

Performance & Corporate Services Overview and Scrutiny Committee

12 June 2026

OCC Commercial Strategy Update

Report by the Director of Financial and Commercial Services

RECOMMENDATION

1. **The Committee is RECOMMENDED to**
 - a) Note the progress made to date on the implementation of the council's Commercial Strategy,
 - b) Agree to the continued implementation of the council's Commercial Strategy over the remaining life of the council prior to Local Government Reform (LGR).

Executive Summary

2. In FY2023/24 the council developed a new Commercial Strategy to set the ambition and pathway to embedding commercial thinking across our culture and governance. The strategy set out the vision to leverage Oxfordshire's unique assets and strengths to optimise organisational efficiency, generate sustainable revenue, support the development of a more inclusive local economy, and enhance public services through innovative and responsible commercial activities.
3. The Commercial Strategy was considered by the Performance & Corporate Services Committee in November 2023 and approved by Cabinet in March 2024. This report provides an update on progress against the actions set out in the original strategy, and highlights some of successes to date.
4. A key goal of the Commercial Strategy over the next two years is to positively influence the commercial appetite and ambition of all Councils involved in Local Government Reorganisation across Oxfordshire and West Berkshire.

Progress to date

5. Following the approval of the Commercial Strategy in March 2024, the Council has worked to implement the wide-ranging initiatives it contains.
6. A key implementation milestone has been the Financial & Commercial Service redesign with the appointment of a new Head of Commercial & Procurement in

June 2025 and the go-live of the new Commercial & Procurement service in December 2025. The transition between old and new structures has been challenging but recruitment is now complete with all roles appointed (final new starters to join in July 2026).

7. A key demonstration of the change in commercial behaviours within the council is the acquisition of the Castle Quarter site in Oxford. Where previously the council likely would not have considered such an acquisition, the investment provides a unique opportunity for the council to deliver on its place-shaping mission, redeveloping a key historical quarter of the city to support businesses, tourism, and residents, while at the same time providing a net positive financial contribution to the council. This investment alone provides £550k of net surplus to the council per annum.
8. The Commercial Strategy set out 6 key principles:
 - (a) Commercial Awareness
 - (1) Through investment in new market insight tools, the council is gaining a better understanding of key trends in the supply chains. Through FY2026/27 the council will be implementing a new supplier relationship management approach to leverage strategic partnerships and launching a new commercial curriculum to improve capabilities of managers and staff across the council's services through curated training based on role and need.
 - (b) Value Creation
 - (1) The council's new Social Value Policy was approved by Cabinet in March 2026 and is currently being implemented. Responsibility for evaluation and delivery has been brought back in-house and is coupled with additional support and training for contract managers. The council is increasing its use of new flexibilities under the Procurement Act 2023 to unlock value through dialogue and negotiations with suppliers.
 - (c) Strategic Thinking
 - (1) Cross-functional groups are bringing together the right skills to better understand and plan for the long-term trends that need to be managed and mitigated through service commissioning (e.g. demographic shifts), allowing data-led decisions now. Planning for LGR is progressing on schedule, ensuring new contract awards can accommodate different LGR scenarios and plans are drawn up to prioritise critical activity over the next 2 – 3 years.
 - (d) Resourcefulness
 - (1) The Commercial Service has a continuous improvement hopper of more than 60 suggestions for continuous improvement, with a number being progressed to improved efficacy and efficiency of the service. An internal AI agent has already been launched to support Procurement queries, reducing administrative demand on the team and enabling focus on more strategic activity.
 - (e) Entrepreneurial Spirit
 - (1) New and innovative commercial solutions are being pursued to contribute to the council's ambitions to positively shape the county

and lives of residents. These include solar panel subscription services, private 5G networks, and the role of the council's own tree service.

- (f) Collaboration
 - (1) Improved collaboration between the Commercial & Procurement Service and counterparts in other authorities has seen shared insight, resources, and ways of working emerge. This includes approaches to LGR, AI and automation (including wider commercial system strategies), and governance approaches. Internally key collaborations between HR, Finance, and Commercial Services through their respective strategic business partners means there is greater consistency and impact in support of service areas who see a combined and coordinated response from Resources to enable their needs.

