



2020 Council: Hope despite the cuts

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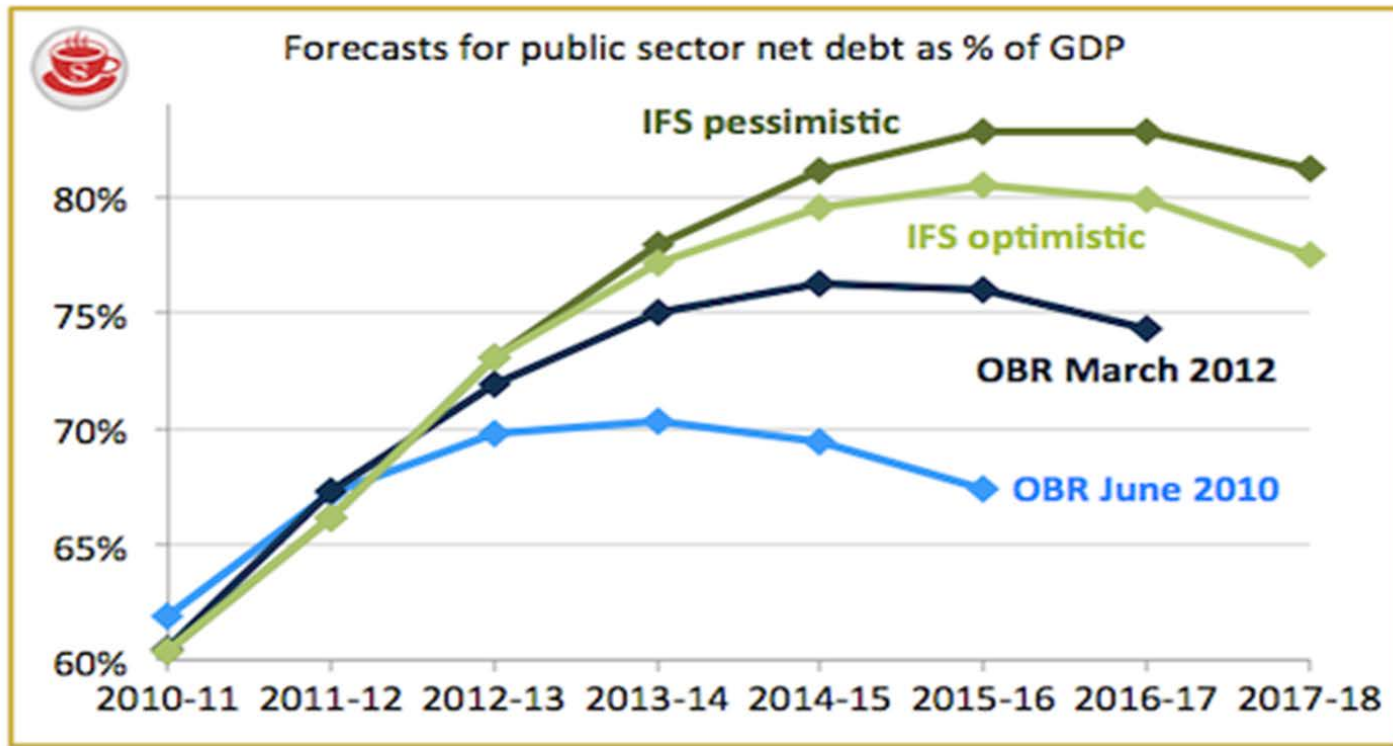
Economic outlook and spending cuts – GRIM!!!



