

Appendix A

# COMMERCIALISATION STRATEGY 2014/15 – 2018/19

Maidstone Borough Council

Adopted by Council 13<sup>th</sup> August 2014.

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## 1. EXECUTIVE SUMMARY.

The purpose of this strategy is to enable Maidstone Borough Council (MBC) to respond to public aspirations for Maidstone – starting with our vision, “We want Maidstone to be a vibrant, prosperous 21<sup>st</sup> century urban and rural community at the heart of Kent, where its distinctive character is enhanced to create a safe, healthy, excellent environment with high quality education and employment where all people can realise their aspirations”.

The impact of changes in funding arrangements, including the assumed complete withdrawal of Revenue Support Grant (RSG), offers increased risks and potential opportunities arising from the localisation of business rates and an expectation that Council Tax will not significantly change. The challenges of the reduction in RSG income to Maidstone Borough Council are those faced by local government across England. What is less widely understood are the implications of failing to effectively deal with this deep cut to funding (in Maidstone Borough council’s case the reduction in Revenue Support Grant by financial year 2018/19 represents 18% of the actual operational budget of financial year 2013/14). Failure to balance the books could easily result in remedial measures being imposed by The Secretary of State; resulting in:

- Deep cuts to all types of resource within MBC, resulting in a reduction of standards of services provided to customers.
- Enforced sale of MBC assets resulting in a reduction of facilities for the people of Maidstone.
- Imposition of special measures.

Maidstone Borough Council acknowledges the challenges that it faces, but also views the current funding picture as an opportunity to affect fundamental changes to how it does business; with dramatic improvements delivered for the people it represents, as a result.

The assumed abolition of the Revenue Support Grant is counter balanced with the adoption of the Localism Act 2011, Section 1. The Power of General Competence contained within the Act gives councils a freedom to operate in ways which were denied them previously. It is worth noting section 4 of the same Act when trading is discussed in the strategy.

Maidstone Borough Council has launched a Strategy of Commercialisation, which will sit within the Council’s Financial Framework; using these new and existing powers, in order to meet some of the funding gap through:

- Review of services offered, and the standard at which they are offered.
- Improved and more cost effective ways of doing business.
- Fairer and more effective charging.
- The introduction of trading.

Commercial activity is nothing new for MBC but the strategy will consolidate the council’s existing commercial activity (such as the commercial waste collection service; shared services; car park

charging; events; etc.) and provide a framework and strategy, with defined objectives, for these commercial projects and for the delivery of future commercial activity.

**2. INTRODUCTION.**

In common with all Local Authorities in England, Maidstone Borough Council (MBC) is faced with a reduction in funding brought about by the reduction of the RSG. The grant is being reduced, in annual stages until financial year 2019/20. For prudent planning purposes, MBC is assuming that it will stop at this point. Details of the reduction can be seen at para. 2.1.

Traditionally, when faced with a reduction in revenue, Public Sector organisations will simply cut spending; which in reality means cutting services received by customers, unless coupled with improved delivery. MBC has taken a different approach to the current situation and has adopted a policy of finding efficiencies through transforming service delivery, for example partnership working and creating income through the introduction of a more commercial approach, in order to replace some of the lost grant. This revenue will then be re-invested in the delivery of services, there-by protecting our customers’ interests.

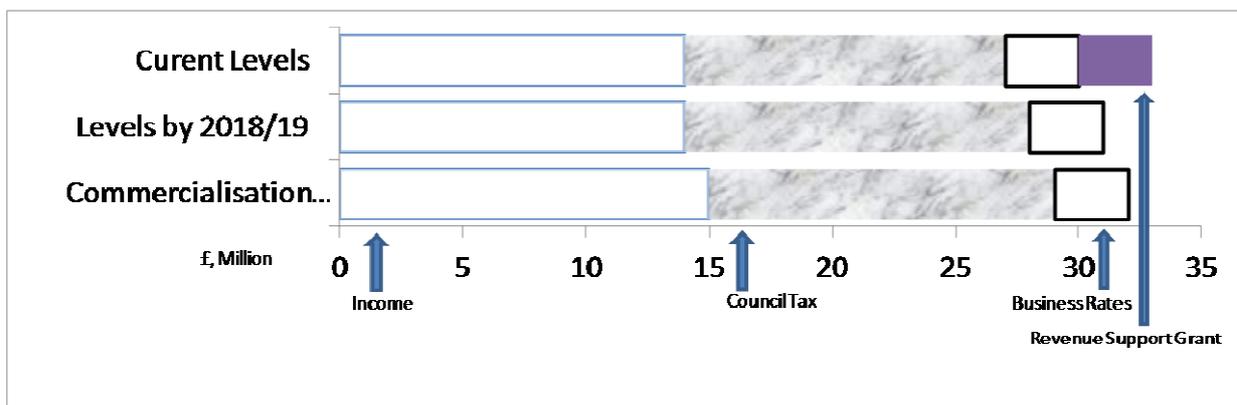
This is a fundamental shift in approach and consequently a simple, easily understood Commercialisation Strategy is required to give direction; and which links into the Medium Term Financial Strategy. All projects and activities undertaken under the Commercialisation Strategy will therefore be evaluated against the priorities of the Medium Term Financial Strategy at paragraph 2.5 of that Strategy.

