



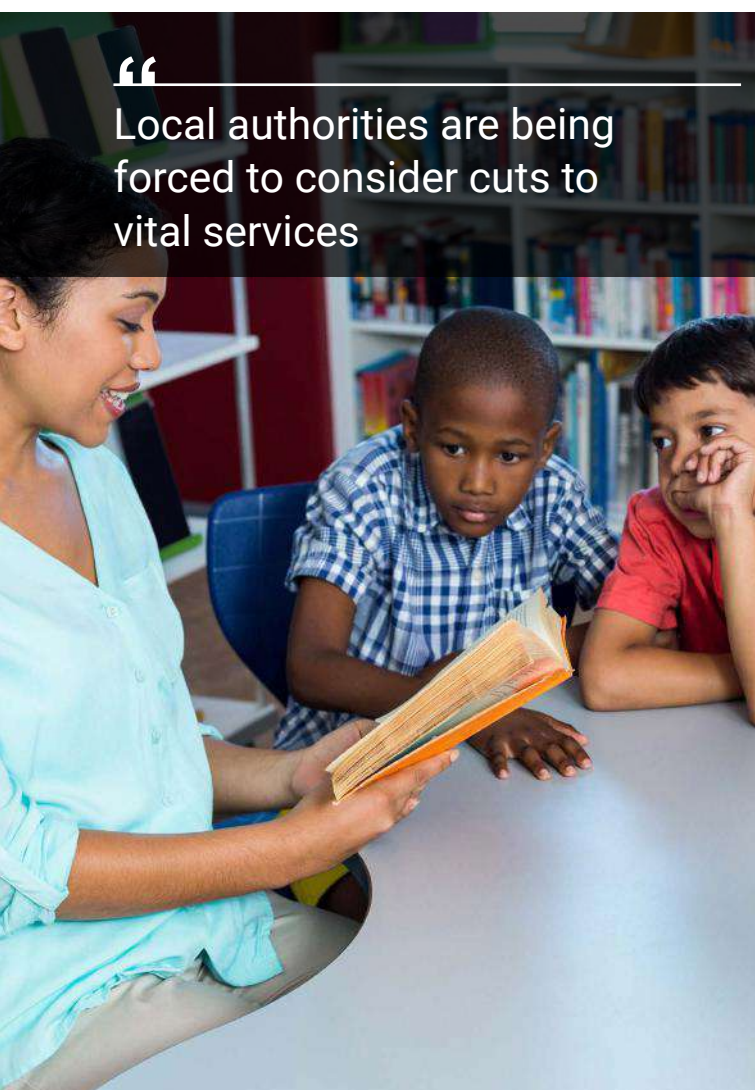
Austerity 2.0

With Austerity cited as arguably the next threat to public services - councils will need to challenge themselves to overcome impossible circumstances.



By
Rhian Loveless
Senior Business Consultant

The truth is, sequels are always worse than the originals. Sadly, this is as true of Austerity as it is of 90s' actions movies. However, whereas films tend not to follow the original plot, Austerity 2.0 is building firmly on the foundations of the first. Austerity 1.0 lasted over a decade and saw deep cuts to funding and increased pressures across the public sector. In 2022, the September mini-budget and the Autumn statement brought a new round of public service funding cuts in what is being coined 'Austerity 2.0'.



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Local authorities are being forced to consider cuts to vital services

Local authorities are finding themselves up against impossible circumstances with some huge decisions to make. Rather than focusing on improving the lives of residents, developing communities, and strengthening local economies, they're being forced to consider cuts to vital services and provisions that no public-minded person would ever choose. And yet it still might not be enough.

With over a decade of experience working in the public sector and in internal and external consultancy, improving services and delivering savings across local authorities:

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Do I genuinely believe there's millions of pounds worth of waste that can be taken out of the services without impact to front line services? *No.*

“
Do I think that the system is being put under so much pressure that it may fail? *Yes.*

“
Do I think our most vulnerable residents, both children and adults, will bear the brunt of the latest round of cuts? *Sadly, I really do.*

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Absolutely there's still more opportunity to deliver modern, efficient, and effective customer-centric public services, but investment is required to provide the right infrastructure and access the right skills and resource to achieve this; exactly the type of investment which Councils have been starved of in the first round of Austerity. Currently the labour market far out paces Local Government budgets for resources, leaving modernisation feeling like a Catch 22 situation.

When asked to share my thoughts about the challenge of Austerity 2.0 in Local Government, I was concerned that I would be asked to present an 'out of the box' solution or exciting opportunity which would be unrepresentative of (and quite frankly, insulting to) the realities for Local Government Officers and Councillors working tirelessly under phenomenal pressure to try and balance budgets. Instead, amongst my peers and senior leaders here at Methods, I've found consistent agreement that we're not talking about there being a 'silver bullet'. Budgets can't be balanced through efficiencies and transformation alone, there simply isn't the flex left. Instead, the focus for Councils needs to turn to managing the exposure, the risks, and protecting the most vulnerable residents as much as possible in the circumstances they've been dealt.

So, what are the options? Whilst not ignoring the human cost, burnout rates, and wider implications, it's important to remember and recognise what Local Authorities achieved during the Covid-19 pandemic. There is a new understanding of the breadth and depth of services that Councils provide and the vital part they play in our communities; a new recognition and appreciation that Councils are so much more than the visible services of bins and roads.

