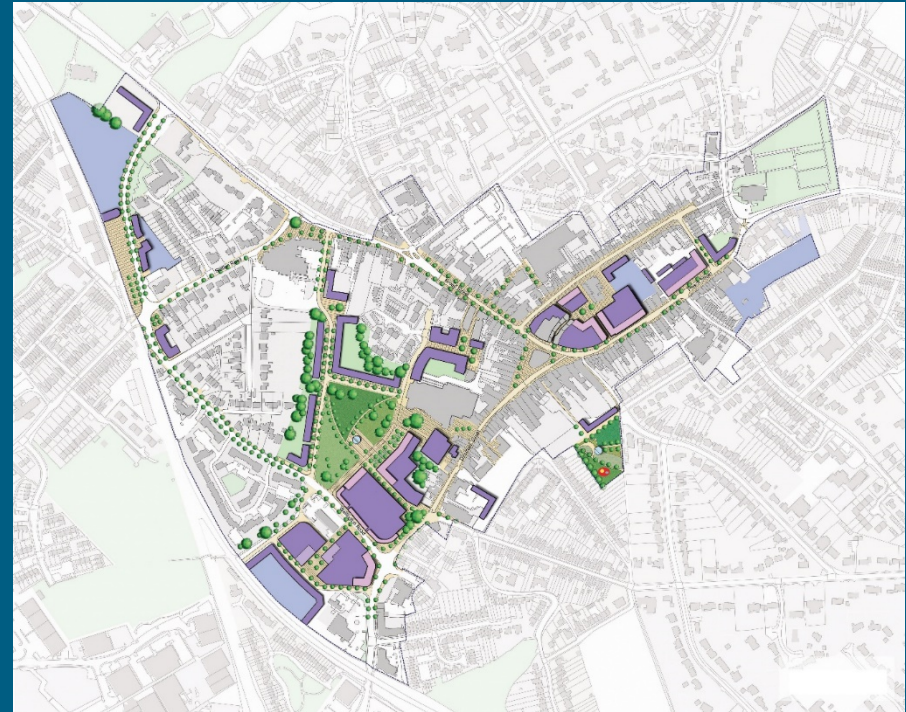
- Massive local growth
- Car dominance in centre
- Limited town centre offer
- Leakage to other centres
- Confined retail core
- Lack of decent retail stock
- Overall poor town centre experience



# The Town Centre Masterplan - A Vision for the Town Centre



- Thriving town centre economy
- An 18-hour economy
- Spaces to Breathe
- Streets as places
- Setting the design standard



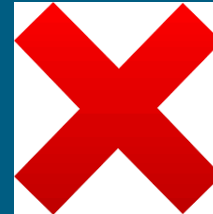
Providing guidance and steer for town centre development to 2026.

# The Delivery Model

# Wokingham Borough Council Developer



- Greater control
- Coordination
- Curation
- Investing in non-profit & community elements



- Risk
- Cost
- Decision making
- Economic climate



# Managing financial risk

- Financially Viable scheme with a 5% minimum return on costs
- Self supporting as a commercial investment
- No subsidies from local tax-payers
- Generate capital or revenue return
- Pre-secure income through pre-lets with a strong lettings strategy
- Build in phases

# Retail and Letting Strategy

- Changing face of retail
  - Internet
  - Brexit – uncertainty
  - Increasing costs
  - Rates Review
- Strengthen retail core and strengthen 18 hour economy
- Differentiate from Reading & Bracknell
- Build on quality independent local retailers on the back of key aspirational nationals



# Who's coming to Wokingham?

**GAIL's**  
ARTISAN BAKERY

**W**  
Waterstone's

Ripples

  
The Leafy  
Elephant

  
Blue Orchid Bakery

**SIT & SIP**  
YOUR TIME YOUR TASTE

  
Remarkable Food For Your Freezer

**Beyond**  
the Download

 MOUNTAIN  
WAREHOUSE

  
Premier Inn



 **Places  
Leisure**  
Part of Places for People

*And lots more independent and  
national names coming soon*

# A great investment for Wokingham

	Financial Year 2024-25
Costs (Excluding Interest)	£118m
Commercial Investment Value	£96m
Residential Receipts / Income	£69m
Completed scheme debt in 24/25	£49m

	Financial Year 2024-25
Annual Income 24/25	£4.53m
Interest on debt 24/25	£1.74m
Headroom in 24/25	£2.79m

# Wider Benefits of Regeneration

- £4m additional revenue generated to invest back into Wokingham
- Over 900 new jobs created from construction to retail
- £4m additional spend into the local economy from new homes
- £7m spend on local infrastructure improvements
- Skills developed in house for future projects and investment



# Programme and Progress

# Putting the Objectives into Practice

- Great public spaces
- A better retail experience
- Entertainment and things to do
- Better sports and leisure facilities
- Improved access and transport
- Sustainable communities
- Income generation







**Peach Place Refurb.**  
**Completed Aug 2014**  
Reclad facades and  
apartments

**Peach Place Redevelopment**  
**Completes summer 2019**  
New square with shops,  
restaurants and homes.

**Station & Station Link Road**  
**Completed 2014**  
New station & highway  
infrastructure

**Carnival Phase 2**  
**Delivery 2020-2022**  
New sports centre,  
library, commercial and  
apartments.

**Carnival Phase 1**  
**Completed Jun 2017**  
New multi-storey car  
park & Bowling Alley

**Market Place Improvements**  
**Completed Aug 2018**  
Refurbished space for  
markets and events

**Elms Field**  
**Completes in phases from end 2019  
through to 2020**  
New shops, cinema, hotel, foodstore,  
homes, park and play area



# Wokingham Station and Link Road



# Started 2013 and Completed 2014





# Peach Place Refurbishment





# Started 2013 and Completed 2014



# Carnival Phase 1





# Started 2016 and Completed 2017



# Market Place Improvements





# Started 2017 and Completed 2018





# Peach Place Redevelopment





Started 2017 and due to complete summer 2019



# Elms Field





Started 2018 and due to complete 2019 / 2020



# Carnival Phase 2





# Due to start 2020 and complete 2022



# Questions?