



LOCAL PARTNERSHIPS



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Portsmouth City Council – Commercial
Support

15 December 2021

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15 December 2021

Dear James

Local Partnerships' Commercial Support to Portsmouth City Council

Thank you for your email and call on 13 December to discuss your requirements for commercial support and advice in relation to your trading companies. Further to that call, this proposal outlines our understanding of the commercial support you require and the resources we expect to deploy. As with all our proposals, it is submitted on the understanding that we will be happy to discuss and revise the scope and scale of our involvement and resources, to suit your precise requirements. In the meantime, should you have any questions please do not hesitate to contact me.

If you require further information on Local Partnerships, please do not hesitate to ask. This is particularly relevant if you require additional detail on our status as a "Teckal-exempt" public body which, as explained on the call, means that we may be commissioned directly without tendering. Our background, experience, public sector aims and values are briefly outlined in the section "Our Expertise".

Yours sincerely,

David Crowe
Strategic Director

PROJECT PROPOSAL - LOCAL PARTNERSHIPS' COMMERCIAL SUPPORT FOR PORTSMOUTH CITY COUNCIL

OUR UNDERSTANDING OF YOUR REQUIREMENTS

Portsmouth City Council (the Council) is seeking commercial support and advice in relation to its trading companies. The support may include reviewing papers, attending and advising governance forums.

Your key requirements include:

- Acting as a 'critical friend' to the Council
- Reviewing existing corporate arrangements and governance structures for approving and overseeing commercial ventures
- Reviewing plans relating to existing Council commercial entities and recommending how these can be optimised
- Supporting the development of a more commercial mind set and function at the Council

OUR APPROACH

Our approach is informed by:

- Our membership of the local government family which gives us an understanding of local government processes and challenges, enabling us to share knowledge and experience from our work with other councils and to engage sensitively and objectively to engender a trusting and productive working relationship
- The context of Local Partnerships being an independent organisation with no agenda (other than to help deliver good practice and support the delivery of more effective and efficient public services)
- Our broad approach to commercial activity in local government which focuses on ensuring that council investments are protected, appropriate returns on investment can be obtained and, equally importantly, that the activities are aligned and support the values and strategic objectives of the council, as captured in Portsmouth's case in its Imagine Portsmouth 2040 vision.



We can provide the support required, drawing upon our extensive experience of providing similar expertise to other organisations which is described in more detail in the “Our Expertise” section below.

We expect to develop effective and close working relationships with the members of your team. Our natural style is one of collaboration and sharing learning as we work. We will appoint one of our team to act as Local Partnerships’ primary point of contact for engagement to deal with any issues as they arise.

In carrying out this role we expect to undertake the following activities:

- Using our governance and commercial experience to identify areas for improvement in both the oversight and management of commercial entities
- Observing and advising governance forums
- Reviewing papers produced for the above, including business cases and business plans
- Disseminating good practice

OUR EXPERTISE

Providing commercial support is integral to Local Partnerships’ core offering. Relevant projects include:

Liverpool City Council

Local Partnerships is currently working with Liverpool City Council to review its four Council owned companies. The purpose of the reviews is to determine the future of the companies, focusing on whether the Council should continue with these companies in their current form or if an alternative delivery method might be deployed to deliver the priorities and objectives. Local Partnerships has also been asked to identify areas where governance of the companies can be improved.

Stoke City Council

Local Partnerships was commissioned to undertake an independent review of six council owned/influenced entities, and the arrangements relating to them. The scope of the work included considering the operation of the entities to ensure that they are efficient and effective in meeting the required outcomes for the Council and identifying good practice.

Suffolk County Council

For the last three years we have provided critical friend support to Suffolk County Council’s Commercial Board, which supports and oversees all commercial activity across the Council. We bring external perspective and challenge to their commercial initiatives and recently facilitated their Commercial Leaders Network event to look at post COVID commercial opportunities and challenges.

Milton Keynes Council

Local Partnerships has developed a strong working relationship with Milton Keynes Council over a sustained period, providing packages of strategic and commercial support in relation



to building and housing assets. This has included a number of service and delivery options reviews including options for a future operating model for repairs and maintenance, the delivery of energy efficiency measures, and estates regeneration.

Cornwall County Council

Local Partnerships was engaged to complete independent reviews of a number of Cornwall Council's strategic projects. Across all of these reviews we systematically appraised the business cases that had been developed and looked at current project status against objectives to highlight areas of convergence and divergence. Where appropriate, we commented on commercial elements including readiness to scale the approach, lessons learned for future developments, governance, optimising best value, market development and deliverability.

