

Key message from the day:

**If we want to change our culture it needs to come from both political and officer leadership at the highest levels.**

- With positive leadership, officers will be provided with the confidence to look at their work differently, start to explore, and ultimately trust, other models of working, rather than repeating the same patterns.
- Portfolio holder needs to give reassurances that risk is controlled and that we can take this step.
- We need a way to describe what we are doing with commercialisation ie. We are doing this because we... The council needs a fundamental simple message that will filter into all the work of managers through the organisation.
- We need to be clear about what the council is here for - what does the council actually do and how do we achieve this?
- We need capability of officers to do this work – do they have the right skills, are they adaptable enough, can they be retrained?
- Is there capacity and resourcing for them to do this work? Is there enough space in their working day to change their working practices and take this on board fully? It is important to assess how much we need to spend on officer time to enable the work to go ahead and whether this will be cost effective.
- Do we have the culture that will support their work – Capacity and Competence are vital and require ACTIVE leadership
- Recruitment, Training and Retention must be embedded to support this work. The Performance appraisal framework needs to support this. Need to systematically feed this culture down.
- The money is an outcome not the process.
- The council has a choice to do nothing and face economic collapse or, do better, and do something differently
- Models to deliver commercialisation are a means to an end, they are not commercialisation itself and we might use different models for different problems. It is very important not to put the cart before the horse and understand exactly why the council might chose a particular vehicle for a particular problem. It is not an answer to create arms-length companies for the sake of it or in the hope of it being more efficient if

this is not the right model for the issue at hand. It must also not be the right fit with the vision and risk appetite of the council.

- Need to have a definition that the council can work to
- New driver is that councils can go bust now in a way that was not a risk before.
- We need to have a proper discussion about risk appetite. Better to frame this as **risk tolerance**. This can change depending on the key players in this space - CEO, finance director, and cabinet members. Appetite for a project can be very high but your tolerance can be low at the same time - so that risk is managed closely.

Steps to build a Commercial Strategy (taken from the document "Enterprising Councils, supporting councils' income generation activity") published by the LGA

### **1. Purpose and Vision**

Primary question – Why are we here? – the organisation identifies its vision or purpose. Council also works out what it means by commercialisation

Senior officers and councillors must lead and communicate this in order to align the organisation's vision and mission with that of the individuals inside the organisation. When staff feel more connected, they are more likely to participate in achieving the group's goals.

### **2. Trust Building**

Stage during which people want to know who they will work with, expectations, agendas and competencies.

Trust can only be established once the organisation's members are clear about its values and capabilities and have a view about where they fit into the organisation and their responsibility for the vision.

Vital that at senior level there is intolerance of values being breached

### **3. Role and goal Clarification**

Senior political and managerial leadership work to communicate and refine shared commercial vision by discussing possibilities, variations and reasons these goals may or may not be the best options. This ultimately defines the organisational mission.

### **4. Commitment**

This stage about "getting it done". Decisions made, priorities set, and structures put in place in order to drive commercial activity. If leadership not in place staff may resist by

- Disowning individual responsibility for the success of the organisation
- Going along with preferences of others
- Attacking proposed courses of action without offering feasible alternatives

Behaviour like this often fuelled by lack of leadership and could indicate unclear priorities, unclear roles, poor values.

#### **5. Implementation**

Implementation stage dominated by timing and scheduling. Key is to enable organisation to develop processes and procedures to deliver the commercial mission. May require senior leaders to clear obstacles or “kill sacred cows” to enable delivery of vision, purpose and strategy.

#### **6. High Performance – Strategy Implemented and working**

This model might suggest that high performance delivery is pre-determined, but many organisations never manage this. The approach is designed to increase the probability of becoming a high-performance organisation and staying in this space for as long as possible.

#### **7. Growth/renewal**

Most important question at this point is “why continue?” A process of reflection of what did and didn’t work and any remaining issues is very important in order to continue to evolve. This leads to the organisation becoming capable of evolving and adapting to its environment with a culture that can embrace change.

#### **Role of the senior political and managerial leadership**

Leadership must demonstrate what values mean in terms of their behaviour, decisions taken and specific management actions that demonstrate to all employees that the values are alive and real. This must be adopted by ALL leaders. In practice, managers and other employees will copy the model they see, which is much more powerful than reacting to communications which describe the values.

We may want to consider investing resources to support a corporate programme to implement our strategy. Investment in change management, developing employee capabilities, aligning performance management processes and adapting governance mechanisms may be required to enable a more entrepreneurial culture to flourish.

Links to the LGA’s free commercialisation guidance documents, [Enterprising Councils](#) and [Profit with a purpose](#) (circulated following the meeting).