

# **APSE**

# **Commercialism, Income and Trading Network**

**4 November 2015**

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**Commercial Development Manager**

# We're facing budget pressures like never before...

**£30 million cut in Government grant to the City Council next year**

Over the last 3 years we have made savings totalling **£77.5m**

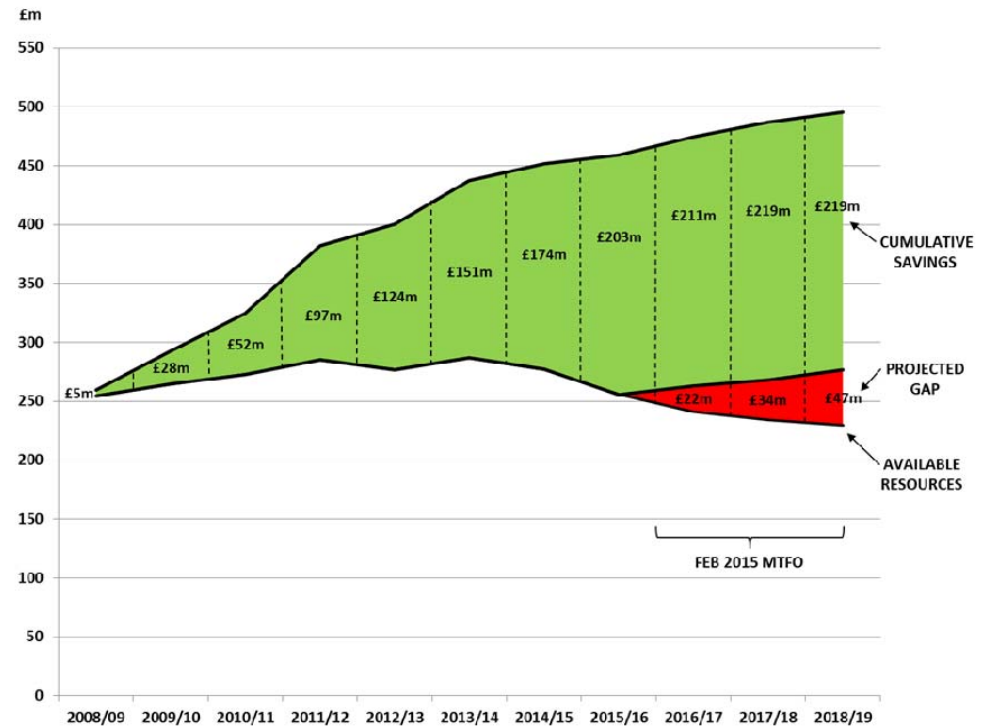
Over the last four years inflationary, demographic and other budget pressures have meant the Council has had to find an extra... **£73 million**

By 2017 the number of pupils in our schools is expected to increase by **7.5%**

The number of people aged over 65 is projected to increase by **8%** by 2020. Currently, 52% of over 65s have one or more long term conditions.

The number of children in care has increased **8.9%** since 2012

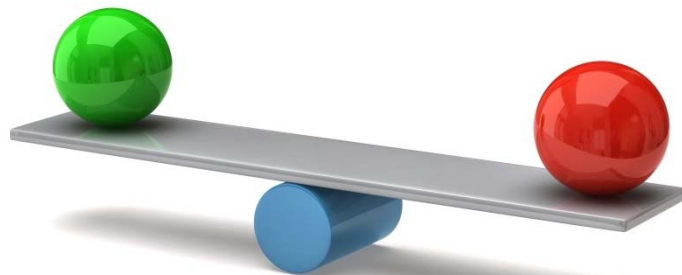
# The Challenge



# Developing a Commercial Vision

**Deliver core**, visible, intrinsic neighbourhood services whilst challenging and pushing forward to **commercialise** our business – sell what we're good at, and **innovate** where we see opportunity