- U.K. economy grew by 0.3% in the last quarter and barely avoided a triple dip recession.
- Institute of Fiscal Studies say only 6% of planned cuts in public spending have been achieved with 94% still to come.
- LGA estimate that local government headcount has reduced by 215,000 with a reduction in pay bill of £1.4bn
- Audit Commission found that local authority funding has reduced by £3.5bn since 2010/11
- UK Unemployment 2.56m.
- Inflation at 2.8% is the highest since May 2012.
- U.K. Credit rating downgraded

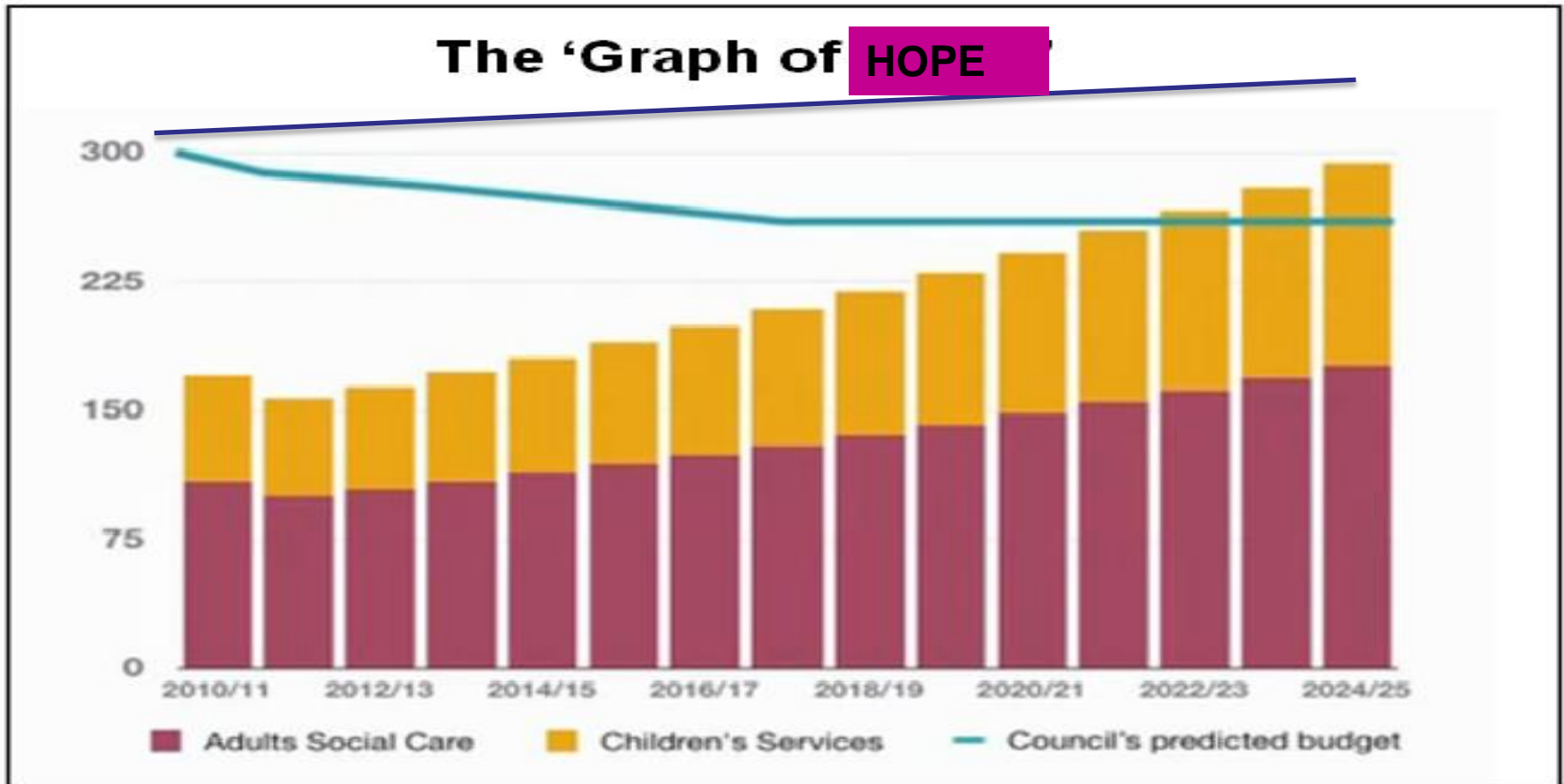


More pain to come?



