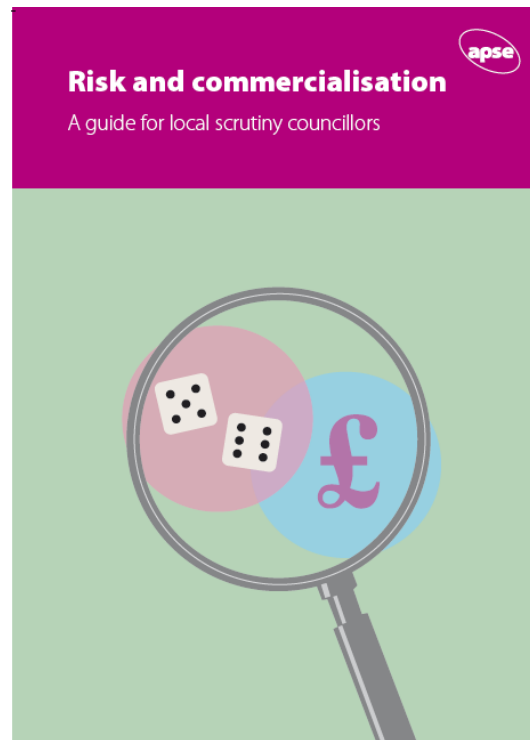


Risk and commercialisation: A guide for Scrutiny Councillors

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About the research



Methodology

- APSE with the Centre for Public Scrutiny
- Interviews with officers and councillors who have taken a more commercial approach
- A review of available information
- A wider literature review including APSE's own work and that of other think tanks

Current landscape

- Commercialisation means different things to different councils
- 'Profit for a purpose' 'Trading on the Margins' 'low level top-up income' 'Assets and Investment Strategy'
- What are the councils objectives and are they clear?

Defining commercialisation for your council

- What is your appetite for risk?
- Local sensitivities
- Market disruptor or developing new business models through a commercial route
- Interface with democratic accountability
- What happens to the income? Shared equally? Kept within the service? Council-wide?

Cultural shift

- Competing values
- Understanding of strategy across full council, cabinet / executive, scrutiny
- Hierarchy of control? Stability? A need for flexibility? Speed of decision making
- All before the role of scrutiny can be developed!

'Accommodation' of risk

- Strategic: Income over time not always aligned to budget cycles
- Investment impact over a budget life-cycle
- Political risk: will voters or party rebel?
- Financial risk: failure to deliver or less than expected? Loss of work?
- Compound risk: Are you considering authority wide activities?

Role of governance and scrutiny



In commercial settings..

- Managing the conflict between oversight and good governance and slowing down the process
- Not necessarily about challenging the strategy but whether the strategy is working
- Challenging assumptions

Questions to ask?

- Does your council have a clear strategy?
- Is it council wide or one area to expand on?
- What is the risk appetite and a far assessment of risk?
- Does commercial activity build on existing strengths?
- Where is commercialisation built into structures?
- Ethics and rational

What does the research tell us about the principles for effective scrutiny

Early engagement:

- Setting out benchmarks and performance
- Improving trust between executive and scrutiny
- Understanding of the purpose
- Support and expertise focussed and ready

What does the research tell us about the principles for effective scrutiny

Streamlining scrutiny:

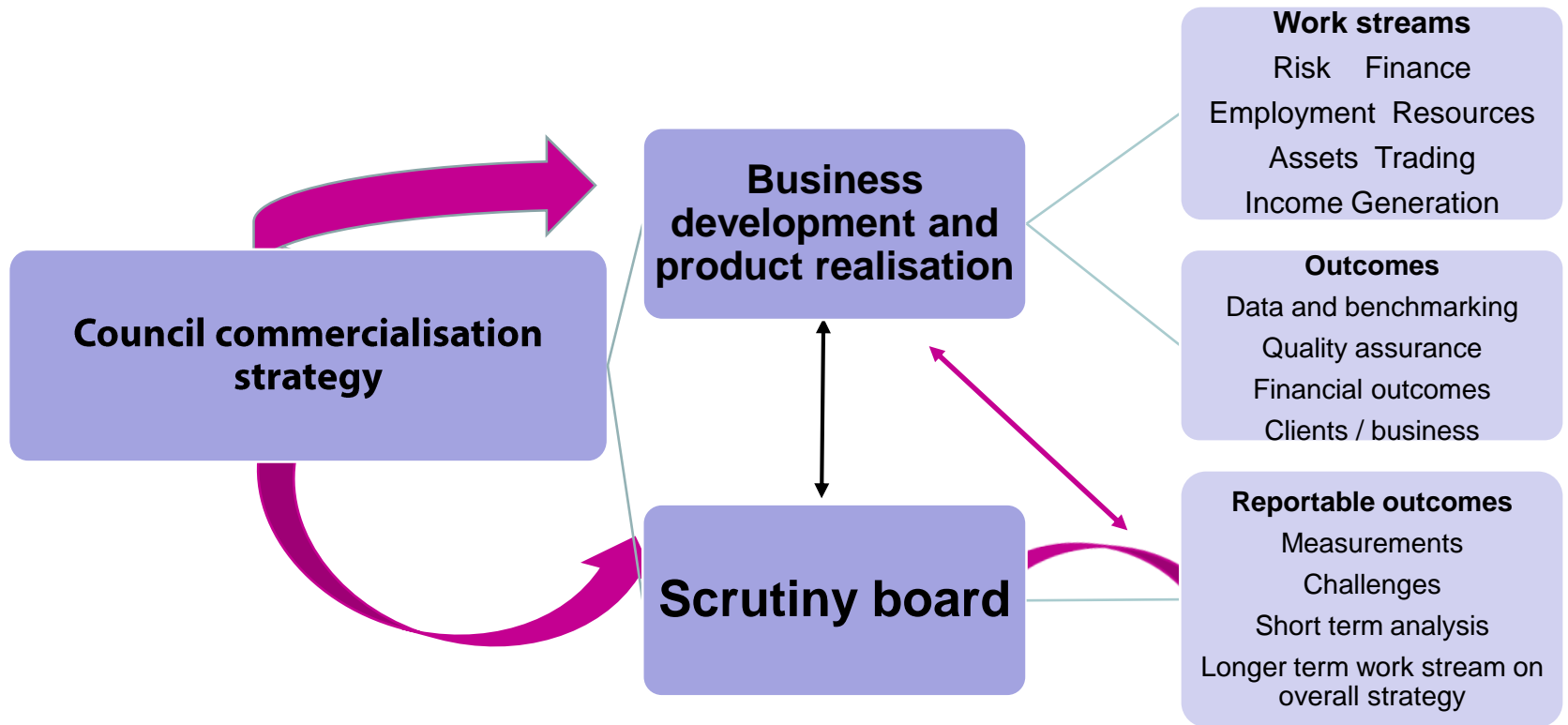
- Involvement at the start of a project to develop a more rapid responses – avoid 'task and finish'
- Early access to decision-making knowledge
- Performance data sharing before decisions
- Avoid limiting to 'finance and resources' – what else has been promised? What's been achieved?

What does the research tell us about the principles for effective scrutiny

Having a strategic approach:

- It will not be possible to scrutinise every decision taken
- What are the key elements to scrutinise the efficacy of the commercial strategy ?
- Clear understanding of what scrutiny needs to focus on and what its priorities are?

The early interface



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