Develop and attract **talent**, with a view on a long term **future**





# Challenging Perceptions?



# Companies we already own (or part-own)

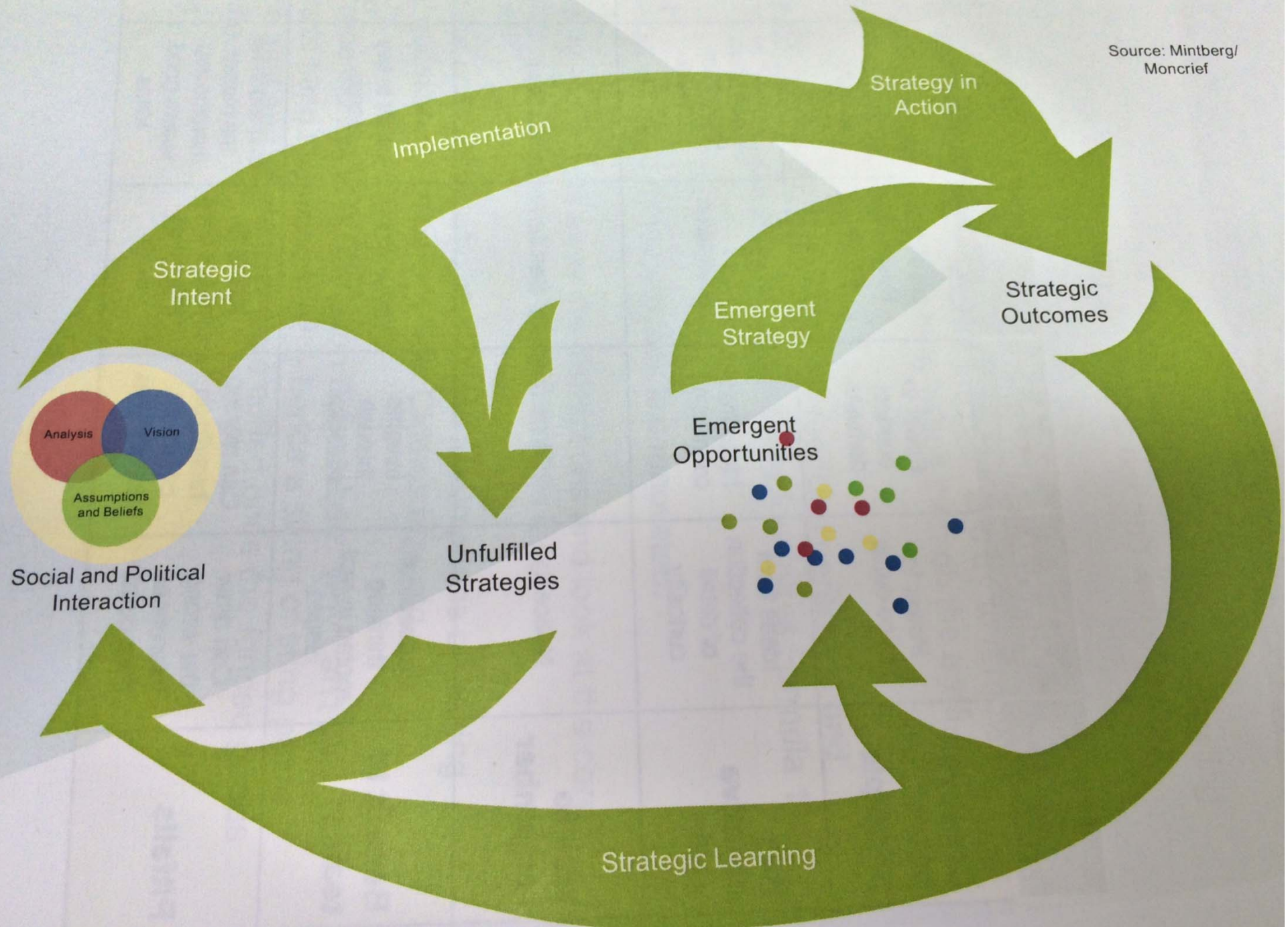


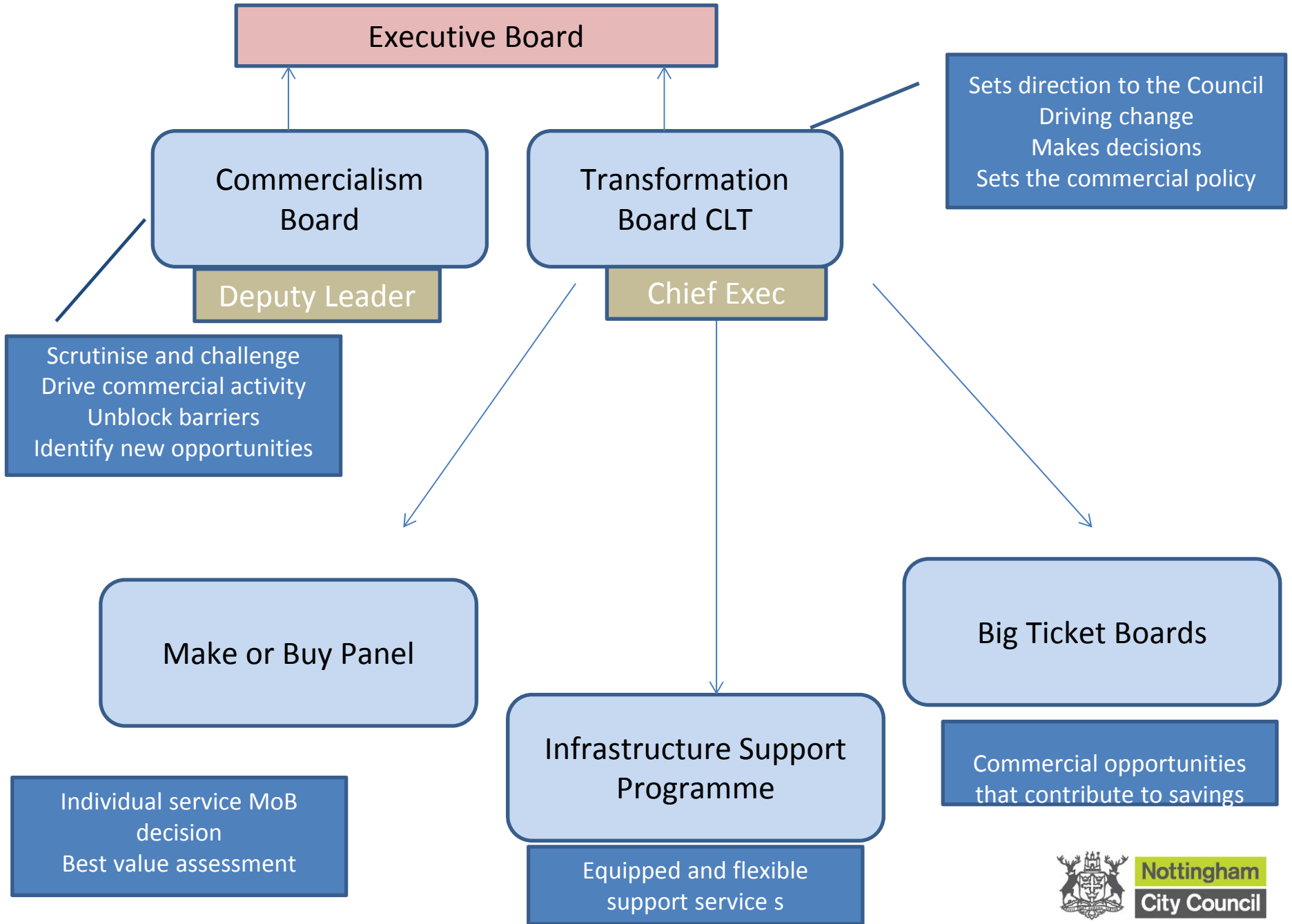
**Nottingham  
Contemporary**

**National  
Ice Centre**

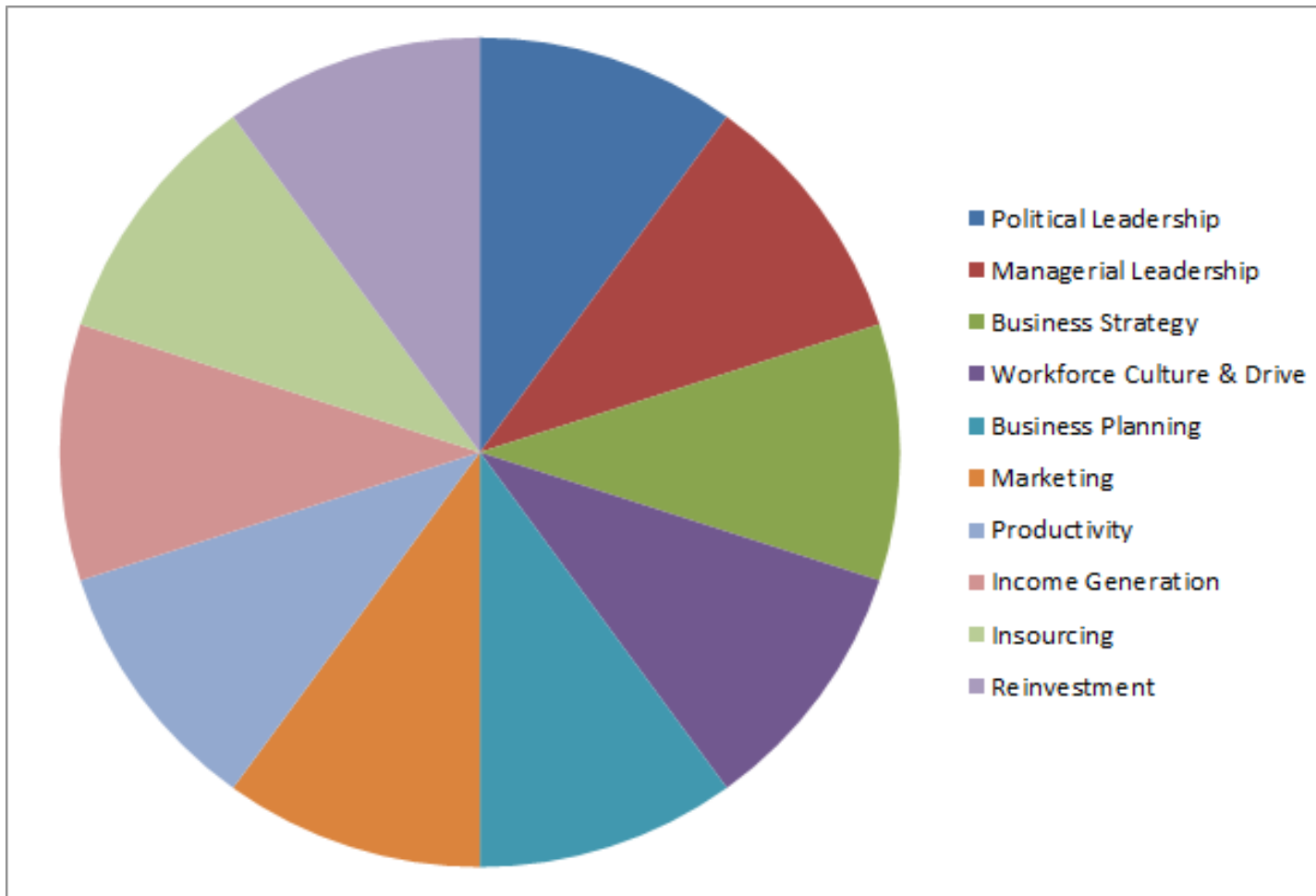


Source: Mintberg/  