Source: OBR, Economic and fiscal outlooks & IFS, Autumn Statement 2012: More pain to come?

What does it mean for local government?



The ensuring council:



An alternative vision for the future of local government



The new 'commonsense'



- Who delivers public services unimportant – what matters is they are delivered to acceptable costs/standards.
- Local government recast as 'leader', 'enabler', 'commissioner' or 'regulator' of services
- 'Deficit reduction' key symbol of government purpose
- 'Big citizens' ready and waiting to make use of mechanisms for them to identify priorities, seek out potential providers, organise delivery, establish performance framework

Professor Helen Sullivan now of the University of Melbourne and formerly the University of Birmingham,

Models of local governance



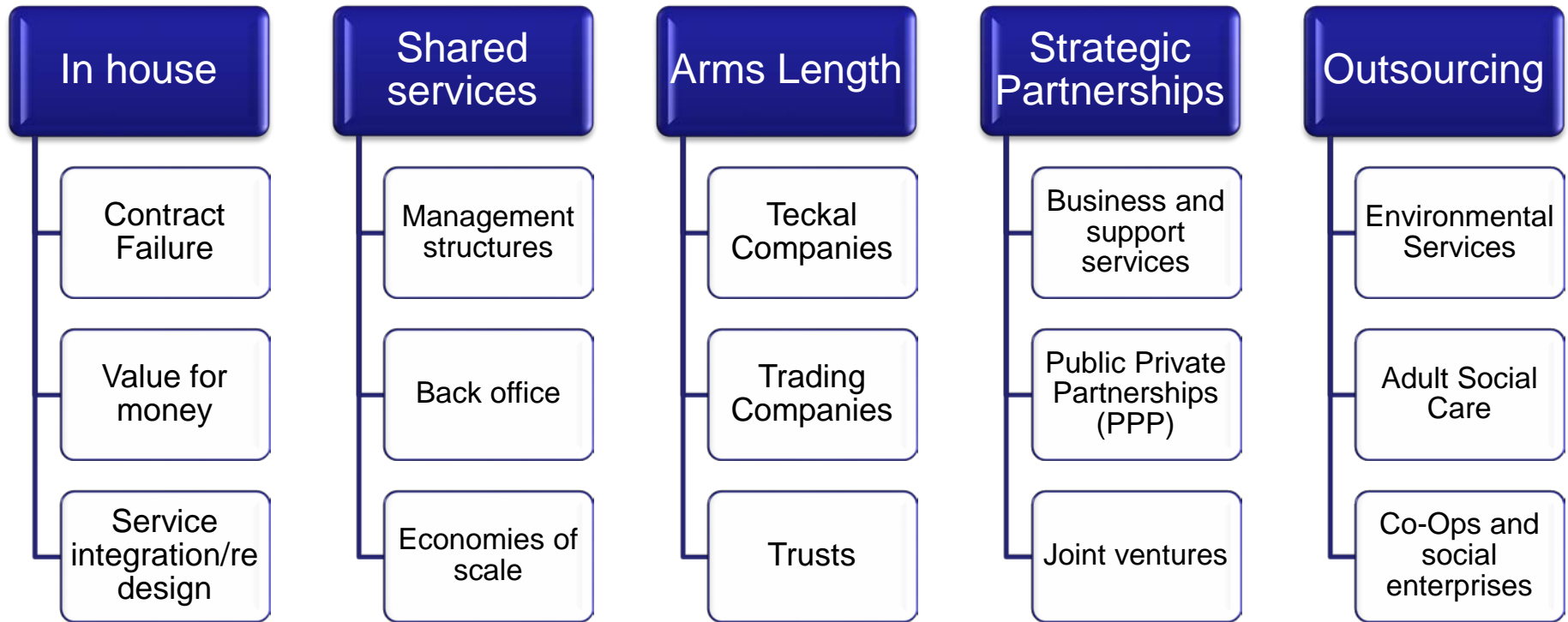
Type/characteristics	Traditional Welfare Model	Market or enabling model	Residual council model	The mutual council model	The ensuring council model
Drivers	Producers	Ideology	Austerity	Big Society	Stewardship
Strategy	Focus on needs	Competition	Externalisation	Community	Public value
Values	Paternalism	Choice	Small state	Co-production	Social justice
Management	Hierarchical	Transactional	Commissioning	Transformational	Empowering
Culture	Bureaucratic	Contractual	'Thin' client	Capacity building	Civic entrepreneurialism /innovation
Mode of service delivery	In-house	Private sector delivery	Private/third sector delivery	Mixed economy/social enterprise	In-house/mixed economy