**2.1 Revenue Support Grant and Annual Savings Targets.**

The Revenue Support Grant (RSG) for the year 2013/14 was £4,171,000; and will be reduced between financial years 2013/14 and 2019/20.

Some of this loss of income has been offset by a forecasted increase in Council Tax and some of the loss offset by reductions in spending, but there is still an overall funding gap; expressed as Annual Savings Targets (AST) in the Budget Strategy 2014/15 Onwards. The ASTs are the target against which the Outcomes for this strategy will be measured.

The Strategic Budget and Revenue Projections are ‘living’ documents, but at the published date of this strategy the AST varied between £796,000 and £1,446,000 per year, over the next 5 years.



This diagram demonstrates the predicted benefits of commercial activity to MBC funding levels. Increasing income received from other sources (clear bar) through commercial projects, combined with the projected rise in Council Tax (grey bar) will off-set much if the reduction of income in RSG (solid bar).

Although a reduction in Operational Spend has been budgeted for (see Service Spend in Budget Strategy/Strategic Revenue Projection 2014/15 onwards) it does underline that doing nothing will have a severe impact on MBC's ability to deliver effective services in the medium and long term, unless further reductions in operational spend are made.

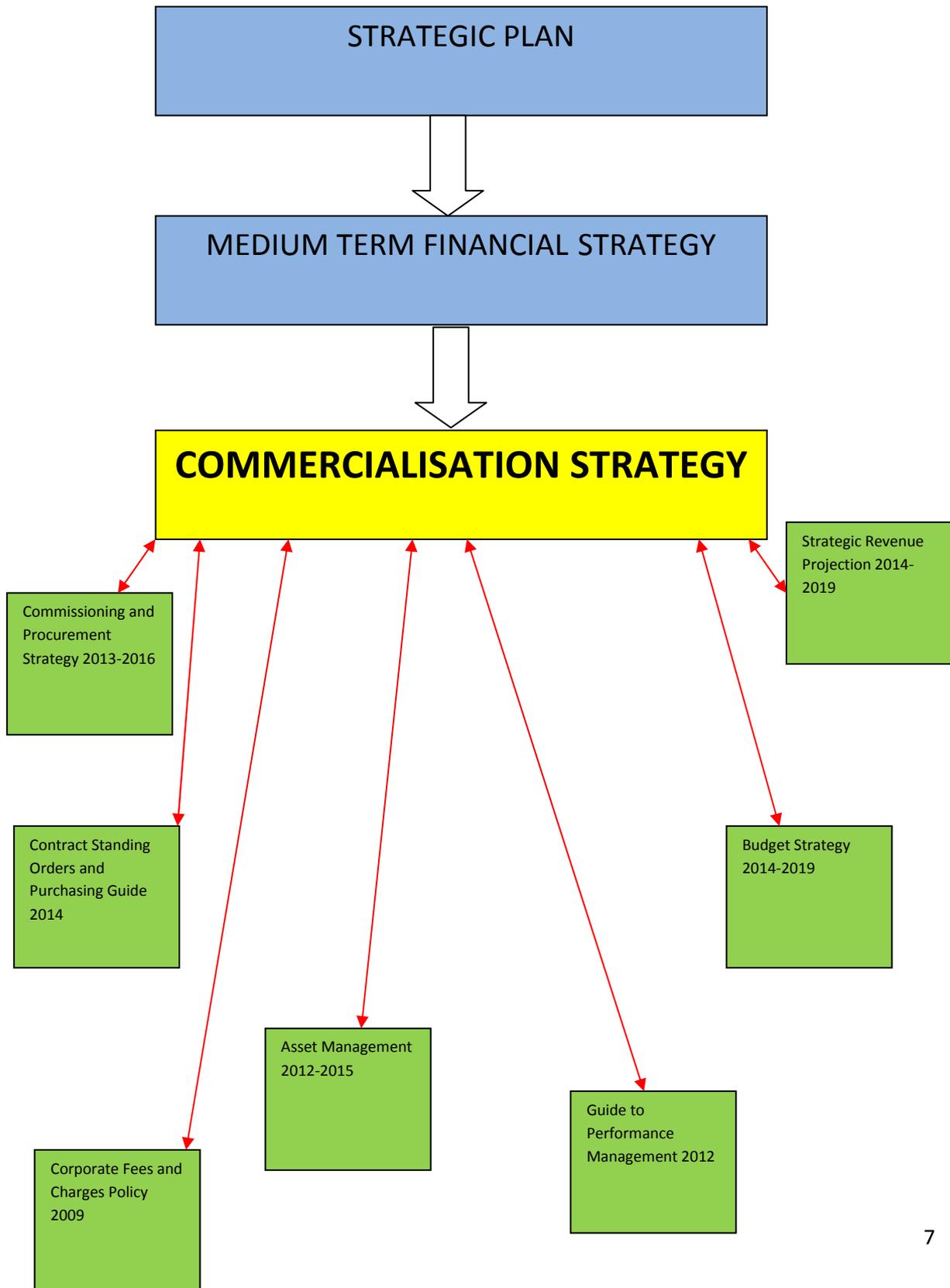
## **2.2 Localism Act.**

The Localism Act 2011 gives Councils a General Power of Competence. In essence this means that Authorities may now act as they wish, provided that they do not break any other law. It is this Power of Competence which allows MBC to undertake further trading, and some commercial charging in a way which they were unable to in the past; but limits of the General Power at sections 3 and 4 of the Act do apply.

MBC's commercial activities will be supported by other specific legislation (for example Road Traffic Regulations Act 1984 to allow us MBC to provide and charge for parking), where possible. The Localism Act forms the legal basis to undertake the measures and types of activity outlined in this strategy, where they are not covered by other Acts.

### 2.3 Strategic Links.

The hierarchy and interdependence of The Commercialisation Strategy within and to other MBC strategies and policies is shown below:



### **3. PRIORITIES, OUTPUTS AND OUTCOMES.**

#### **3.1 Corporate Priorities and Values.**

This Commercialisation Strategy clearly sits in support of MBC's Corporate Priority:

##### ***Corporate and Customer Excellence.***

*The Council will have a productive workforce with people in the right place at the right time, delivering cost effective services. Services will be affordable, delivered on time and to agreed standards in an accessible way.*

##### ***Outcomes by 2015***

- *Customer focused services that residents are satisfied with*
