

**Developing a North
Ayrshire approach to
Commercialisation
“Thinking Differently”**



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath



Presentation Overview

- **Context/Our approach**
- **Development work undertaken to date**
- **Existing commercial activity**
- **Proposed Commercialisation projects**
- **Moving Forward : Strategy and Culture**
- **Discussion**



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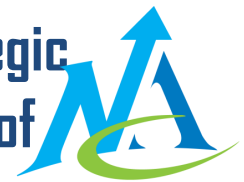
Our approach on one slide

- **Commercial Manager – Work Plan**
- **Agree a Framework – develop culture**
- **Develop suitable pathfinder projects**
- **Test the Business case approach (APSE)**
- **Develop and finalise Strategy**
- **Monitor, Review and Learn from our experiences**
- **Embed culture**
- **Create more commercial opportunities**



Background: Work carried out to date

- Diminishing budget – deliver sustainable local services
- Some pockets of commercial activity
- Leadership Project – Reviewed Income Generation opportunities
- Leadership conference – Senior Managers buy-in
- Extensive Elected Member sessions/discussions
- Council budget setting meeting agreed – “Develop strategic approach to realise income from commercial operation of services”



Background: Work carried out to date

- Executive Leadership Team – Support
- Income Generation is complementary to ongoing work
 - Efficiencies/Transformation/Demand Management
- Deliver commercial income whilst retaining a public service ethos
- Work with APSE – Business case approach



Work with APSE

- **Commercialisation Network – learning from others**
 - **Nottingham trading (Robin Hood Energy, Commercial waste, parking, fleet maintenance, advertising, facilities management)**
 - **Mansfield Council – hotel project**
 - **Dumfries and Galloway – excellent work**
 - **WESTCO – marketing and advertising**



WESTCO

An ALED set up by Westminster City Council:

- Commercial mindset/Governance model
- Asset audit (£500k - £5m in 4 yrs)
- Annual revenue £2.7m/£350k
- Invest in local area public realm
- Different but – Art of the possible?



Work with APSE

- **Governance framework – 5 strand business case approach:**
 - **Strategic case**
 - **Legal case**
 - **Financial case**
 - **Commercial case**
 - **Operational/Technical case**
- **Elected Members – Appetite - What is right for us?**
 - **Review potential impact on local businesses**
 - **Must meet with Council aims and values**



Existing Commercial Activity:

- Limited but developing at different pace across Services
- Commercial Waste service (£1.7M income v est. £300k profit)
- Sale of landfill gas (£300k income)
- MOTs via vehicle maintenance workshop
- Facilities Management: Catering
 - Events catering
 - Saltcoats Town Hall
 - The Portal
 - Cunninghame House Café
 - Growth over 2 years from £100k to £500k



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Commercialisation Work Plan

- **Business like – commercial lens**
- **Created a Commercial Manager role – funded then self sustaining – currently recruiting**
- **Develop a commercial work plan – 5 key strands**
 - **Review of service delivery costs – existing subsidy**
 - **Review of fees and charges**
 - **Maximise existing commercial activity**
 - **Review what currently procuring in – can we do?**
 - **New income streams**



Proposed Commercial Activity:

(pathfinder projects being considered/developed)

- **White label energy – Cabinet approved approach**
- **MOTs for Scottish Ambulance Service**
- **Extension of staff “pool cars” to community use – car club**
- **Commercial Waste service growth : Marketing plan**
- **Parking charges – approval at Council budget setting 2018**
- **Expanded Catering Services - Events and other business opportunities**



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Proposed Commercial Activity:

(Potential pathfinder projects)

- **Property Factoring/Design Services**
- **Housing Assoc. Repairs and Maintenance**
- **Public counter : Building Services stores**
- **Bus hire**
- **Marketing space (roundabouts etc)**



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Proposed Commercial Activity:

(Potential pathfinder projects)

- Car park maintenance
- Grounds maintenance expansion and garden assistance
- Pest control expansion
- Vehicle and fleet management services
- Wheelie bin cleaning
- Wheelie bin pull out service



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Proposed Commercial Activity:

(Potential pathfinder projects)

- Contact centre - 24/7
- Local lottery - link to participatory budgets?
- Regeneration/Hotel development
- End to end funeral care - contentious



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Our approach on one slide

- **Commercial Manager – Work Plan**
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- **Test the Business case approach (APSE)**
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Thank You....

Questions/Discussion?



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