‘Enabling’ or ‘Ensuring’



	‘Enabling’ Council	‘Ensuring’ Council
Core principle	Facilitates a market of external service providers, delivering specified outcomes.	Takes responsibility for ‘stewardship of place’, ensuring the economic, social and environmental wellbeing of the local area.
Operationalisation of core principle	Acts as a ‘strategic commissioner’, facilitating the delivery of services rather than directly providing them.	Recognises the strategic advantages of in-house services and public employment.
	Divests public services to private providers and the community and voluntary sector.	Retains core capacity to deliver public services within the public sector.
	Privileges contractual rather than collaborative relationships with alternative providers.	Works with alternative service providers on a collaborative basis.
	Grounds service decisions in ‘market democracy’.	Grounds service decisions in local politics.

Different approaches to service delivery



Public policy challenges



- Local economies
- The environment
- Housing need
- Youth unemployment
- Elderly care
- Public health
- Welfare reform

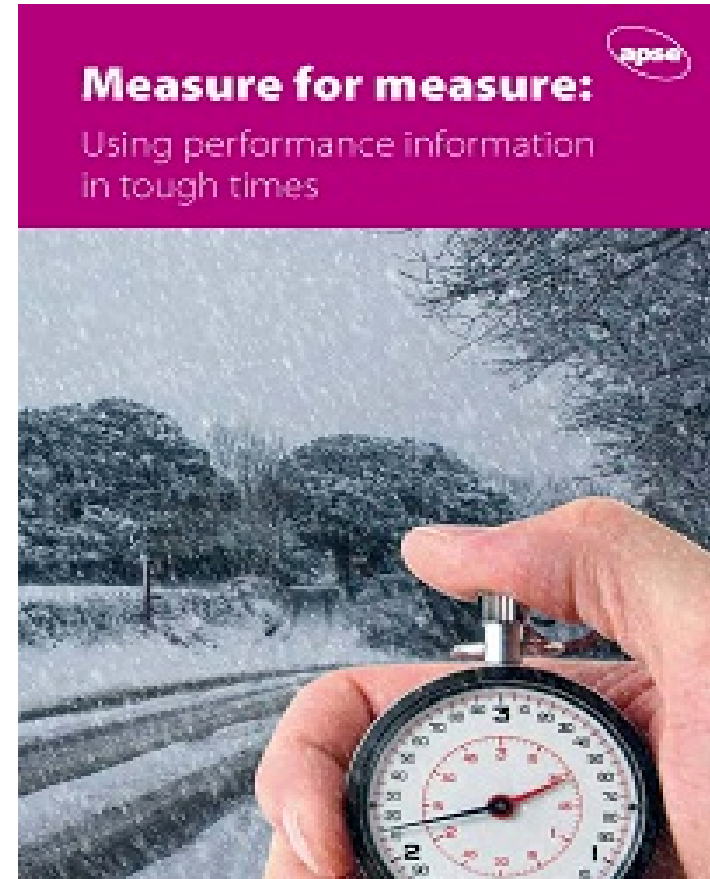


Measuring Performance in “tough times”



“Good performance information is the lifeblood for councils trying to deliver value for money and improved services with less money”

