



Transforming London's Public Services

Government Office for London
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Introduction

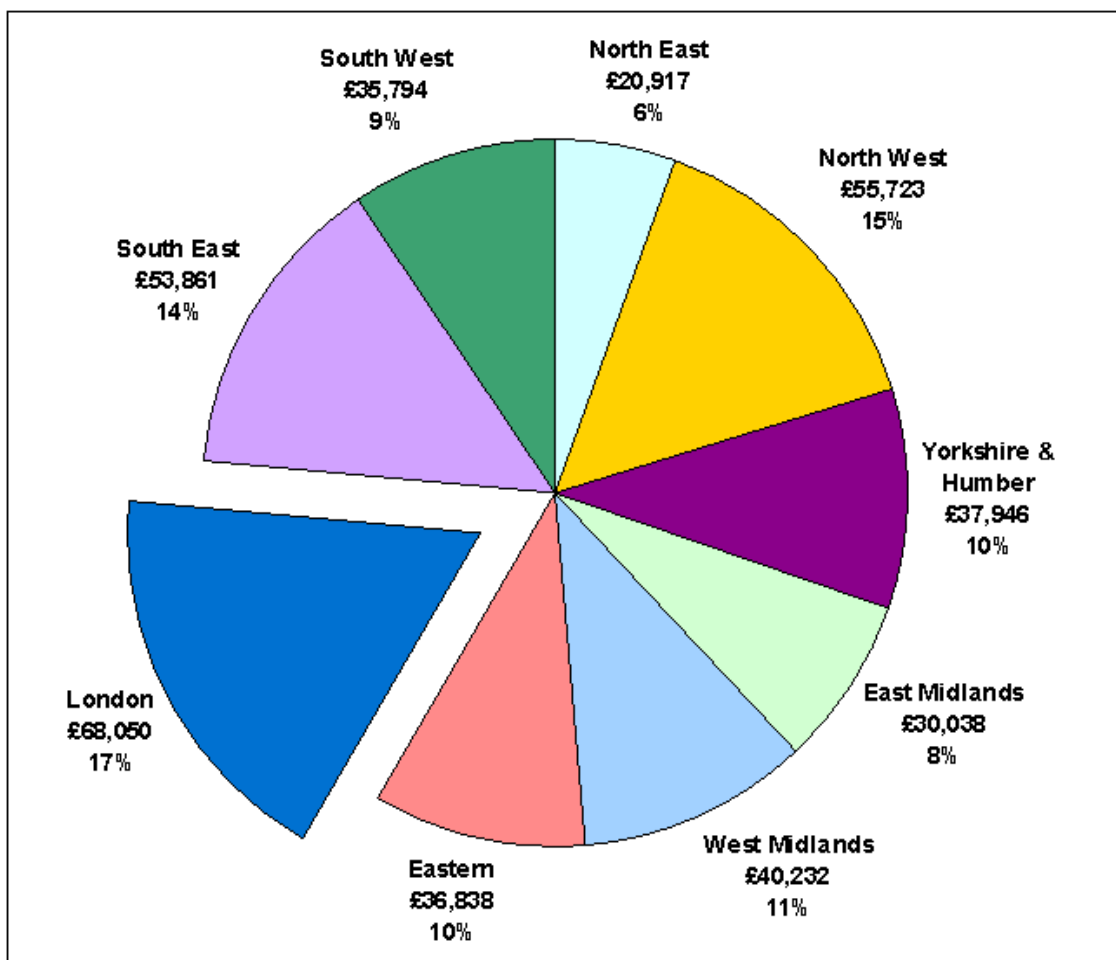
1. Delivering more and better services, without increasing burdens on the taxpayer requires a significant and collective shift in approach, recasting the relationship between the centre and the frontline and between citizen and state, and streamlining government. The Government is committed to working with Local Government, the third sector and citizens to find the means to deliver on this challenge. London's unique position in terms of its size, demographics and governance arrangements provides an opportunity to consider issues and potential solutions from a city-wide perspective.
2. This document sets out the scale of the challenge for London and highlights examples of where boroughs have individually or collectively transformed the way in which services are provided, allowing them to deliver better, more efficient outcomes. It seeks to prompt debate about the opportunities and barriers to taking successful service delivery models further and suggests possible ways forward.

Chapter 1: London's challenge and opportunities

Public service provision in London

- Public expenditure in London is currently £68 billion¹, accounting for almost 18% of public expenditure in England, and representing an increase of 14% since 2003. At £9,005 per person, London has the highest per capita spend of any English region, 21% above the England average.