- *Effective, cost efficient services are delivered across the borough"*

Driving the measures to bridge the ASTs will be critical in ensuring that funding exists so that: 'Effective, cost efficient services are delivered across the Borough.'

Within MBC's core values, STRIVE, is Value, defined as:

##### **VALUE**

##### ***What this means***

*Taking care and weighing up our options, aiming to get the maximum effect for every penny of public money we spend.*

##### ***How we need to behave***

- *Deliver cost effectiveness*
- *Make suggestions for improvement*
- *Monitor contracts for service are delivering value.*

The commercialisation Strategy clearly sits in support of this value.

### 3.2 The Commercialisation Strategy's Outcome will be to:

- Make positive annual contributions to meeting the AST (as defined at Para.2.1) by delivering cost reductions or generating extra revenue through the utilisation of: charging; trading; and business improvement.

Priorities and outputs are broken down as follows:

<b>Short Term (2014) Priority – Lay the Foundations for Commercialisation.</b>	<b>Medium Term (2015 – 2018/19) Priority – Complete the Roll-Out of Commercialisation.</b>	<b>Long Term (2020 onward) Priority.</b>
To have the Commercialisation Strategy adopted by MBC by August 2014.	To continue to develop Service and Corporate commercial and investment opportunities as they present themselves.	To contribute £1,000,000 annually towards the AST through charging review; commissioning and business improvement; establishment of trading and property investment.
To have completed the organisational changes specified in this Strategy, by August 2014.	To complete the roll out of the Strategy across all MBC Services by 2018/19.	To have identified an opportunity for an external trading company (see para. 4) and created it, if it is considered advantageous to do so.
To have completed review of strategically linked documents by December 2014.	To contribute £1,000,000 annually towards the AST through charging review; commissioning and business improvement; establishment of trading and property investment by financial year 2018/19.	
To have completed training in Commercialisation Awareness and Commercial Business Planning by December 2014.	Establish a company to hold a property portfolio.	
To have the Strategy applied to the first service; Commercial and Economic Development Service (Maidstone Culture and Leisure) prior to 2015/16		
Develop commercial, or investment opportunities within other Services or corporately.		
Contribute £100,000 AST.		
Amend decisions on borrowing for commercial purposes.		

#### 4. HOW WE WILL DELIVER THE COMMERCIALISATION STRATEGY.

MBC will follow a two tier strategy. Tier 1: Service and Unit Commercialisation; Tier 2: Corporate Investment and Trading. This strategy will be supported by a communications (internal and external) and training programme delivered as part of the roll-out project.