Michael Hughes, Former Director of Studies
at the Audit Commission 2012



Councillors, Commissioners and Managers of Council Services must make difficult decisions about:



Priorities

Budgets

Value money

Service levels, volumes and entitlements

Service decommissioning

New ways of involving service providers and users

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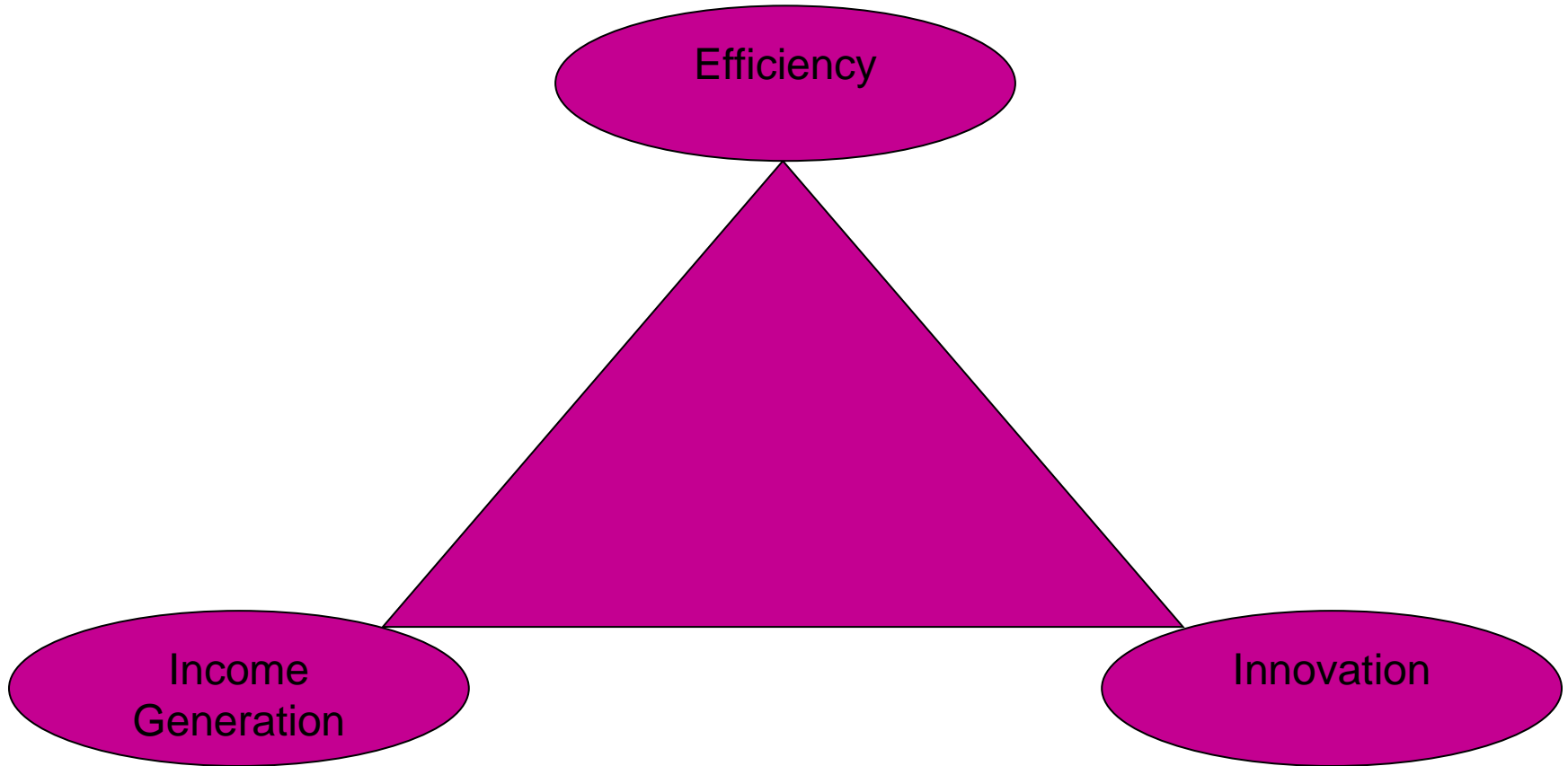
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Financial Armageddon or Managed Transformation?

