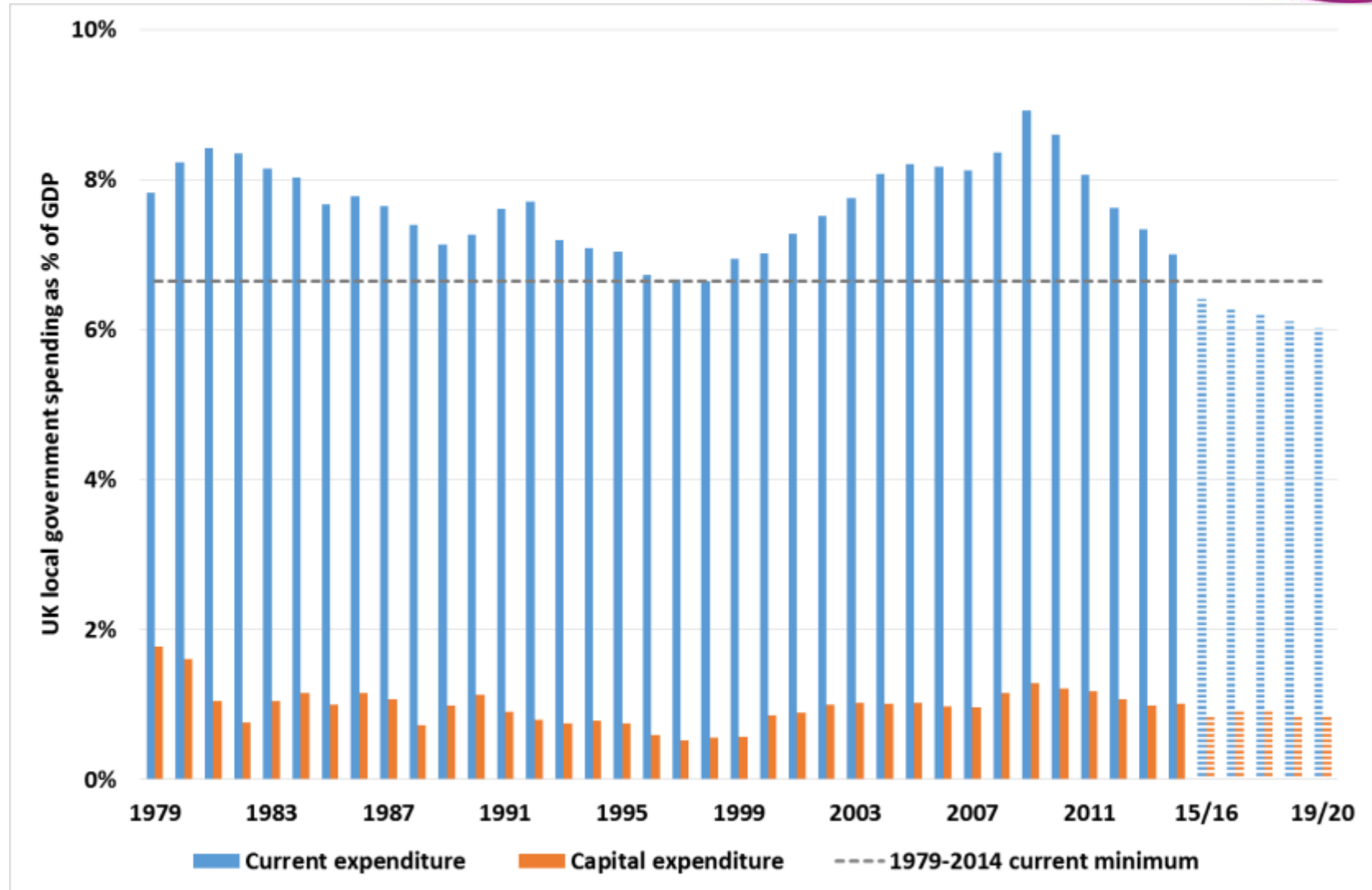




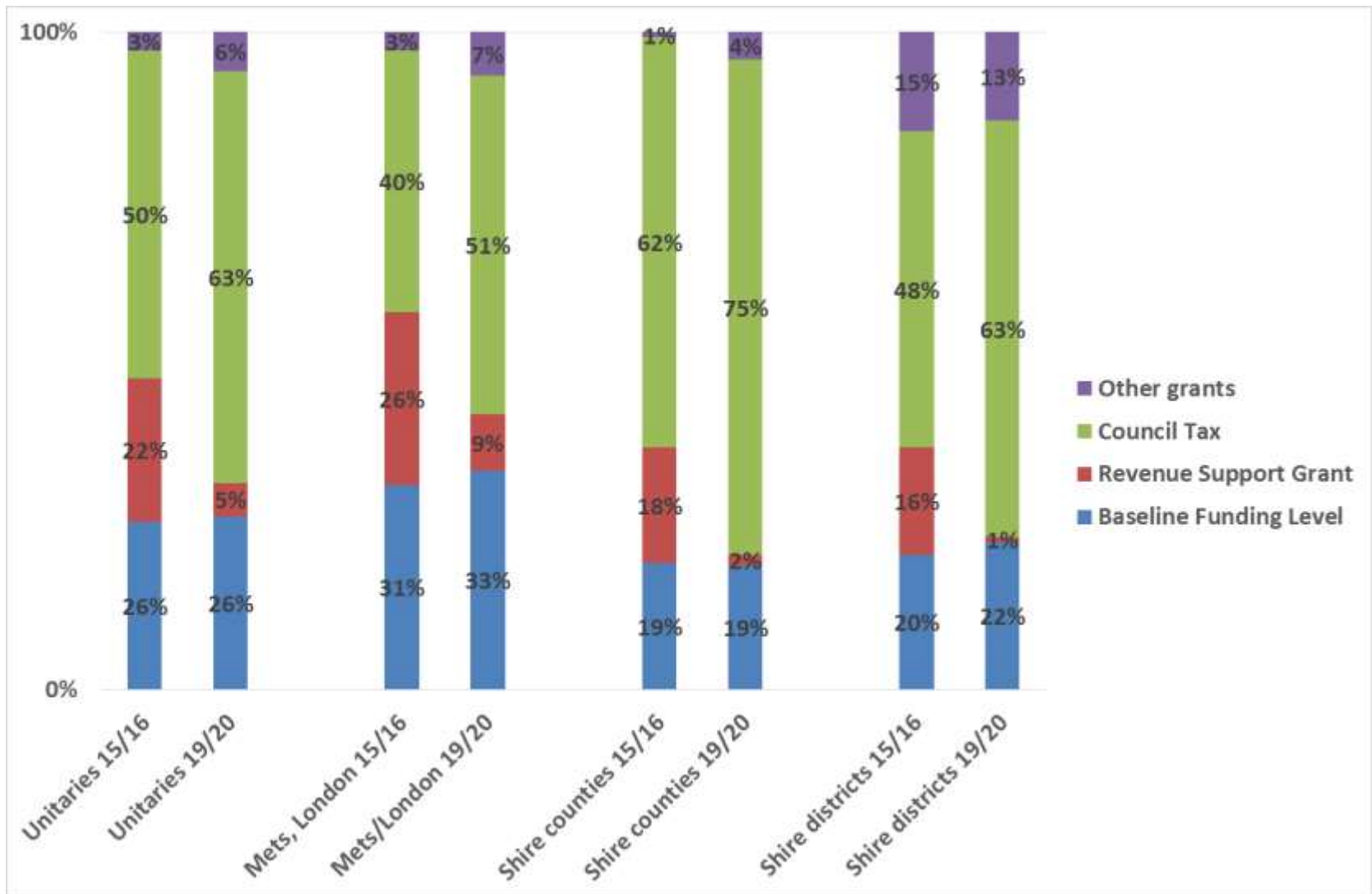
State of the market 2016

Paul O'Brien,
Chief Executive, APSE

UK local government spending as a share of GDP: current spending, already below the 1979-2014 minimum, is projected to go on falling to 2020



Balance of core spending power 15/16 and 19/20: as RSG shrivels beyond London and the Mets, most LA funding will come from council tax





