

SECURING ENFIELD'S FUTURE

Commercial Strategy October 2018



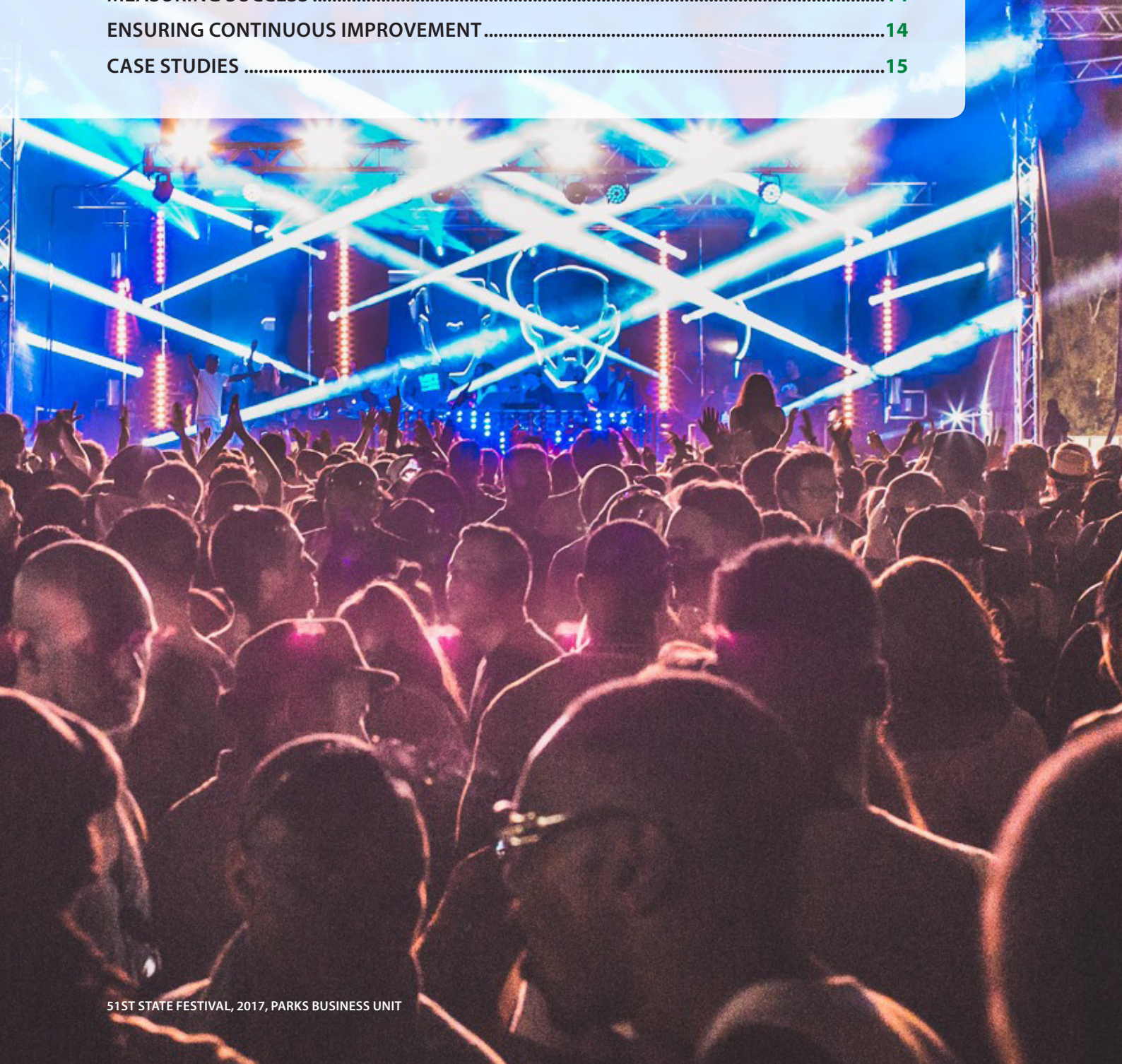
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INTRODUCTION

Since 2010, Government support to all local authorities has reduced substantially. By 2019/20, the amount of funding Enfield Council receives from Government will have reduced by over £100m since the turn of the decade. This is presenting local authorities like ours with a degree of challenge unparalleled in modern times.

