



## Introduction

Across the capital, indeed across the country, every eligible household pays their Council Tax. For many, the services funded by that tax are either not required for them or invisible. But one of those services that everyone not only uses, but is tangible and on a regular basis, is collection of rubbish and recycling.

But as local authorities – quite rightly – look to make savings to keep the taxes they charge local residents low, it is the very services that many residents need which can be cut first. For example, rubbish collection has been one of the services to be targeted. As an environmentalist, I am keen that more people recycle, and whilst incentivisation of recycling by taking away refuse collection is less than ideal, it can encourage behavioural change. But some local authorities have forgotten that was a reason that they gave. And now recycling collections are also going fortnightly – for example in Merton<sup>1</sup>. This results in removing the incentivisation of recycling, and instead purely means that local authorities are removing essential services in order to reduce costs. This is on top of residents having to spend time cleaning and sorting recycling into numerous different bins, which are often unsightly and have to be stored on their property. Making recycling more difficult, and penalising people by reducing collections, is not a positive way to make change.

In some ways, the reduction of costs and the desire to keep taxes low are admirable. But the removal of key services is not acceptable, and reduction in refuse collection is symptomatic of a trend towards making savings at the expense of residents rather than public servants.

In election year, the spotlight shines on councillors to demonstrate how they are keeping costs of living in the area low for those voting, but the methods of achieving lower increases may not always be the best for residents.

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<sup>1</sup><https://www.merton.gov.uk/rubbish-and-recycling/changes-from-2018>

## Where savings should be made

In 2012, in the early days of the coalition government which sought to address the deficit left by the previous Labour administration, the Department for Communities and Local Government published *50 Ways to Save*<sup>2</sup>. This helpful guide, championed by Sir Eric Pickles as Secretary of State, illustrated methods that local authorities could use to cut costs at no (or very little) disruption to your average householder. Some were the thoughts that many of us would have – the level of senior pay, catering costs for meetings, wastage on fun away days for public servants. Some were more thought provoking. Who would have realised that across the country, £1.2m was spent by local authorities on award ceremonies? Or even more shockingly, that nationally some £147m was wasted, according to Experian, on paying suppliers twice for the same bill? The paper highlights that in the London Borough of Islington, when internal auditors checked invoices from the authority's top thirty suppliers, ten bills had been paid twice and a further two paid three times, at a cost of £55,000. And that was only for those 30 suppliers.

Changes were made a result of the research that led to the paper, particularly around the funding of 'sock puppet' groups that were vehicles for lobbying. And doubtless it brought some focus to the wastage and lack of transparency in use of taxpayers' cash. Local Council newspapers clunked to an end, events budgets came down. But six years on, and with that national recognition of poor cost control in local authorities, why is it that essential services are the first to suffer?

As everyone is well aware, making change is just plain difficult. Even with good leadership, it requires buy-in from staff, which in a unionised environment can be tricky, especially when the re-shaping of services can lead to redundancies. It requires tough decisions – and then tough follow through, in a world where people are naturally resistant to change. It means changing business processes which are often deeply embedded, and can mean completely redesigning how back office services are provided. It can lead to sacrifices for those leading the change, with stricter expenses policies and less lavish events. Cultural change is complex for private sector companies, but in the public sector habits and expectations are often even harder to shift, with small perks perceived as the "right" of employees, and often a less results focussed pay and performance process. It is not, however, impossible, and local authorities must surely consider that their first responsibility is to those who they serve, their local residents.

Back office services, particularly, are not used by the public. As the DCLG paper pointed out, does every local authority really need dedicated services, for example, to collect Council Tax? Does every Council need a cash office, when people could perfectly well pay for services at a Post Office? There are a great many services which could be combined between authorities. And this would doubtless reduce the numbers of highly paid senior managers required to oversee such services.

In London, three local authorities – Westminster, Kensington & Chelsea, and Hammersmith & Fulham, agreed to a tri-borough arrangement. Combining management responsibility for services in adult social care, children's services and public health over a small geographical area, the aim was to make savings on staff numbers, and bring synergies across the area. By 2016/17 it was saving each local authority £13m on staff costs<sup>3</sup>, but the Labour led Hammersmith & Fulham authority created sufficient uncertainty by creating new teams in-house for these pieces of work – using taxpayers' money – that the scheme had to be halted, placing a burden on the other two, Conservative-led,

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<sup>2</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/39264/50\\_ways\\_2.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/39264/50_ways_2.pdf)

<sup>3</sup><https://www.rbkc.gov.uk/press-release/tri-borough-partners-split-2018>

authorities. However, the scheme proved that without the added difficulties of cross-party working, serious savings could be achieved, and a bi-borough arrangement between Westminster City Council and the Royal Borough of Kensington and Chelsea looks set to continue from 2018.

