



# Committee report

Committee	<b>CORPORATE SCRUTINY</b>
Date	<b>8 MARCH 2022</b>
Title	<b>COMMERCIAL STRATEGY UPDATE</b>
Report of	<b>CABINET MEMBER FOR STRATEGIC FINANCE, TRANSFORMATIONAL CHANGE AND CORPORATE RESOURCES</b>

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## SUMMARY

1. Corporate Scrutiny has asked for an update on the review of the council's commercial strategy. Whilst the draft of the strategy is still in development the attached paper provides an outline of the approach being taken for scrutiny to review and comment upon.

## BACKGROUND

2. Over the last 9-10 months the council has been reviewing and revising its commercial strategy with the aim of a revised strategy being agreed by cabinet in April 2022.
3. In its corporate plan the council has set a clear aim to work together with our communities to support and sustain our economy, environment, and people. The commercial strategy provides direction and a purpose of commercial activity for the Isle of Wight Council and we hope to influence our public sector partners as part of this approach.
4. The impact of budget cuts from reduction in central government funding has put increased pressure on the council's revenue budgets. In line with many other local authorities the Isle of Wight Council must either seek to review the services it delivers or seek additional income from alternative sources to balance the revenue account.
5. The council remains committed to delivering the best quality services to meet the needs of the local community. Our starting point is always to remember that we are a local authority. We have statutory obligations that we must fulfil including to support and safeguard our most vulnerable residents. As a local authority, we have a responsibility to make decisions that will, in the first instance, benefit the Island directly with our residents' best interests in thought.

6. As such, we will exercise our powers that come with being a local authority to always benefit our Island - for the people who live, work and visit. This is why we (councillors and council officers) came into public service to deliver outstanding customer service. It is our core function and our key driver. All commercial opportunities should be considered in this light. It is for this reason that in the absence of any particular benefit to residents of the Island we are unlikely to make significant investment in opportunities outside of the Isle of Wight.
7. The review of the commercial strategy provides an opportunity to review and refresh our priorities and to reset our corporate approach, ensuring that commercial operations return a level of income to cover running costs and to fill surplus capacity and to plan for future operations delivering a surplus.
8. The values of being entrepreneurial and commercially focused for the Isle of Wight Council to react to its communities' needs is not simply about profit; it can be summarised into three broad themes.
  - Increasing revenue through the production of service-based savings or income; improving efficiency of service delivery through reducing costs and streamlining processes,
  - Making the Council's commitment to tackling climate change a priority at the heart of all decisions,
  - Increasing community wealth or producing social value by acting on the Council's position as a steward for the Island.
9. Key to ensuring the success of the strategy will be ensuring that those involved in its implementation have the appropriate skills and resources and to this end the council has already embarked on a training programme.
10. Income achieved from commercial activity will be channelled back into delivering essential services as this remains our key focus. In addition to considering income, we can apply commercial principles to most council operations and must consider them when reviewing policy objectives and direction.
11. The more money we have the more we can do with it and risk is necessary to release the benefits of commercialisation. However, we are not the private sector. Our customers sometimes have no choice other than to use our services. We are managing public money that has been entrusted to us and we must do so wisely. We are often no more than custodians of the assets we own. These factors limit the level of risk we can take in the pursuit of income. Whilst willing to take risk, we will manage that risk so as not to jeopardise the services and opportunities we offer to Island citizens. Risk management will be proportionate to the magnitude of the risk and the adverse impact should it materialise.

12. All decisions that we take will place the residents of the Isle of Wight at the very forefront. At all times, securing valuable and meaningful outcomes for current and future generations is the basis of our decision-making.

### APPENDICES ATTACHED

13. Appendix 1: Outline of Commercial Strategy Review.

### BACKGROUND PAPERS

[Commercial Strategy October 2019](#)

(<https://wightnet.iow.gov.uk/DocumentLibrary/view/commercial-strategy-october-2019>)

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