Chart A: Total identifiable public expenditure, £millions, England, 2007/8



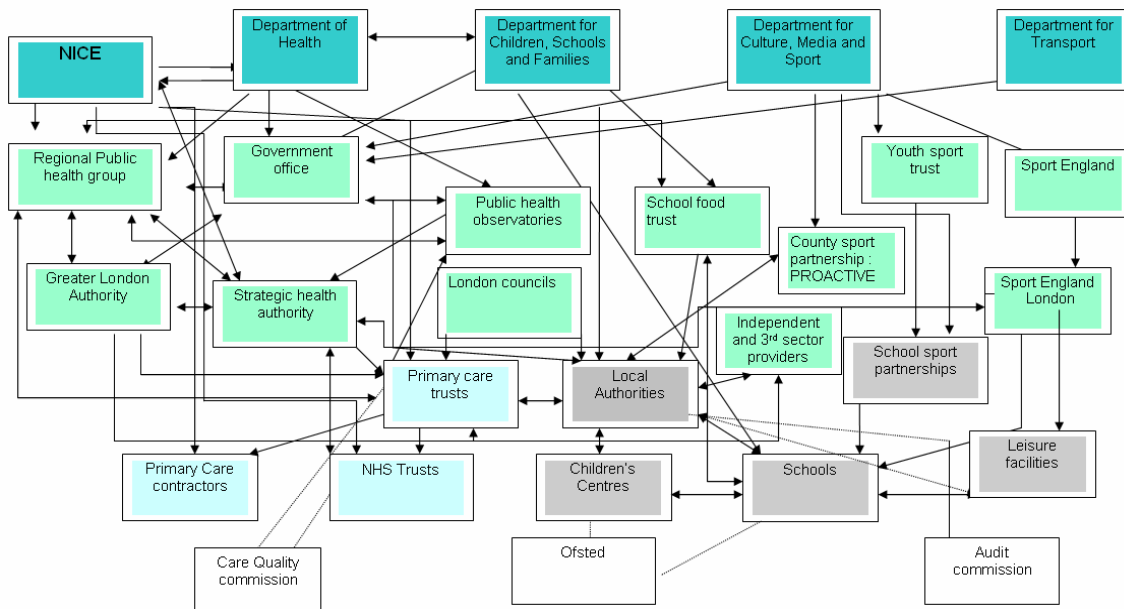
- London's population is projected to increase by over 1.3 million over the next 25 years. This is equivalent to an increase the size of Newcastle upon Tyne every five years. Demand for public services will therefore continue to grow, and public spending will be under pressure. New ways therefore need to be found to meet demand and continue to drive service improvement.

New Ways of Working

How can we hope to achieve more efficient, better outcomes?

5. Broadly, the goals sought can be achieved through two different approaches, or, optimally, a combination of both:
 - Efficiency savings, e.g. bulk purchasing
 - Pan-London e-auctions for desktop equipment in 2009 saved £10.5 million across the public sector².
 - Process improvements e.g. eliminating tasks, achieving outcomes via other means, for example:
 - Allowing service users to undertake transactions via websites
Accelerating the move to digitised public services and reducing the gap on digital inclusion could generate £400 million of savings nationally over three years³
 - Harnessing the capacity of civil society can generate huge benefits. Formal volunteering contributes an estimated £22.7 billion to the national economy each year⁴
 - Simplifying delivery chains - the structures for delivering certain cross cutting outcomes are complex. This increases the risk of duplication and leakage through administrative costs if not properly coordinated within and across boroughs.

Chart B: Delivery chain for Childhood Obesity⁵



Policy context: steps taken by the Government and London to facilitate the delivery of better, more efficient outcomes:

6. The Government has set out its proposals to deliver efficiencies while maintaining front line services:
 - The Operational Efficiency Programme Final Report⁶, published alongside Budget 2009, set out how improved value for money can be achieved by fuller collaboration across the public sector, including sharing back office operations and negotiating better procurement deals. The Local Incentives and Empowerment strand of the review, led by Sir Michael Bichard, launched 'Total Place' - a 'whole area' approach to delivering services across a geographical location. Total Place looks at how to deliver better services at lower cost, through effective collaboration by partners between and within Local Authority areas.
 - The Smarter Government White Paper sets out how Government can save £12 billion a year over and above the £26.5 billion a year of savings which government departments have already made since 2004 following the Gershon review, and the further £35 billion a year to which it is already committed by 2011. A key principle is a recasting of the relationship between the centre and the frontline in three ways:
 - **letting local areas have more control over setting priorities and guiding resources** by simplifying performance management from the centre, and increasing local flexibility over the use of resources
 - **reducing burdens on the frontline**, whether from reporting, inspection or assessment, with a focus on removing those burdens of least benefit to local people
 - **harnessing the power of comparative data** so that it is available to citizens and frontline professionals, and is at the centre of local scrutiny and simplified performance management systems.
 - London Councils, through Capital Ambition initiatives such as The London Collaborative, is leading on several programmes designed to drive business transformation through:
 - services to better fit user demand;
 - joined up back office and other services;
 - improved performance across the whole of London; and
 - developing leadership capability