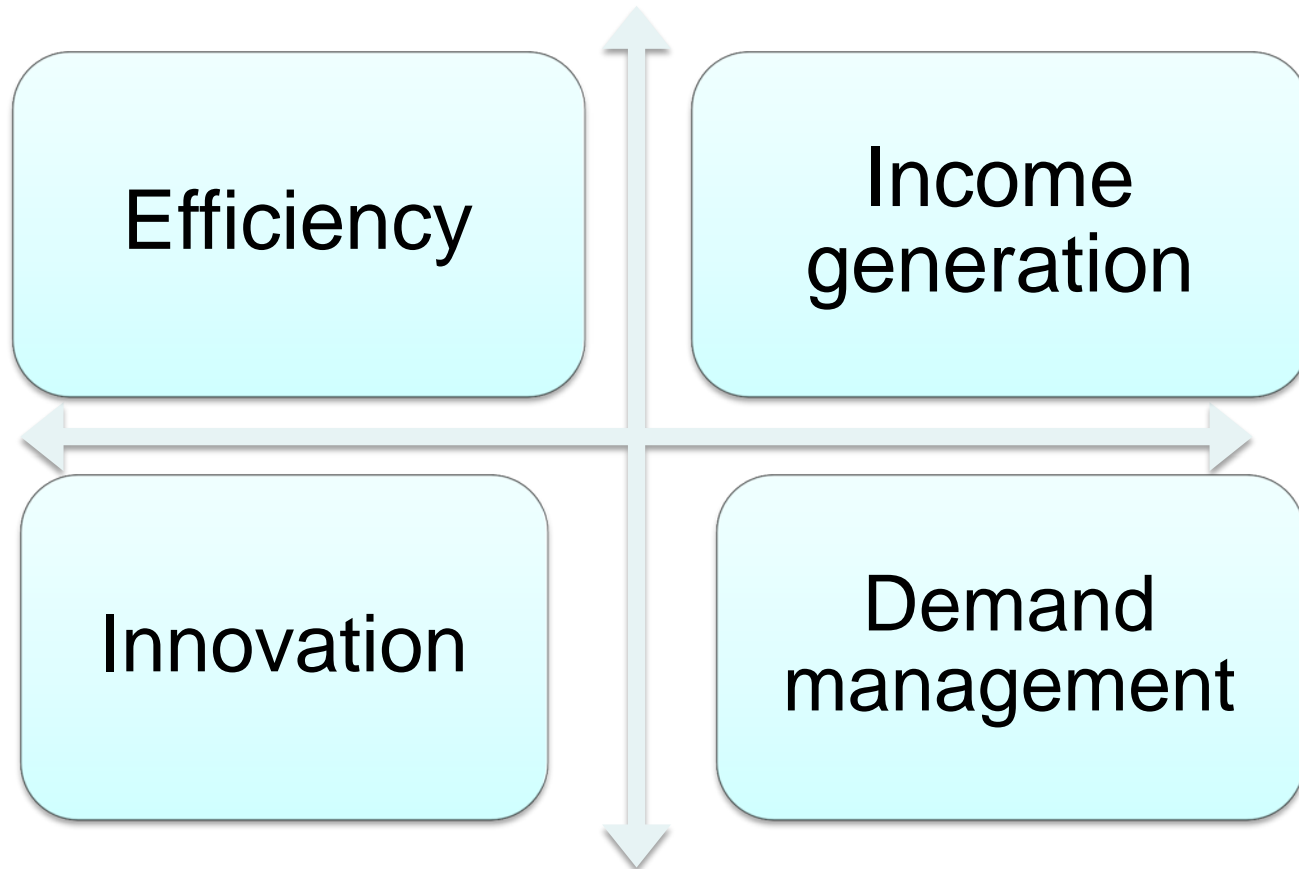
*Where next for local government's
front line?*



The triangle of excellence



Maybe it's not a triangle – Quadrilateral or matrix of excellence?