The development and roll out of both tiers of Commercialisation will be conducted as a formal project.

In support of the development of the commercial business plan framework and subsequent implementation and delivery, a new internal team will be formed: the Commercial Projects Development Team (para.4.1) and CLT will assume some new, specific responsibilities.

##### 4.1 Service and Unit Commercialisation.

MBC, directly or through its appointed representative, is restricted by statute in that there are some services it must provide. It cannot choose to enter or exit certain markets (and the levels of fees it may charge are restricted, in some cases); but within the confines of statute, this means running MBC's units like businesses with commercial business plans, and these will include the introduction of:

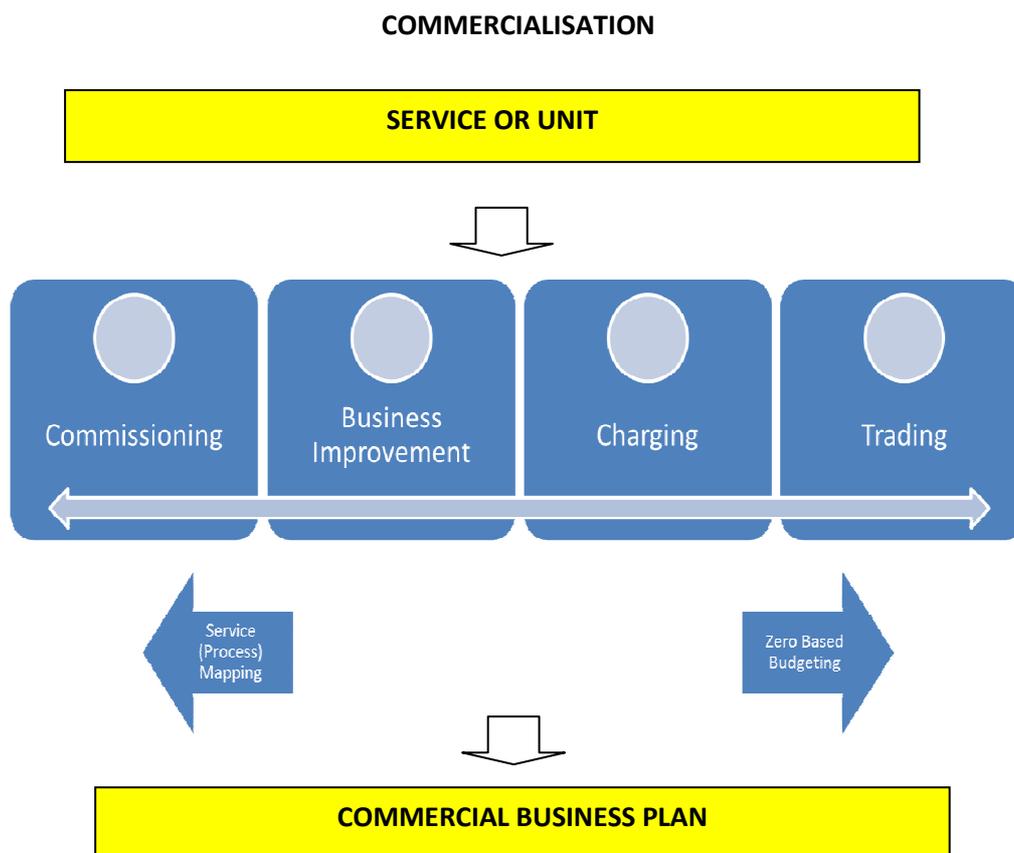
- **Commissioning.** – Services will conduct a commissioning exercise to confirm exactly what outcomes are required for each Service; and those outcomes which are currently being offered that it would be preferable to STOP. It will then assess whether it is more cost effective to MAKE; to MAKE AND SELL; to BUY; or to DIVEST the process of producing the outputs required to deliver the outcomes. **The objective of commissioning is to ensure that MBC is allocating resources to outcomes that support its Strategic Plan, and not wasting resources delivering unnecessary or unwanted outcomes.**
- **Business Improvement.** - This will be followed up by process mapping and action costing (and a review of whether services are being delivered in a cost effective manner); allowing the creation of accurate baseline business plans, from which it will be possible to measure the impacts of Commercialisation and also to challenge for value services that are being bought internally. This BI is already partially underway as part of the Customer Improvement Strategy and the scope of that strategy will be extended deeper into Service operations. Corporate BI methodologies will be applied in collaboration with the Service in order to achieve the desired level of service at the best price. This will also allow zero based budgeting to be carried out. The definition of Zero based budgeting for the purposes of the Strategy is: *“Zero based budgeting also refers to the identification of a task or tasks and then funding resources to complete the task independent of current resourcing”*. **The objective of BI is to reduce the overall cost of MBC's service delivery.**
- **Charging** – MBC already undertakes charging, and the revenue received represents a substantial level of income. Finance already factors charging revenue into net service costs to give a net service spend (as described in the Budget Strategy). The revenue received