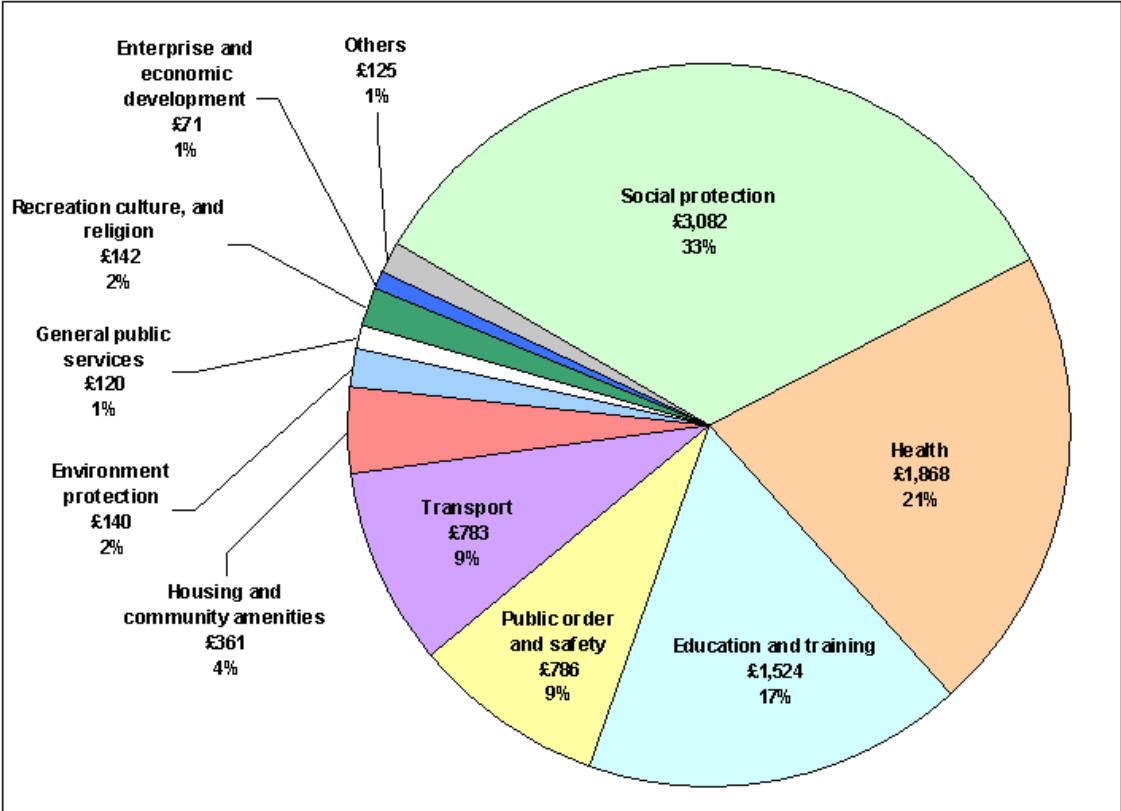
London and the service transformation challenge

7. A key theme running through both the Government and London's policy response to the delivery of better, more efficient services is **collaboration** – both within and across Local Authority areas.
8. Within the UK, London offers possibly the greatest scope in terms of opportunities to collaborate to deliver better, more efficient services. The coincidence in London of a large population in a relatively small geographical area offers both a challenge but also real opportunities to achieve economies of scale in delivering public services, for example:
 - the pan-London service provision residents of the capital desire. Around 3 million people use NHS walk in centres rather than their local GP every year⁸; over 60% of London workers' jobs are outside their borough of residence⁹
 - opportunities for rationalisation - a number of services delivered separately by each London Borough are similar or identical, and in some cases delivered by a small number of external contractors. A 2007 review found that £42 billion is spent by local government on external contracts – over 40% of all its expenditure¹⁰ - therefore scope to reduce costs through bundling contracts together may be considerable.
9. The opportunities presented by greater collaboration are clear and organisations across London have begun work to realise them. The following two chapters describe how organisations have worked together within and across boroughs to deliver better, more efficient services. There are issues that need to be overcome to increase the scale and pace of change, some of which are described in Chapter 4.

