

The Research

In October 2010, Service Birmingham commissioned FreshMinds to conduct primary research amongst local authorities in the West Midlands.

FreshMinds spoke to Cabinet Members, Chief Executives, and senior Finance, Procurement, HR and IT Directors, to canvass their views on how Local Authorities are planning to address anticipated reductions in operating budgets over the coming years. The research centred on:

- The potential scope and/or scale of the challenges that lay ahead in terms of the services or operational areas likely to be affected
- The role and contribution back-office transformation would play in realizing future performance objectives
- How sharing services with other local authorities and/or increased service commissioning might play a part in achieving future performance objectives
- Potential for working with Birmingham City Council and/or Service Birmingham.

It became clear throughout the research that Local Authorities in the West Midlands were very aware of the need for wholesale or deep rooted change to respond to significant anticipated budget cuts over the next three to four years.

“We have been chipping away at our spending and making efficiencies and trying to work smarter...but we’re at the stage now where there is very little that can be done around the edges and you have to make significant financial decisions.”

Feedback from respondent



What’s important?

Although facing serious changes, councils’ key priorities are to protect essential service outcomes, particularly related to vulnerable groups and economic development, while at the same time minimising the impact on staff where possible. Those surveyed consistently expressed the challenge is to keep services that matter most to customers at a high standard, in the face of diminishing resources and fewer staff. Despite considerable cost pressures, individuals across all of the key back office functions hoped to maintain, or improve, their internal customer services and standards.

Through rigorous process and system reviews, Local Authorities in the West Midlands are identifying the most crucial services and areas where staff can add the most value. Although the consequence of this may result in re-deployment or displacement for some, it would mean more focused, streamlined and automated operational environments for those who remain.

So what’s on the agenda?

Local Authorities in the West Midlands are considering a range of responses to the budget reductions including:

- A comprehensive review of all services and processes to find where to cut waste
- Assessing the organisational balance between front and back office functions
- Centralising back office services, including IT
- Aggregating services
- Joint commissioning and closer working with other authorities or community groups.
- Cross skilling and training staff to work across a greater number of functional business or service areas.
- Greater adoption of agile working (e.g. office, desk/space sharing and home working)

- Increasing the use of ICT to drive process automation and efficiency particularly on back-office functional areas.
- Further widespread introduction of LEAN systems, techniques and working.
- Strategies to generate additional income for the local authority
- The public to do more themselves
- Engaging the voluntary sector

Local Authorities in the West Midlands are increasingly collaborating with other Local Authorities with the aim of generating economies of scale in both front office and back office service areas. The majority, thus far, are working with their neighbours and there is a perception that physical closeness and similarity of area are important.

It is evident collaborative working ranges from informal or ‘niche’ sharing of professional skills, such as sharing a Health and Safety Officer, through to more formal ‘end to end’ joint service commissioning arrangements, such as delegated environmental and waste management services. Considerable interest was also expressed by respondents in finding more innovative ways to consolidate information and communication technology systems to enable greater service sharing opportunities.

“Over the next 3 ½ years all the support services will be subject to some kind of shared services.” significant financial decisions.”

Feedback from respondent