through charging will be shown in Unit commercial business plans, in detail. When measured against the costs identified from BI it will be possible to more accurately show profitability (or otherwise); work out the true costs of delivery (including accurate overheads and required reinvestment as allowed by the Local Government Act 2003), and ensuring fees reflect this (within the constraints made by the Corporate Fee and Charging Policy); to analyse the impact of fee variations to the AST target; to ensure fees are set at the maximum possible level. As the 'profit' rules under the Act allow MBC to take one financial year with another, Charging also represents opportunities to test ideas identified under 'Trading' of this paragraph before they move to trading proper; and then eventually to an external trading company as discussed at para. 4.7. **The objective is to ensure that the maximum revenues possible; allowed by the Corporate Fees and Charges Policy, and at levels that reflect political appetite, are actually being received.**

- **Trading** – Not every Unit or Service will have the opportunity to trade, but a review will be conducted by the Service, with assistance of the CPDT (see para. 4.1) in order to identify, and develop those opportunities which might exist. The CPDT will then assist with modelling these opportunities for inclusion in the commercial business plan; and bidding for resources, if required, to implement the trading activity. **The objective of trading will be to introduce the net profit into the Service revenues, and to adjust Service net affect to AST, and their target.**

The framework of commercial business plans will be developed and rolled out across units and services within MBC by means of a formal project. The commercial business plans will show how a Unit or Service intends to achieve their targets' to impact the AST.

**A percentage (to be set by Head of Resources and Finances) of positive contribution to the AST will be available for reinvestment back into the Service which generated it; it effectively becoming a part of the Commercial Investment Fund at para. 4.4.2. Services will bid for this reinvestment via the CDT, who will model and then make recommendations to CLT for final consideration as per para. 4.1.**



#### 4.2 Corporate Investment and Trading.

- **Corporate Property Investment** – MBC will start to develop a property portfolio, from which three main benefits will be derived:
  - Net revenue.
  - Appreciating assets through market movement or development.
  - A positive impact to social housing within the Borough.

The rules about borrowing against MBC owned assets make developing a portfolio of investment property extremely difficult to do 'in-house'. There is also a risk to MBC's property investments presented by Right to Buy. MBC will, therefore create a company Ltd. by share to develop its portfolio. This is an increasingly common vehicle local authorities are using to hold property. The model used will be based on ABC Holdings Ltd. the property company owned by Ashford Borough Council for this purpose.

- **Corporate Trading** – Where Service trading (para.4.1) has reached a level where it is profitable and where it would be possible to bid for clients other than MBC, consideration will be given to the formation of an external trading company. The Teckal rules allow MBC to award a company which it owns contracts without recourse to tender, under certain

conditions, and this will put any new company on a sound footing to bid for further work. Although if it is successful bidding for external work it may have to re-bid for the MBC contracts as Teckal may no longer apply.

MBC, in the course of its core activities facilitates the flow of lot of public money to the private sector, or creates commercial opportunity. Examples might include the funding of emergency housing; or the awarding of enforcement to third parties. These are situations where corporate trading can flourish and bring this money back to the public purse.

At all times s.4 of the Localism Act 2011 will be considered, if it is the Act which is providing the legal basis to trade.

MBC must always be look to reinforce commercial success, when it is achieved, and within the constraints specified in this section.

Examples of successful, Public Sector owned companies:

[www.westcotrading.com](http://www.westcotrading.com) City of Westminster Council

[www.norsegroup.co.uk](http://www.norsegroup.co.uk) Norfolk County Council

MBC will identify where it can trade successfully and emulate this sort of success.

#### **4.3 Organisational Changes.**

In support of the development of the commercial business plan framework a new internal team will be formed: the Commercial Projects Development Team. The team will be supported by new specific responsibilities assumed by CLT.

##### **Corporate Leadership Team (CLT)**

Although the CLT is clearly not a new group, it will have new special responsibilities to execute as part of this strategy, as follows:

- To receive recommendations for projects and proposed Service commercial business plans for final review before submission to cabinet, or council.
- To 'hold' the Commercial Investment Fund outlined at para.4.4.2 and weigh the cost/benefit (opportunity cost) of a proposal and make recommendations to cabinet/council accordingly.
- To act as the final arbiter where potential internal conflicts of commercial interest are raised by the CDT.

##### **Commercial Projects Development Team (CDT).**

The CPDT will be a permanent but ad-hoc group providing support to Service and Unit Managers, where required. It will be chaired by the Head of Commercial and Economic Development. Other members of the unit will be called in depending upon the project, and will be drawn from the following departments: Legal; Finance; Procurement; Property; ICT; Communications; Policy and

Customer Services. It will also be able to retain external expertise in support of its functions where skills or knowledge gaps are identified, or where there may be a conflict of interest.