Moncrief





# Commercialism – strategy ingredients



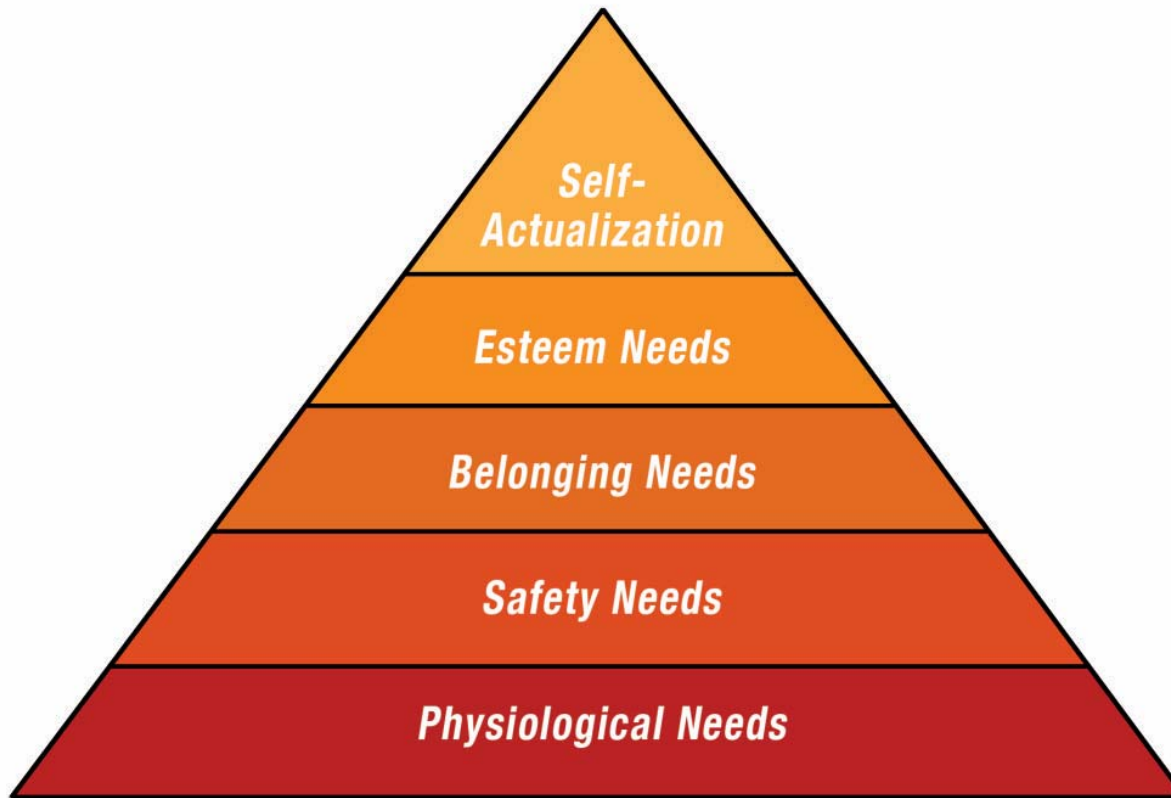


# Change Management: Adopted Kotter's 8 Steps of Change

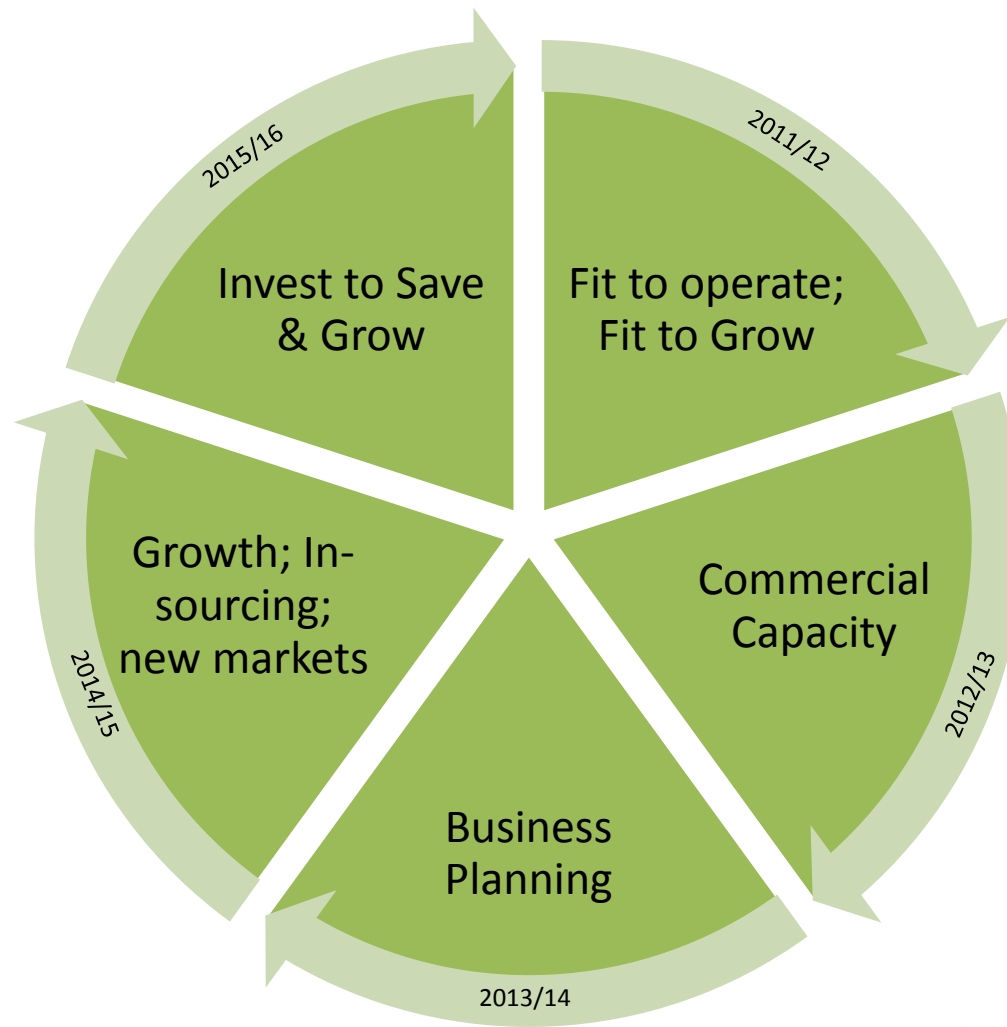


# Cultural Change

Leading and valuing people



# A commercial cycle of success



# “An ounce of action is worth a ton of theory”

Friedrich Engels Philosopher



