



Budget cuts on the horizon; can we afford to cut fleet, waste and grounds services? Looking at the bigger picture and the impact on inward investment



The Dawning of the age of financial austerity for public services!





Financial Armageddon or manageable transformation



- Years of investment
- Macroeconomic picture
- Origins of recession
- Public services / local government budget

So what does it all mean for local government frontline services?



- General Election
- Cost cutting 15% / 30% over the next 4 to 5 years.
- £35bn reduction in the budget for Scottish public services over the next 15 years – Fraser of Allander Institute, Strathclyde University.
- PWC Edinburgh – “Councils need to reduce their costs over the next few years by 25% to help address their funding constraints.”



Some responses

- Outsourcing
- Insourcing
- Competitive dialogue
- Arms length



Some solutions

- Joint local authority management structures.
- Reorganisation of local authorities
- Total place.
- Shared services/joint working.
- In-house Service Improvement Plan – APSE's Competitiveness Continuum.
- LEAN/Systems/Six Sigma approach – Improvement plan linked to competitiveness and efficiency

Frontline First Taskforce



- Focus on the customer
- Take a Total Place approach
- Cut out waste and unnecessary duplication
- Benchmark against others
- Buy goods and services in groups
- Reduce the number of council buildings
- Motivate staff to improve performance
- Make managers the leaders of innovation to improve services
- Streamline management, consider sharing posts with other councils / PCTs
- Share professional expertise

Transformation through continuous improvement, innovation or procurement



- Continuous improvement or step change
- Organisational transformation 3 to 5 years
- Business process reengineering
- Integrated service delivery
- Service reviews
- In-house improvement plan
- Options appraisal
- Make or buy