Functions of the CDT will be as follows:

- To provide advice to Service and Unit Managers on the development of commercial opportunities.
- To assist with Commercial Business Plan writing, and financial modelling.
- To provide analysis of the impact of projects or plans to the AST.
- To provide recommendations and advice to Cabinet and CLT on the approval of commercial business plans.
- To hold the corporate commercial projects register.
- To deconflict commercial conflicts of interest, or to highlight them to CLT for direction.
- To hold the approved framework of approved Commercial Business Plans across MBC.
- To allocate, under the direction of Head of Finance and Resources Service and Unit AST and ensure these are considered in Commercial Business Plans.
- To measure, with Finance and Resources annual performance against AST and Commercial Business Plans.
- To look for trading projects that prioritise capture of commercial opportunities afforded by our existing statutory and non-statutory services, so that synergy exists between our commercial and other desired outcomes.

#### **4.4 Measuring Success.**

The only proper measure of success is the net effect of commercialisation to the AST, expressed in monetary terms; and as a percentage of the AST.

In order to plan for, and measure success, it is going to be essential to 'benchmark' each service as Commercialisation is introduced to it. In practice, this means identifying its net financial impact to the Corporate Budgets (its net Service Spend) at a given point; which, it is envisioned will be the current total budget. Head of Finance and Resources will set confirm these start points. We will then, in effect conduct zero based budgeting to start each business plan and ensure that more accurate rebilling is applied.

This gives the basis for handing a Service or Unit a target to alter that financial impact. This has happened historically, but the Service will no longer be targeted to reduce its financial impact through reduced budgets, alone. Now the Service will be allowed to undertake wide reaching commercial activity in order to generate net profit, which can be counted towards its target. Service Heads and Unit Managers will have discretion to plan activity: cost-cutting or generating net profit to achieve those targets, using the measures highlighted in this Strategy.

The Service Head or Unit Manager can now plan for those actions with the assistance of the Commercial Development Unit (see para. 4.1) and produce a Commercial Business Plan for approval by their Director and the Commercial Opportunities Board (see para.4.1). It is envisioned that these plans will include the authority to re-invest a portion of turnover into stock or services for trading.

#### **4.5 Review and Performance Measures.**

##### **4.5.1 Accounting.**

In order that impact to the AST can be accurately measured, those Services and Units which have had Commercialisation implemented will need to be able to access commercial management account reports, reflecting activity against its commercial business plan. The current Corporate Chart of Accounts can produce these reports using Agresso, and Service Accountants will set these reports up, based on the Commercial Business plans which are developed.

All commercial accounting measures and financial projections will be included in Service and Unit commercial business plans and include profit and loss forecasts and actuals.

##### **4.5.2 Strategy Review.**

As commercialisation is a new strategy for MBC the Strategy will be subject to heavy review as the actual results of the strategy are assessed and the lessons learned from the roll-out programme are applied.

The Commercialisation Strategy will be reviewed annually by the CPDT and recommendations for amendments to the Strategy will be submitted to CLT and Cabinet for adoption by the council.

##### **4.5.3 Service Plans, Covalent and KPI.**

The roll-out program will be controlled and measured through the use of actions in Service Plans, and monitored through Covalent.

As discussed at para. 4.2, the only proper measure of the success of Commercialisation is the measurement of profitability; demonstrated either through the generation of surplus revenue or a reduction in costs. The Commercial Projects Manager and Head of Finance and Resources will be responsible for recording the programme affect and submit an annual report to CLT.

#### **5. Resources.**

##### **5.1 Commercial Development.**

In order that the CPDT can properly fulfil its functions , resources will be required to properly develop and research commercial opportunities and commercial business plans.; primarily for the retention of professional services, where required. Some of this work will be conducted in support of abortive projects.

The Invest to Save Fund has been established and for this purpose and stands at £500,000. Applications to the fund will be formulated by the CPDT under the review of Head of Commercial and Economic Development.

## 5.2 Commercial Investment Fund.

In June 2013 Council decided that a decision to approve £6m of prudential borrowing would be extended so that purchases could be made for:

*“Residential property including derelict and long term empty property, in order to restore and bring them back into use and property suitable for use as temporary accommodation, in order to reduce reliance upon bed and breakfast accommodation.”*

Previously, by decision in September 2012, the approved categories of investment were:

- a) *Additions to the Council’s commercial property portfolio;*
- b) *Derelict residential property in order to restore and bring them back into use; and*
- c) *For strategic investment such as to progress stalled development.*

An amendment to this decision will be tabled so that the types of acceptable investment will be widened to include all types of commercial investment.