9. In FY2025/26 the council identified £2.4m of contracts and third-party savings with a further £1.44m of savings recorded so far in FY2026/27. A number of system and process changes have been implemented to improve the identification and recording of savings, with additional training provided to the Commercial Service.
10. Annex 1 below sets out a more granular view of progress to date against the specific amber made in the Commercial Strategy. The Annex is given a RAG status with 21 actions across 5 themes (15 Green, 6 Amber, 0 Red).
11. Of the Amber actions, all are still relevant and plans are in place to make marked progress over the remainder of FY2026/27. The main theme emerging for the delays relates to other changes ongoing across the Council, including organisational redesign and upgrades to our IBC SAP system.

Corporate Policies and Priorities

12. The Commercial Strategy acts as an enabler of two of the key strategic initiatives for the Council:

Greener	Fairer	Healthier
Through delivery of the Ethical Procurement Policy and decarbonisation / Net Zero initiatives, the Commercial Service acts as an enabler to ensure our supply chain contributes to our strategic ambition of a Greener county.	Through the Social Value Policy, we're reducing barriers to entry and aiming to increase our expenditure with Oxfordshire-based businesses, particularly SMEs, VCSEs, and Local B-Corps who all positively contribute with in-county employment opportunities and support in their local communities.	The largest area of spend for the Council is on our People services (Adults, Childrens, and Public Health). A more efficient and effective commercial service enables more cost effective service delivery, enabling greater investment in preventative services

Partner of Choice	Employer of Choice	Place-shaper of Choice
<p>Through the Commercial Strategy, the Council is reducing barriers to entry, ensuring prompt payment of suppliers, and taking a more pragmatic approach to allocating risk in contracts. This creates a more welcoming environment for suppliers to work with OCC without exposing the Council to undue risk.</p>	<p>Through the redesign of the Commercial & Procurement Service we have created new career development opportunities. This is coupled with the implementation of the Commercial Curriculum which will support Commercial colleagues and others across the Council to build their capabilities with structured support.</p>	<p>The Commercial Strategy is enabling the Council to explore new and innovative commercial opportunities, working with the business communities and other partners to invest in technology and infrastructure that is building on existing key strengths of Oxfordshire including 5G private networks, acquisition of the Castle Quarter site, and green energy generation.</p>

Financial Implications

13. The delivery of the Commercial Strategy is supporting services to achieve planned budget savings of £5.0m relating to reductions in contract and third party spend (budget reference CORPRES102 included in Section 4.2 of the budget report to Council on 11 February 2025). £2.4m of this was achieved and removed from service budgets to align with updated expenditure in 2025/26.
14. Based on funding notified as part of the Local Government Finance Settlement for 2026/27 the council needs to make further savings to manage a budget deficit of £15.5m from 2027/28 that will increase over the Medium Term Financial Strategy. Further savings from contract efficiencies will be required to help to the council set a balanced budget in 2027/28.

Comments checked by:

Kathy Wilcox, Head of Corporate Finance (Deputy S151 Officer)

Legal Implications

The legal implications section should be completed by a member of the legal service

15. There are no direct legal implications arising from this report.

Comments checked by:

Jayne Pringle, Principal Solicitor (Contracts)

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Staff Implications

16. The work involved in delivering the OCC Commercial Strategy is primarily led by the recently redesigned Commercial & Procurement Service. The team will draw upon expert support and work with colleagues from across the Council on individual initiatives to make progress against the vision and mission in the strategy.

Equality & Inclusion Implications

17. There are no direct equality or inclusion implications of the council's Commercial Strategy. Key elements of the strategy aim to improve inclusivity and reduce barriers to entry for key supplier groups such as Small & Medium Enterprises (SMEs), Voluntary, Charity, & Social Enterprises (VCSEs), Oxfordshire-based B-Corps, and wider Oxfordshire-based businesses. Any individual initiative under the strategy that may have an impact on equality and inclusion will conduct a relevant and proportionate assessment.