In response, Enfield Council is transforming its approach to service delivery, to help rebalance its budget and make the greatest difference to our residents. This is an opportunity to review what the Council does, how it works and what is prioritised.

As austerity continues a new, more agile, innovative and commercially aware operating model is required to ensure limited resources are used to leverage maximum value and create a financially sustainable organisation that meets the changing needs and expectations of residents. We are aware that business as usual is not an option and that all areas of the council will be moving toward an approach that is more mindful of how service delivery can be innovatively shaped to deliver sustainable and positive outcome for our residents.

This strategy sets out how the local authority will take a holistic approach to stimulate the innovation and enterprise from within and working with our partners that will play a key role in securing future service delivery. It is vital that this culture is nurtured within the council to ensure the robustness of the local authority, forming a fundamental part of how we plan and do business in the coming years.

As a resident focused, public service organisation we are committed to making increased commercial acumen a part of how we conduct business to deliver positive social outcomes. It is imperative that we use all our combined skill and effort to deliver services that can meet evidenced need and help to address inequality in our borough.

This new strategy document will be a vital guiding asset for the local authority as we seek to achieve these goals.

1

VISION AND PURPOSE

VISION

Be a resilient, innovative and enterprising Council delivering sustainable services that meet resident needs

The realisation of our vision will help to ensure the local authority continues to deliver high quality services to local residents and in doing so, can also stimulate wider social, economic and environmental benefits for Enfield.

Enfield Council seeks to embed an innovative and more commercially aware approach to how we deliver services with partners in a way that will benefit our residents. It is characterised by an inclusive, dynamic and transparent approach to how income generation and the ongoing pursuit of value for money in a changing environment can help secure the long-term delivery of services that are critical to our residents.

The new strategy will be delivered through the successful adoption of guiding principles contained here and supported by wider cultural shift within the organisation. By dismantling traditional silo working we will create the collaborative approach we now require, and in delivery with partners, this will give us the outcomes based solutions our residents need.

The strategy has been co-produced with and will be owned by the whole organisation as its success relies upon collaboration, instilling a commercial sensibility in the workforce. Whilst the team led by the Commercial Director has a critical role in supporting this new approach, it will only truly succeed if it is adopted by those who can evolve new solutions to service delivery across the organisation.

The reinforcement of 'One Council' thinking through adoption of the strategy will lead the organisation to a position where it gains additional benefits from service delivery agreements with partners and better understands the interconnectivity within that is the hallmark of a modern, forward thinking local authority.



NEWLY OPENED OAK TREE MEMORIAL GARDEN, LAVENDER CEMETERY

2 A FOCUS ON INNOVATION AND ENTERPRISE

The core focus of the strategy is to bring about a new way of thinking and working that will help create and capture the opportunities and expand the ways the Council can secure income, explore new ideas and implement alternative ways to acquire and use available resources to be more effective in meeting needs in the borough.

This strategy impacts on all departments and services across the council but it is recognised that no one approach can be applied to all and consequently different actions and areas of improvement can be expected.



a. Delivering benefits

The successful adoption of the strategy will deliver multiple benefits including:

- Ensuring our resources are used sustainably to deliver the outcomes our residents need.
- Providing positive social, economic and environmental outcomes that can help with ‘creating a lifetime of opportunities in Enfield’
- Developing new, robust and measurable incomes streams to support services and rebalance the budget
- Initiate an environment where staff think collaboratively and imaginatively to deliver new ways of service delivery to meet resident needs
- Increasing the robustness of the organisation and its collective acumen to ensure long term organisational evolution and prosperity
- Providing a robust and inclusive approach to support decision making processes that will drive future council ambitions
- Create a deeper, more effective understanding of our assets and their future applications