Avoiding the road to nowhere:



Transforming front line service delivery through efficiency and innovation



Efficiency



Shared Services

Procurement

Workforce matters

Outsourcing

Shared management teams

Reorganisation

Total Place

Performance management /
Process Benchmarking

Competitiveness Continuum

Lean / Systems / Six sigma / BPR

Green energy / renewables

Insourcing

Arms length

Charging & trading

Parks, open spaces and horticultural services



Cost area for parks, open spaces and horticultural services	Average % total cost
Front line staff	43.82%
All staff	56.01%
Other non employee e.g. premises	16.52%
Vehicles	12.44%
Equipment and materials	2.09%
Subcontractors	4.20%
Departmental administration	2.32%
Central establishment charges	5.83%

Street cleansing



Cost area for street cleansing	Average % total cost
Front line staff costs	57%
All staff costs	66%
Vehicle and plant expenditure	19%
Premises and services	3%
Operational supplies	4%
Departmental administration	3%
Central establishment charges	3%

Income Generation



Case studies



- Stockton
- Wakefield
- Nottingham
- Sefton
- North Tyneside
- Lewisham
- Tower Hamlets

Municipal entrepreneurship



Local authority

Innovative public services ahead

NO

Bureaucracy

Inefficiency

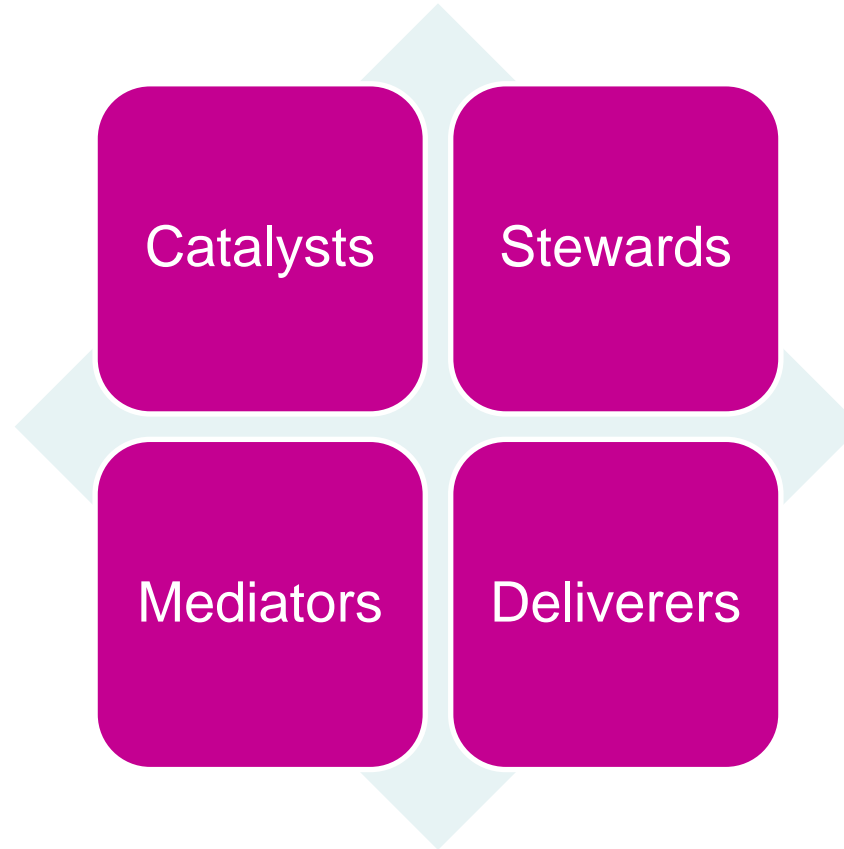