GRANT SETTLEMENT IN SCOTLAND

85% comes from Scottish Government

24% real term decrease 2010/11 to 2014/15

3.5% decrease 2016/17

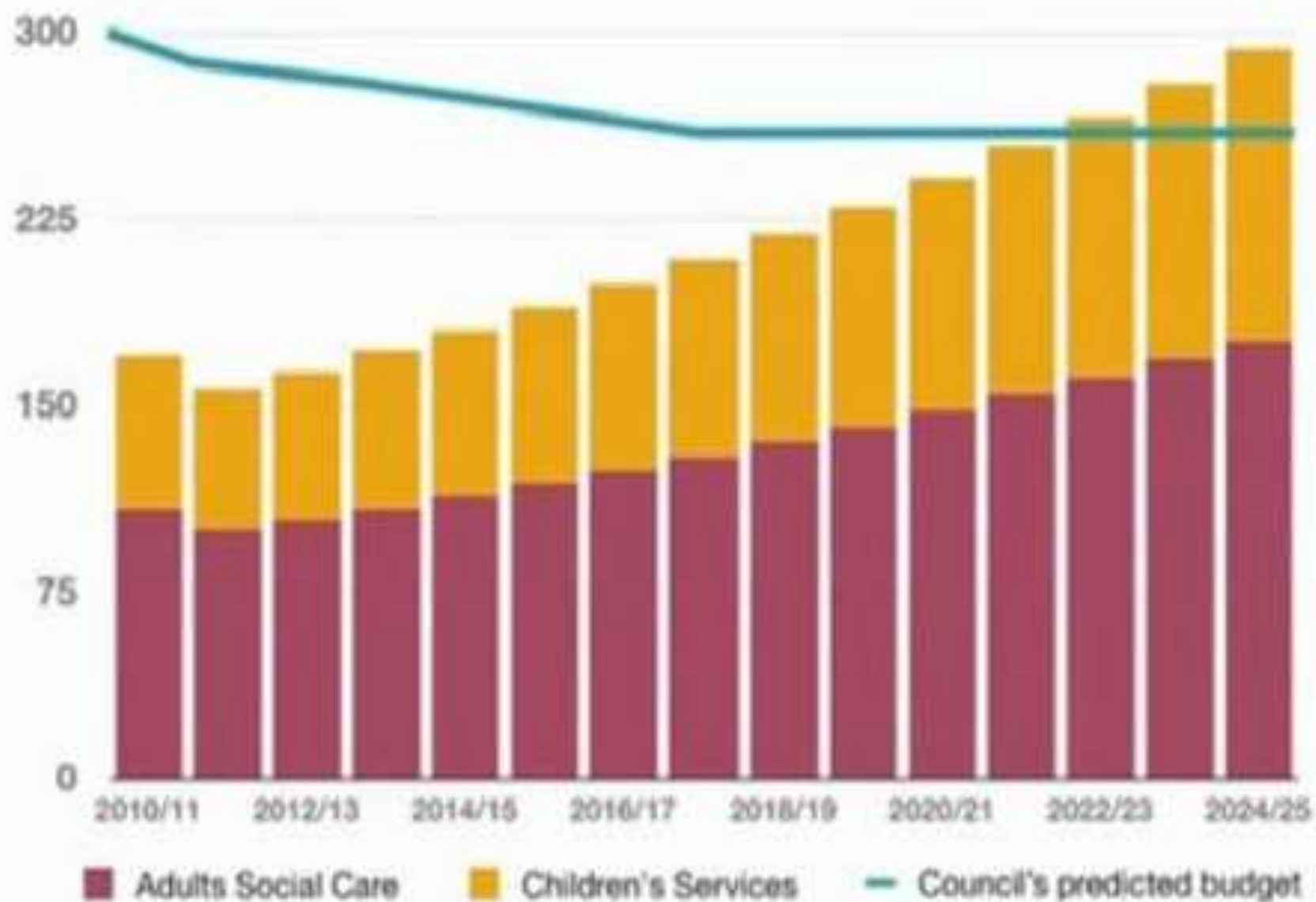
£500m - £350m + £150m

9th year of council tax freeze

Localisation of business rates

£2B further cuts to public services by 2020?

The 'Graph of Doom'



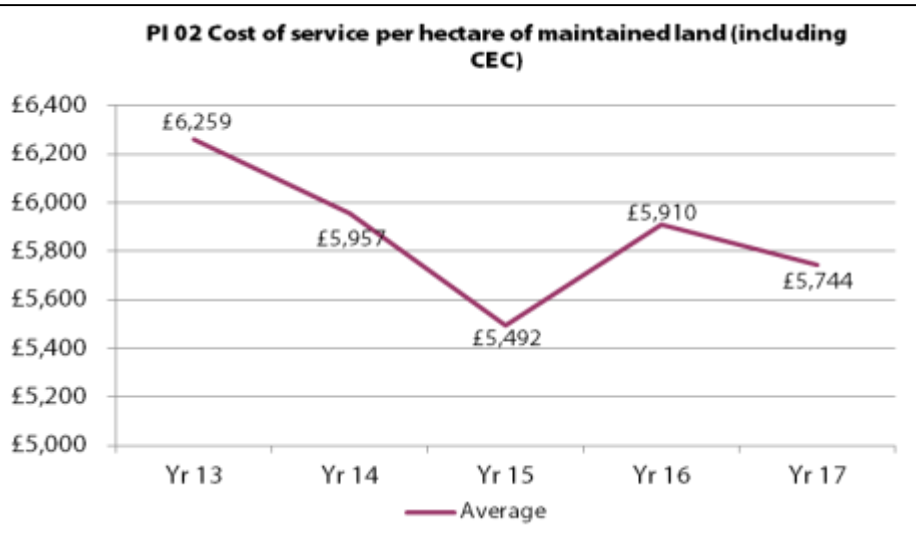


Transport, Refuse, Street Cleansing and Parks

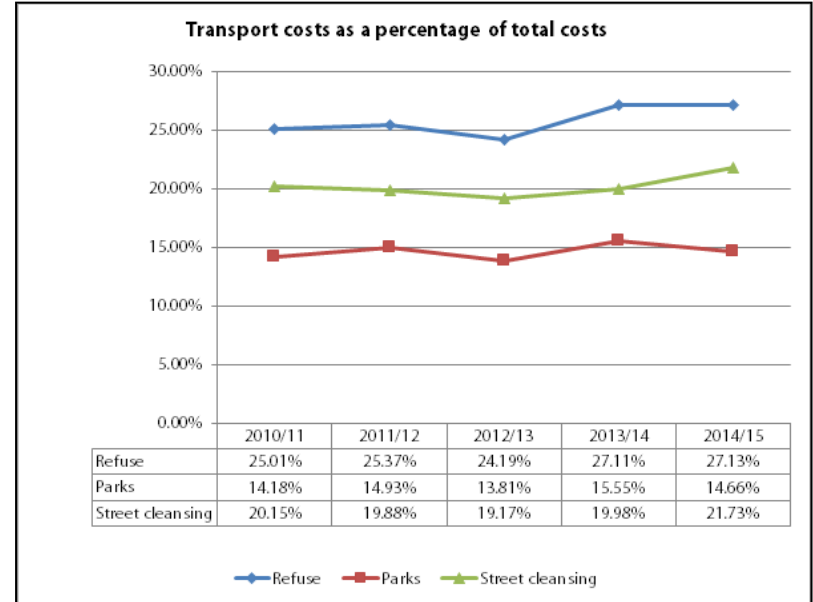
STATE OF THE MARKET 2016

What is the evidence saying?

