

Isle of Wight Council Commercial Strategy – Draft

Introduction

The Isle of Wight Council has a long-term aspiration for the Island to be an inspiring place in which to grow up, work, live and visit. Our robust financial management over the past two years has already enabled new investment and efficiencies to support future innovation and opportunity, despite the challenging financial environment that we operate within. To continue this path, we are becoming more commercially focussed.

In our drive towards a financially sustainable future we have set a clear approach in our Medium -Term Financial Strategy (MTFS) and this strategy sets out how the council will take a commercial approach to delivery of services. The approach aligns with our financial sustainability, regeneration, housing and customer focus and our outcomes and core values set within our corporate plan.

Vision

To be an enterprising and commercially focussed council which people are proud to work for. We will use our assets, skills and infrastructure to ensure that the council will become financially sustainable.

Strategy

Commercialism	Innovation and Enterprise	Trading
<p>Understanding how we need to operate in a more "business like" way.</p> <p>This means making sound commercial decisions about how we use resources and invest public funds in projects and ventures to become more efficient and to generate income for the council.</p> <p>Requires strong leadership and management at all levels of the organisation.</p>	<p>Thinking and acting differently in managing, operating, delivering and resourcing our services; creating best value for residents and customers.</p> <p>We need to become resourceful, innovative and creative, developing the confidence to consider options that would not previously have been considered.</p>	<p>We provide and commission a wide range of services across the Island. Outside of usual treasury management instruments, we may wish to consider trading in markets and sectors either with services that we already provide or in markets and sectors beyond our current operations, using the skills and expertise of our staff, or collaborating with partner organisations.</p> <p>We recognise that not all services can trade or charge for what they do.</p>
<p>We will: Provide staff with opportunities to develop a more commercial "mind-set".</p> <p>Manage our own assets for commercial benefit for the council</p>	<p>We will: Develop a workforce strategy to provide our staff with the commercial skills they require.</p> <p>Use the transformation fund for invest to save schemes.</p>	<p>We will: Identify services that can trade and enable that to happen.</p> <p>Develop delivery tools for example, traded companies, partnerships, collaborative working.</p>

Maximise commercial opportunities from any new council led development and projects.

Identify and implement income generation opportunities.

Continue with commercial property acquisition.

Use housing development to generate income for the general fund.

Acquire property for regeneration purposes or to bring property back into use.

Ensure commissioning is smart, lean and evidenced based.

Invest in and use technology and digital innovation.

Continue the BIG ideas Programme

Develop our One Public Service ambition.

Implement a business case driven approach for trading services.

Principles

We will:

- Not lose sight of our values and our ambitions for communities.
- Be creative and resourceful.
- Adhere to statutory responsibilities and ensure public money continues to be appropriately used and accounted for.
- Be risk aware, not risk averse and drive behaviours that support the idea that failure must be viewed as a learning opportunity.
- Develop a commercial culture through the adoption of appropriate behaviours and decision making, whilst retaining strong community and social values.
- Collaborate with partners who share our ambition and values.
- Engage with staff to build commercial awareness and invest in them to support and develop a commercial mind set.
- Invest in schemes and projects that improve our productivity and reduce cost.
- Use our assets to generate additional income.
- Ensure governance, management and performance of commercial enterprises, partnerships and contracts continue to be robust.

Commercial Decision Making, Procurement & Risk

Our decisions should focus on achieving at least one of two main drivers:

- Income generation –for example, generate new sources of income for the council such as investment in land and property; schemes that grow our business rates income or enable existing revenue streams to be maintained longer into the future or trading services.
- Invest to save – for example, introduce new technologies and redesign services to reduce demand and promote independence; making the most of our transformation fund.

Investment proposals will be considered taking into account:

- Capital receipts generation from asset sales
- Asset retention

- Borrowing proposals
- Capital spending decisions
- External lending decisions

Decisions in relation to trading activity will be made having applied a robust business case methodology that will consider:

- Strategic fit – fit with the council’s objectives and values (including social value and environmental objectives);
- Legal – ensure that proposals are lawful;
- Financial – consideration of cash flow and understanding of cost and financial benefit;
- Commercial – market knowledge of customers and competitors;
- Operational and technical – staff and other resources requirements and how they can be met; and
- Risk assessment and management plans.

Investments will be evaluated against key investment principles. A set of financial and non-financial criteria (e.g. social value, impact on carbon emissions) shall be used to assess which schemes and projects are taken forward. All activity should ensure that approach to risk is appropriately articulated, understood and managed.

All commercial business activities will be appropriately governed, scrutinised, managed and monitored and where appropriate will need to comply with the council’s procurement and contract management strategy.

Next steps