Stick-in-the-mud attitudes

Municipal Entrepreneurship



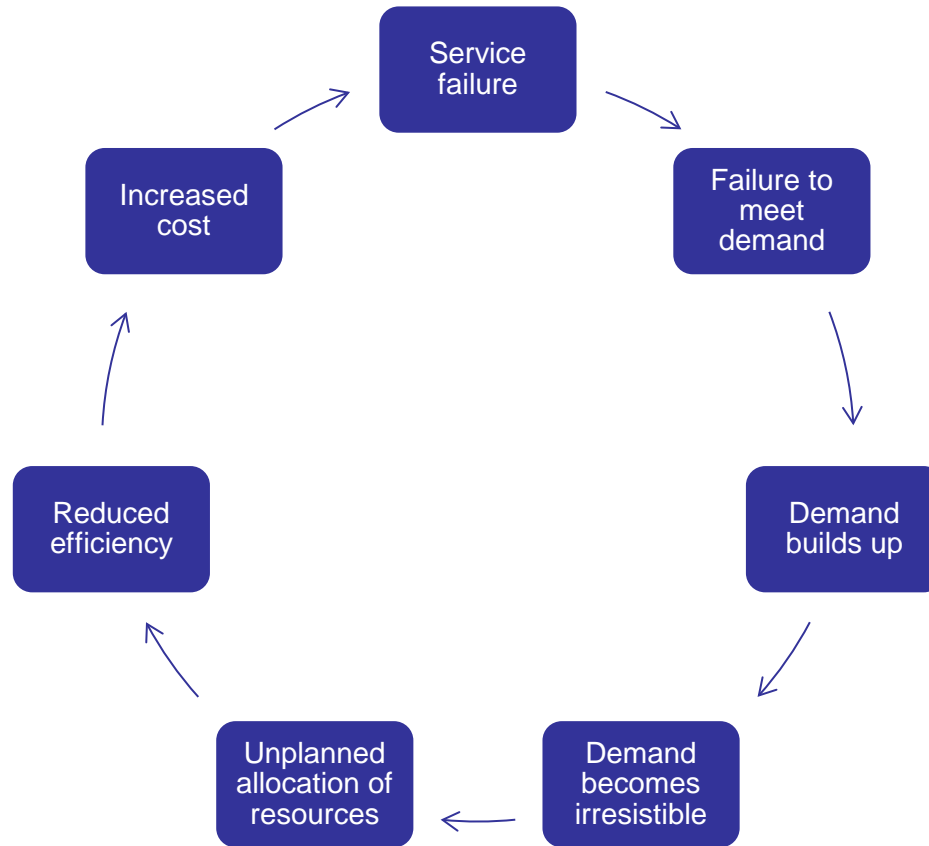
- West Lindsey – the entrepreneurial council
- Tayside Contracts – shared services
- Wrexham – renewable energy
- Shropshire – shire services trading
- Hertsmere – Elstree studios
- Hull – Kingstown works limited
- Swansea – service redesign

Who are the public entrepreneurs and innovators?



Assuming no increase in funds what can we do? - Failure is not an option

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Managing demand down



- Knowing what we are trying to achieve
- Inputs to achieve outcomes measured by outputs
- Separating cause from effect
- Tackling causes not symptoms
- Redirecting (rebalancing) expenditure
- Involving communities

An example: Street Cleaning



- What are we trying to achieve?
 - Street cleaning or
 - Clean streets
- And why – outcomes?
 - Public health?
 - Economic development?
 - Pleasing the small percentage of people who complain?

Conclusions



- Need to develop commercial strategy
- Need to build commercial capacity
- Need to network
- Need to think creatively
- Need to offset budget cuts
- Need for services to become more self financing, self reliant, self sufficient

LOCAL SERVICES

LOCAL SOLUTIONS



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