## 5.3 Reserves.

MBC has allocated £500,000 of its reserves to mitigate any failed commercial activity; specifically, these reserves can fund measures required to bring a failed activity to a close.

The acceptable activities covered by this mitigation are the same categories defined at para. 4.4.2. These categories will be widened to cover all commercial activity.

## 5.4 Trading Options.

When considering appropriate vehicles to deliver commercial activity, and the consequent capitalisation of a commercial project, the CPDT will consider:

- Legal basis to trade.
- Tax.
- Appropriate mechanism for capitalisation (e.g. liability for assets/funding to MBC).
- A PESTLE analysis.

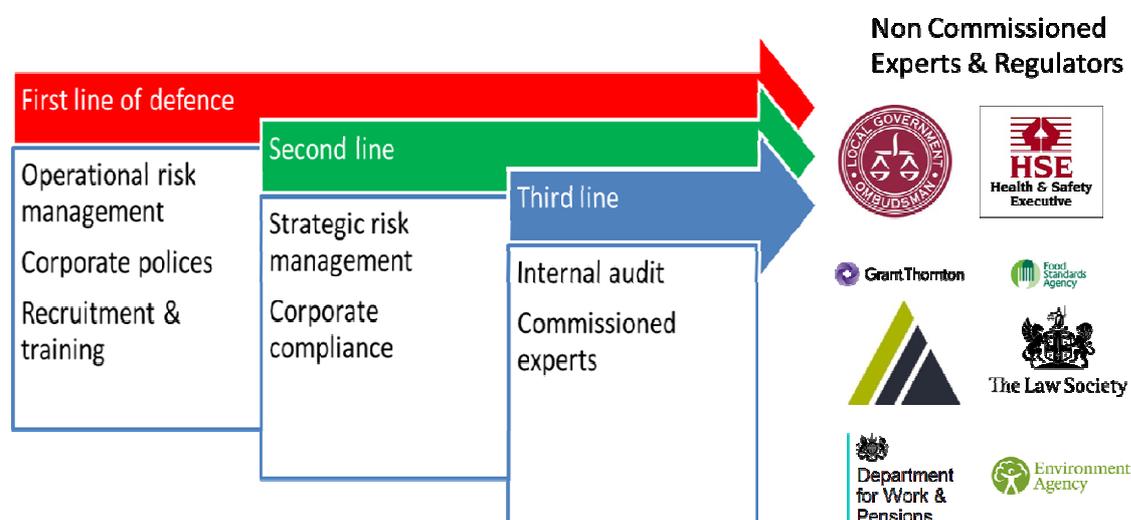
Types of options could include: Community Interest Company; company limited by share or guarantee; in-house; etc.

## 6 Audit and Risk Management Provision.

### 6.1 Audit Strategy.

An audit is a planned and documented activity performed by qualified personnel to determine by investigation, examination, or evaluation of objective evidence, the adequacy and compliance with established procedures, or applicable documents, and the effectiveness of implementation.

The range and scope of the types of project that could be executed under this strategy is vast; consequently a hard audit framework is impossible to design as a one size fits all solution. The Audit Partnership follows and advocates a three tier approach to audit which can be understood as follows:



Commercial projects conducted as part of this strategy will not deviate from this model.

The Audit Partnership will be engaged by the CPDT at early in the development of business cases to advise and check adequate, specific audit provision is included in project plans.

### 6.2 Risk Management.

Risk is part of life. Avoiding all risk would result in no achievement, no progress and no reward.

Risk management is the systematic process of understanding, evaluating and addressing these risks to maximise the chances of objectives being achieved and ensuring organisations, individuals and communities are sustainable. Risk management also exploits the opportunities uncertainty brings, allowing organisations to be aware of new possibilities. Essentially, effective risk management requires an informed understanding of relevant risks, an assessment of their relative priority and a rigorous approach to monitoring and controlling them.

- Operational risk – This will be assessed by the CPDT on a project-by-project basis and will be managed by the project manager through the project risk register.
- Strategic risk – This will be assessed and managed by CLT when considering recommendations to Cabinet and Council regarding a specific project.

### **6.3 Communicating the Strategy.**

MBC is launching a new way of doing business which, it is anticipated has scope to be misinterpreted with consequent damage to corporate reputation. The Communications Team will develop a plan to mitigate this special risk, which:

- Informs the electorate about this strategy, and why it is being implemented.
- Informs the elected members and officers about this strategy and why it is being implemented.
- Sets out criteria which can be applied during the planning of a particular commercial project in order to measure impact to the electorate's perception of MBC.
- Includes a communications strategy to deal with any commercial failures, or sudden interest in the Commercialisation Strategy from the press, or any other interested party.