# A dynamic mix of service areas



.....with an  
ambitious  
agenda



Nottingham  
City Council



# BUSINESS PLANS

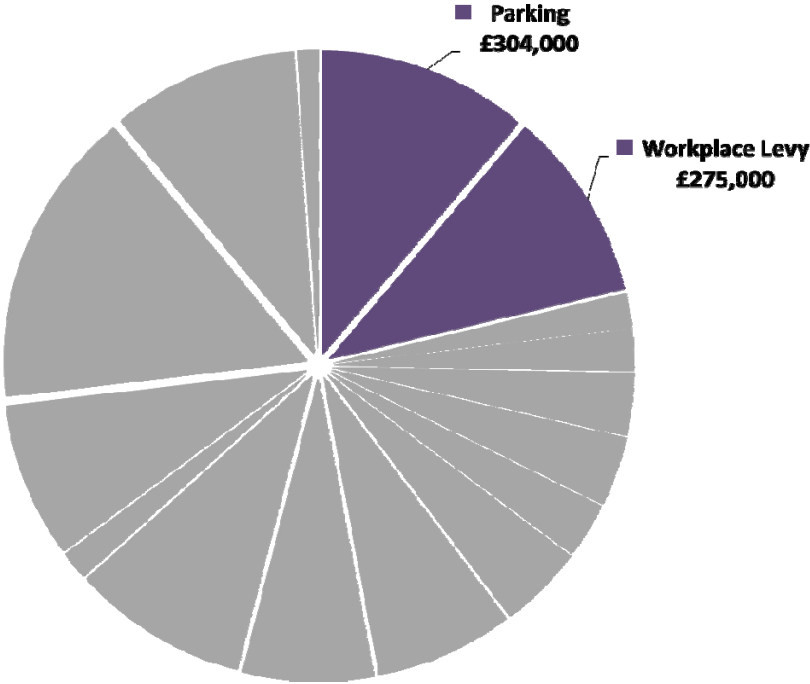
- 21 Business Plans
- 21 financial jig-saw pieces
- Challenged to deliver £2.496m
- Commercial Growth
- Efficiencies
- Protecting vital Neighbourhood Services



