

## **Appendix C – Commercial Strategy Principles**

The Council is considering the potential for commercial activities to support its financial challenges and meet its corporate priorities. Internally, work has commenced on developing initial ideas to increase commercial income.

In parallel, a best practice Commercial Strategy is being developed to provide staff with a suitable formalised structure to frame their strategy on commercialisation and further details will be provided in the November 2023 Strategy and Resources committee paper.

The delivery of commercial activities will be guided by the following principles:

- Commercial activities will contribute to the Council's vision and corporate priorities and accord with its values and ambitions, and not have a negative impact on the Council's reputation; i.e. not distract from priority activities.
- The Council will act prudently with public funds ensuring that opportunities have robust business cases, governance and delivery reporting and monitoring supported by appropriate capacity and expertise. Opportunities need to have a clear risk management approach. The Council needs to ensure that statutory responsibilities are not impaired.
- The Council will assess traded activities against key criteria including a commercial assessment based on the service proposition viability itself, available market, ability to reach and secure market share, capacity and expertise to deliver, financial due diligence on income and costs, investment and return in investment against risk and materiality to the Council.
- The Council must be risk aware in that not all ventures will succeed, but the due diligence and control over delivery will be a key mitigation.
- In terms of fees and charges, the Council will seek full cost of recovery and consider the impact of national set tariffs and discretionary changes.
- The Council will support staff with commercial training and external support, as required.
- The Council will consider different delivery models for delivering commercial income, ranging from in-house to shared services and joint ventures, as appropriate.
- Shared services can be purely for operational cost efficiency and resilience but could also include commercial activities that need to be clearly identified.

- The Council will differentiate between key large commercial opportunities that require corporate support and investment, and business as usual activities that services undertake as part of service delivery.

Work is now in progress to build the vision and objectives which will form a key part of the commercial strategy. Using the principles, a long list of potential commercial initiatives will be reviewed and for those that are prioritised, business cases will be developed. These business cases will be brought back to the Strategy and resources committee for approval at a future date.