- Inspire staff by embedding a forward thinking, opportunity focused mindset that can drive wider culture shift and make a positive difference
- Increase transparency and accountability as to how we do business
- Build organisational strength by investing in the skills and resilience of our own workforce to reduce costs incurred from seeking external support

b. Supporting our corporate planning and influencing wider strategy development

The Commercial Strategy is a document that will be owned across the organisation and provides a positive influence on how we plan and deliver services. It provides a significant driver to facilitate the realisation of our new Corporate Plan and has strategic fit with the intended priorities of the new council administration. It will be a key enabler allowing the council to ‘work smartly for you’ and its impact will be evidenced in all aspects of service delivery if implemented correctly.

It is a document for the whole organisation with strong linkage to:

- Regeneration & Environment (Inc. Economic Development)
- Procurement
- ICT and Digital
- Local Plan
- Medium Term Financial Plan
- Adult Social Care
- Children and Young People’s Plan
- Customer Experience

We expect to be fully able to evidence influence and impact on wider strategic aims during the lifetime of the strategy. This will be demonstrated through developing a scorecard that will provide evidence of impact across the organisation (see section on measuring success).



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ENFIELD
Council 

ALLOTMENTS CAMPAIGN, 2018

3 BUILDING A NEW APPROACH

When developing the strategy, it was vital to demonstrate strong connectivity to our new Corporate Plan – “Creating a lifetime of Opportunities in Enfield”. A new, more commercially focused and innovative approach will add significant and measurable value to our overarching aims of ‘Good homes in well-connected neighbourhoods’, ‘Sustain strong and healthy communities’ and ‘Build our local economy to create a thriving place’. The primary driver for delivering a new approach is ensure the local authority is best placed to help improve the quality of life for all our residents.

Guiding principles

The leadership of the organisation has agreed that underpinning the delivery of this strategy will be the need for:

- **A commercial discipline** – where all staff are aware of how their department or service is funded, where the money is spent and whether it provides value for money for residents.
- **Entrepreneurial spirit** – to encourage innovative thinking, measured risk taking and targeted investments to achieve positive social outcomes and ensure that each income generating service area, is at a minimum, fully recovering the cost of all activities, and, at best, generating a contribution to support statutory services or create new opportunities.
- **Openness and honesty** – to support greater scrutiny and analysis on performance, affordability and the changes that need to be made to work smartly.

a. A dynamic and empowering organisational culture

The local authority will facilitate cultural shift based on consensus that can enable a flexible, dynamic and commercially aware culture to flourish. It will ensure a working environment that is cooperative in nature and is engaging outwards with partners where appropriate to exploit opportunities and generate income without sacrificing the primary function of local authority, to meet resident’s needs,

To do this we will take our lead from the wider cultural change programme to create culture where:

- **The residents are at the centre**
This means we have greater insight into our residents and are making informed decisions on where we prioritise our work – linked to demand and available income
- **Innovation and enterprise is at its core**
For skilled staff to expect to do things differently and be continually looking for fresh ideas and new ways of working
- **Income generation is prioritised along with quality delivery**
For each department and service to take responsibility for identifying income streams and efficiencies

b. Understanding our business and its economic potential

The strategy is predicated on the basis that service delivery, in all areas of the local authority can be more efficient and entrepreneurial, but that this will require a cultural shift within the organisation supported by a new way of thinking and using our data to make a difference. This will empower staff to manage services more commercially and be informed in strategic decision making.

The new strategy will allow the organisation to empower itself to re-examine how services are delivered and assess their capacity for development and competitiveness from business-critical perspectives.

