

BECOMING MUNICIPAL ENTREPRENEURS

Our approach to commercialisation

COMMUNITY FOCUSED

Entrepreneurial decisions will be taken in view of generating outcomes that benefit our communities for generations to come. We will always consider our position as custodians for the Island to make decisions that are best for residents. In addition to this, our commercial approach will work holistically in taking consideration of other existing strategies.



LEARNING ORGANISATION

In order to be more entrepreneurial our organisation will adopt a culture - across both councillors and staff - that promotes developing new ideas through curiosity, inquiry and discussion while making decisions which are robustly informed through analysis and lessons learned.

TEAM EFFORT

Becoming entrepreneurial requires involvement from every team across the organisation. To support this commitment, leadership from all levels will champion the ability for all staff members to think and act innovatively in order to benefit the organisation and our wider communities.



FINANCIAL STABILITY

To underpin and give confidence to our ability to take measured risks, the organisation must maintain its position of being financially stable. Aspiring to become self-sustainable, the organisation will look toward an approach to recycle resources and sustain a programme of commercial activity - while also looking to capitalise on funding opportunities.

Commercialisation Strategy 2022 - 2025

*Inspiring an entrepreneurial and
business-like culture across the
Isle of Wight Council*



Introduction

The Isle of Wight Council has a long-term vision for the Island to be an inspiring place in which to grow up, work, live and visit. Our robust financial management over the past five 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 continuing to strive to be 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 the delivery of services.

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.

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 staff) came into public service to deliver outstanding customer service. It is our core function and our key strategic 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.

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.

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.

Approach

The Isle of Wight Council's approach to commercialisation is one of flexibility. The Commercialisation Strategy aims to take a broad view of commercialisation to include all aspects of service delivery. This includes service reviews and redesign, focusing primarily on the potential for digitalisation and increased data intelligence and use of technologies to deliver savings, increase value or achieve better outcomes. In addition to this, but not limited to, new opportunities for revenue generation, charging, shared services or partnership working and the commissioning cycle.

At the heart of the delivery of this strategy is to continually foster an entrepreneurial spirit. The council will, at all times, keep its values of being entrepreneurial both for commercial good and for the benefit of the Island as a whole.

The key values of our entrepreneurial approach are:

1. Greater commercial awareness and agility in capitalising on opportunities
2. Collaborative and partnership focus
3. Becoming greener to reduce our carbon footprint
4. Strive for innovation with a culture that continually learns
5. Ensuring that we focus on learning on both successes and failures
6. Focusing on community action and self-help as an Island as a whole
7. Outcome-based decision making where the focus is placed on results based on evidence
8. Becoming more technologically aware; making sure we understand the opportunities of the latest technology and how to use this to improve service delivery
9. Focusing on the usage of information to ensure better analysis of the data we hold for decision-making
10. Taking precedence in our approach to being community leaders; facilitating partnerships and opportunities for the Island



In combination, this approach aligns with our core values set out in the Corporate Plan: to be community focused; work together in partnerships; be effective and efficient and remain fair and transparent in service delivery, decision making and the use of resources.

Definitions

Commercialisation

Commercialisation can be defined in a variety of ways and will mean different things to different organisations. Commercialisation, in this context, refers to action.

Commercialisation is not just about generating an income; it is also redesigning how services can be delivered in a more commercially efficient manner. The council define the term as a method and attitude categorised as:

- Transforming the organisation to operate in a more efficient and effective way, making well informed and sound decisions regarding how public funds are used and invested
- Ensuring the organisation's culture encourages an entrepreneurial mind-set impacting service delivery through supportive governance structures. Building a resilient workforce that is innovative, inquisitive and challenging the norm
- Supporting service areas as a collective team to identify opportunities to deliver or move towards delivering services that are efficient, in a cost neutral or, where appropriate, income generating basis

By defining and embracing this commercialisation strategy it enables the council to reinvigorate and reflect how services can maximise delivery on all aspects of the Corporate Plan.