Chapter 2: Better Service Integration - Working Across Organisations

- 10. This chapter seeks to raise questions about the current means to deliver outcomes between organisations operating within a borough, examining alternative models for the provision of specific services within a number of major areas of expenditure (see chart C below).
- 11. It is always the case that the specific examples and options outlined here may not be universally applicable. There are likely many others that could be successfully applied. There may be barriers to adopting certain models and/or embracing them at greater speed.

Chart C¹¹ Public expenditure on services in London by function, £ per head, 2007/08



Challenges of an Ageing Society in London

- 12. In 2007/8 a total of £2.3 billion was spent on community care for adults and older people by London Boroughs¹². Over 15% of London’s population, nearly 1.2 million, are aged 60 or over. Almost a quarter of a million people in London are aged 80 or over. GLA projections indicate that London’s over 60 population will increase by 9% between 2001 and 2021¹³.
- 13. Nationally, the number of people over 85, the age group most likely to need nursing, residential or home care is now expected to rise from 1.1 million in 2000 to 4 million in 2051¹⁴. With the general increase in life expectancy of the population, it is estimated

that by 2026, 1.7 million more adults will require care support in one way or another¹⁵. The increasing numbers of older people over 85 will lead to increases in conditions such as dementia, and extra carers will be required for these people.

14. We will therefore need new and better ways of providing support to help older people maintain their independence. As the examples below illustrate, boroughs are already looking at:

- innovative ways to provide integrated services which make the most effective use of available resources,
- developing services that people want, and
- meeting the needs of an ageing society.

Collaboration across organisations: Tower Hamlets – Link Age Plus

The Link Age Plus initiative provides opportunities for older people in Tower Hamlets to benefit from a range of social and health related activities to maximise their health and wellbeing and make the most of their later life.

By bringing publicly-funded providers together with key third sector providers, the LinkAge Plus project enabled staff and volunteers to coordinate work more effectively with reduced overlap and competition.

By contracting with one of the five LinkAge partner organisations acting as a “bridge” to the other organisations, significant savings have been made. Ongoing funding of £648,000 per annum is now shared by the Council and Primary Care Trust – a 33% reduction in budget from the pilot phase.

Typical benefits of the Link Age Plus initiative from national research shows that after a two year investment period the approach starts to break even in the following year, with a net present value to the taxpayer over five years of £1.80 per £1 spent.

Harnessing community capacity: Southwark Circle

Southwark Circle is a social enterprise, supporting the community to help itself, rather than rely on public services. It helps its over-60's members sort out practical matters, stay socially connected and lead a purposeful life. It provides one single destination for a wide range of services and activities including:

- ‘On Demand’ help with life’s practical matters through neighbourhood helpers,
- Opportunities to continue working and learning and build relationships, and
- Expert advice and information on a range of practical issues from personal finance to technology, as well as helping others.

Over the first three years, Southwark Circle has the potential to save 4% of the total expenditure that the Council would have expected to spend on this group of older people.

Research findings have established that spending £1 on preventative services such as Southwark Circle will help to save £2 in longer term social care costs.

High Risk Families

15. Department for Children, Schools and Families figures show that a child in residential care can cost £110,000 annually. A family with complex needs or where there are anti-social behaviour issues can cost £250,000.

16. Research¹⁶ shows the difficulties and damaging effects for children and young people living as part of chaotic families:

- Parental drug use is associated with neglect, poverty, physical or emotional abuse, separation and exposure to criminal behaviour
- Alcohol misuse has been identified as a factor in 50% of all child protection cases (1.3m children live with parents who misuse alcohol)
- 25% of children witnessing domestic violence have serious social and behavioural problems; estimates suggest at least 240,000 children are exposed to domestic violence.
- 63% of boys with convicted fathers go on to be convicted themselves. Children of prisoners have three times the risk of mental health problems or delinquent behaviour compared to their peers. 162,000 children had a parent in prison (2005), and 55% of female offenders have a child under 16.¹⁷

17. Initiatives in the London Boroughs of Merton and Westminster indicate that a more integrated first response to high risk families can lead to swifter and more effective targeting of services, as evidenced by the case studies below.

Family recovery in Westminster

The City of Westminster's Family Recovery Project (FRP) is an integrated, multi-agency team which supports and intervenes with families who are at risk of losing their children, home and/or liberty, and have a history of non-engagement with services, or those where, even with multi-agency support, positive change has been limited or not sustained.

Unlike more traditional interventions, the multi-agency team take a holistic view of the family with two lead professionals for adults and children.