- **Affordability of Council infrastructure:** continually reviewing central costs and procurement outlays to ensure Council services and assets are commercially competitive
- **Full cost of operation:** considering the whole life costs; from policy setting, infrastructure, cross-service contribution to customer evaluation
- **A broad scope:** looking at the wider market to determine who is best placed to meet the residents needs and increase income where possible e.g. through collaborations and partnerships, commissioned or contracted work and direct delivery.
- **Market data and analysis:** Considering gaps and testing new and innovative ways of developing new services
- **New entities and structures:** Creating new ways of operating to maximise the return e.g. Local Authority Trading Companies
- **Invest to grow services:** Broadening the customer base of high performing and high demand Council services to grow and improve their trading position
- **Investment portfolio:** Continuing to invest public funds to secure best financial return and sustainable revenue streams

c. **Building on what works, stimulating further success**

The strategy builds on what we know works from our experience so far. We aim to successfully share learning across the organisation and complete baseline information gathering and analysis that can support:

- All departments and services fully understanding the service costs, income opportunities and implement market focused delivery
- Existing and new traded services to sustain and increase commercial performance
- Existing and new income generating services to secure full cost recovery and unlock any untapped areas to attract additional income
- Shared/joint services to pool resources and exploit economies of scale
- Subsidised services to source additional income for priority services that cannot delivery full cost recovery
- Commercial Partnerships to learn from and develop partnerships in the borough with commercial advantage
- Council owned companies to ensure that they are delivering in line with expectations
- Asset development to use existing assets to provide the best financial return
- Capital investment to use funds to create a strong investment portfolio
- Commissioning and procurement to create a robust supply chain that offers best value for money
- Contract management to ensure we get the highest standards for the best return for our outsourced activities
- Policy objectives to ensure the direction of commercial travel is considered and embedded in future priorities and activities

We would expect all or some of these outcomes to apply to most of service areas in the local authority that could benefit from internal review and for new proposals to emerge for consideration by the local authority as a result.

4 SUPPORTING CHANGE

The new strategy contains the ambition and direction for the council-wide response to the challenge we have set. The Commercial Director and team will be available to provide a valuable supporting resource and be a ‘critical friend’ for those considering what opportunities may be open to them in future service delivery.

a. Preparing the organisation for a more commercial approach to service development and delivery

As part of the process of creating greater organisational capacity we have identified some key questions that operational delivery leads and Directors can consider establishing their present capability and scope for innovation and enterprise in their core business areas.

- Are services commercially ready? The review phase will be able to ascertain the commercial readiness of service areas and the degree to which they can deliver commercial success for the local authority.
- Do we have the capacity to deliver the new approach – understanding of what’s required, service configuration, Data Management and people?
- Is data available and managed in a way that can assist?
- Does the organisation plan effectively to optimise its use of resources?
- Is there a fully informed approach to risk taking and risk management?
- Are our IT resources fit for purpose?
- If seeking to create new avenues, are we likely to be competitive?

b. Creating a supportive environment

The success of the strategy relies on a whole council response that can draw on skills from within, across the organisation and leveraging capacity. Commercial propositions have initially been developed by wide-ranging conversations with managers and through understanding where the commercial team can add value during the process of identifying savings across the organisation.

To develop and increase staff involvement, work is commencing with the Culture Change Forum to identify and develop ways to engage, encourage and support all staff to propose commercial ideas and develop them into an outline business case for consideration and implementation where feasibly has been agreed.

- The role of the Commercial Team

A new Commercial Team, led by a new Commercial Director, has been created with lead responsibility for a number of key areas that will drive the strategy forward.

