

**OVERVIEW AND SCRUTINY COMMITTEE  
12 JULY 2022**

**PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT:** An update of the Commercial Directorate's work programme.

REPORT OF: Service Director – Commercial

EXECUTIVE MEMBER: Executive Members for Enterprise and Arts.

COUNCIL PRIORITY: PEOPLE FIRST, SUSTAINABILITY AND A BRIGHTER FUTURE TOGETHER

**1. EXECUTIVE SUMMARY**

To provide the committee with an update on the progress of the Commercial Directorate as set out in the departments work programme.

**2. RECOMMENDATIONS**

2.1. For the Committee to note the report.

**3. REASONS FOR RECOMMENDATIONS**

3.1. The report is following the request of the committee for an update on the progress of the Commercial Directorate work programme and is for information only.

**4. ALTERNATIVE OPTIONS CONSIDERED**

4.1. None.

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

5.1. The Executive Member and Deputy Executive Member for Enterprise and the Arts have been kept regularly updated on the work of the Commercial Directorate and have been fully briefed on the contents of this report.

**6. FORWARD PLAN**

6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

**7. BACKGROUND**

7.1. The Service Director – Commercial has been asked to provide regularly update to this committee.

## **8. COMMERCIAL UPDATE**

- 8.1. Appendix A provides the current Commercial work programme that the team is working to. The final column provides the current position on all tasks and uses a traffic light colour code to demonstrate if the tasks are on target or not.

## **9. LEGAL IMPLICATIONS**

- 9.1. There are various legislative provisions that give local authorities the power to trade commercially, in order to improve the range of services they can offer, such as S1 of the Local Authority (Goods and Services) Act 1970 (which allows local authorities to provide goods and services to other local authorities); S95 of the Local Government Act 2003 (which allows local authorities to engage in entrepreneurial commercial trading with private bodies and persons); S1 of the Localism Act 2011 ('the general power of competence', which allows local authorities to do anything individuals can do unless prohibited by law and subject to public law principles) and S19 of the Local Government (Miscellaneous Provisions) Act 1976 (which allows local authorities to provide facilities associated with recreational facilities). As part of the assessment of any proposed trading activity pursuant to the Commercial Strategy, the Council will need to ascertain the most appropriate power and comply with any associated requirements and consider the limitations imposed by the legislation.
- 9.2. Section 4(2) of the Localism Act 2011 provides that where, in exercise of the general power of competence, a local authority does things for a commercial purpose a local authority must do them through a company.
- 9.3. Section 120 of the Local Government Act 1972 provides a local authority with the power to acquire land for the purposes of its functions or for the benefit, improvement or development of its area. In its capacity as local authority, the Council cannot borrow to acquire land purely in order to profit from the investment of the sums borrowed. However, this does not necessarily preclude the Council generating a surplus from land acquired or developed pursuant to the Strategy.

## **10. FINANCIAL IMPLICATIONS**

- 10.1. Financial implications are covered in appendix A.

## **11. RISK IMPLICATIONS**

- 11.1. There are no risk implications relating directly to this report, as it is solely providing an update on the progress of relevant projects. There is a Service Risk (previously reported as a Corporate Risk) relating to the overarching opportunities/risks of the Council adopting a more commercial approach to service delivery. Risks are assessed for each individual project and where appropriate, these are recorded on the Risk Register.

## **12. EQUALITIES IMPLICATIONS**

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

- 12.2. The strategy states that all proposed ideas will be of an ethical nature and will be considered to have a positive impact on the community as a basis for consideration. In line with the Council's commitment to demonstrate due regard the Equality Duty, it will conduct equality impact assessments where required (i.e. any key decisions, major budget implications and any revisions to major service provisions).

### **13. SOCIAL VALUE IMPLICATIONS**

- 13.1. The Social Value Act and "go local" requirements do not apply to this report.

### **14. ENVIRONMENTAL IMPLICATIONS**

- 14.1. There are no known Environmental impacts or requirements that apply directly to this report. The Council will conduct environmental impact assessments where required (i.e. any key decisions, major budget implications and any revisions to major service provisions).

### **15. HUMAN RESOURCE IMPLICATIONS**

- 15.1 There are no human resources implications for this report.

### **16. APPENDICES**

- 16.1 Appendix 1 – Commercial Work Programme

### **17. CONTACT OFFICERS**

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### **18. BACKGROUND PAPERS**

- 18.1 None.