



Commercial Strategy 2025 - 2028

Version	Date	Updated by	Description
V1	19/3/2025	M H-White	

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## Strategy at a glance

This Commercial Strategy sets out the Council's approach to commercialism and how this will support the delivery of our Corporate Plan.

Castle Point Borough Council has created a Commercial and Assets directorate in order to ensure the Council maximises all available commercial opportunities. While the Council has a positive financial situation, with a three-year balanced budget, it recognises that more can still be done to deliver sustainable services.

The strategy particularly focuses on the following key principles:

- delivering financially sustainable services;
- ensuring we have the maximum possible return from our assets;
- applying a commercial lens to all relevant activity; and
- delivering additional surplus which can be reinvested.

These will be delivered by:

- Investing in priority key assets including:
  - Knightswick Shopping Centre
  - The Paddocks Community Centre
  - Council owned car parks
  - Abbeyfield temporary housing facility
- delivering commercial, income generating activity including:
  - Castle Point Leisure
  - A sustainable programme of events

This strategy outlines:

- why commercial activity is important to the Council;
- the wider picture of commercial activity in local government;
- the process we have been through to develop our commercial programme;
- our design principles and areas of focus;
- immediate next steps; and
- how we will evaluate and measure success.

Please address any enquiries to Matt Harwood-White, Director, Commercial & Assets.

## Welcome and introduction

The Council's Corporate Plan sets out the Council's ambitions for the Borough, and we will continue to listen to our residents and businesses as we work to deliver these ambitions.

The Council has set a balanced budget for the next three years, however increasing demand and ongoing financial pressures mean that in order to ensure this position is maintained the Council must take a more commercial approach to deliver financially sustainable services, especially from the use of our assets.

This Commercial Strategy sets out the Council's approach to commercialism and how this will support the delivery of our Corporate Plan and will reflect the Council's underpinning organisational values and behaviours of Trust, Respect, Improving & Learning and Customer Focus.

The Council will be driven by its agreed commercial vision:

*'Wherever it is appropriate to do so, the Council will take a commercial approach to the things that it does and, in so doing will create financially sustainable services for the benefit of our community without compromising on quality.'*

Cllr Dave Blackwell,  
Leader,

Cllr Tom Gibson,  
Portfolio Holder, Special Projects & Assets

Cllr Steve Mountford,  
Portfolio Holder, Resources

## Setting the scene

Over the last decade funding to Local Government has reduced significantly, at the same time demand for Council services has risen and continues to do so. While the Council has worked to secure a three-year balanced budget, it should still innovate and develop a Commercial Strategy to ensure the continued sustainable delivery of Council services.

A prerequisite to developing a commercial culture is a workforce that are accountable for their budgets. Senior officers will be accountable for their budgets and understand the true costs of providing services to the community. The Council will be able to justify these costs and make risk-based decisions.

The Council is not like a normal business and so cannot operate on a fully commercial basis like a limited company, for example. The Council offers services of different types to residents with different needs and is restricted in law about how much it can charge and for what. Commercialism is not, therefore, the sole outcome but should be considered as part of a wider decision-making process which includes looking at legal and financial implications as well as risk and return on investment.

This strategy forms part of suite of documents known as the organisational plan, these include:

- The Castle Point Corporate Plan
- Waste & Recycling Strategy
- Medium-Term Financial Strategy
- Procurement Policy
- Housing Improvement Plan
- Tourism Strategy
- Climate Policy

### **Legal Context:**

A number of different pieces of legislation allow the Council to operate in a commercial way.

Section 1 Local Authorities (Goods and Services) Act 1970 enables a local authority to enter into an agreement to provide another local authority with goods and services, including administrative, professional or technical services.

Section 113 Local Government Act 1972 allows a local authority to enter into an agreement with another local authority to place its officers at the disposal of other local authorities, subject to consultation with staff.

Local Government Act 2003 and in the Localism Act 2011 gives councils a greater General Power of Competence to trade and charge, to borrow and to invest prudently.

The Public Services (Social Value) Act 2012 also provides councils with commissioning obligations and the power to benefit from responsible procurement.

Whilst the general power of competence in the Localism Act 2011 built on existing powers to charge and trade, if a local authority wishes to trade on a commercial basis, this must be carried out through a company. Any local authority that sets up a company must produce a business case before doing so – this is set out in Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 s12009/2393 Regulation 2. Any profits made by the company can be re-invested in other council services.

### **The Council's Corporate Plan**

Commercial activity plays a vital part in supporting the ambitions in the Council's Corporate Plan, including the activity outlined below:

Economy & Growth	Developing our town centres, including investment in improving Knightswick Shopping Centre and The Paddocks to provide thriving local amenities, as well as a car park review to ensure these assets meet the needs of residents and local businesses.
People	Ensuring our leisure service is a thriving commercial concern, which can reinvest in helping our communities be more active.
Place	Ensuring the Council minimises vacant premises in the Knightswick Shopping Centre.
Environment	Providing the most efficient waste and recycling service, to help keep our streets clean, and protect our environment.