- To set the commercial strategy for the Council, ensuring it makes maximum use of alternative delivery models and commercial assets to maximise the council’s ability to deliver services to meet the needs of Enfield’s citizens
- To help identify new commercial opportunities for the council

- To ensure that the council manages all traded services, company's and contracts to deliver maximum value
- To lead all procurement activity

As well as having the lead responsibility for these areas, the Commercial Team led by the Director will be proactively involved in embedding a more commercially aware approach throughout the organisation. The Commercial team will work with operational service heads and senior officers to identify future opportunities for innovation and entrepreneurship by:

- Business analysis and development
- Business mentoring, audit and reporting
- Market sounding and engagement

The strategy also recognises there are also critical roles for:

- **Departmental Directors and Operational Delivery Teams**

As part of regular (annual) service planning return to support the Corporate Plan, all operational service leads will be required to demonstrate consideration of innovative and entrepreneurial opportunities to enhance delivery

- **HR/Transformation Teams**

As part of wider cultural shift, leads in HR and Transformation will assist with providing the opportunities for training and staff development that can unlock staff potential.

- **ICT/Information Management Teams**

Our ICT and Information Management teams will continue to work to identify the enabling IT capacity for the organisation to make good on the new approach.

- **Communications**

Our Corporate Communications Team will work with the Commercial Board to promote the approach and share good news stories with the wider workforce.



5 DEVELOPING NEW PROPOSALS: ENGAGING THE PIPELINE

We believe regular service review and planning within departments and teams will provide opportunities for staff to reflect on the guiding principles in the strategy and give rise to the development of proposals that could meet key objectives.

To facilitate the new approach a rolling pipeline will be designed that will enable operational directors and service leads to develop proposals that could meet strategic objectives. The Commercial Team will be able to provide advice and guidance where required to enable this to take place.

'The pipeline'

A rolling pipeline approach to new project development and presentation to the Commercial Board will be co-produced with Directors and Heads of Service to ensure consistency and transparency.

We will seek to establish workstreams in Year 1, identify resources required to drive the new processes effectively and develop guidance and embed support roll out of the new approach.

Typically, the preliminary stages of project development are likely to involve:

- Analysis of internal resources, assets, capabilities and alignment with markets to identify and initiate opportunities
- For new proposals or significant change, the development of a Business Case will be required to set out the rationale for the proposal, options and cost benefit (with support from Commercial Team if required)
- Review by the Commercial Board for oversight and to track benefits
- Decision to Director/Executive Director for agreement
- If within scheme of delegation agreed by ED/Portfolio holder (with notification to Commercial Board for oversight)

Once a new project is ready for consideration it will be presented to the Commercial Board for review and input.

or

The approach is one of enablement and empowerment and so not all projects will need to go to the Commercial Board for approval. Those that are below a financial threshold and where the lead Executive Director and Operational Director are content to approve as operational decisions will be reported into the Commercial Board for information and resulting good news stories circulated.

‘Ownership’

Developing and realising commercial propositions is a joint endeavour and requires a collaborative approach across the organisation: the commercial team, the relevant operational service, multiple support services which may include property, planning, legal, procurement, finance, ICT and HR amongst others. Clarity of roles and responsibilities, and the appropriate level of ownership are however key to success.

Typically following initial scoping a Project Implementation Document (PID) will be produced by the Commercial Team in consultation with relevant stakeholders and then formally agreed by the Commercial Director and the relevant Operational Director. This will define and articulate the way in which the project is to be run as well as ownership of key work packages and products. It will also define the handover point between the Commercial Team and the Operational Service.

Project progress will then be reported against this, and associated project document and as a minimum a monthly dashboard report will be produced to ensure that Senior Managers are informed of project progress and can effectively take action as appropriate when issues and challenges arise.

6

INCLUSIVE, ROBUST GOVERNANCE: THE COMMERCIAL BOARD

To ensure the success of our approach it is critical that robust governance is in place that is inclusive and reflects the intrinsic value of commercialisation to the local authority.