**7. CONSOLIDATED TASKS AND TIMINGS LIST.**

<b>Serial</b>	<b>Task</b>	<b>Outcome</b>	<b>Responsible</b>	<b>Deadline</b>
<b>1</b>	Review of Strategy by CLT	CLT makes final amendments prior to recommendation to Council	Commercial Projects Manager	16 <sup>th</sup> July 2014
<b>2</b>	Pre-submission review by Overview and Scrutiny	Ascertain OSC input prior to the Strategy being considered for adoption.	Senior Corporate Policy Officer	16 <sup>th</sup> July 2014 for 29 <sup>th</sup> July 2014
<b>3</b>	All member briefing	Introduce concept and details of the strategy to the new council.	Head of Commercial and Economic Development	24 <sup>th</sup> September 2014
<b>4</b>	Submission to Cabinet	Strategy is approved by the Council	Senior Corporate Policy Officer	13 <sup>th</sup> August 2014
<b>5</b>	Call-in period completed	The Strategy is adopted by the Council	Senior Corporate Policy Officer	August 2014
<b>6</b>	Starting Up and Initiating a project paperwork prepared	Mandate to start the roll-out programme.	Commercial Projects Manager	31 <sup>st</sup> August 2014
<b>7</b>	Start and Initiate the Commercialisation roll-out programme	Start the programme with Maidstone Culture and Leisure	Project Sponsor – Zena Cooke	1 <sup>st</sup> September 2014
<b>8</b>	Complete the roll-out programme	Commercialisation of all services complete	Commercial Projects Manager	End of financial year 2018/19
<b>9</b>	First Commercialisation Strategy review	Adjust targets Apply Lessons Learned	Commercial Development Team (CDT)	September 2015 (annually thereafter)
<b>10</b>	Commercialisation is contributing £1m			Financial year 2018/19

	annually towards the AST.			
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## 8. GLOSSARY.

Term	Definition
Agresso	An accountancy software package used by MBC.
AST	Annual Savings Target. These are the defined within the Budget Strategy and represent the discrepancy between total revenue and operational spend. The Commercialisation Strategy is designed to assist MBC bridge the gap.
BI	Business Improvement. Ensuring that a particular service is being delivered in as efficient manner as possible by removing unnecessary actions performed in that delivery. It will also examine action costs and, within restrictions imposed by desired service quality, will search for cheaper ways of performing that action.
Business Rates	For the purposes of the Strategy business rates are the portion of NDR retained by MBC.
Cabinet	MBC does not operate a committee system and has delegated much executive authority to a single body. This body is the Cabinet.
Charging	Charging is the recovery of some or all of the cost of delivering a service; charging levels being set by political decision. The rules; statutes concerning charging; and governance of charging are clearly set out in MBC's Corporate Fees and Charging Policy.
CiC	Community interest company. A trading vehicle which protects assets and most profits for community benefit.
CLT	Corporate Leadership Team. The senior paid service organisation, within MBC which advises Council.
Commissioning	The process of defining desired outcomes for individuals and groups and the sourcing the most effective way of delivering services which meet those defined outcomes.
CPDT	Commercial Projects Development Team. An organisation designed to help research and develop commercial ideas and

	business cases for consideration by the council.
Invest to save.	A fund established at MBC which allows the capitalisation of activities and projects which, it is anticipated will result in a net reduction of operational spend.
Localism Act 2011	The Act which will give MBC the legal basis to trade, where no other exists. The Act in full can be found at <a href="http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted">http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted</a>
MBC	Maidstone Borough Council
Other Income	Income designation within The Medium Term Financial Strategy and Budget Strategies which is defined as any income received by MBC which is not a grant or local taxation. It specifically refers to revenue counting towards MBC's operational spend.
PESTLE	<p>An analysis tool which takes into account the following factors:</p> <ul style="list-style-type: none"> <li>• Political</li> <li>• Economic</li> <li>• Social</li> <li>• Technological</li> <li>• Legal</li> <li>• Environmental</li> </ul> <p>PESTLE started as a marketing analysis tool but is now being usefully applied to assess the impacts of policies and actions of public sector organisations; particularly commercial activities.</p>
Property Portfolio	<p>A group of assets, the Strategy aspires for MBC to hold (either directly or through an 'arms-length vehicle') which will allow MBC to benefit from:</p> <ul style="list-style-type: none"> <li>• Net revenue</li> <li>• Asset growth.</li> </ul>
RSG	Revenue Support Grant. A central government grant which is gradually being phased out and which, it is assumed will eventually be abolished.

Trading	The buying and selling of goods and services for profit.
Zero Based budgeting	Zero based budgeting also refers to the identification of a task or tasks and then funding resources to complete the task independent of current resourcing.