Entrepreneurialism

To act commercially is underpinned by the behaviours in which we exhibit and cultivate as an organisation. This is entrepreneurialism – the unleashing of innovation through inquiry and mutually-shared goals, supported from all areas of the organisation.

Each staff member of our workforce is an entrepreneur with the potential to change and positively impact service delivery through innovation and creativity. No innovation can occur without an individual who will push for change. Our desire is for our organisation to incite discovery, exploration and exploitation of new opportunities to do things differently.

As such, in equal parts, entrepreneurialism requires on-going buy-in and support from all forms of senior leadership to achieve these goals. It is an attitude which should be present from all across the organisation – working together as a team collectively striving for shared goals.

Being entrepreneurial is giving our workforce both the tools and the keys to drive meaningful change and importance across all areas of service delivery for the betterment of the Island.

Vision

The long-term vision for the Isle of Wight Council, as set out by this Commercialisation Strategy, is to support the council's ambition of financial self-sufficiency in closing the revenue gap. The following principles will take time and collected effort to achieve but we are committed to this goal.

- Long-term view

As custodian of the Isle of Wight the council will take a long-term view of commercial decisions. To reflect our commitment to creating life-long outcomes, all decisions will be based with our other long-term strategies in mind. This means that while part of this strategy revolves around the principles of revenue, the overall focus will be on entrepreneurial decisions and behaviour that will benefit the communities of this Island both now and for generations to come.

- Financial sustainability

The council will seek to make the most effective use of its resources in financing commercial projects and activities. This approach will enable the council to 'recycle' its own resources and sustain a programme of commercial activity whilst maintaining its resilience to any financial shocks. In addition, the council will seek to optimise the use of external funding to support its activities. At the heart of our commercial aspirations is to be self-sufficient in providing and delivering excellent services to our residents that meet the various needs of communities on the Island.

- Learning organisation

The council understands that becoming more commercial will mean doing things differently and pursuing new projects or activities. Inevitably this means there will be a degree of risk, particularly for initiatives that have not been previously 'tried or tested'. The council will seek to minimise risk by developing robust business cases for new initiatives that provide a sound evidence base and market analysis as well as comprehensive financial modelling. The legal constraints will also be considered for each individual initiative. This will be reflective in the governance of the Commercialisation Programme Board who will oversee commercial activities and opportunities. Existing risk management policies and procedures will be used to manage and mitigate risks associated with commercial projects and activities. It is recognised that despite best efforts risks will sometimes materialise and projects may fail to deliver or achieve the intended outcomes. This means fostering a culture amongst elected councillors and staff that promotes:

- shared responsibility and mutual support
- developing new ideas through curiosity, inquiry, and discussion
- robust analysis and informed decision-making
- ongoing evaluation and reflecting on 'lessons learned'
- support and belief from senior leadership to take calculated risks

- Team effort

The success of the core goals set out in the Corporate Plan, underpinned within this Strategy, will rely on the commitment and involvement of all staff and elected Members. All services will have a critical role in identifying opportunities for greater income generation and/or attracting additional funding. Identifying and developing new business opportunities that meet our communities needs and expectations will rely on the knowledge, networks, creativity and capability of everyone regardless of job or role.

- Enhancing the council's commercial culture & capacity

Success in achieving the council's goals as being an innovative, entrepreneurial and commercially aware organisation will be in harnessing the ability of our staff to identify and act on opportunities. We understand that this will be a gradual process - being careful to trust the process of evolving to achieving new goals. Behaviours and attitudes cannot be built instantaneously.

To support the imperative that behaviour, attitudes, and collective action are crucial to our commercial goals, we will at all times champion an innovative and commercially thinking stance at leadership levels. The fulcrum of this will be our newly established Commercialisation Programme Board who will oversee and support commercial activity in the council across all directorates.

Further, to establish accessible avenues for staff to be able to suggest ideas that they believe have merit in achieving the goals set out in this strategy, our staff-based platform BIG Ideas has been relaunched with increased support from strategic leadership.