### How we developed this strategy

This strategy has been developed by the Director of Commercial and Assets in conjunction with lead Members, namely the Leader of the Council, the Portfolio Holder for Resources, and the Portfolio Holder for Special Projects & Assets.

A workshop was held to enable all Cabinet Members to contribute to the developing strategy, and wide engagement has been undertaken across the senior officer team.

## Our design principles

The vision for the Commercial Strategy will be delivered through the adoption of a set of design principles that will drive a commercial culture. This will lead and enable change and create the environment to develop a collaborative approach to maximising commercial opportunities. These design principles are the scope of the framework against which commercialism will be measured.

- A shared vision
- Supporting the Council's role as a shaper of place
- Clear and transparent governance
- Robust performance and contract management
- Data led decision making
- Reinvestment of surplus to support quality service delivery 'Profit for purpose'
- Being risk aware rather than risk averse
- Acceptance that we will need additional advice and expertise, the scale of which will be determined by the scale of the opportunity and risk
- Prioritisation of activity based on potential to support delivery of financially sustainable services
- A clear and agreed exit strategy

### Identification of new opportunities:

As part of our transformation process applying a 'commercial lens' will become part of our culture. It will influence how we design and deliver services for the benefit of our residents.

The Council will foster an innovative culture that in turn will help to develop the tools and environment staff will need to deliver financially sustainable services for the benefit of our community without compromising on quality.

Whenever we consider any aspect of our service, as part of a commitment to continuous improvement, we will always consider:

- (a) how to make our services more efficient
- (b) whether we can reduce cost - to ensure that we deliver value for money and
- (c) whether there are opportunities to mitigate the cost to the public purse through generating income



This could include some or all of the following:

### **Fees and charges & Services Reviews**

The Assistant Director, Finance and Procurement leads on the regular review of Fees and Charges, ensuring that the true cost of providing services is understood and reflected, including direct and indirect costs as well as recharges.

All Assistant Directors have completed Service Reviews in which they are required to consider commercial opportunities, and whether efficiencies could be achieved.

### **Investigating alternative delivery models**

Service delivery options would be considered. This would ensure the current or proposed service delivery model delivers value for money.

### **New market opportunities**

Either alone or through developing relationships with public, private or third sector partners.

### **Investment**

In our existing assets and in new acquisitions to support delivery of financially sustainable services.

The Council will also consider its approach to commercial activity under the following headings:

- Strategic: High level opportunities to help the Council to operate more commercially
- Operational: Opportunities that can be implemented with little or no resource
- Tactical: Large scale activity, potential large benefit, requires a reasonable amount of resource required to implement

## Next steps & measuring success

The strategy will be delivered by the Commercial and Assets Directorate, and will require the support of all Directorates. Progress against delivery will be reported to Cabinet on an annual basis.

Officers will explore opportunities to implement the Commercial vision and principles. These will be tested and prioritised, balancing risk of the opportunity and benefit to the community. This will be in the form of feasibility studies and or business cases depending on the scale of the opportunity, completed at pace, to determine the opportunities the Council takes forward.

The following opportunities have been identified and developed during the discovery phase of the strategy to support delivery of the ambitions within the Corporate Plan:

- **Knightswick:** Delivery of refurbishment works to support the longer-term future of the asset
- **The Paddocks:** A sustainable business model to support the longer-term viability of the asset
- **Car park Review:** Investment in these assets to ensure they continue to meet the needs of residents and local businesses
- **Waste Collection & Recycling Service:** Delivery of the Waste & Recycling Strategy. Including investment in the service (fleet, buildings and consumables)
- **Abbeyfield:** Completion of the remodelling and refurbishment project to bring forward this new asset to deliver Temporary Housing for local residents on the Council's Housing Register
- **Events Strategy:** Development of a sustainable programme of events across the borough
- **Investment in the Council's leisure facilities** to promote health and wellbeing

Future and emerging opportunities will be considered as part of the Service Plan process on an annual basis. The design principles will help us to determine:

- Can the service / business process be completed more efficiently?
- Can we reduce the cost of the service / business process?
- Can we generate income from the service / business process?

The opportunities that emerge during this work will be tested to ensure they support delivery of the design principles.

Investment will be undertaken on a case-by-case basis, with the business case developed in conjunction with Finance and subject to approval as per the Council's established governance.

The Commercial Strategy will be reported to Cabinet on an annual basis. This will include progress against identified projects and identification of new projects to deliver the commercial vision.

## Sources

Castle Point Borough Council Corporate Plan  
Castle Point Plan  
Castle Point Borough Council Procurement Strategy  
Castle Point Borough Council Voluntary and Community Lease Policy (2024)  
Asset Review Board Acquisition and Disposal Framework (2024)  
Local Partnerships: Commercial Guidance and Toolkit