



**Budget cuts on the horizon; can we afford to cut public services?**

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

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**Financial Armageddon or manageable transformation**



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

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



- Cost cutting 25% over the next 4 years

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## Some responses



- Outsourcing
- Insourcing
- Competitive dialogue
- Arms length

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## 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

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## 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

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## 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

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## Demonstrating value for money in service delivery



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

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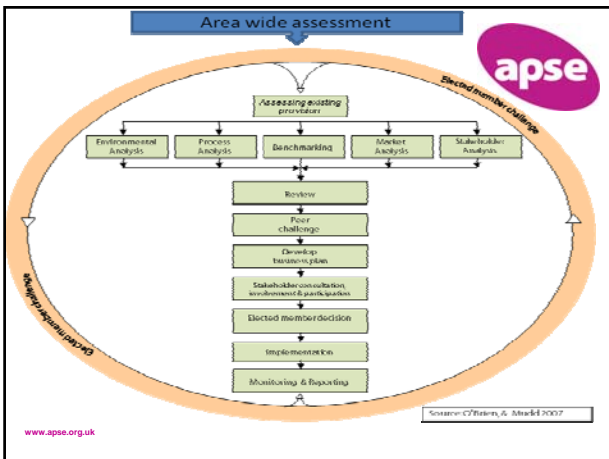
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## The value of local government services

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## The core results

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

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## The Policy Messages

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



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## The Policy Messages cont...



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



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## The times they are a changing



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

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**LOCAL SERVICES  
LOCAL SOLUTIONS**

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