



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



# **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?



- Cost cutting 25% over the next 4 years
- Or is it maybe 40%?



# 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

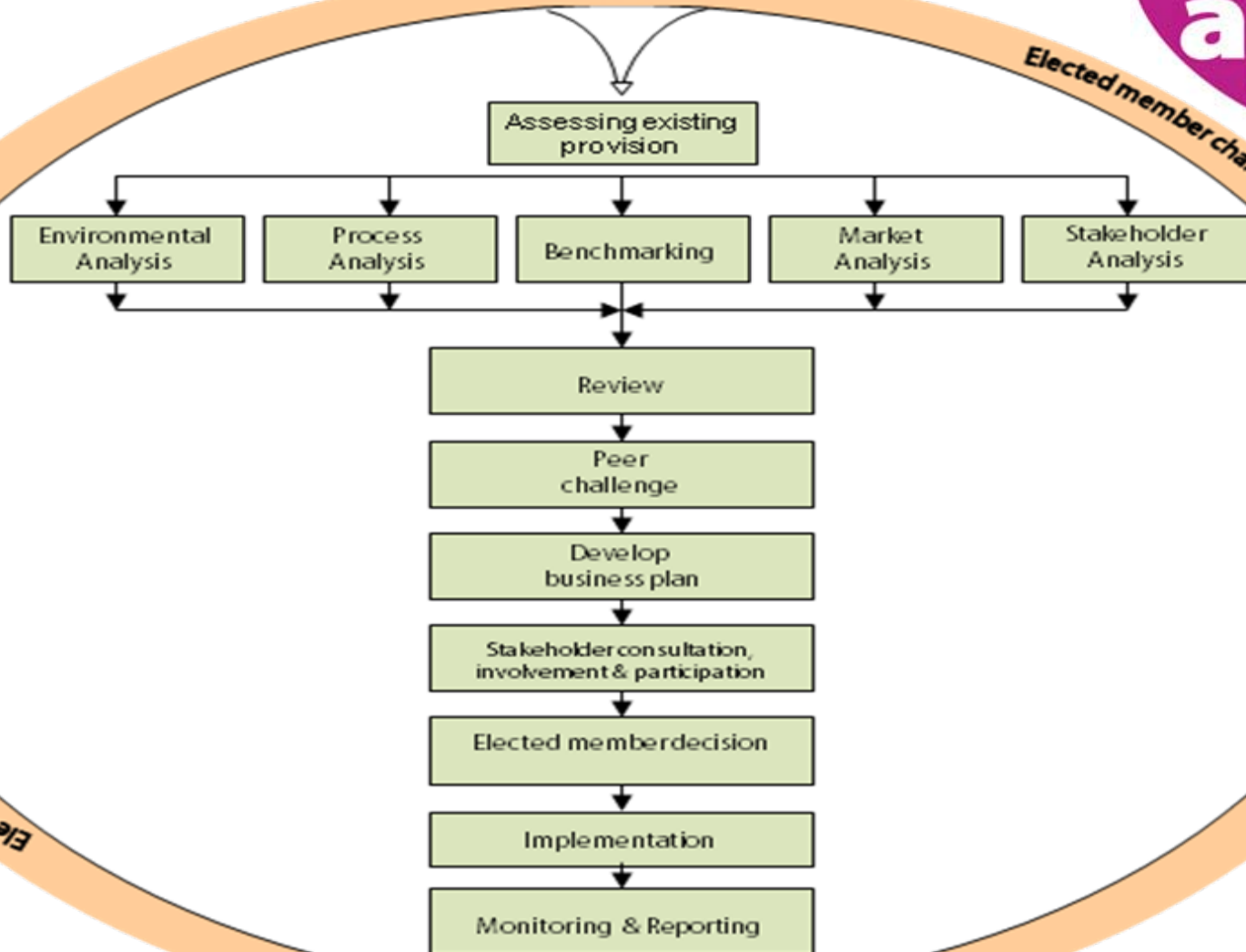


- Local performance management frameworks
- Competitiveness continuum
- Systems thinking – starting from scratch
- Trading and charging – sweating our assets
- Investing in green technology

# 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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