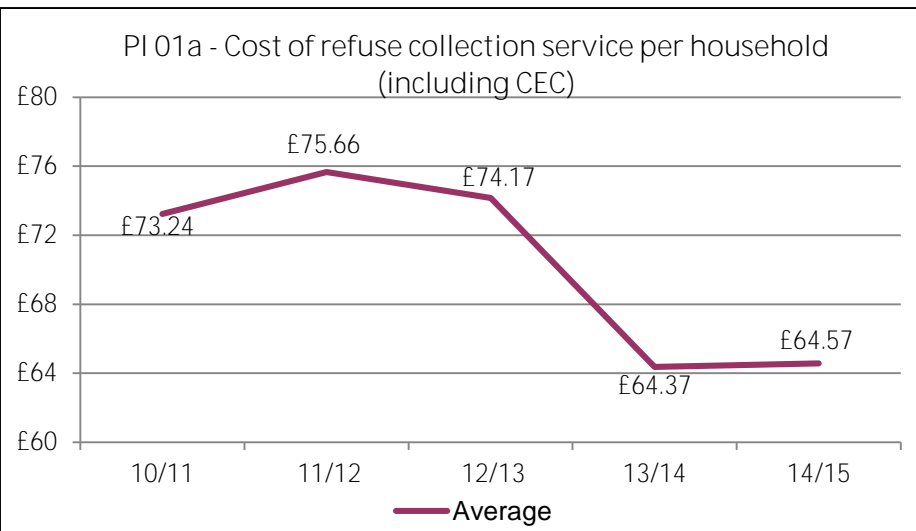
Parks



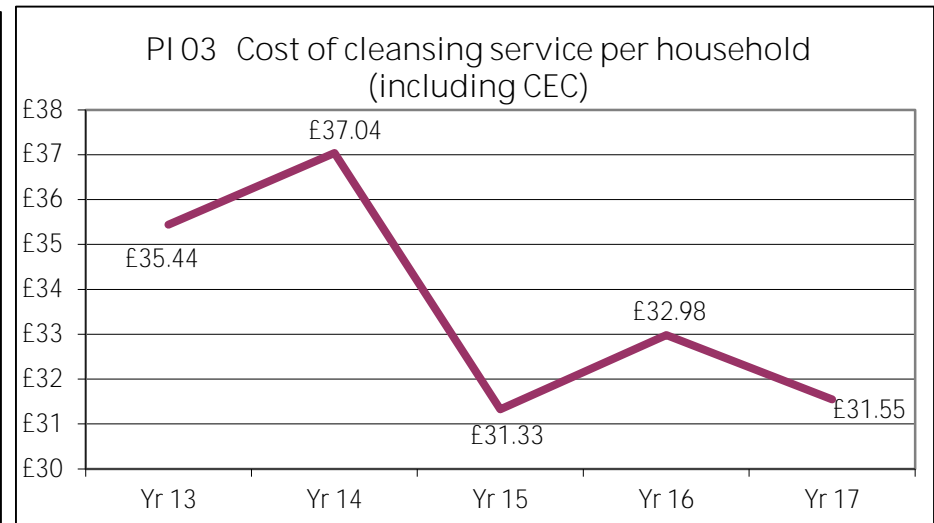
Transport



Refuse collection



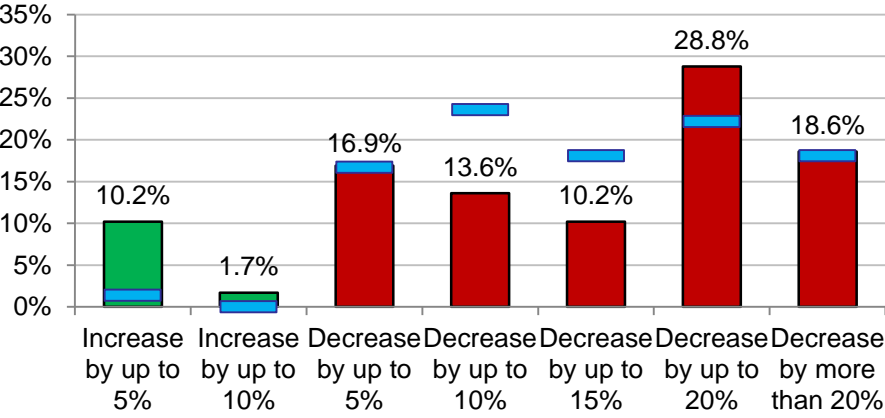
Street cleansing



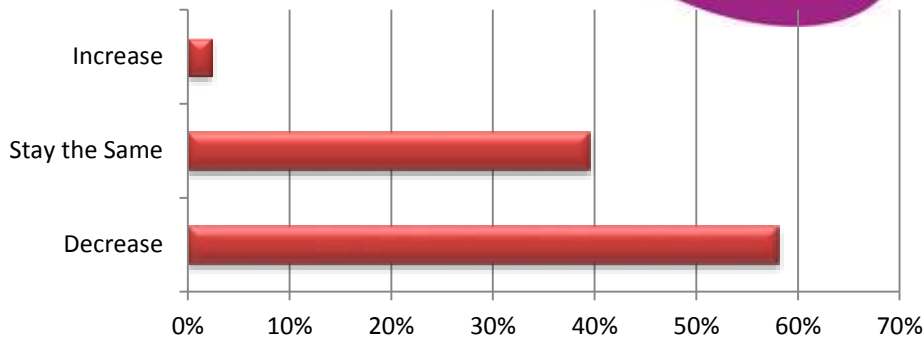
What can we expect over the next 5 years?