Police National Commercial Board

We have undertaken extensive work with police forces to embed more commercial approaches. Over a three year period (2017 to 2020) we supported the Home Office sponsored and funded Police National Commercial Board. This involved engagement with police forces and Police and Crime Commissioners across England and Wales to develop a new target operating model for police commercial services and to establish a new company (BlueLight Commercial) to support delivery of police commercial services. The work also involved investigating opportunity for police forces to increase their revenue through commercial activities.

Wider experience of reviewing commercial entities

We have extensive experience of undertaking reviews of Council-owned commercial entities at a range of other councils including:

- Slough Borough Council
- Wirral Council
- Torbay Council
- Bournemouth, Christchurch, and Poole Council
- West Lancashire Borough Council

We also recently produced guidance for local authorities to support them in reviewing their companies¹.

Wider commercial support and training

We have extensive experience of developing and delivering commercial training for local authorities. Relevant experience in this area includes:

- Development and delivery in 2021 of a training programme for local government (attended by representatives from 28 councils) which was designed to improve commercial decisions and the quality of contracts placed with contractors, with the

¹ https://localpartnerships.org.uk/wp-content/uploads/2021/09/Local_Partnerships_Local-authority_company_review_guidance_v1.pdf



aim of embedding the key principles of the Cabinet Office's Sourcing Playbook. We are currently delivering the second wave of this training

- Webinars on commercial thinking and commercialisation for a local government audience delivered in 2019
- Webinars in 2020 on embedding commercial approaches in policing, delivered for a national policing audience and supported by the Home Office.

Portsmouth City Council

We have also provided support to Portsmouth City Council

We helped the Council understand the options with respect to a problematic Social Care PFI contract. The Council wanted support with investigating;

- The options available to it under the contractual agreements in light of the contract issues
- How and when these options could be implemented
- What the potential financial and non-financial consequences would be for both parties under the different options

As a result of that work, the Council took a decision to pursue the termination of the contract and we are now working with PCC to pull together a business case to support that decision.

Also in 2019, we supported the Council in relation to its Highways Management PFI Project with Colas. We delivered targeted training on project management and the operational aspects of the project agreement to the whole project team across two sessions. This helped to embed some individuals with new roles within the Council's team structure and ensured that each member of the team understands the overall nature of the contract and relevant detailed aspects. We also delivered a separate targeted training session on financial aspects of the project agreement, payment mechanism and financial model to the Council's project manager and finance director.

ABOUT LOCAL PARTNERSHIPS

Local Partnerships is a joint venture between the Local Government Association, HM Treasury and the Welsh Government. We provide an interface between central government policy and local delivery.

Our principal responsibility is to deliver expert support to the public sector, helping make best use of limited resources as demand for services continues to rise. We work with councils and combined authorities to help transform services across multiple disciplines including:

- development of commercial capability and strategies
- regeneration and tackling the housing crisis
- waste collection and disposal
- infrastructure
- renegotiation of public sector contracts



- energy
- digital transformation
- keeping projects and programmes on track
- mergers and shared services
- production of business cases
- integration of health and social care
- alternative local government models and financial restructuring
- formal collaboration and merger

Our 2019-20 impact report reflects the activities of Local Partnerships and the successes we have helped our clients achieve. It is available on the front page of our website www.localpartnerships.org.uk.

We bring public and private sector experience that provides confidence, additional capacity and commercial capability. Our team of experts works solely for the benefit of the public sector, helping councils and combined authorities overcome challenges to achieve and maintain financial resilience.

COSTS

We would be able to offer an initial support package of 10 days support at no cost to the Council (the exact nature of the work would be agreed in the new year but we would expect it to include reviewing papers as well as attending and advising governance meetings). When the 10 days has been used up we would suggest that we review your future requirements in more detail to assess your ongoing support requirements. At that point future work would be charged at Local Partnerships full day rate which is £1,175 per day.

Local Partnerships expects to use standard terms and conditions which will be applied to any contract that we may form in relation to this project. If you would like to discuss these terms and conditions, please contact us on the relevant number as shown on the covering letter.

OUR TEAM

We propose to resource the assignment with an expert team of Local Partnerships' experienced professionals and we will identify the appropriate resources based on the key areas of focus. Our team is set out below along with profiles of team members.