Strategy aims

The aim of the strategy is to develop a commercially efficient approach, and generate a financial and social return, which contributes to continued successful and sustainable service delivery. In addition, the approach will also consider our unique position as stewards of place for the Isle of Wight – meaning that at all times we will strive to create the best outcomes for the Island and its residents.

Commercialisation is a topic within local government which has become increasingly prominent since the Localism Act of 2011. The Isle of Wight Council, since this period, has taken vast leaps forward in implementing efficiencies to reduce the budget gap while also laying a solid foundation to progress as a commercially aware entrepreneurial organisation. The following themes set out the intent for how the council will approach commercialisation and what its priorities will be.

This section will set out in detail the strategic aims and will include:

- Strategic aim describes what we will do to support the strategy.
- Rationale explains why this is important and sets the context.
- The activities will set out what we will need to do or put in place to achieve the aim.
- The measures will describe how we will evaluate our work.

Our strategy consists of four primary aims:



Aim 1: Entrepreneurially Empowered Workforce – Improving commercial leadership, awareness, and competency

Rationale:

At the core of the council's commercial aspirations are its workforce. The first aim for commercialisation is to adopt – and support – a commercial/entrepreneurial mindset with regards to service delivery and function. This mindset will be supported through proactive leadership and governance to allow staff to think freely, creatively and be innovative with ideas and solutions.

We will achieve this by:

- Delivering a municipal entrepreneurialism training programme to help develop and support knowledge, skills and behaviours within the council.
- Creating staff forums to support staff, design and deliver projects, drive savings and pursue revenue opportunities.
- Support skills development with development of specific workshops e.g. business case development; specification writing.
- Supporting and working with councillors to fully consider commercial implications of decisions.
- Create a governance board to oversee and monitor commercial activity (ongoing and opportunities) across the council.

How will we know we have been successful?

- Training programme delivered – monitor feedback and identify ongoing CPD for staff where necessary
- Identify all staff involved in commercial activity to support them with ongoing development, where necessary, and incorporating methods of skill and experience sharing across the organisation through forums and workshops

Aim 2: Developing innovation, income generation, trading opportunities and driving savings

Rationale:

We remain committed to sustainably funding high quality service delivery. An imperative of this approach is innovation, income generation and new trading opportunities which all have the potential to fund or support activities and services. We will continue to explore new ideas and opportunities to generate income and improve services but at the same time remain vigilant in our commitment to making decisions that produce the best outcomes for our local economy and communities.

We will achieve this by:

- Maximising return on our assets
- Developing a council wide approach to identifying, prioritising and pursuing income generation activities
- Adopting an approach of full cost recovery for discretionary services
- Understanding the true costs of our services through greater data intelligence, analysis and reporting
- Developing the entrepreneurial acumen of staff across the council.
- Develop a method to identify and support grant funding opportunities to maximise invest to save opportunities
- Investing

How will we know if we have been successful?

- Income generation approach used to prioritise and pursue appropriate income generation opportunities
- Provide support to staff to identify income generation opportunities, including a greater focus on possible grant funding

Aim 3: Community Wealth Building, collaboration and building strong partnerships

Rationale:

The Isle of Wight Council will take a place-based approach to local economic development. At the very heart of all commercially based decisions that we make is providing good outcomes for residents of the Island. The council will use its position and powers as a local authority to be entrepreneurial and deliver outcomes which will directly and positively benefit the Island.

The council has long-standing ambitions to support the Island's population and business base. Additionally, the council will look outwardly to its partners in both the public and private realms for support and guidance where necessary.

We will achieve this by

- Understanding stakeholders and suppliers, and identifying opportunities to work together
- Engage with other public sector organisations
- Procurement and contract processes which enable local wealth creation and consider social value

How will we know we have been successful?

- Collaborate with partners on commissioning and procurement of projects, monitoring measurable benefits and lessons learned to enable continuous improvement
- We will have successful collaborations
- Local communities will benefit from wealth creation and distribution of wealth

Aim 4: Commercial thinking as part of a whole spending and lifecycle – linking with our net zero ambitions

Rationale:

A key dependency to all decisions that we make towards commercial aspirations will consider our commitment to tackling climate change. Every decision taken must have regard to the need to reduce the council's and the Island's carbon footprint.

