

## COMMERCIAL PROTOCOL

### Executive Summary

The Committee is invited to scrutinise the processes and arrangements that are in place for project management and provide recommendations as it sees fit.

### Recommendations

The Committee is requested to:

**RESOLVE That** the report be noted.

The Committee has the authority to determine the recommendation set out above.

<b>Background Papers:</b>	None.
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### 1.0 Introduction

- 1.1 In January 2023 the Ministry of Housing, Communities and Local Government (formerly Department for Levelling Up, Housing and Communities), commissioned an External Assurance Review covering Woking Borough Council's governance, finance and commercial issues, following concerns raised from engagement with the council since May 2022.
- 1.2 On 25 May 2023 the Secretary of State, using their powers under the Local Government Act 1999, acted to intervene at the council and appointed the review team as Commissioners.
- 1.3 The Secretary of State subsequently directed the Authority on a number of issues which included rebuilding the commercial decision-making, regeneration, property management, procurement and management of commercial projects functions of the Authority to ensure conformity with the best value duty, thereby delivering improvements in outcomes for the people of Woking and the public purse.
- 1.4 In response, the Council adopted a Commercial Protocol in Autumn 2023. The primary purpose of this Protocol is to ensure that commercial activities and use of commercial assets are demonstrably aligned to the Council's prevailing strategic priorities. At the time of their adoption, these strategic priorities could be found in the council's Woking for All Strategy, the MTFs Guiding Principles 2024/25, the emerging Asset Management Strategy (within which the disposals strategy will be found) and in the Improvement and Recovery Programme.
- 1.5 The Commercial Protocol was developed with the support of Ethical Commercial.

### 2.0 Commercial Protocol

- 2.1 Attached at Appendix 1 is the Commercial Protocol.
- 2.2 The Protocol incorporates:
  - i. Scope
  - ii. Principles
  - iii. Objectives
  - iv. Risks
- 2.3 It is very important to note that adopting a commercial approach does not mean that every activity with which the Council is involved should be concerned with making a profit. That is not the Council's core purpose. However, taking a commercial approach does mean understanding the full costs of delivering a service or activity, the risks involved, and the impacts created - both good and bad.
- 2.4 Implementation of this Protocol will allow the Council to demonstrate it is fulfilling its Best Value duty (as it applies to the scope of this Protocol) in the following terms:

- i. Having arrangements in place to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.
- ii. Consideration of economic, environmental, and social value impacts.

2.5 Continuous improvement will be demonstrated through the historic performance of commercial activities and assets through information such as business plans and periodic strategic reviews, which will test commercial activities and assets against alternative delivery models and uses.

2.6 The Commercial Protocol is due for review September 2024. Feedback from the Resources and Finance Scrutiny will inform this review and proposed updates to the protocol can be reported to a future meeting of the Committee.

### **3.0 Corporate Strategy**

3.1 The application of a robust approach to performance management underpins the effective delivery of the functions that the Council provides, which in turn supports the objectives listed in the Corporate Strategy.

### **4.0 Implications**

#### Finance and Risk

4.1 None arising from this report.

#### Equalities and Human Resources

4.2 None arising from this report.

#### Legal

4.3 None arising from this report.

#### Engagement and Consultation

4.4 None arising from this report.

REPORT ENDS