

The future in our hands

Insight provides highlights from the second in a series of Gandlake roundtable workshops, which took place in England and Scotland earlier this year

ENGLAND: BUSINESS & TECHNOLOGY

Business strategy and contracts

Gandlake MD, John Gandley (JG), introduced the focus group, and the day got under way with Institute Chief Executive David Magor (DM) asking what issues local authorities (LAs) were facing and whether they had the expertise to deal with them.

DM thought that the reduction of software suppliers had taken the competitive element out of the market, and asked where LAs would go for contract advice. Allan Traynor (AT) expected big LAs to have a procurement partner. Mike Peterson, however, pointed to the potential for contracts to be bureaucratic, lengthy and expensive. Carol Cutler (CC) then raised the need to look at long, flexible, contracts operated on a project-by-project basis, and the possibility of going elsewhere for work. DM then raised the issue of enforcement contracts. The Ministry of Justice is becoming involved in the area of bailiff contracts, and one issue was people who could not afford to pay, being charged.

Graeme Spurr (GS) asked attendees whether their internal lawyers understood the nature of their software licenses, while CC felt that most software suppliers had standard contracts, which could be run past 'in-house' lawyers. But more expertise was needed for big business transformational contracts. GS questioned whether things would change if another supplier came into the market. Stuart Michenall (SM) responded, stating that somebody with a "really modern piece of software" could take over parts of the market. DM concluded that someone should stand back, look at the entire local government software market, and possibly create a "mosaic" of different systems.

LA shared services

DM again opened the discussion, detailing the different models available, which ones looked sound, and how a business case for shared

services was proven. For AT the business case was finance – but many shared service agreements were inadequately put together with potentially glaring gaps in possible costs.

DM then noted that the reason local government in London is run effectively, is because the unitary authorities are of an optimum size, enabling maximum economies of scale and good procurement deals.

AT disputed the central government view that shared services were the panacea for everything and SM commented that while service delivery was better, local and small administrative areas suited a shared facility.

DM asked whether the issues relating to shared services were about risk aversion, and while CC thought that there must come a point when shared services become too big, Graham Cadle said that nobody wanted to lose their "little empire" to shared services, but that, soon, central government would not give them a choice. DM asked attendees whether it was just a dream, stating that, "a detailed study on shared services was needed to determine whether any of the existing models delivered".

Technology

The discussion moved to citizen-based data entry, with Bill Sproul (BS) asking how much of the service delivery process citizens could do themselves. Some organisations were using basic web forms to ascertain potential uptake before determining whether there was enough volume to invest in infrastructure to automatically update things. Would customers then make a telephone call to check that their web request had been received, and if that was the case, how would

received in the call centre? Automated emails could help to prevent this, Jonathan Irving explained.

BS then addressed the issue of people moving from telephone contact to the web, noting that confidence and convenience were the main drivers. There would be some instances, though, where customers would always prefer to do things in person. BS then addressed the point of online identification in order to speed up the process of form filling and data verification. The 'Facebook generation' are quite happy to give up their identity if they have a password, and they are going to become LAs' core customers in the near future, he explained.

Mobile communications

BS explained that with the advent of mobile technology, a lot of technologists were saying that the information delivery screens to watch are the PC and phone screen, and not digital television.

JG noted that many new devices would utilise fingerprint and iris identification, so that a mobile phone could basically become an ID card. This has been utilised with laptop cameras, verifying the identification of the user before allowing them to log on. But it was acknowledged that there is an issue with mobile phones, in that they are throwaway devices.



SCOTLAND: LOCAL AUTHORITY SYSTEMS

Another detailed analysis of shared services set the tone.

JG felt that shared services and the development of services were related by how they integrated back-office systems into a unified service for the public and the council. DM suggested that partnerships worked when they were formed of "soft" relationships between adjoining authorities, but difficulties arose with capital expenditure. He felt the optimum population figure was 250,000, with 75,000 to 100,000 domestic dwellings.

Alternative sources of income

DM listed the numerous countries that levied property taxes, stating that they also raised money from fees and charges.

Charges for LA services were either fixed according to what the market would bear, or based on the council's, or its provider's, costs, DM continued. He warned that it was often political decision-making, rather than a local area's needs, that won the day. LAs are forced to raise fees locally, usually through non-domestic waste collection and car parking.

Charging policies have to meet the needs of the local community. Some other services, such as crematoria and theatres, were being eroded by the private sector where LAs used to have a monopoly, whereas environmental services were quite resilient against the private sector. Civic buildings could be rented out, but how could LAs meet their target to raise 25% of their income from fees and charges? Traffic management charges, according to DM, would have to increase as a source of income, and the challenge to Scotland's rural communities was to improve public transport. Perhaps traffic fines or the cost of parking in dense urban areas could finance this, but how would this address problems of unemployment in the car industry?

A workplace parking levy proposal was also discussed and average speed cameras might soon be in town centres. These changes had to be matched by an improved transport infrastructure to achieve a 'social balance', but where do these policies end?

Value added tax (VAT) could include local variations, or could be taxed nationally and allocated locally. DM concluded that a 'basket'

of local taxes needed to be created. Many LAs used to run lotteries or scratch-cards, but the 12% tax on the National Lottery is now taken centrally – he questioned whether it should return to local control.

Policy-linked charges included 'green levies', particularly in relation to building insulation, and fire inspections are already available in legislation; the problem was how LAs chose to charge for them. A broader framework was required to cover services like tourism, pay-as-you-throw, kerb lowering and trench reinstatement.

Many were against the principle of charging for recycling – people instead could be penalised for not recycling. This might require a complicated checking infrastructure, unless technology could supply the answer. The carbon footprint penalty or its reverse, green credits, were options for LAs, the latter awarded as a property tax increment to those who had ensured their homes met insulation standards. Some councils in Scotland were already taking these measures, 'scoring' properties accordingly.

Next steps

DM asked how LAs were going to move from where they were now. LAs' contracts with back-office vendors would come up for renewal at some point in the next five years, he asserted, and they must insist on full access to the integration software.

DM still felt that LAs lacked the answer to the question, "what is the best solution for an efficient and customer-friendly electronic system?" JG stated that organisations should put in place an infrastructure that was not tied into particular systems, on which to base the development of future services. The route was horizontal integration. BS advocated a standard interface, matched by all vendors. DM suggested a standard application form for all benefits – local identity could be achieved through opting out of certain questions. There was a standard housing benefit claim form already, but not a standard way of processing it. Data had to be standardised first, then shared, and this would break down the barriers that were preventing automation. ❖

"A detailed study on shared services is needed to determine whether any of the existing models delivered"

➔ John Roberts is Managing Editor of the IRRV magazines and a past President of the Institute