



# South Gloucestershire reaps income rewards whilst supporting the local economy

*Owen Jenkins, of South Gloucestershire Council, explains how a review of fees and charges has provided a catalyst for income generation and helped support the local economy*

South Gloucestershire Council was rated in April 2009 as a '4 star' council by the audit commission which is something we are very proud of. In its current form South Gloucestershire was created in 1996 when the county of Avon was abolished. Our close neighbours are the Bristol City, Bath and North East Somerset Council, North Somerset Council and the shire counties of Gloucestershire and Wiltshire.

The population of South Gloucestershire is around 250,000 and the main employers in the area are the Local Authority, the Ministry of Defence, Airbus AXA, Hewlett Packard, Rolls Royce and the Royal Mail. Whilst most of our population is in the northern and eastern suburbs of Bristol, there are also large population centres in the Yate-Sodbury, Winterbourne-Frampton Cotterell and Thornbury areas. All of the villages are

within the commuting belt for Bristol, Bath, Gloucester and Cheltenham.

South Gloucestershire is also home to 99 primary schools and 16 secondary schools, and post-16 centres and well as The University of the West of England.

The geographic make-up of our area and the significance of the commuter belt means services like Highways and Winter Maintenance are a vital cog within the local economy. However like most other councils we face financial pressures but rather than simply look at what could be saved from services we wanted to explore how our income generation could help us balance the books whilst keeping good local services.

We started with a review of charging mechanisms three years ago. It was surprising how many fees and charges had remained unaltered for many years and we had not implemented inflation

only rises to our prices for works and services. For example the cost of a skip licence was £30 but that had not kept pace with the cost of providing the service. This was raised to £50. In other areas we quickly realised that the charging mechanisms we had in place did not even recover the costs, for example the labour costs associated with out of hour's callout gangs, following road traffic incidents. The more we delved into our charging mechanisms the more evident it became that we were able to recover far more than we had anticipated. We now recover over 90% of our out of hours callout charges which helps to reduce the financial burden of providing the service. Our approach was not to impose unfair price hikes on members of the public but to reflect realistic charges for services that were optional for the public to use.

We then decided to look at other areas for income generation including charging others for services where we had the spare capacity to deliver. Charging is a fairly easy mechanism and there are broad powers for councils (In England and Wales) to use those available under the Local Government Act 2003. In terms of the horrendous weather in the winter of 2009 / 2010 our ability to charge for and provide services became a life line in the local economy. As a result of having to implement a 3 shift system to comply with drivers hours regulations, our Highways service has spare run capacity for gritting. We were able to help schools re-open by providing ground clearance and gritting services to school sites. This of course meant that schools could open earlier than expected and allowed parents to get back to work!

Our regional geography also means that our local airport is a vital gateway into the regional economy. We were able to provide snow-ploughs to clear the runway and allow it to re-open to air traffic within a matter of hours. For local business sites too the snow clearance and gritting service allowed them to remain open and for retail parks the customers were of course able to return.

Our Highways services to local businesses is an obvious one and probably one which other Highways departments have experimented with but we have now gone a little further with our charging and income generation. For example in the area of

street lighting where there is developer work on the installation of new lighting schemes we have worked in partnership to assist with the new schemes. Developers have found this particularly useful where there are S 38 bonds on development. It is a much smoother mechanism to ensure that the work is done to the correct standards if the people doing the work (the council) are fully aware and compliant with all the requirements of the scheme. It helps everyone involved and in a time of economic slow-down getting a job done well, and on time, with the least amount of glitches again supports the local economy.

We have also developed an offering for older people with our building maintenance services in areas such as disabled adaptations. The building maintenance team have also been able to offer services to Parish Councils. And on a wider partnership level we have successfully won work with Bristol City Council providing Surface Dressing services and with North Somerset. This helps all of the councils deliver efficiencies and is again a fairly simple means by which councils can work together to reap the rewards in either income or efficiency terms.

We have now developed a 'commercial website' offering our services on a broader basis but we are not at the point of needing a Trading Company operation. In reality whilst the website is a useful hub for what we do most of our trade is built on reputation and by word



*Owen Jenkins of South Gloucestershire Council*

of mouth recommendations. What we do fits in with what we can realistically achieve as a service in terms of maximising the use of all our resources; both human and capital equipment. The traded turnover can be up to £1 million and that helps us to smooth our work profile and the council balance its books, and to keep on providing four star services to our residents.

So if anyone is considering a simplistic approach to reducing costs I would say think about the balance at the other end of the business. Consider what you could achieve through charging to maximise resources and earn some much needed extra income.

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## Income generation: Help for APSE members

Trading and charging allows local authorities to bring in additional sources of income, through trading their services or charging for services, to be delivered to other organisations or individuals whether private or public. As local authorities throughout the UK strive to meet efficiencies targets and implement public sector spending cuts many direct service or direct labour organisation have sought to generate income through the trading or charging route. Whilst a recent court case may have led to some councils re-considering their trading and charging activities there remains a wealth of opportunities within the current legal framework throughout the UK.

Slightly different arrangements are in place in England, Wales, and Scotland but APSE members may find the APSE web portal dedicated to trading and charging a useful resource. This APSE web resource is for use by member authorities to help you source information, case studies and relevant information in relation to trading and charging. To make it easier for our members throughout the UK we have also included geographic areas to cover the different legislation that applies in England, Scotland,

Northern Ireland and Wales. You can access the Charging and Trading web portal through the home page of the APSE website on [www.apse.org.uk](http://www.apse.org.uk). Local authority, police and fire authority powers to charge and trade for services can be complex and dependent on local circumstances. This web portal is intended to act as a guide to the wide ranging powers available and to help APSE member authorities gain information about what other members are doing in this area. It is obviously always worth seeking expert help and advice including legal advice but we would recommend a first step on the road to charging or trading would be to explore what options are available to you. APSE's consultancy service has a range of associates who are familiar with this area of work so if you would like an informal chat contact Alex Gardiner on [agardiner@apse.org.uk](mailto:agardiner@apse.org.uk)

To submit a case study to the web portal or share best practice like Gateshead and South Gloucestershire have done in this edition of *direct news* please contact Mo Baines, APSE, Principal Advisor on [mbaines@apse.org.uk](mailto:mbaines@apse.org.uk) or telephone 0161 772 1810.