Local Government officers feel more connected to the value and impact of the services they deliver than ever before. Relationships across multi-agency and third sector partners have developed, adapted, and responded to needs, demonstrating an unprecedented ability and agility. Austerity 2.0 is arguably the next threat to our public services; residents and communities are once again dependent on public servants digging deep and doing what they can in seemingly impossible circumstances.



Despite all of this there are key opportunities and considerations that we believe can help to navigate these stormy times:



Be evidence based and data driven

No one envies the decisions you're faced with. Seek to take evidence based and data driven decisions rather than relying on historical or legacy approaches or instincts. Identify and follow the benefits. Be Agile; focus on delivering minimal viable products, iterate if the benefits justify the investment. In the absence of good management information, consider rapidly understanding user needs and taking baseline measures to work from. It's important to manage the risk of unintentionally displacing demand from one area in another.



Sustainable approach, to build capability

Choose a consultancy which takes a sustainable approach, to build capability not dependency. You may be offered a 'silver bullet' and it may be tempting to do wholesale transformation, but really consider limiting your risk exposure by managing spend. Do you have the resources and budget to ensure success? Beware those that will sell huge savings potential and struggle to deliver. Instead, learn what's worked elsewhere - use your Local Government networks to find out the true details behind the case studies and lessons learnt. One of the most exciting opportunities I've seen recently relates to [Machine Translation](#) - Sarah Peña, Managing Consultant here at Methods can talk you through how it works, the evidenced impact and how you can use it / get it.



Consider digital optimisation not digital transformation

Digital transformation is not a 'quick win'. Automation can release significant benefits that can be leveraged but you need the right infrastructure, governance, and approach to ensure you're not unintentionally creating an unmanageable, unmaintainable, and unwieldy IT estate rife with tech debt. A strategic approach to developing re-useable components and patterns, driving channel shift through understanding user needs, process re-engineering for automation, and benefits identification and realisation is central to ensure true digital transformation. It is no small undertaking and requires a 3-5-year plan where you can invest to save.

However, if you have little funding, maximise and optimise the use of your current estate to streamline processes and focus on its stability. In my experience, with a benefits-focused, engaged 'can do' matrix team this is where the real quick wins of digital can be found. Re-use [Local Gov user research](#) and adopt solutions delivered elsewhere making best use of the [Local Digital Declaration](#).



Communicate your position

You cannot solve this alone. Members and officers all need to understand the Council's financial position, priorities, and be able to identify opportunities to stop, change, or adapt services to be more efficient. Develop a benefits-led culture where financial benefits can be quickly identified, prioritised, and balanced against the undesirable impact savings may bring. Residents need to understand the decisions you're faced with.



Capitalise on economies of scale

Consider combining or pooling services and resources with other Local Authorities. With our breadth of experience, we can attest that services in one organisation closely resemble those in another. Our work with shared services has shown that they can be up to 50% more cost effective to deliver. This isn't about devolution and sharing 'back office', or enabling services that may be more politically acceptable than sharing front line services; now is the time to really engage with your Members about the choices and costs of localisation. No one wants to be issuing a S114 notice and the stark choices this leaves you with.



Challenge everything

By the very nature of the complex, varied, and politically sensitive services that Councils deliver, combined with a decade of Austerity, it's hard to continuously review and improve processes and policies. With experience across a range of Councils, Methods knows that this can result in big, unwieldy processes, with historical decisions and policies inhibiting efficiencies and innovation. In the face of the burning platform, now is the time to really empower your officers to question:

- What value is this delivering?
- What is the customer need it meets?
- What is the ROI?
- Can it be stopped?
- Can we, and should we, be charging for this?
- Are we charging enough?
- Can it be streamlined?
- Do we need to revisit the policy or political decisions?

There's no **magic wand**

We don't know what the future will hold but we know Local Authorities across the board have recognised that they're not going to survive without doing things differently and in the face of Austerity 2.0 there's no magic wand.

As we go into 2023, for many Councils the most effective approach will be managing their exposure and effectively challenging their own thinking.





Rhian Loveless

Senior Business Consultant

With a background in Business Analysis, Rhian is a Senior Business Consultant with over a decade of public sector experience including policing, local government, health, and third sector partners, and has deep domain knowledge in operational policing and Children's and Adults Social Care.

Passionate about using digital as a catalyst for broader and sustainable change in public services, Rhian is experienced in taking a pragmatic approach towards user research, identifying benefits, developing operating models, business cases, and securing benefits release.

Rhian has a broad range of digital experience including digital strategy and transformation, emerging technologies and Robotic Process Automation (RPA), process re-engineering for automation, developing Customer Experience platforms, system implementations, and developing bespoke solutions.

Rhian was the Senior Business Analyst on the National Technology Award's 'Best Public Sector Project of the Year' Award 2021 for Swindon Borough Council and Methods' 'Report It' Machine Learning and Object Detection collaboration. She has a BCS Level 4 Diploma in Business Analysis and is a qualified Prosci Change Management Practitioner.



Passionate about using digital as a catalyst for broader and sustainable change in public services



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