Demonstrating value for money in service delivery

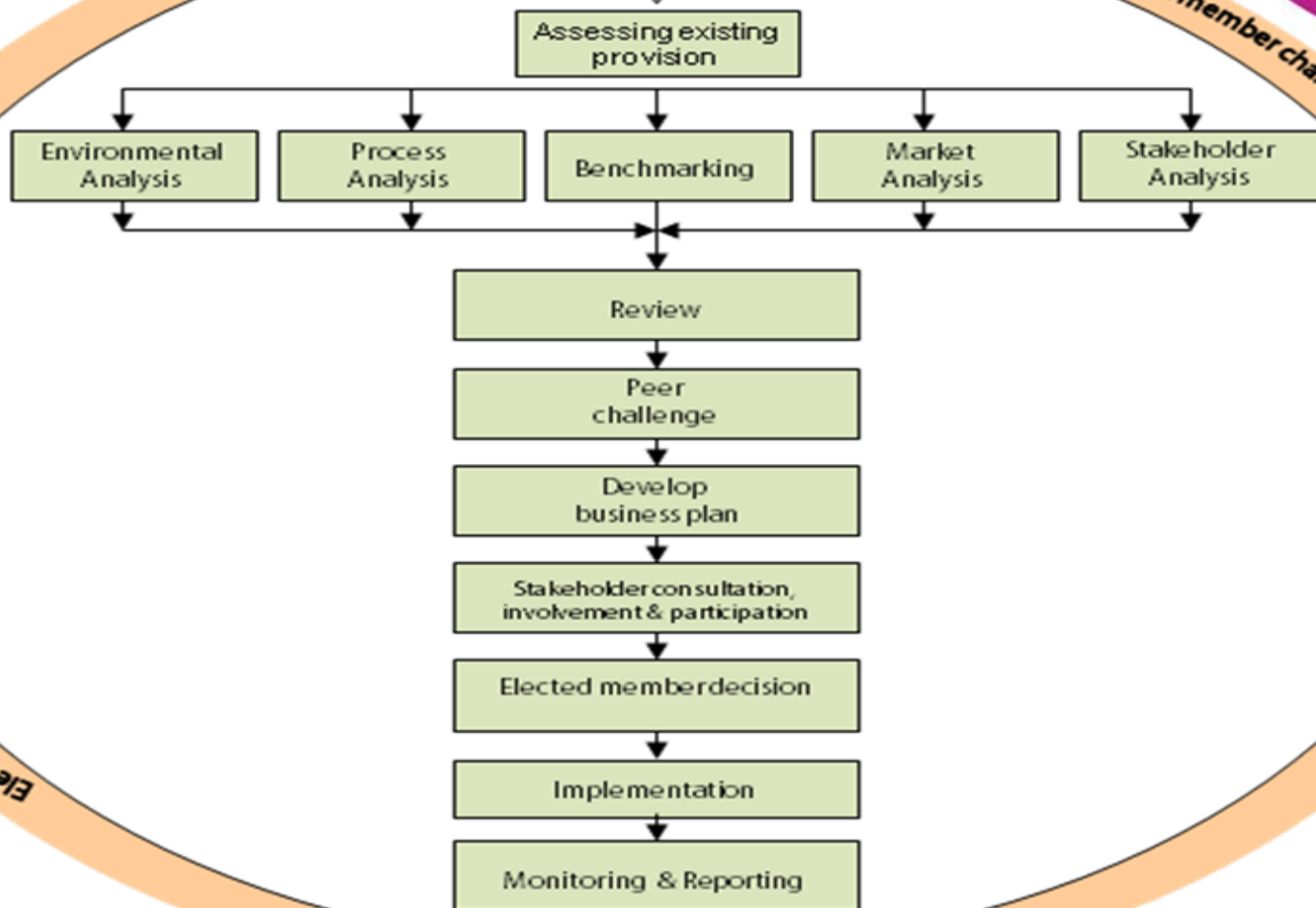


- Local performance management frameworks
- Competitiveness continuum
- Systems thinking – starting from scratch
- Trading and charging – sweating our assets

Area wide assessment



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Source: O'Brien, & Mudd 2007



The value of local government services



The core results

- Round 1 – total spend
 - Street Scene - £8,321,483.33
- Round 2 – spend on local suppliers and local employees
 - Street Scene – local suppliers - £1,078,837.28
 - Street Scene – local employees - £2,835,871.62
- Round 3 – reinvestment of spend in local economy by suppliers and direct and indirect employees
 - Re-spend of suppliers in local economy - £277,229.11
 - Re-spend of local employees in local economy - £1,075,706.45
 - Re-spend of non-local employees in local economy - £21,415.33
- LM3 of Street Scene
- LM3 = Round 1 + Round 2 + Round 3
Round 1
= £8,321,483.33 + £3,914,808.90 + £1,374,350.89
£8,321,483.33
= 1.64

The Policy Messages



- *The public economy as a promoter of 'local' supply chains*
 - Flexibility to shape localness of supply chain through purchasing
 - 30% of all suppliers have a Swindon postcode
 - £7m or 32% of spend on suppliers within local authority area
- *The public economy as a supplier of 'local' employment*
 - In many localities a cornerstone of employment and the wider local economy
 - 96% of all employees live in local authority area
 - £9m of spend on employees went to local employees
- *The public economy as a fosterer of 'local' economic regeneration*
 - Opens up employment opportunities and proffers training opportunities
 - High numbers of employees within most deprived wards



The Policy Messages cont...



- *The public economy as a multiplier of 'local' income*
 - local employment and local supply chains can equal strong circulation of monies in local economy
 - 53 pence in every pound re-spent by local employees in the local economy on shopping, transport and socialising etc
 - 31 pence in every pound re-spent by local suppliers in the local economy
 - In total for every £1 spent by SCS another 64 pence is reinvested in local economy.



The times they are a changing



- Financial imperative
- Do nothing not an option
- Clock is ticking
- Don't panic
- Manage the transformation



LOCAL SERVICES

LOCAL SOLUTIONS



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