Sustainability Implications

18. There are no direct sustainability implications of the OCC Commercial Strategy. A key strategic commitment of the Council is to achieve a "Greener" county, and the Commercial & Procurement Service recognise their role in enabling the achievement of that goal. Through our Ethical Procurement Policy (published 13th June 2025) the service seeks to minimise our environmental impact and maximise the sustainability opportunities of each project. Any individual initiative under the strategy that may have an impact on sustainability will conduct a relevant and proportionate assessment

Risk Management

19. Effective control and management of third party transactions, whether procured, grant-funded, or income generation, is critical to the financial sustainability of the council. The Commercial Strategy is putting in place the right infrastructure, support, and culture to deliver improved value from these third party engagements. To date, the new service is seeing positive improvement in savings identification and delivery, improved contract management activity, and more informed decision-making that is mitigating potential budget pressures. Risk remains that with the added complexities of LGR that resources across the council are stretched. The Commercial & Procurement service will continue to operate cross-functionally and play a coordinating and convening role, leveraging the new business partnering operating model across Finance, HR, and Commercial, to ensure front-line services are supported.

Annex 1 – Action Tracker

In the table below, the Progress RAG status means:

- Green – progress is on track or ahead of expectations
- Amber – progress is slower than expected

Theme	Action	Update	Progress RAG
Information and systems	Develop greater visibility of data and management information on third party spend and any associated risk exposure (complementing existing initiatives to enhance data and performance insights)	Work is ongoing to draw spend insights from the different finance, commercial, and operational systems in operation across the Council, with progress delayed by a long change embargo with our SAP finance system due to IBC-led system upgrades. The Council has signed a new agreement with our commercial platform provider, Atamis, to implement their contract management module. For the first time this will allow us to capture supplier performance information in one consistent place for all contracted suppliers. In turn, this will enable the Contract & Supplier Management team to proactively manage underperformance, stepping in to assist devolved contract managers in improving delivery or early identification of a need to replace a contract no longer meeting expectations. This module will be implemented over the remainder of 2026.	Amber
	Use market intelligence, data and management information to inform commissioning, contracting, contract management and asset acquisition, management and disposal activity	The Commercial & Procurement Service have agreed access to two new market intelligence tools (IBIS World for market reports, and DataGardener for company insights). These are being used regularly within the service to support market scoping and shaping our procurement approaches. The service is using these tools (particularly DataGardener) to support non-procurement initiatives, including scoping the commercial income generation opportunities for the 5G Digital Infrastructure project on the Harwell Campus, and providing business data for Place Planning enabling richer insight into a key community for engagement in place-shaping initiatives.	Green

	Simplify processes, common systems and ways of working	<p>Working with colleagues in the Capital Programme, Commercial & Procurement, and the Corporate PMO, a new standard business case template has been developed, aligning with HM Treasury's Green Book 5-case model. This is being rolled out to standardise and structure the information required to make informed decisions across the project lifecycle.</p> <p>The Commercial & Procurement Service have a continuous improvement process in place with an ideas hopper of over 60 initiatives across a range of topics. This includes updates to systems, skills development, and refining templates.</p> <p>The Commercial Board undertook a Board Effectiveness Review and invited feedback from project teams and board members. This has resulted in a refreshed terms of reference which streamlines and better articulates the scope and remit of the board, and how the board will support the improvement of the quality of project strategies / business cases.</p>	
Process	Run major procurements with assurance and achieve good service user and commercial outcomes	OCC has established the Commercial Board as an assurance gateway for all revenue expenditure project above £1m total value. The board is made up of Heads of relevant OCC services and is chaired by the Head of Commercial & Procurement. The goal of the board is to improve the quality of a project before it goes to market. In the last 9-months the board has stopped 14 projects from publishing tenders until they improved their quality.	
	Create simple and automated process to order and pay for goods and services and provide an efficient transactional process for internal and external suppliers, ensuring contractual obligations are met	<p>Thanks to work led by the Finance Systems & Data team, in FY25-26 OCC's IBC portal processed almost 373,000 transactions totalling more than £1.2bn in value (including transactions from Schools). The team are continuing to explore opportunities to improve the transaction experience for colleagues and suppliers.</p> <p>Our first transparency notice for contract payment performance demonstrated that 99.4% of invoices were paid within 30 days demonstrating great performance but still with an opportunity to improve.</p>	