Nottingham  
City Council

# Commercial Development £1.611m

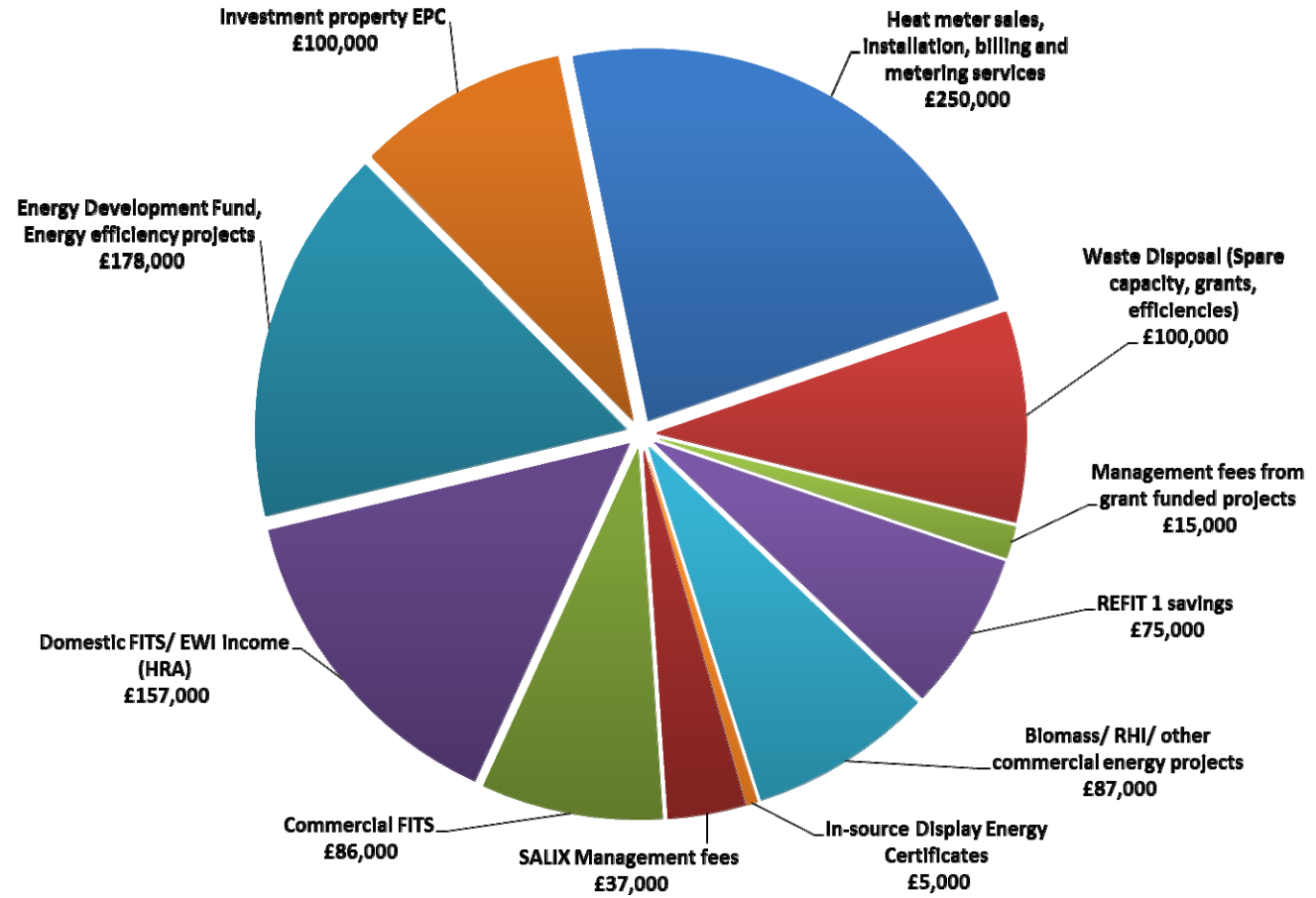
- Commercial Growth & Acquisitions
- Bids & Market Intelligence
- Commercial Investments
- Moving into New Markets



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**City Council**

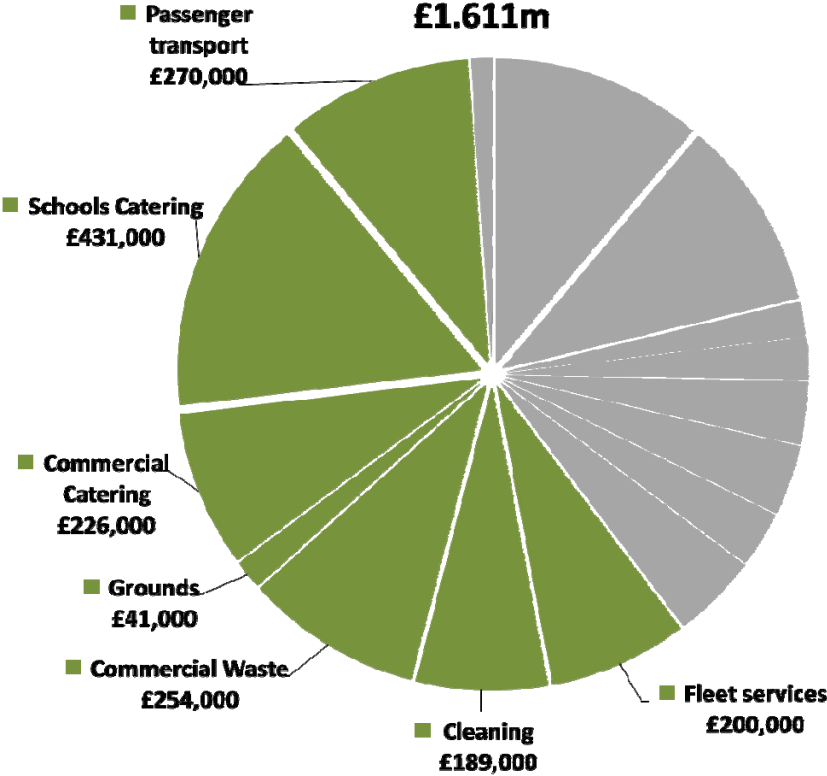
# Energy Services

## Energy Big Ticket Proposals £1.090m



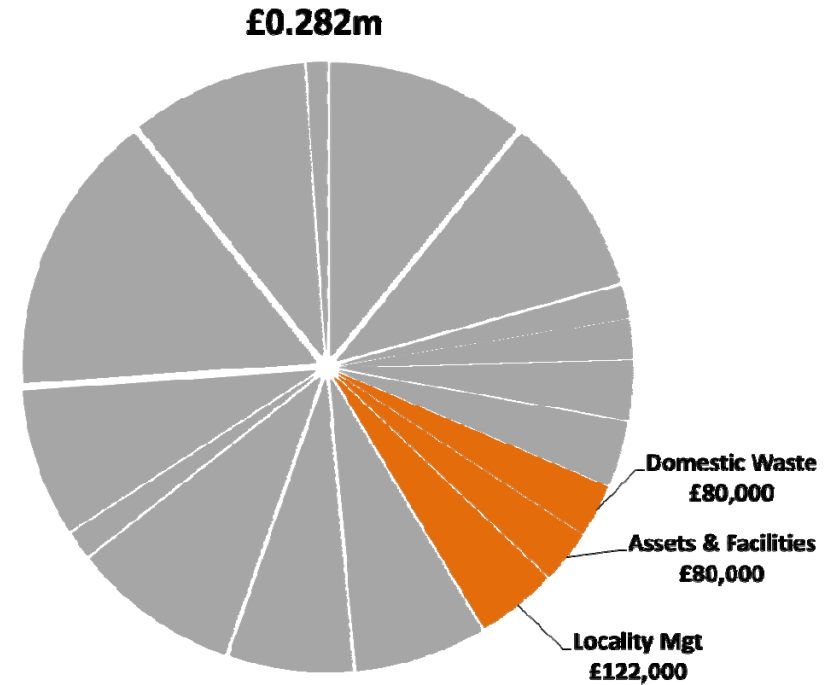
# Trading Operations

- Fleet Services
- Passenger Transport
- Commercial Waste & Skips
- Grounds Maintenance
- Cleaning Services
- Commercial Catering
- School Catering
- Meals at Home