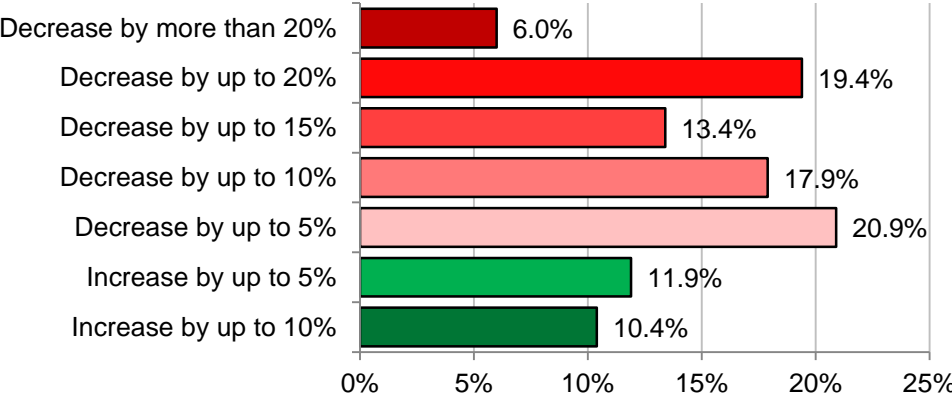
Parks



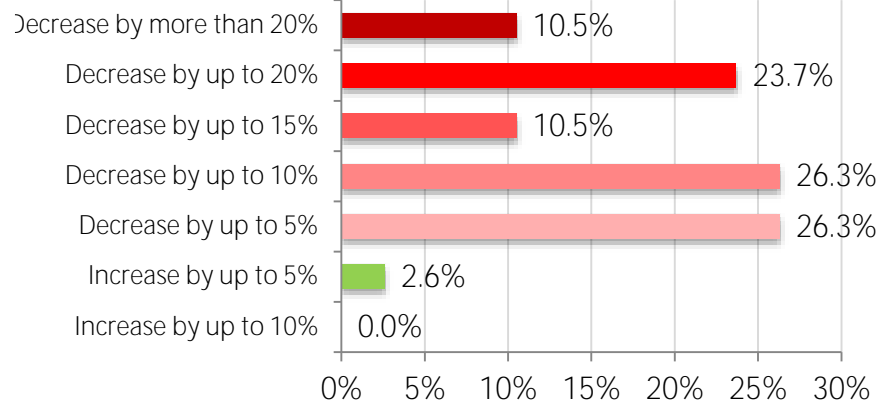
Transport



Refuse collection



Street cleansing



What is the response?



Parks

Staffing levels

Operational changes:

