



Income generation in practice

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What do we mean by income generation?



- Traditional fees and charges
 - Where customer has no choice of provider
 - Where customer has a choice of provider
- Additional income from traditional services
 - Off-setting overhead costs to bring down cost of services
- Commercial trading
 - Being a contractor
 - Creating new markets
- Commercial investment
 - Usually property

Traditional fees and charges: non-market



- Various licensing functions
- Planning
- Roads
 - Huge range of fees and charges
 - Complex legislative framework
 - Often worded in terms of cost recovery or reasonable charge
- Parking
 - Tight legal framework
 - Charges must relate to parking policy
 - But heading for nearly £1bn collective 'profit' in 2018
 - About £40m in Scotland

Traditional fees and charges - market



- Bereavement services
 - Burial and cremation fees
 - EG nearly every council in the UK that has facilities
 - Many now make a surplus
- Building control
- Commercial waste
- Pest control
- Leisure, culture etc

Additional income from core services



- Hard and soft facilities management
 - Loads of customers out there
- Street cleansing
 - Why not do the supermarket car park whilst you are at it?
- Highways
 - Design works
 - New street works
 - Filming on the highway
- MOTs
 - You have to make it available if you do your own



Commercial trading

- Going after significant contracts
 - Bidding for work in competitive tender situations
 - All service areas
- Building capacity
 - You will need to speculate to accumulate
- Taking risks
 - No such thing as risk free commercial trading
- Generating significant additional funds
 - If you are successful!

Commercial investment



- Commercial property
- Hotels
- Retail
- Business park
- Shares in a company

Significant examples which should work in Scotland



- Birmingham digital advertising business
- Buckinghamshire filming on the highway - Act of Parliament
- Portsmouth's investment in a car showroom
- Spelthorne's purchase of BP Business Centre
- Mansfield's purchase of Travel Lodge in Edinburgh
- West Lindsey's investment in Broadband company
- Stockport pest control
- Bolton commercial waste service
- Nottingham Parks

Birmingham – strong corporate leadership



- City Serve schools meals service
 - 42m turnover with 2.6m surplus
- Digital Advertising
 - 2m per annum
- Cems and Crems
 - 3.3m per annum

Nottingham: Even stronger corporate leadership



- Robin Hood Energy
 - Tackling fuel poverty
 - Generating income
- Parks
 - A quality expanding service
 - From a cost of 5.8m in 2007 to £720k in 2017



Consultancy

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Interim management requirements

Roads & Highways, Building Maintenance, Bereavement Services, Environmental, Parks & Open Spaces, Waste, Facilities & Leisure etc.

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