# Neighbourhood Operations

- Locality Management
- Domestic Waste
- Asset & Facilities Management





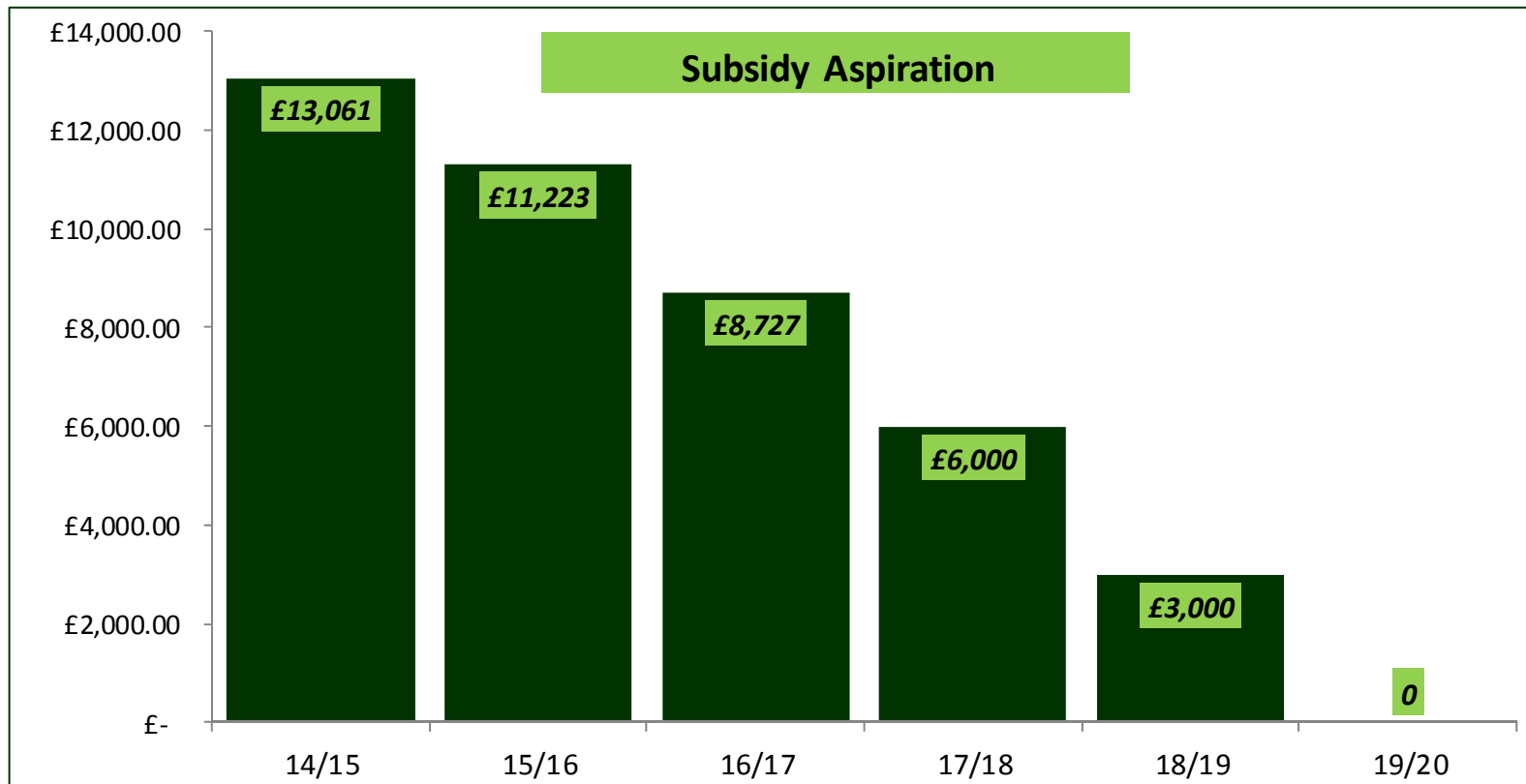
# Directorate Financial Summary

|                         | INCOME   | EXPENDITURE | NET      |
|-------------------------|----------|-------------|----------|
| 2014/15 Approved Budget | £67.372m | £80.433m    | £13.061m |
| 2015/16 Draft Budget    | £70.765m | £82.066m    | £11.301m |
| Variation               |          |             | -£1.760m |

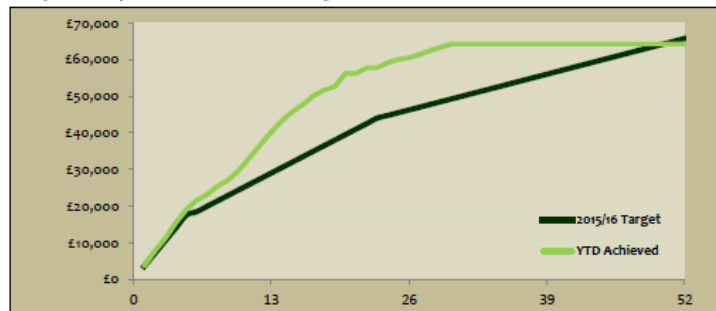
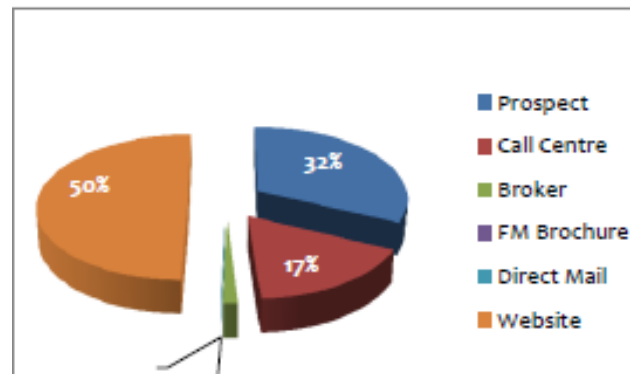
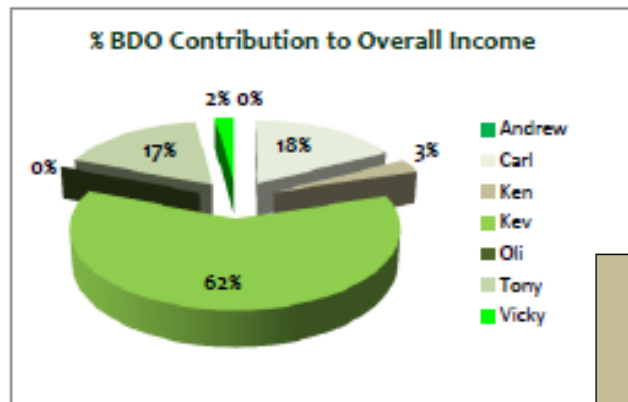
|                       | INCOME   | EXPENDITURE | NET      |
|-----------------------|----------|-------------|----------|
| 2015/16 Draft Budget  | £70.765m | £81.988m    | £11.223m |
| 2015/16 Business Plan | £74.019m | £82.746m    | £8.727m  |
| Variation             |          |             | -£2.496m |



