

# **Title: Commercialisation Working Group - findings**

**Meeting: Scrutiny Management Board**

**Meeting date: Monday 12 October 2026**

**Report by: Statutory Scrutiny Officer**

## **Classification**

Open

## **Report purpose**

To provide Scrutiny Management Board with the findings of its Commercialisation and Income Generation working group.

## **Background**

1. In November 2025, council's leader, Cllr Jonathan Lester, and then chief executive Paul Walker, approached the chair and vice-chair of Scrutiny Management Board to ask whether the group could undertake a rapid review of the council's fees and charges, asset management and other forms of income generation, to ascertain whether there were any opportunities to either reduce expenditure or increase the council's income. The group had already indicated it would review the draft commercialisation strategy the council had developed, noting that commercialisation is identified as a key programme of work in the council's Transformation Strategy 2025-2028.
2. The chair and vice-chair of Scrutiny Management Board agreed to carry out this work, recognising that the council's 2026-27 budget would need to be agreed by Full Council in February 2026, just four months later. Scrutiny Management Board therefore agreed informally to establish a working group of its own members to undertake the review.
3. The group's work focussed on three broad themes: the council's approach to fees and charges, the management and use of council assets, and opportunities to support the council's financial sustainability through greater commercialisation and income generation. Whilst recognising the importance of identifying opportunities to improve the council's financial position, the group also sought to understand how these activities contributed to the delivery of Council Plan priorities and wider social, economic and environmental outcomes for Herefordshire.

## **Meeting objectives**

4. To note the report's findings and recommendations.

## Report information

5. In undertaking its review, the group considered information and evidence provided by council officers, including data relating to fees and charges, income generation and asset management. The group reviewed the council's current arrangements for setting fees and charges, examined the principles underpinning the management of the council's property and land portfolio, and members of the group met with senior officers to better understand how the council acquires, manages and disposes of assets and how these activities support corporate objectives.
6. The review also drew upon previous work undertaken in this area. This included reviews of fees and charges completed by PwC in 2011-12 and 2022-23, together with the recommendations of the 2011-12 [Income and Charging Task and Finish Group](#). The group considered the extent to which observations and recommendations from these earlier reviews remained relevant and whether opportunities identified previously had been implemented.
7. To inform its thinking on commercialisation and income generation, the group also examined examples from elsewhere in local government, including authorities that had adopted more commercial approaches to asset management, service delivery and investment. The group reviewed both successful and unsuccessful examples from across the sector to better understand the opportunities, risks and organisational requirements associated with commercial activity. Particular attention was paid to issues of governance, organisational culture, commercial capability and financial resilience.
8. The group was not able to examine all potential opportunities for income generation and commercialisation in detail. In particular, the group identified several areas that merit further consideration but were outside the scope of this review. These included opportunities to bring additional income into the public realm through closer working with parish councils and the wider parish tier, and opportunities to work differently with the voluntary and community sector to support access to funding streams that are not available directly to the council. The group recognised that this latter area may require consideration of alternative commissioning approaches and a different approach to the management of risk and partnership working.
9. The group also identified traded services as an area that warrants further examination. This includes consideration of services currently delivered through Hoople Ltd and other arrangements, as well as opportunities to provide services to, or procure services from, other local authorities and public bodies. However, the group noted that many of these matters are expected to be explored in greater detail through the forthcoming spotlight review of Hoople Ltd. The group therefore considered it appropriate to avoid duplicating that work and to focus this review on fees and charges, asset management and broader commercialisation opportunities.
10. The group's conclusions and recommendations are therefore based on a combination of evidence provided by officers, analysis of council policy and financial information, consideration of previous reviews and recommendations, and learning drawn from practices elsewhere in local government.
11. The report makes three recommendations:
  - i. Herefordshire Council's annual review of fees and charges includes (a) a calculation of the cost to provide the service (b) the service fee required to cover the cost of the service and (c) a link for any subsidy to an objective of the Herefordshire Council Plan.
  - b. Herefordshire Council adopts a commercialisation strategy, supported by appropriate governance arrangements, workforce development and

organisational culture change, to enable the council to pursue commercial opportunities in a manner that supports the delivery of Council Plan objectives while maintaining effective oversight and management of risk.

- c. Herefordshire Council adopts an asset management framework which requires all assets to support a Council Plan priority, achieve at least revenue neutrality where practicable, and clearly identify and justify any subsidy. Assets that do not contribute to Council Plan objectives should be reviewed for disposal.

## **Consultees**

12. None

## **Appendices**

Appendix 1 Commercialisation and Income Generation Working Group – findings

## **Background papers and resources**

None identified.