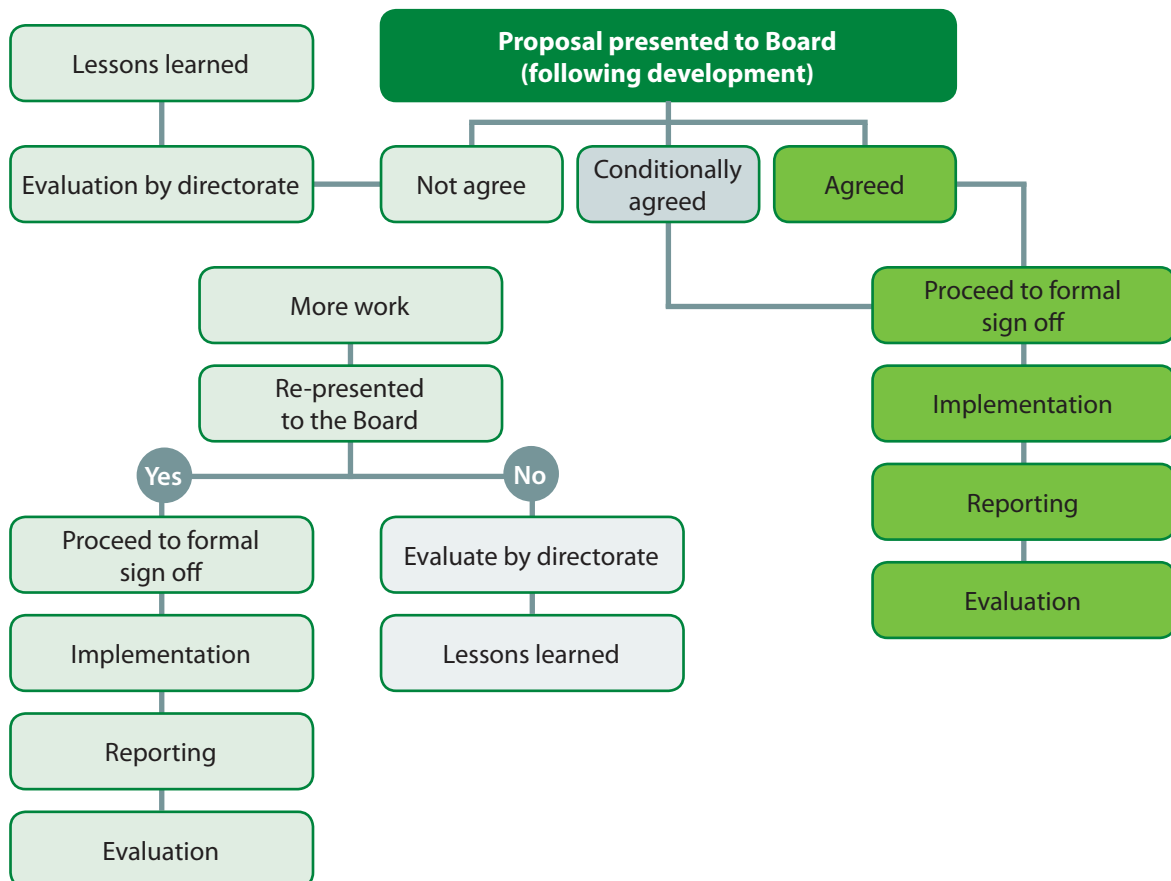
A new Commercial Board is created that will provide oversight of strategy, operational delivery and leadership working with the services through the following four workstreams:

- Companies
- Procurement and Commissioning
- Oversight of Income and Traded Services
- Oversight of Strategic Contract Reviews

The Board will meet quarterly and be responsible for ensuring the strategy is delivered throughout the organisation as well as considering emerging proposals to support new approaches to service delivery.

The Board's core membership will include all three Executive Directors and be chaired by the Executive Director of Corporate resources. It will scrutinise proposals and decide whether they are approved, referred for further development or not accepted. Where new projects are escalated to the Commercial Board, a defined project development and business case approach will have been completed (see previous section).

A summary of the approach to considering proposals is set out below (figure 1).