- Less maintenance
- Wild flower meadows

Increased commercialism e.g. Sponsorship

Decreasing subsidised activity

Service reductions e.g. Play

Increase of fees and charges

Selling services outside LA

Transport

Work for external bodies

Pool Car services

Shared Services

MOT services and repair

Driver Training

Taxi and Private Hire test work

ATF/Tacho Testing

Using vehicles for advertising

Fuel management

Apprenticeship scheme

Refuse collection

Route optimisation

Double-shifting

Reductions in management structures

Increasing income from chargeable services

Closing or reducing hours of HWRC's

Renegotiation of contracts

Fuel saving technologies

Shared services

Street cleansing

New scheduling

Route optimisation

Area based working

Amalgamation of services

Changing from output specification to input specification

Reductions in agency staff

Demand management

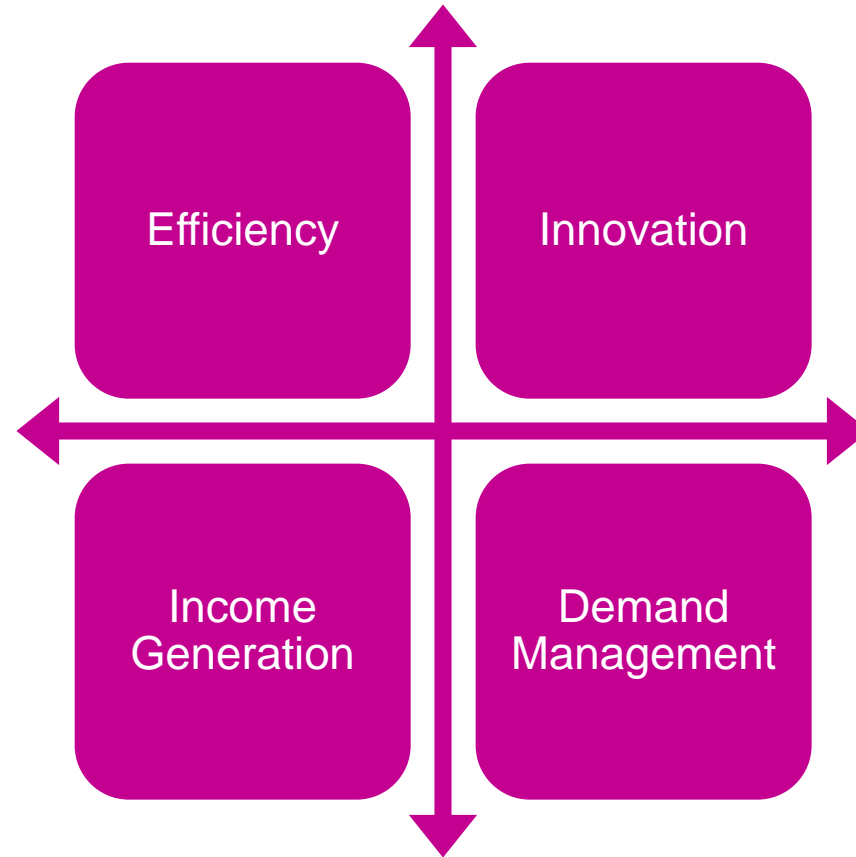
Double shifting

Generating income

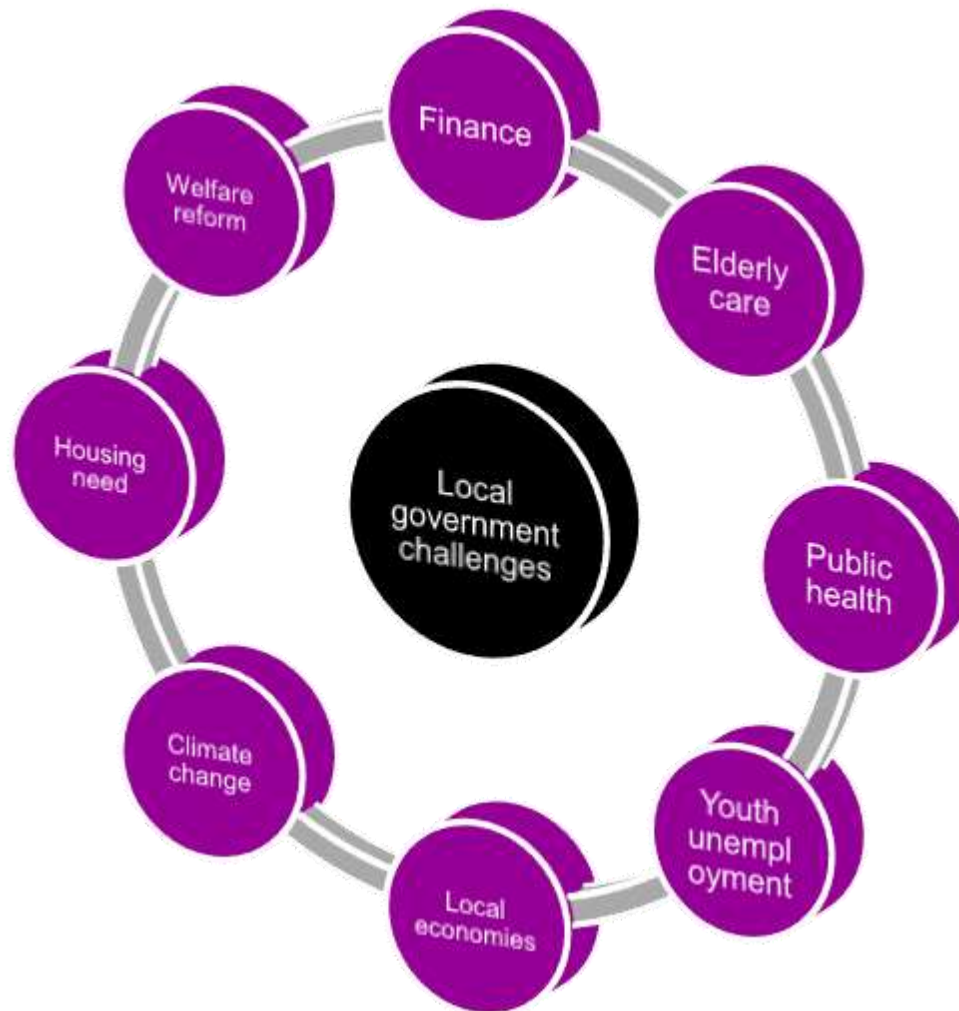
What will local government look like in 2020?



The pillars of excellence



Public policy challenges



Income generation



Income generation



80% intend to increase fees & charges over next 2-3 years

- Sports pitch lettings (91%)
- Allotments (70%)
- Festivals/concerts/events (68%)