We are putting carbon literacy at the forefront of our upskilling programmes. The council will be proactive in prioritising low carbon opportunities, especially in the delivery of our services.

This approach will be adopted across three key areas:

- Business case creation
- Outcome based, proportional and best practice tendering
- Ongoing contract delivery management

We will achieve this aim by:

- Developing and delivering contract management and procurement approaches across the council.
- Communicating clearly and effectively with suppliers
- Embedding and giving consideration to net zero carbon approach in the early stages of business case creation supported by a programme of knowledge and skill development in this area

How will we know we have been successful?

- Contract management and procurement approach used by relevant services across the council and routinely review its effectiveness
- More and better targeted engagement with existing and potential suppliers
- The council's knowledge will increase

Strategic alignment

The successful delivery of the Corporate Plan relies on each separate strategy focus across the council to interact and support each other. There are clear interdependencies that need to be recognised and proactively managed.

This Commercialisation Strategy sets out the council's vision and framework of fostering a culture which is underpinned by a more commercial and entrepreneurial mind-set, and our ambitions to transform and diversify how we do business. It is important to recognise how this and other strategies interact. Commercialisation, as a way of being for our organisation to adopt, cuts across the organisation as a whole and this strategy should be utilised by all directorates and act as a golden thread in all services the Council delivers.

- Community Engagement Strategy

Serving the community is at the heart of everything we do at the Isle of Wight Council. This is why it is important to understand the links between any future investment – whether commercial or community based – and understanding the needs of the community itself.

The council is committed to striving towards simplifying and promoting the relationships between ourselves as stewards of place for the Island and our residents. Excellent service delivery should start with providing services that are meaningful, and, in order to understand this, public participation with our communities is essential.

- Digital Strategy 2022 – 2027

Harnessing the power of digital technologies will be critical to achieving goals set out in this strategy. Looking forward, we want to exploit digital opportunities that diverts financial resources to where they are most needed. Ensuring that these strategies holistically align to support the same overarching goals is vital in creating the right conditions for digital technologies to continuously improve the services we are able to offer residents on the Island. Greater digital and data awareness will allow for the organisation and, as an extension, our communities to build a sustainable and resilient future for the Island in a rapidly changing world.

- Climate and Environmental Strategy 2021 – 2040

Any opportunities, ventures or projects to be undertaken by the Isle of Wight Council will be assessed against our commitment to the goal of achieving a net-zero carbon status for the Island by 2040. As such, every decision we take will not only need to have regard to our Climate and Environmental Strategy but must also have regard to supporting, sustaining, and enhancing our biosphere status as underwritten in the Corporate Plan.

- Medium-Term Financial Strategy

In our drive towards a financially sustainable future we have set a clear approach in our Medium-Term Financial Strategy and this strategy sets out how the council will take a commercial approach to delivery of services. As such, all decisions taken will be balanced against this necessity.

- Corporate Plan 2021 – 2025

The Corporate Plan underlines the key actions, goals and values the Isle of Wight Council represents. Achievement of these will be the ultimate priority for the organisation with the Commercialisation Strategy being a core thread in these aspirations.

Summary...

This strategy provides a framework for the council to embed principles of commercial and entrepreneurial thinking. We can and should apply commercial principles to most council operations and must consider them when reviewing policy objectives and direction. As such, this Strategy will represent an integral foundation to the future setting of service delivery.

A commercial focus is about more than making a profit. It includes:

- Considering the whole life cost of policy decisions, including the market impact and benefits realisation.
- Continually improving efficiency of service delivery – reducing costs and streamlining processes where possible (such as capitalising on new technologies to do things in different and untried ways).
- Maximising value for money from our contractual relationships.
- Maximising our opportunities to harness external funding.
- Making evidence based robust decisions and creating a culture of better data management to inform decisions at all levels.
- Considering innovative ways of generating income for the council while creating avenues and a supportive leadership environment to harness the expertise and creativity of our staff members.