7 MEASURING SUCCESS

The availability of relevant and consistent performance and outcome information to measure the success of the strategy is essential. A composite scorecard will be created with input from operational delivery staff to give a 'live snapshot' of activity supporting the delivery of the strategy. This will allow for appropriate oversight and monitoring, enabling Board members to assess progress being made and initiate improvement planning if needed.

8 ENSURING CONTINUOUS IMPROVEMENT

An evaluation framework will be devised and adopted by the Commercial Board that can demonstrate:

- Contribution to Corporate Plan ambitions
- Financial Impact
- Cultural Influence
- Service Improvement

These evaluation principles will provide the basis for organisational learning and future improvement planning.



FORTY HALL ESTATE,
EVENTS AND WEDDING
VENUE

CASE STUDY



Assets and investments

ASSETS AND INVESTMENTS: HOLLY HILL FARM

Development to improve the environment whilst also generating income

An exciting project is underway at Holly Hill Farm, which aims

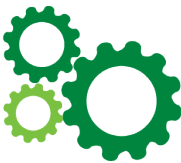
to **transform** the existing environment into a haven for wildlife while improving crop diversity for the farm.

Farmland is being reprofiled to **reduce road noise** from the M25 using **innovative recycling techniques**. The land will be planted with 10,000 new plants and trees to create new wildlife habitat and improve air quality. A sustainable rain water lagoon and soil improvements will increase crop diversity and yield for the future.

Locally excavated inert soil is delivered to the site before it is

recycled under close council scrutiny and strict Environment Agency rules. Recycled soil is then carefully landscaped and planted to create an environmentally friendly landscape. The innovative techniques used on Holly Hill Farm will generate £2.7million income over the next three years and will also **drastically improve the environment**.

CASE STUDY



Commissioning

COMMISSIONING Ensuring high commissioning standards whilst facing a challenging financial environment

Enfield Council supports in excess of 1,250 vulnerable elderly residents across the borough, either through facilitating home care support

which enables them to remain in their own home or by helping them to access care or nursing homes. Due to the staffing challenges in the care sector and increasing demand from an ageing population, there is significant pressure on this vital service. Our organisation continues to work closely with local care providers to **maintain market resilience** and quality in a difficult economic environment. We also seek to manage its own financial position through the use of price bandings and, in some situations, a dynamic purchasing system.

We have also moved to using

a direct payment model, which after a care and support assessment has been undertaken, allows an agreed personal budget to be paid directly to the individual. This enables the customer to have a choice on how the budget is spent as long as it meets the outcomes in the individuals' support plan.

Through these examples of **good commissioning practice**, the Council are able to maintain a good quality service for elderly residents within an increasingly challenging financial environment.

CASE STUDY



Contract management

CONTRACT MANAGEMENT

Strategic contract reviews to deliver service improvements and efficiencies

The Council spends more than £400m each year with third

party organisations as part of the supply chain for either front line services (e.g. Highways Maintenance or Care Services) or in middle and back office support (e.g. IT contracts). These contracts are vital to ensure a good quality service to our residents.

Managing these contracts effectively is critical to ensure that the quality being provided to our staff and customers by any third parties is high, whilst also ensuring that the Council is receiving **value for money** in line with contractual terms.

The Council's commercial team is supporting colleagues to manage third party contracts more strategically through the use of contract reviews, spend analytics and service delivery reviews. This approach is providing insight into **potential service improvements** and efficiencies as well as ensuring the Council is only paying for services that it requires and that are delivered by the supplier. Recent improvements to the organisation's approach to contract management have already identified savings in excess of £500,000.

CASE STUDY



Income generating services

INCOME GENERATION: CEMETERIES

Growth and Sustainability

Enfield's Cemeteries service is a team that has transformed from where they were to where they are now. In 2010, they were facing a ten-year burial capacity in only one of the five cemeteries, not managing the demand of Enfield residents and running at a loss as a service.