- Cafes in parks (66%)
- Bowling greens (64%)
- Ice cream vans/mobile caterers (60%)
- Fairgrounds (58%)
- Renting buildings and land (49%)
- Sponsorship (43%)
- Tennis courts (42%)
- Boot camps (32%)
- Mini golf (28%)
- Golf course green fees (26%)
- Sale of land (26%)

56% indicated that they have income generation schemes

- Selling recycling materials (97%)
- Renewable energy (9%)
- Anaerobic digester (6%)
- Solid fuel recovery (3%)

43% answered that they have income generation schemes

- Property clearance
- Private sector cleansing
- Cleansing for developers
- Sponsorship & advertising
- Events e.g. sporting events
- Care of garden charging
- Other in-house sections e.g. parks
- Services to parish councils
- Other public services e.g. NHS

50% currently sell their services outside of the local authority and over 20% considering it as an option

- Taxi testing (53%)
- MOT services (60%)
- Commercial body shop facility (11%)
- Authorised testing facility for VOSA testing (19%)
- Driver training (72%)
- CPC approved training provider (26%)

Municipal entrepreneurship



Local authority

Innovative public services ahead

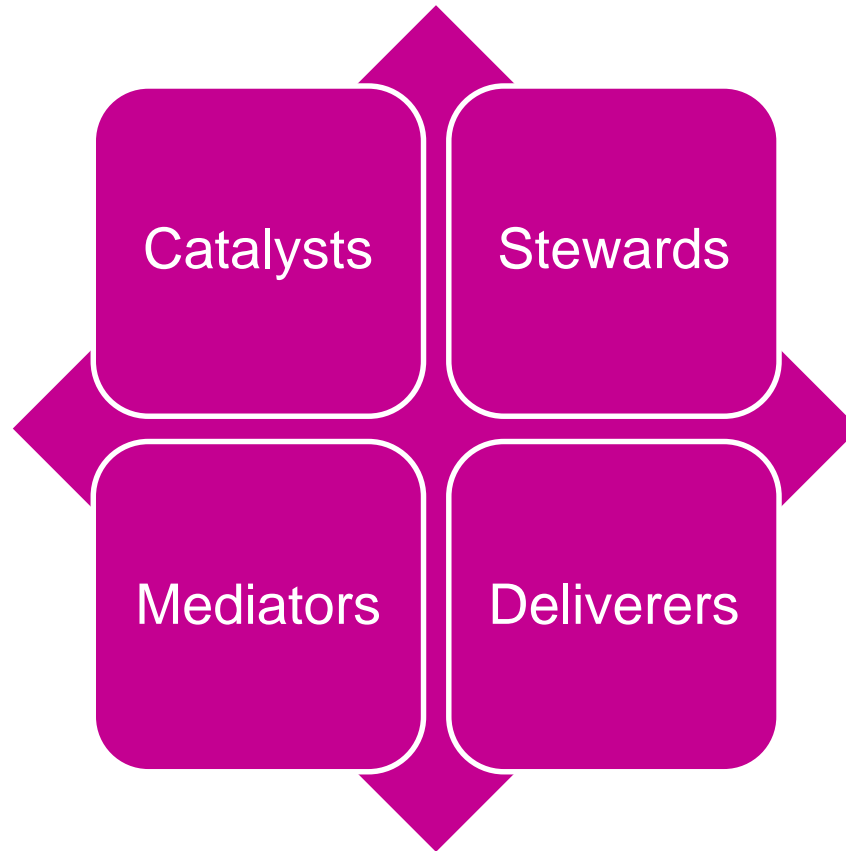
NO

Bureaucracy

Inefficiency

Stick-in-the-mud attitudes

Who are the public entrepreneurs and innovators?