	Manage external supplier relationships well and consistently, and optimise the value of these relationships over time	Progress was delayed until post-service redesign and a necessary transition and recruitment process. Our new Contract & Supplier Management team (part of the Commercial & Procurement Service) are developing a Supplier Relationship Management programme for the Council's platinum suppliers. This programme will include standing agenda items that seek to create incremental value beyond contractual commitments by exploring opportunities for innovation and additional social value.	
	Create the capability to shape and develop new markets as required to support commissioning needs	The successful Care Home Framework project has helped to develop a highly competitive residential care home market in the county and the project has been shortlisted for a national award. The Commercial & Procurement Service continue to work with Commissioning and service colleagues across Adults and Children to explore new opportunities to improve efficacy and efficiency of care and education services.	
	Improve the business cases process and forward planning to manage and mitigate risk exposure	As referenced above, working with colleagues in the Capital Programme, Commercial & Procurement, and the Corporate PMO, a new standard business case template has been developed, aligning with HM Treasury's Green Book 5-case model. This is being rolled out to standardise and structure the information required to make informed decisions across the project lifecycle.	
People and capability	Make decisions with commercial acumen and proactively seek to understand and manage risk	A new tool has been developed to structure the risk assessments for new contracts, assessing 43 separate risk factors at different stages of the project / contract life. This tool also enables a more structured approach to setting insurance and liability levels within a contract, with a new Standard Operating Procedure in place requiring the Head of Commercial & Procurement's approval to move away from the recommended levels.	
	Embed consistent and rigorous contract management (complementing existing initiatives to build communities of practice)	Progress was delayed until post-service redesign and a necessary transition and recruitment process. Through the service redesign a new centre-led approach to contract management has been developed with a new Contract & Supplier Management team as part of the Commercial & Procurement Service. This team are implementing the Contract &	

		Supplier Management Framework which sets the standard for 'good' contract management at OCC. So far, they have assessed the Council's Platinum tiered contracts and are developing bespoke improvement plans. Following a scheduled lessons learnt exercise, the team will continue the implementation of the framework over the remainder of the year to the other contract tiers.	
	Build a culture of continuous improvement and organisational learning	The Commercial & Procurement service have a scheduled monthly meeting which includes a spotlight project to share best practice and learning experiences where projects may have gone awry. This will also feed in to the Commercial Curriculum (see response below).	
	Adopt a structured approach to commercial skills development so that individuals are able to act confidently	The Commercial & Procurement Service are developing a "Commercial Curriculum" to provide a structured and curated learning journey. The curriculum has four target audiences: <ul style="list-style-type: none"> - Colleagues within the Commercial & Procurement service - Contract Managers across the Council (c.360 individuals) - Wider Council colleagues who want to improve their commercial acumen / understanding of how to responsibly spend public money - Suppliers to help understand our needs and how to successfully win business (reducing a barrier to entry). The team are working with OCC Learning & Development to explore AI video generators to help create accessible and engaging eLearning material based on internally developed content.	
Define risk appetite	Focus on managing an appropriate level of risk, not avoiding it	As referenced above, a new Contract & Supplier Management Risk Assessment Tool has been developed allowing a detailed assessment of risk and appropriate mitigations / management steps to be put in place. Decisions on contract risk (insurance, liability, contract management effort) have been assigned to the Commercial & Procurement Service recognising that risk is ultimately a commercial decision in conjunction with advice from relevant experts.	
	Balance caution with innovation to support informed, responsible risk taking	Collaboration across multi-functional teams is enabling the Council to explore innovative commercial opportunities. These include revenue generating opportunities such as 5G Private Networks for businesses	