Over the last eight years, the team have developed into an **innovative** and **creative**

thinking team which is now meeting the needs across the communities within Enfield and have developed vast new areas of income for the Council. They are now one of the **leading commercial services** and are a viable income stream for the Council.

After hearing feedback and speaking directly with the Muslim community, one of the main areas of focus has been developing a Muslim burial area in Strayfield Cemetery. The team also saw a gap in the market and installed Burial Chambers and Mausolea plots into Edmonton, and these will also be available across four of the sites in the near future. The continuous development of the service and the cemeteries have ensured that the Council is able to **offer the diverse**

options that is needed for the communities within both the green belt and urban cemeteries locations.

I just wanted to say thank you to you and your team for the continual improvement over the past few years which in turn has enabled us to better serve our clients. The range of choice from burial chambers to new availability of traditional graves in Edmonton cemetery has been invaluable to our clients whom are at a disadvantage due to the wanting situation in Haringey. We can't thank you all enough from the 'ground' up to the office.

Damian Melville
Director, Melville & Daughters
Funeral Directors

CASE STUDY



Trading companies

TRADED COMPANIES: HGL – HOUSING GATEWAY LIMITED

An increasing supply of affordable, quality housing options

Housing Gateway Limited is a Council owned housing company, which is responsible for the acquisition and management of a property portfolio, providing sub-market accommodation for Enfield

residents. In March 2014, the target of providing 500 units has already been achieved 15 months early and has now been surpassed, with 519 properties currently owned by the company. By reaching this target, it has enabled the Council to provide good quality accommodation for tenants and also make **a cost saving of £4.3m since 2014**. Having sole nomination rights to properties and therefore moving families out of expensive nightly paid accommodation has allowed us to make a significant improvement to our residents living conditions and created a cost saving for the Council. By creating HGL, we have also been able to set a clear standard for the local market which others can be measured

against. It's also enabled the Council to provide long term choices for the future through asset ownership.

Another challenge for the Council is sourcing suitable accommodation for residents with disabilities. However HGL has been able to purchase and tailor properties to individual needs, providing the Council with a creative solution to a complex issue whilst also reducing costly service placements. By being able to provide suitable accommodation in the right area for these residents has **improved their quality of life**, and we are proud to have been able to support where the private sector could not.

CASE STUDY



Traded services

SCHOOLS TRADED SERVICES

Ensuring business efficiency by managing effective partnerships, to give children the best start in life.

Schools Traded Services is one of Enfield Council's largest traded services, providing a varied range of 37 services to schools. A review was required after the service highlighted that they felt they could become more robust in the face of a competitive marketplace, which would ensure a higher quality delivery and better outcomes for children. The first phase of work began with 8 services within the Education

Department, who are responsible for a 17m turnover. The Commercial Team were asked to analyse and assess where savings could be made or additional income generated. To do this, the team worked in detail with staff and customers to understand more about the services, as well as undertaking process mapping, activity-based costings, benchmarking, and market analysis. Services were diverse: from schools catering, to educational psychology, governor's clerking to careers advice and work experience.

Efficiency savings of £301k were identified which will allow the service to improve its offer to schools and help to ensure that we are seen as a preferred delivery partner by schools. The review identified the need to **improve customer relationships** and the product offer as well as to become **more efficient** in the way we deliver, and **drive growth** where this was possible. Three key actions were identified to address customer retention:

- To establish a schools traded business unit to provide customer account management and specialised business development, marketing and financial support
- To improve marketing, communications and sales potential by introducing an online customer microsite
- To review prices and products to ensure these are high quality and aligned to the market

We're now continuing to speak with schools about how we work together in the future and how we propose to improve our offer to them. Whilst it is important that our services fully recover their costs and are efficient and commercial, it is equally vital that we build and retain strong partnerships with schools and can add value for them, especially given our shared objective of **giving young people in Enfield the best start in life.**



More information

If you would like to feedback comments on this consultative draft please send via email to nicky.fiedler@enfield.gov.uk