The key to such an arrangement is that it does not impact on residents. This is not about combining front office services, but about back office arrangements.

## The easy option - where savings are made

If it is challenging to make changes internally, it is much easier to pass through changes that will affect residents but not managers. Under a banner of frozen Council Tax – never an unpopular message in itself – reduced services can be passed, spinning the difficulties that local authorities face in delivery. Combined with a message of central funding being removed, local authorities can easily sell the message that the only cuts are to the services they provide – not the huge budgets that service the running of the authority itself. Remaining on the theme of refuse, services can even now be seen to be being used to gather extra funds – for example in London boroughs such as Croydon and Bexley where collection of residential green waste now has to be paid for, rather than being seen as part of the core refuse and recycling service.

And these areas fall more comfortably under the remit of cabinet members and councillors, who are much more able to suggest cuts in their areas of responsibility than they are to restructure an entire department. With proposals made, budgets are passed in Council as a piece - there are not individual votes on separate elements and debates on individual proposals. Such budgets can prove unpopular with residents – removing services, selling off green spaces and snatching relatively small piecemeal savings rather than addressing institutional change – but residents are often unable to disentangle service costs from back office costs. Particularly in non-election years, local authorities can fight objections simply by stating that budget cuts and the desire to minimise Council Tax increases mean it is impossible to provide services that once existed, even when changes could be made in other areas.

What is worse is when services are reduced in spurious bases. As highlighted in the introduction, local authorities often claim that reducing refuse collections will boost recycling by residents. And without a doubt, residents are recycling more. But worryingly, a growing amount of this carefully sorted waste is being burnt<sup>4</sup>, rather than recycled, meaning residents' time is wasted, and the goals set out are not being achieved. As recycling is a vitally important means of recapturing resources, as well as leading to lower contamination of the air, water and soil, authorities must focus on better ways of achieving higher levels of recycling, rather than purely on cost reduction for waste collection.

## What is the solution?

The role of Councillors is to represent the views and will of the electorate. Whilst councillors are often talented individuals representing all walks of life, not all are experienced in running what is essentially a multi-million pound business. This is a skill which is highly prized, and not an easy task

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<sup>4</sup><http://www.dailymail.co.uk/news/article-5290339/Half-million-tons-recycling-dumped-burned.html>

with falling income. Local authorities must view themselves in a business-like way, with accountability, and look at smarter ways to use their funding – which all comes through tax payers – whether from Council Tax, business rates or central funding.

For this reason, it is vital – in this election year with new faces and new challenges – that councillors task the executive with making proposals for root and branch internal change, which does not impact on residents. Residents care about service delivery, accessing support they need, and effective communication. They want to see a well run efficient Council which can provide the core services that are needed on a local basis. Residents have much less interest in the structures that provide these.

Ideas could include:

- Combining teams internally, and reducing management overheads by doing so. Local authorities should start from the point of what is *needed* to deliver services to residents, not the organic structures which have developed. Under previous governments, local authority budgets became bloated, and it is past time that councils learned to live within their means, without removing fundamental services.
- Challenging expenses and days out. A whole industry of conferences and events exists for the public sector. From seminars to residentials, dinners to networking, these attract a fee for attendance, time out of the office, and costs of reaching the venue – sometimes with accommodation. Some events are valuable opportunities to share ideas and best practice and it is important that people have the chance to learn from others – but how much of this is essential and how much could be achieved at a lower cost and with less travel?
- Look at recruitment and staffing. Even with the perfect organisational structure, how much is wasted through expensive agency fees, headhunters, print adverts – and agency temps and consultants? Whilst data is limited, a recent Freedom of Information request in Devon found that the local authority<sup>5</sup> was spending £2.5m a year on temps – and that a quarter of its children’s services budget was funding just 8% of the work being done. And recruitment of senior staff by London’s local authorities is still often through expensive agencies which charge thousands per appointment.
- Remember what they are there for. Local authorities have statutory services they need to deliver – looking after roads, offering social care – collecting bins. Whilst there may be many other areas of local life that councillors and officials could wish to be involved in, such as local events, those core services must come first.

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<sup>5</sup><https://www.devonlive.com/news/devon-news/devon-county-council-spends-25m-1258468>

These are not new ideas. Many organisations – private, public and third sector – have had to make changes to increase efficiency. Whilst making change can be painful at the time, it can also create a more flexible and open working environment.

## Conclusion

Local authorities have to change the way they think about making savings. Gone are the Blair and Brown years of borrowing, where overly inflated local authority structures could be propped up by central government funding. All authorities know they have to save money, but saving this at the expense of local families who pay for essential services which are being reduced is not the answer.

Councillors must grasp the issues, and look to demand organisational change from within, before local people are punished in order to keep old ways of working alive. This is the only way of making sustainable change, rather than shaving pieces of budget away whilst costs mount year on year.