# Manage the Business



# Performance Management & Reporting



**YTD**

| Sales per BDO |          |         | Appointments Converted to Sales |            |         |
|---------------|----------|---------|---------------------------------|------------|---------|
| BDO           | Income   | Ranking | BDO                             | Percentage | Ranking |
| Kev           | £647,831 | 1st     | Carl                            | 33%        | 1st     |
| Carl          | £173,100 | 2nd     | Tony                            | 27%        | 2nd     |
| Tony          | £152,415 | 3rd     | Kev                             | 27%        | 3rd     |
| Ken           | £87,590  | 4th     | Vicky                           | 17%        | 4th     |
| Vicky         | £64,201  | 5th     | Ken                             | 15%        | 5th     |
| Andrew        | £0       | 6th     | Oli                             | 0%         | 6th     |
| Oli           | £0       | 7th     | Andrew                          | 0%         | 7th     |

| Revenue to Cost of Sales Ratio |       |         | Contribution to Overall Income |                |         |
|--------------------------------|-------|---------|--------------------------------|----------------|---------|
| BDO                            | Ratio | Ranking | BDO                            | % Contribution | Ranking |
| Kev                            | 37.4  | 1st     | Kev                            | 58%            | 1st     |
| Carl                           | 10.0  | 2nd     | Carl                           | 15%            | 2nd     |
| Tony                           | 8.8   | 3rd     | Tony                           | 14%            | 3rd     |
| Ken                            | 5.1   | 4th     | Ken                            | 8%             | 4th     |
| Vicky                          | 3.7   | 5th     | Vicky                          | 6%             | 5th     |
| Andrew                         | 0.0   | 6th     | Andrew                         | 0%             | 6th     |
| Oli                            | 0.0   | 7th     | Oli                            | 0%             | 7th     |

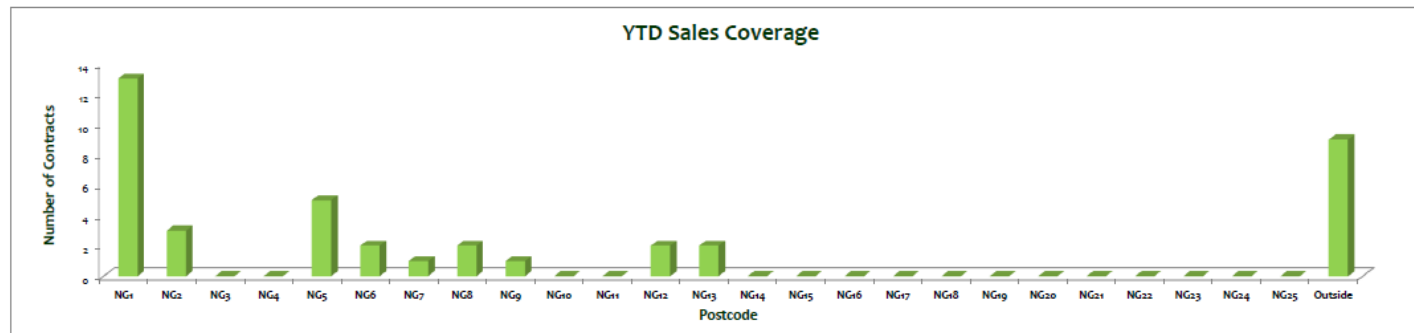
  

| % of Target Achieved |            |         |
|----------------------|------------|---------|
| BDO                  | % Achieved | Ranking |
| Ken                  | 309%       | 1st     |
| Tony                 | 194%       | 2nd     |
| Vicky                | 130%       | 3rd     |
| Carl                 | 115%       | 4th     |
| Kev                  | 111%       | 5th     |
| Andrew               | #DIV/0!    | 6th     |
| Oli                  | #DIV/0!    | 7th     |

**YTD Highflier**  
**Ken**

**YTD**

| NG1 | NG2 | NG3 | NG4 | NG5 | NG6 | NG7 | NG8 | NG9 | NG10 | NG11 | NG12 | NG13 | NG14 | NG15 | NG16 | NG17 | NG18 | NG19 | NG20 | NG21 | NG22 | NG23 | NG24 | NG25 | Outside |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|---------|
| 13  | 3   | 0   | 0   | 5   | 2   | 1   | 2   | 1   | 0    | 0    | 2    | 2    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 9       |



