Take the money or open the box?

Katherine Kerswell

President of SOLACE

Group Managing Director

Kent County Council

Mood Music

- Crunch to squeeze
- Today's budget
- Small state – big society
- Old money – new money
- Less for even less
- Transparency and understanding

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What do we spend our money on?

- People
- Assets
- Contracts
- Management & Governance
- So what gives?....

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Powers to reduce costs

- Behavioural economics
- Commissioning the big society – redesign
- Cost management vs spend management
- Gold plate or vanilla
- Social entrepreneurship/enterprise
- Politics of shared services

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Raising cash – keeping cash

- Petrol stations
- Boundary hopping – or shopping
- Post codes and lotteries
- Trust, tax and tea parties

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Thank you

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Powers to raise money

- Charge for discretionary services
- Recover full cost
- Entrepreneurial fees
- Set up companies which can trade at a profit
- Seek sponsorship and advertising
- Power of general competence

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Summary

- Find new solutions as resources and the state shrink
- Develop a set of principles for dealing with issues of fair financial distribution, boundaries, etc
- Scope for raising taxes will be limited
- Bring entrepreneurial nous into local government and be creative
- If we don't charge for discretionary services they will disappear
- Focus on what we do well and sell it….
- …..buy from others those services they can deliver better or cheaper – we need to work together (Total Place?!).

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Create Commercial Services

- Get entrepreneurial thinking into local government – within Kent CC we have a Commercial Services operation that sells and brokers £780m+ pa.
- Identify USP, make most of our expertise and assets
- If we can do it better (and cheaper) than the private sector, then do. If we can't then don't!
- Can still support local businesses in the way we operate – sub-contracting, how contracts are packaged etc.

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Charging for discretionary services

- Choices
- Civic ceremonies
- Advisory services, e.g. pre-planning advice, energy advice, health & safety advice
- Use of film locations
- Use of outdoor education centres

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Establish Public Private Limited Companies

- Sell to public sector at cost (full cost recovery); sell to private sector at going rate. This maximises utilisation of assets where they cannot be wholly employed in the public sector.
- Look to expand business opportunities to meet local need (eg offering a Home Maintenance Managed Service)

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Spread customer base

Case Study: LASER. The largest local authority energy purchasing organisation in the UK - and provider of energy management consultancy services. Started by Kent, but now includes some 125 local authorities. By bringing in additional customers, revenue costs for all go down.

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Full cost awareness

- Not just spend. (Cost of attending this conference isn't just what you paid…)
- Hidden costs (e.g. time, support, rent)
- Challenging costs
- Cost comparisons (problems of like for like)
- Full cost recovery needs to include the hidden costs.

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Sponsorship and advertising

Traditionally local government has avoided this, keeping their own brands ‘clean’. Can we afford to ignore this now? Perhaps:

- Advertising hoardings on railings outside the Town Hall?
- Pop up advertising on the websites?
- Big business sponsoring local authorities?
- Taxis licensed to advertise?

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