Innovation

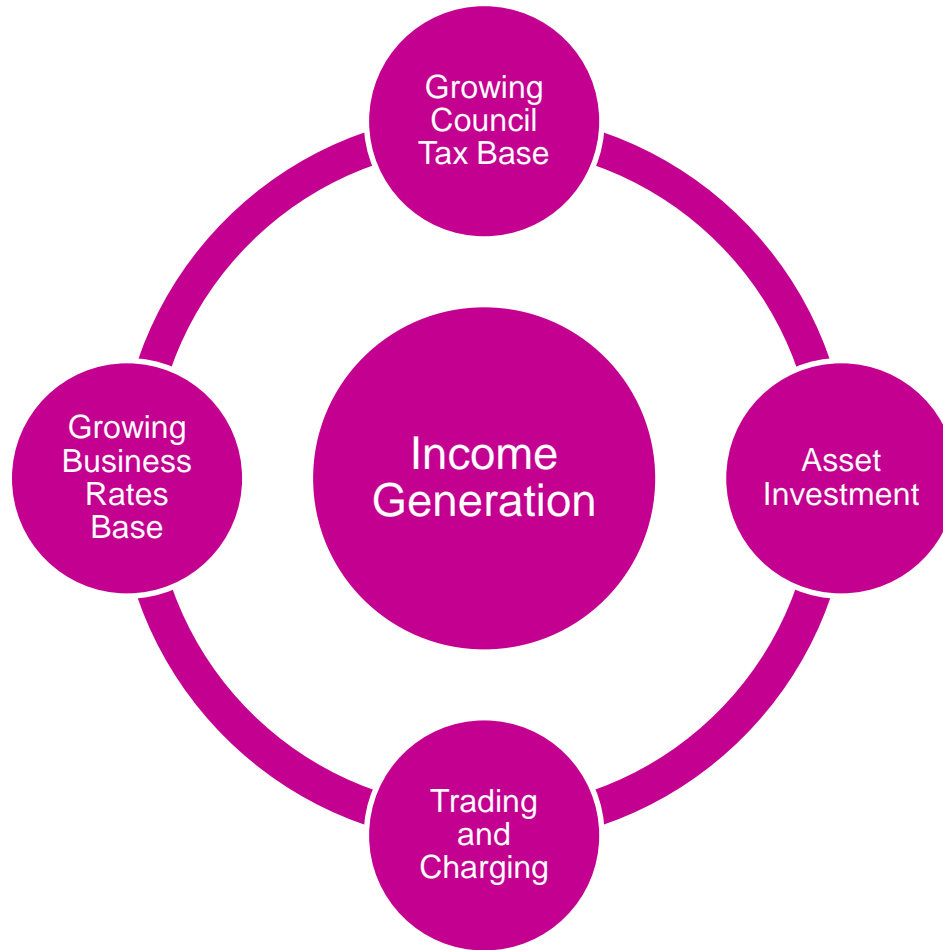


Innovation on the frontline:

How engagement with the local government workforce can improve service delivery in austere times