David Crowe

David is a Strategic Director within Local Partnerships and leads our commercialisation work. This involves working with a range of public bodies to support the development of commercial approaches, whilst ensuring they are underpinned by effective governance and risk management mechanisms. He recently led our work to review commercial entities at Liverpool, Stoke-on-Trent, Slough and West Lancashire and is one of the principal authors of our guidance on company reviews. David is also a member of Suffolk County Council's Commercial Board.

David has a wide range of experience across the public sector. Prior to joining Local Partnerships in 2009, David worked as a management consultant, providing advice to public bodies on areas such as change management, transformation, improvement and efficiency,



procurement, governance, delivery models and strategy development. He has also held a number of senior roles within local government.

Martin Walker

Martin is our Housing and Regeneration Programme Director and has responsibility for the successful delivery of our housing and regeneration programme across England and Wales.

Martin has personally led several major public private partnerships, both as a senior leader within local government and since joining Local Partnerships in 2016.

Prior to joining Local Partnerships, Martin's career included Chief Officer level roles within local government, as a Head of Service with a district council and an Area Director with a large metropolitan council (which included lead responsibility for the public sector partner's role in the establishment and operation of a major joint venture with a private sector consortium). Within the private sector, Martin established a new and successful business unit within British Gas, which delivered estate wide domestic energy efficiency schemes in partnership with the public sector.

Martin has degrees in Law and (at Master's level) in Urban Policy and Regeneration.

Julie McEver

Julie McEver is Deputy Corporate Director (Programmes and Projects) at Local Partnerships with responsibility for a wide-ranging set of projects.

Julie has been with Local Partnerships since its inception in 2009 and has over 20 years' experience in the private, non-profit and public sectors in the UK and USA. She has worked for Sun Microsystems, UnLtd – the Foundation for Social Entrepreneurs, New Philanthropy Capital as well as niche consultancy firms (Strategic Management Group and Inspired Leaders). With Local Partnerships, Julie has worked with city and county councils, central government, NHS England, Big Society Capital, Social Investment Business and a number of social enterprises.

Julie has supported those considering fundamental change in the way their services are delivered. She is experienced in working with and supporting local authorities, existing and aspiring social enterprises including public sector spin-outs as well as government departments and the wider community focused 3rd sector. Julie has supported clients with business cases, options appraisals, implementation, service reviews, accessing social investment, business development, forming effective partnerships, business systems, growth strategies, impact measurement and fund management.

Martin Forbes

Martin joined Local Partnerships in 2009 and helps the public sector respond to the significant challenges and opportunities that it faces.

At Local Partnerships Martin has assisted local authorities on their efficiency through the West Midlands Property Alliance, a unique collaboration of West Midland Authorities seeking to drive efficiencies and capital from their operational estates. He also helps councils with their investment and alternative finance options, reform, devolution and restructuring, and



commercial, including the production of a range of business cases for councils wishing to invest in energy, housing and social investment as part of their commercial-led strategies. Martin spent the first part of his career within Big 4 consultancy and corporate finance teams, working mainly with local authorities on major commercial service and investment partnerships. Martin is a CIPFA accountant and holds an MSc in Urban Regeneration.

Sarah-Joy Lewis

Sarah-Joy works across a diverse range of projects and has previously worked extensively with both local authorities and registered providers, as well as national governments. Sarah-Joy has supported clients with projects that include; governance reviews, regulatory support, governance best practice, risk management and contract delivery.

Sarah-Joy began her career working in local authority homelessness, and has since worked in local authority commercialisation roles, has supported the development of local authority wholly owned companies, and has also delivered a wide range of projects to housing associations, including engagement with the regulator of social housing. She is experienced in providing research and insight for organisations making strategic decisions.

Sarah-Joy was part of the core team who recently reviewed Stoke and Liverpool City Councils' owned/influenced entities.

Joran Mendel

Joran has extensive experience working with central and local government bodies on strategic, commercial and financial issues, particularly in the areas complex procurement, privatisation, alternative delivery models and public sector market development. Joran joined Local Partnerships in 2017 and has been working on business cases for a range of commercial programmes.

Prior to Local Partnerships Joran worked for PwC Corporate Finance, Liberata UK, Thompson Financial and Credit Suisse.

Simon Bandy

Simon is a Strategic Director and a chartered Town Planner, and has experience in regeneration, development and infrastructure delivery. Over the past 25 years he has worked for Local Partnerships, the Homes and Communities Agency, English Partnerships and Ashford Borough Council.