		and Solar Panel Subscription services for residents, to new procurement frameworks to save money and leverage a better deal including a concession contract for an infrastructure framework and a tree care framework.	
	Prioritize transparency and sound assessments	The Council's financial and commercial transparency is increasing to meet the new requirements of the Procurement Act 2023. All transactions above £500 are published to the Council's website on a monthly basis. Additional transparency notices are published in accordance with regulatory requirements (including publishing our pipeline of opportunities, and our invoice payment performance). Further work is planned for summer 2026 to integrate the commercial platform (Atamis) with the CPMO project management platform to provide improved visibility for senior leaders of procurement activity (active and planned).	
	Improve visibility of demand management to inform decision-making	Progress was delayed partly due to organisational redesign, and partly working with service colleagues to define the necessary analysis and datasets to inform decision making. Work is ongoing with the Data Service to improve visibility of demand data. The Commercial Board has acted as an enforcement gateway for this, holding projects until they are able to better demonstrate how demand forecasts support their planned commercial strategy.	
Monitoring and evaluation	Regularly assess the performance of commercial activities to track progress against key objectives and metrics, such as revenue generation, job creation, and social impact	Progress was delayed until post-service redesign and a necessary transition and recruitment process. In March 2026, Cabinet approved a new Social Value policy bringing responsibility for evaluating and managing delivery back in house. The new policy sets out 5 social value priorities for the Council, with a procurement selecting the most applicable and appropriate two priorities against which they will secure commitments from suppliers. Over the remainder of FY26-27 we will be setting a baseline for each of these priorities so that we can measure and demonstrate progress. As a condition of the investment in the Commercial & Procurement Service redesign an additional target of £700k of savings / revenue generation has been set. Changes have been made to the commercial	

		platform (Atamis) to better capture agreed benefits (requiring approval from the SRO, Finance, and Commercial leads) and the Finance Systems & Data team are developing a dashboard to simplify monitoring of performance.	
	Conduct ongoing risk assessments to identify and mitigate potential risks associated with commercial ventures	A contract management toolkit has been developed, including a default risk register available for contract managers to use with their contracts. Key risk mitigations will be implemented as the contract management system (referenced above) is rolled out, including the ability to monitor the availability of contract-level business continuity plans, supplier insurance provisions, and exit plans. The Dunn & Bradstreet intelligence platform has been integrated with the commercial platform (Atamis) enabling real-time monitoring of changes in supplier financial stability. Daily alerts are received by the Contract & Supplier Management team with any material ones being actioned with the relevant contract manager.	
	Maintain transparency and accountability by regularly sharing information about commercial activities with residents and stakeholders	As referenced above, The Council's financial and commercial transparency is increasing to meet the new requirements of the Procurement Act 2023. All transactions above £500 are published to the Council's website on a monthly basis. Additional transparency notices are published in accordance with regulatory requirements (including publishing our pipeline of opportunities, and our invoice payment performance). In addition, the Head of Commercial & Procurement has been engaging business groups and advocacies to share updates to our social value policy. These groups have helped shape our approach including recognising the inherent social value of Oxfordshire based suppliers, SMEs / VCSEs / Local B-Corps / etc.	
	Develop key performance indicators, for example: number of suppliers in each category/by spend	Progress was delayed by the quality of data and interoperability of the commercial and financial systems, and the change embargo due to the SAP upgrade. The Council has commissioned a new responsible procurement dashboard to be created, for the first time allowing us to produce a baseline and replicable analysis for our spend across a range	

		<p>of different types of supplier (e.g. SME, VCSE, B-Corp, Oxfordshire-based, etc.). This will enable us to measure progress against our social value objectives.</p>	
	<p>Once the data and insights work has been completed, seek opportunities to benchmark and conduct comparative studies while consolidating any disparate spend</p>	<p>Working with Finance colleagues we are utilising available external datasets to conduct 'statistical near-neighbour' benchmarking to identify opportunities to improve value in our contracts. The Council also participated in the Local Government Association procurement strategy benchmarking process, receiving valuable qualitative insight on how we compare with peers as a service in our structure, scope, and outcomes. The feedback from this process has fed into our continuous improvement pipeline.</p>	

Annex 2 – Cabinet Paper

The paper was viewed and approved by Cabinet at the meeting on the 19th March 2024.

The paper can be found here: [aebhdfh](#)