# Mix & Match – Bringing in the Bucks!

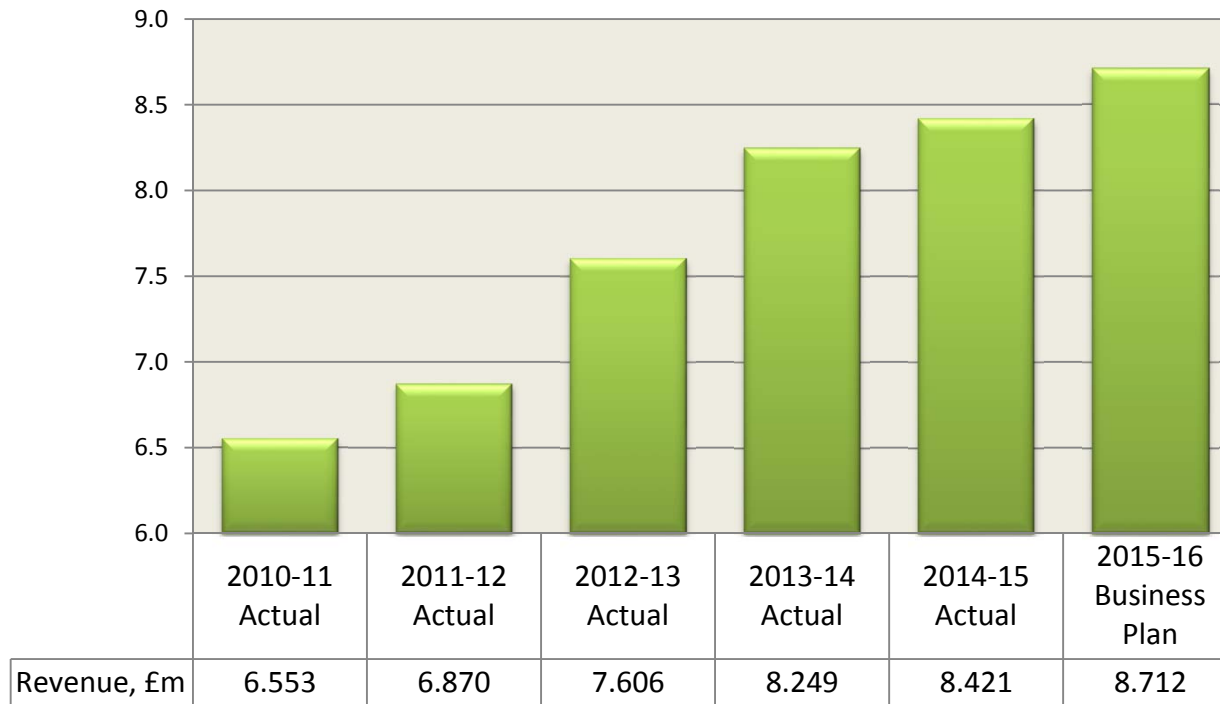
## Examples

- Growing successful services
- Expanding existing services / markets
- Entering new markets
- Competing for contracts
- Insourcing

# Mix & Match – Bringing in the Bucks!

## Case Study – Parking Services

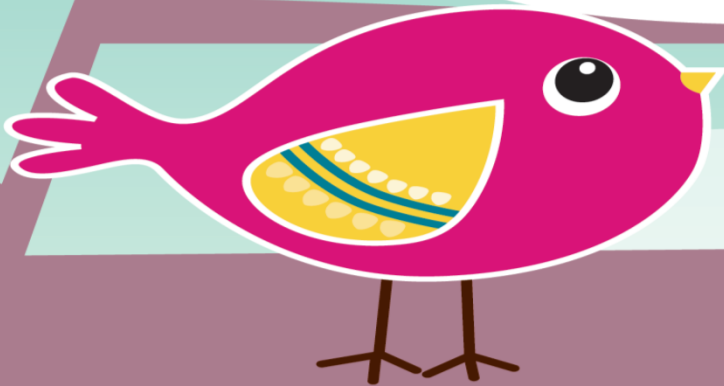
### Revenue





**Be an early bird**

**Park for  
£3.90  
all day\***



**At Broadmarsh Car Park**

\* Park before 9.30am, stay up to midnight, Mon – Fri

[www.mynottingham.gov.uk/parking](http://www.mynottingham.gov.uk/parking)



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# Mix & Match – Bringing in the Bucks!

Case Study – Commercial Waste & Skips



# Mix & Match – Bringing in the Bucks!

## Case Study – Catering Services



# Mix & Match – Bringing in the Bucks!

## Case Study – Fleet Management



Rushcliffe  
Borough Council



Nottingham  
City Homes  
Since 2005



Nottingham  
City Council



# Mix & Match – Bringing in the Bucks!

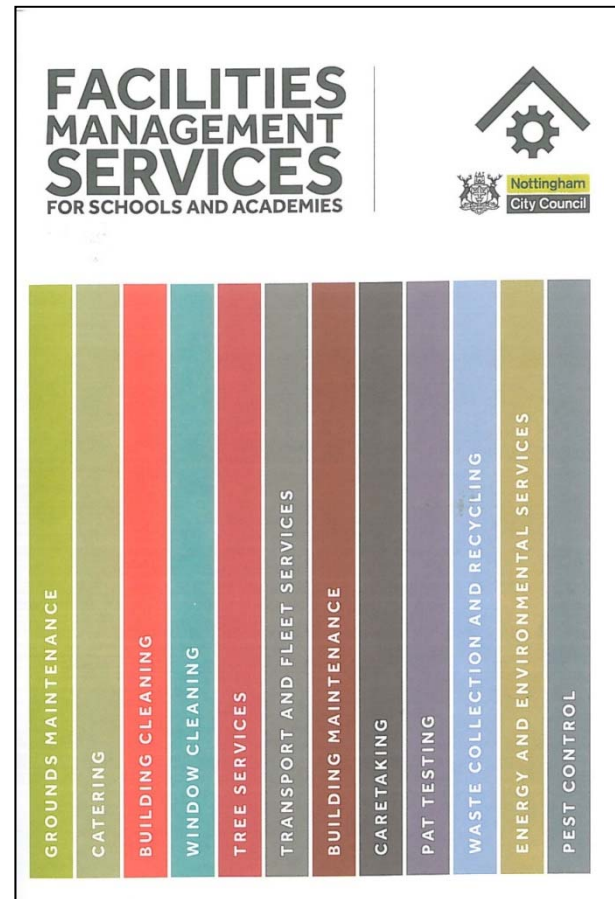
## Case Study – Schools & Academies

3 year contracts

Focus on outputs

Retention strategy

Add value with  
additional services



# Mix & Match – Bringing in the Bucks!

Case Study – Highways- Ring Road improvement



# Mix & Match – Bringing in the Bucks!

Case Study – Confidential Waste (New Markets)



# Roles, Skills & Commercial Culture

- Commercial Sales & Account Management - self funding posts
- Commercial Marketing
- Commercial Bidding – source opportunities and submit
- Performance monitoring – weekly
- All customers both internal & external treated the same
- Grow our own skills and talent



# Lessons Learnt

- Customer account management is key – personalised
- Importance of back office systems
- Correct and efficient use of resources
- Strong sales strategies
- Focus, avoid distractions from delivering BP
- Prioritise
- Don't assume
- Set clear boundaries between commercial and political agendas
- Co-ordination of internal spends

# What Next?

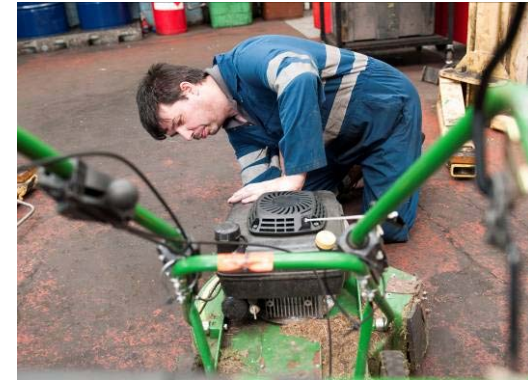
Neighbouring Authorities

Academy chains

Public sector

Continuous Improvement

# Commercialism in action



## Ring Road Improvement scheme

