SURVIVING WITH TIGHT BUDGETS
The population of Scotland is roughly equivalent to that of Birmingham, yet Scotland has 32 councils, eight fire brigades, 1400 councillors, 129 MSPs, etc.

Corporate debt is now public debt - national debt will peak at about 75 per cent of GDP.

UK Public sector is responsible twelve per cent of GDP.

However in Scotland, this has been even higher, reaching 53 per cent at one point – this is not sustainable.

And, there will soon be greater demand for services with a smaller fiscal base with which to pay for them.
WE DO DELIVER SOFT FM SERVICES EFFICIENTLY & THERE IS A REASON WHY WE PRESENTLY DELIVER SERVICES AS THEY ARE ORGANISED;

THERE IS AN UNAVOIDABLE CONSENSUS THAT CURRENT SERVICES ARE NOT SUSTAINABLE;

WE WILL NEED TO BE OPEN TO INNOVATION WITH RADICAL NEW PERSPECTIVES ON CHALLENGES;

YOUR RESPONSIBILITY - DON’T THROW THE BABY OUT WITH THE BATH WATER – THIS HAS TO BE A MANAGED PROCESS.
The research consisted of 39 interviews with Chief Executives of Scottish councils;

A view that current collaboration tends to improve service quality, but does not reduce costs;

Fewer than half of Chief Executives think that local authorities will outsource services on a service-by-service basis or large-scale outsourcing.
Brodies’ Research Study 2010
Councils Considering Oursourcing

Top Mentions

- Facilities Management: 33%
- Waste/recycling: 31%
- Adult social care services: 28%
- Roads/traffic management: 21%
- Information Technology/IT Support: 18%
- Legal: 15%
- Leisure services: 15%
- Corporate services: 15%
- Street cleaning: 15%
WE HAVE BEEN HERE BEFORE, and SURVIVED!

A HISTORY OF CHALLENGE TO FM AND LEISURE SERVICES

- 1970’s, rampant inflation, high unemployment & the ‘Winter of Discontent’.
- 1980’s Market Testing (CCT) for a range of Council Services.
- 1990’s Local Government Reorganisation & failures.
- 2000’s PPP and Outsourcing.
- But, there was a measure of corporate support and an emphasis on continuity.
Greater accountability & transparency enabling citizens to hold services to account

Government enabling change through incentives and support

Personalised services through empowered citizens and professionals working together

Citizen Empowerment

New Professionalism

Strategic Leadership

Excellence and fairness

Source: ‘Excellence and Fairness, Achieving world class public services’ (Cabinet Office, 2008)
This is set out in the Cabinet Office’s ‘Excellence and Fairness’ report (2008)

- ‘The theme of ‘new professionalism’ makes clear that innovation amongst public service staff is vital for raising quality and enacting genuine reform’

- “The lesson of public service reform is that real excellence depends upon liberating the imagination, creativity and commitment of the Public service workforce.”
‘Less for less’
This entails cutting low impact services and prioritising spending.

‘Same for less’
Operational efficiencies - keeping the same services in place but streamlining admin, assets and reducing the expenditure supplies.

Radical Efficiency
Be receptive to change – local government needs to have higher expectations of people and be more challenging and less paternalistic. The challenge is different, start with people’s quality of life not the quality of your service.
WHAT MIGHT THIS MEAN?

Big Society/Radical Efficiency

‘A society where the leading force for progress is social responsibility, not state control. It includes a whole set of unifying approaches – breaking state monopolies, allowing charities, social enterprises and companies to provide public services, devolving power down to neighbourhoods, making government more accountable’.

- Social Enterprises cleaning schools?
- Pupils serving school meals?
- Leisure, catering, janitors ‘teaching’ in schools as para-professionals?
- Council buildings, assets and services handed to the community - with managers facilitating – light touch approach?
- Involvement of Trusts and the 3rd sector for example – The Big Society Bank - 500,000 dormant accounts in UK worth around £500m.
WE KNOW THIS...
The BASIC TOOLKIT FOR SURVIVAL

✓ Knowledge of how and why services are delivered.
✓ Good financial information & monitoring.
✓ Good performance management information and accurate performance ratios for productivity.
✓ Good benchmarking information.
✓ Good HR information, communication, training and relations with staff and unions.
✓ Good procurement of supplies and services.
Initially Surviving the Cuts

- Make clear the value of the activity for legislation, policies, SOA.
- Be able to predict the impacts of change on services - for users, procurement, employees, HR and training etc.
- Define the operational and financial risks that arise but under pressure don’t go beyond what is achievable.
- For now base changes to services on patterns which have already been proven to work.
- Set out a timeline to manage the change and map processes needed to survive within tight budgets.
- Have a strategy to manage future expectations of both internal and external customers –surprises make a difficult situation worse!
- Communication, communication, communication -with corporate officers, staff, trade unions and stakeholders
A MANAGED PROCESS FOR THE MEDIUM TERM

- Focus on the SOA, legislation and social policy.
- Process of Priority Based Budgeting and spending
- Look for commonality and combine services.
- Option appraisal for future service delivery.
- Expect increased service user involvement – in service design and takeover of public services.
- So, different solutions and collaborations crop up in different localities - flexibility & innovation.
- Value social entrepreneurship coming from within public sector or from anywhere.
- Managing risks...but not trying to eliminate them.
- Facilitation role for local government?
So we need to think very differently ‘We’re all in it together…..’

The challenge is how well we will adapt, and how will all this go down with communities who’ve been brought up to believe that services should be funded by a paternalistic Local Authority?
Surviving within tight Budgets

In the years ahead - a rabbits foot, lucky white heather and a horse shoe above your desk may also be helpful.

Robin Gourlay
APSE Soft FM

e: robin.gourlay@scotland.gsi.gov.uk
 t: 0300 244 9283