



Cabinet report

Date	11 NOVEMBER 2021
Title	POP UP COMMERCIAL OPPORTUNITIES ON IW COUNCIL OWNED LAND
Report of	CABINET MEMBER FOR REGENERATION, BUSINESS DEVELOPMENT AND TOURISM

EXECUTIVE SUMMARY

1. The council is looking to market some of its underutilised land holdings for small scale commercial/business opportunities on an annual basis. This would both generate income to reinvest in council services as well as support the local economy and encourage new business ventures.
2. In order to develop an efficient and effective approach to market, assess and decide on the leasing and or licencing of a larger number of sites, the initial proposal is to “pilot” a limited range of opportunities which readily identify themselves as having potential to generate interest and income.
3. The council already rents, leases or licences sites which have either been traditionally used for small “pop up” concessions such as beaches and parks or where an approach has been made by a local business. This new approach is to be more proactive in exploring the council's wider portfolio of land and undertake a formal tendering exercise, repeated on an annual basis, to ensure such opportunities are monitored, impacts are assessed and future offers adapted to ensure income is maximised and impact on the environment minimised. It will also enable the council to take on board the views of the local community in the process.
4. It is likely that much of the interest from local business will focus on the tourism season and sites with great footfall and for 2022 it proposed that a number of “pilot” sites are marketed with a view to having decisions made and land agreements in place to enable take up by Easter 2022. The pilot will ensure that a more detailed business case can be developed to enable an assessment of whether the process can be self- sustaining in the longer term.

RECOMMENDATION

5. **Option A.** To market a small number of IWC sites for “pop up” business for 2022 as a pilot scheme to inform a more comprehensive business case for the wider council portfolio in 2023. The details of the pilot sites to be offered to be agreed by the Cabinet member for Regeneration, Business Development and Tourism.

BACKGROUND

6. As well as premises from which it delivers a wide range of services to the local community (offices, schools, care homes, leisure centres, museums, libraries etc.) the council also owns a large portfolio of buildings and land which it manages and maintains for other purposes. This includes income generation to support the delivery of its services such as beach concessions, beach huts, industrial units etc. and land which has wider community value such as beaches, parks and other areas of amenity land and countryside.
7. Over the past few years the role of the councils land and property assets have become increasingly important in contributing income to assist in meeting its budget challenges. This has included the disposal of some premises to generate a capital receipt and the ongoing review of its existing rents and leases to ensure the council is acting in a commercial manner. The council does, however, hold land that is unused or underutilised and a more proactive approach to offering sites to the market could help generate new income for the council as well as new local business opportunities in support of the economy and jobs.
8. The ability to derive additional income from its assets is now even more important and this sits alongside the challenges that the local economy and island businesses face in recovering from the impacts of the COVID pandemic.
9. Authorities such as Cornwall Council have seen pressures for new business activity to meet the demands of a growing visitor economy and have utilised their landholdings to help provide new opportunities sometimes because there is limited scope in existing settlements but often due to high demand and footfall in areas where there are no buildings or facilities to deliver services.
10. Whilst this can create conflicts in sensitive areas particularly in open countryside it will depend on the nature of the use and the level of control put in place to mitigate any such concerns. This is particularly true where businesses are “pop ups” or temporary facilities which can be easily removed to ensure the impact is weighed against the potential economic benefit.
11. In order to ascertain the long term business case on the Island it is envisaged that a small number of sites are put forward in 2022 to gauge the interest and better understand the issues and challenges that might arise from the offer. This will also include the financial aspects such as the income generated as well as the council staff resource in setting up the process and managing their delivery.

STRATEGIC CONTEXT

12. The new Corporate Plan 2021-25 contains the following relevant objectives:
 9. Keep the Council solvent and take all the measures we can to improve the financial position of the council.

Activity - Refresh the council’s commercial strategy and approach towards securing investment and income generation opportunities by March 2022.

CONSULTATION

13. The report and its recommendations have not been the subject of any formal consultation but it is proposed that the sites offered for consideration are discussed with the relevant parish, town and community councils to ascertain their views before any marketing of sites commences.

FINANCIAL / BUDGET IMPLICATIONS

14. The costs of delivering this limited “pilot” proposal are to be covered from existing resources and the potential income that could be generated will only become known once the pilot has been completed and this will help inform any future decision on a more comprehensive marketing offer.

LEGAL IMPLICATIONS

15. The council would need to enter into appropriate land agreements in order to control the pop ups. Specific sites may also need necessary statutory consents such as licencing and planning which will require separate agreements.

EQUALITY AND DIVERSITY

16. The council, as a public body, is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

OPTIONS

17. The options available are as follows:

Option A To market a small number of IWC sites for “pop up” business for 2022 as a pilot scheme to inform a more comprehensive business case for the wider council portfolio in 2023. The details of the pilot sites to be offered to be agreed by the Cabinet member for Regeneration

Option B Not to undertake the pilot scheme

RISK MANAGEMENT

18. The purpose of the “pilot” approach to developing the project is to ensure that the scale of interest, potential income, workload and whether any yet unknown challenges can be identified so that these can be considered in developing the wider opportunity. If all goes well it is expected this would commence in 2023/24. The pilot will also allow the best approach for administering the scheme to be developed to ensure it is cost effective in order to maximise the revenue to the council. It will also enable other key data to be collected such as number of businesses and jobs created and supported as this is also about the council supporting the growth of small island businesses in the local economy.

19. The sites selected for the pilot will be chosen on the basis that they cover a range of different sites, locations (rural/urban) and potential uses (food/ beverage, activities etc). This will enable the development of the detailed business case for the wider scheme.

EVALUATION

20. The council faces significant financial challenges and it is imperative that it explores all opportunities to raise income in support of the services it provides to the community. In addition, there is a benefit to the island economy in providing new opportunities to develop new business ideas and diversify the market and range of services already offered to local people and tourists. Places such as Cornwall have developed similar projects which have been well supported by the local community and have enabled new business opportunities in areas which have generated new income rather than impact on main town, village and tourism locations where existing businesses are already trading and where additional competition may have a negative impact.
21. If successful the pilot will be developed into a wider project and it is hoped that whilst the pilot will only focus on a small number of sites, the interest generated by the scheme will identify other opportunities to be included in the wider project.

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