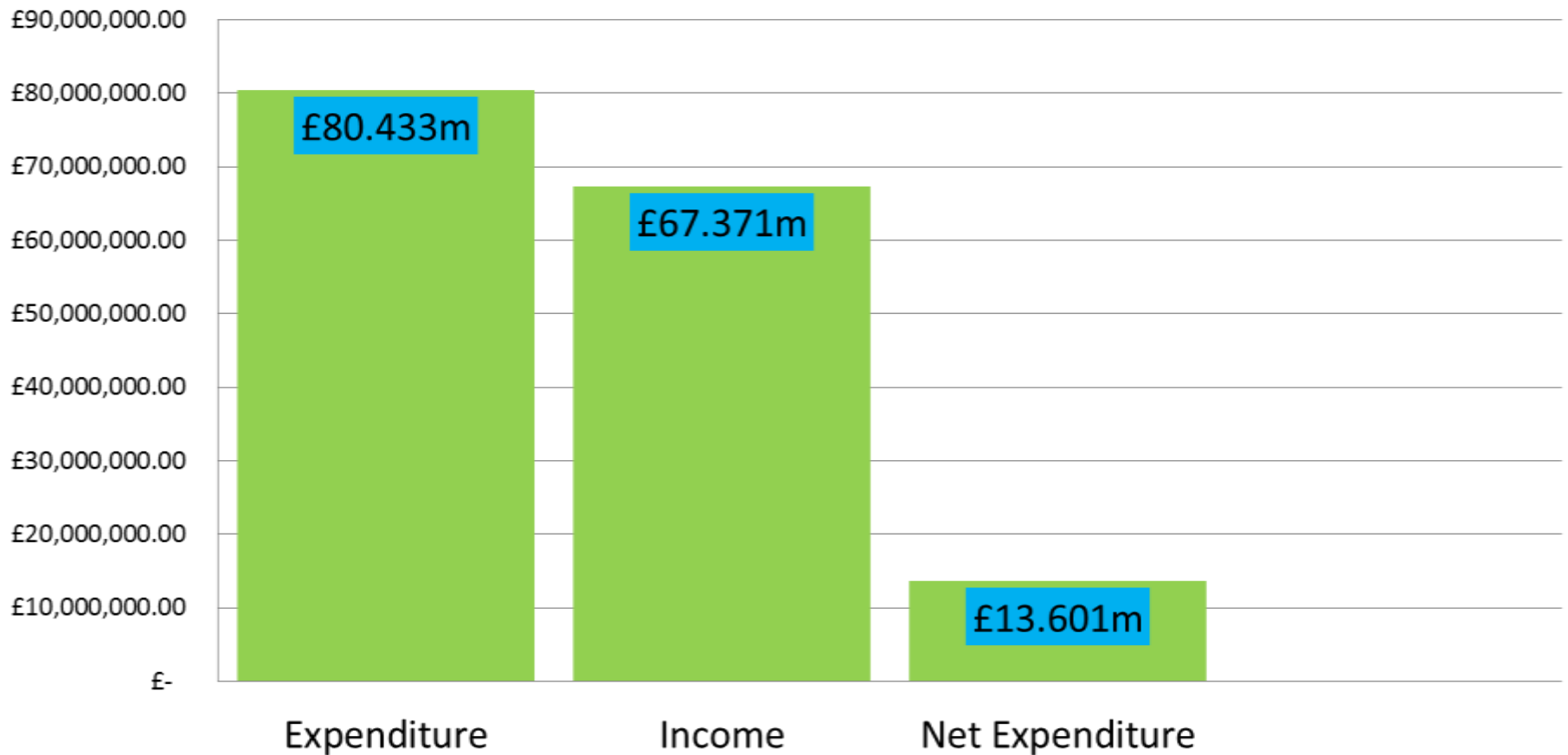
Commercialisation Strategy



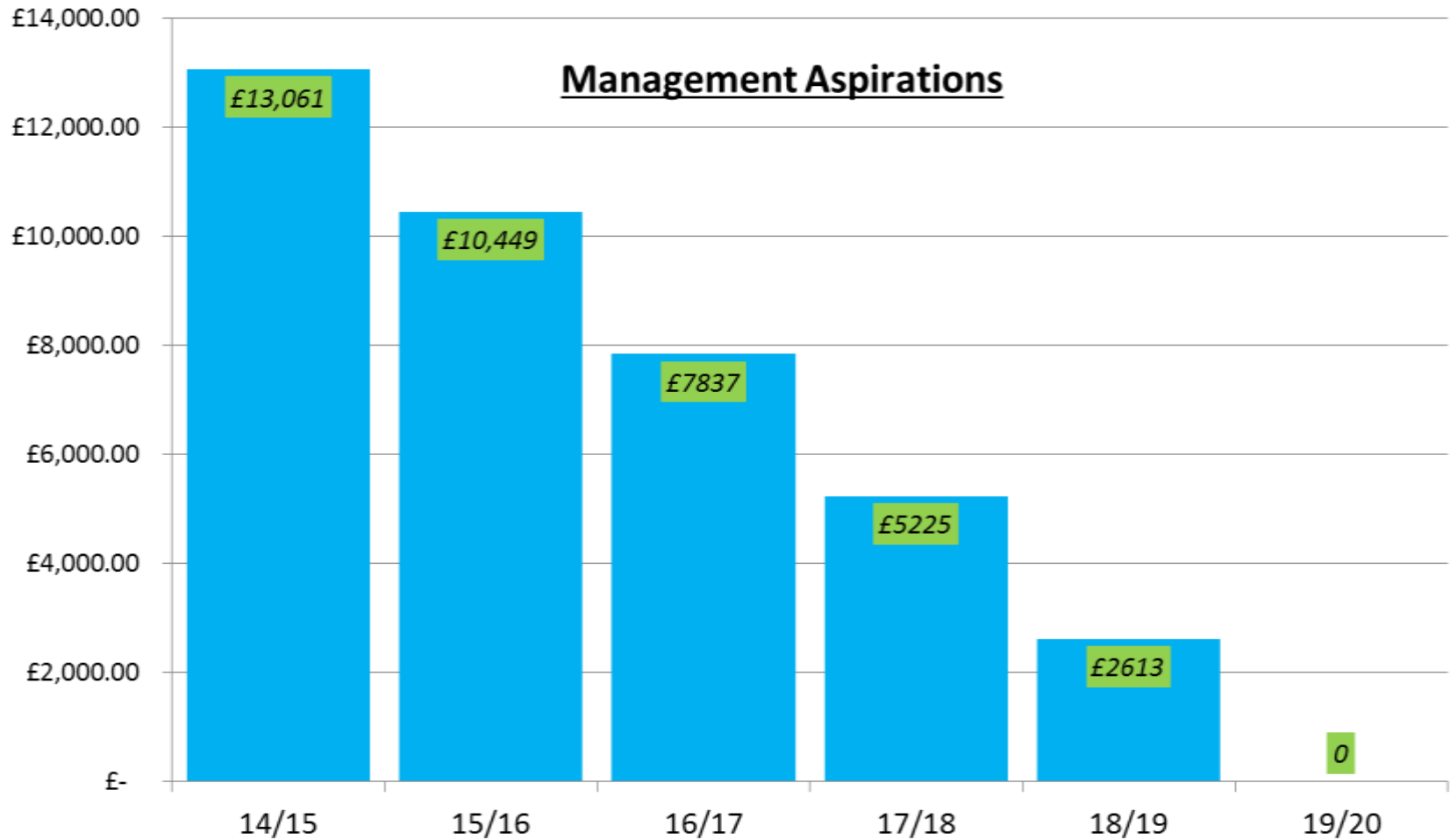
Commercial & Neighbourhood Services – Management Manifesto



2014/15 Approved Budget



Commercial & Neighbourhood Services – Management Manifesto



Conclusions



- Budgets continuing to drop up to 2020
- Sector response been good in terms of cost reduction, efficiency and improving productivity
- This only takes us so far
- We now need to seek out income generation opportunities to offset budget cuts
- Need for a commercialisation strategy
- Time for a spirit of municipal entrepreneurialism

LOCAL SERVICES

LOCAL SOLUTIONS



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