



## Charging and Trading Opportunities for Local Government

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## OUTLINE

- APSE
- 10 Minute Rule Bill 1996
- Lobbying
- A Guide to Local Authority Charging & Trading 2003 (Cirell & Bennett)
- Charging & Trading in Local Government 2005 (Bennett & Cirell)

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## Brave New World

- Local Government in Scotland Act (2003)
- Unlimited trading other L.A.s / community partners
- Specified limits
- Trading on new build...within robust frame
- Explanatory note 26
- Local Government (England) Act (2003)
- Section 93 Charging
- Section 95 Trading

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## Skills for Trading?

- **Trust** – Samuel Johnson
  - “We are inclined to believe those whom we do not know because they have never deceived us.”
- **Co-operation** – Benjamin Jowitt
  - “The way to get things done is not to mind who gets the credit for doing them.”
- **Opportunity** – Ann Landers
  - “Opportunities are usually disguised as hard work, so most people don’t recognise them.”

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## Why would authorities want to trade?

- Efficient Scotland
- Community benefit / VFM
- Social well-being
- Corporate objectives
- Spread overheads / investment
- Test competitiveness
- Surplus capacity
- Skills development

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## The Starting Point

- What do we want to do?
- Why are we going to do it?
- How are we going to do it?

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### The What...



- What are we good at?
  - Evidence based assessment
- What is there a demand for?
  - Market research
- What resources have we got?
  - Staff
  - Equipment

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### The Why..



- To meet a gap in service provision
- To create an income stream
- To share investment costs
- To share overheads
- All of the above

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### Planning to Charge: Key Issues



- Market research
- Internal capacity
- Assessment of competition
- Risk assessment
- Resourcing
- Investment requirements

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## A Rough Guide



- What are we good at?
  - Portfolio analysis
- Is there an external market for it?
  - Market research
  - Porters five forces
- Is it consistent with Council objectives
  - Economic impact assessment
- Prepare business case
  - Inputs
  - Risks
  - Rewards
- Business plan

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## Control



- Financial Controls
  - Accounting
  - Cost apportionment
- Political Controls
  - Reporting arrangements
  - Links with devolved community arrangements



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## Key Issues



- 95% of what we want to do is on the margins
- Emphasis on civic benefit
- Niche services – play to strengths
- Difference between providing a service and providing knowledge

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Case studies



- Grounds Nursery
- Graffiti
- Fleet Maintenance
- Building Maintenance – Community Trading
- Highways
- Catering
- Cleaning
- Recycling – Project Integra

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Any Council Community Support Service



- Meals on wheels
  - Cleaning
  - Shopping
  - Property Maintenance
  - Grounds Maintenance
  - Emergency Alerts
- Trust  
 Comprehensive service  
 Qualified/approved staff  
 CRB checked  
 Charge based on ability to pay

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Update Scotland v England



- Scotland
- Trading with L.A.s
- Public Bodies
- Community Partners
- New Build
- Private Sector
- Set limits
- Working party
- England
- Public Bodies
- Charging
- Positively charged
- Trading
- John Healey
- Civil Servants

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Conclusions



- Public finances
- Wider policy encouraging
- L.A.s up for challenge / Corporate policy
- Efficiency
- Shared Services
- Need for further guidance clarity
- APSE web portal

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