Over a year, there has been substantial progress. An evaluation of the project across 20 indicators has been undertaken and the key measures show that, for targeted families:

- 32% engaged with domestic violence practitioners
- 32% of housing arrears have been cleared or plans are in place
- 39% of known anti-social behaviour (ASB) is reduced and in 20% of cases there is no further ASB
- 47% engaged with support services, and family functioning is improving
- 21% seeking or attending training or further education
- 50% improved schools attendance

These are initial conclusions, but they show that as capacity and a body of knowledge grows, the FRP will be able to intervene faster and more effectively.

The City of Westminster puts the actual cost of its FRP intervention at around £15-20k per family* – considerably lower than the potential costs of more traditional service delivery models.

* Based on Westminster City Council's Family Recovery Project Figures, October 2009

Improving safeguarding in Merton

Merton Police introduced their Public Protection Desk in 2008 in line with Metropolitan Police guidelines to process and investigate all notifications of children coming to the attention of police.

Approximately two thirds of referrals to social services subsequently do not warrant a further assessment and are referred onto family support services in the borough. The cost of processing these unnecessary referrals equates to £50k*.

In a joint initiative with GOL, partners in Merton have been able to reduce unnecessary referrals, ensuring greater targeting of scarce resources in both organisations, and improved confidence in safeguarding.

* Based on LB Merton figures for 2008/09, ie two thirds of 3058 referrals at an estimated staff cost of £23.50 per referral. (October 2009)

Tackling Substance Misuse

18. London spends over £117 million per year on substance misuse programmes. However, that is dwarfed by the costs of not addressing the issue - class A drug use alone generates an estimated £15.4 billion in crime and health costs nationally each year¹⁸. Well targeted investment on treatment and intervention pays off, and evidence suggests that investment on treatment and intervention is recouped many times over in savings down the line.
19. Drug addiction can also be a driver for other types of crime such as burglary and robbery. Alcohol is also a factor in much violent crime, including domestic violence, anti-social behaviour and criminal damage. The potential for adopting a radical approach to reducing costs whilst improving services and creating better integrated and more sustainable service has been explored by LB Lambeth.

Collaboration to deliver drug and alcohol services efficiencies

LB Lambeth has nearly 5, 600 problem drug/alcohol users and currently invests £10.4 million in treatment services. Since April 2009 the borough has been involved in a two-year pilot to deliver new approaches in the drug treatment system and is reviewing its Substance Misuse Service with a view to redesigning and re-commissioning.

The pilot has been supported by NHS Lambeth, National Offender Management Service (NOMS) and the Metropolitan Police Authority (MPA). Lambeth faces a budget reduction of £1.4 million from 2010/11, but is confident that this process will not lead to a conflict between cost and quality of service. Consultation has been carried out with service providers, staff and service users, and it is expected that the new service will be in place from January 2011.

20. If every borough in London were able to achieve even half of the savings planned by Lambeth, this would equate to over £22 million across London.

Health and Well-Being

21. Funding for health and well-being makes up over £1.8 billion, or 21% of London Public sector spending¹⁹
22. International and national evidence points to the fact that to improve the health and well-being of local communities and to narrow inequalities, action is required locally to:
 - Address the social determinants of health (eg work, housing, education);
 - Improve health related behaviours (eg alcohol and drug misuse, tobacco use, physical exercise, diet, sexual behaviours);
 - Meet the needs of specific vulnerable and disadvantaged children and adults; and
 - Ensure access to high quality health and social care services
23. The need for public sector organisations to collaborate to deliver better outcomes is therefore clear. Partnerships across London are looking to develop whole-system approaches to tackling ill-health as well as ensuring high quality, focussed health and care services.

Hammersmith and Fulham Shared Borough / PCT Chief Executive

Hammersmith and Fulham is undergoing a programme to more fully integrate with its Primary Care Trust (PCT); the organisations now share a Chief Executive. There are already a number of benefits and improvements to services that are being delivered to residents:

- When new residents contact the council about council tax or parking permits, they can now also receive crucial information about accessing health services.
- 16 H&F advice staff have been trained to advise customers on the benefits of quitting smoking and the services available to help them.
- Council and NHS teams are working together to improve child oral health. Children's centres, nurseries and schools will record if a child has been to the dentist upon entrance.
- Specific referral routes for children with a child protection plan, 'Looked After Children', residing in borough and children with special needs.
- Exercise on Referral/Subsidised Lifestyle cards and free swimming sessions for over 60s, (funded by the government), and under 16s over the summer (funded by the PCT), introduced in partnership with the Council's managed leisure services.

The programme has also identified efficiencies:

- A single service for commissioning children's health and social care services will be established towards the end of the year.
- The two organisations have integrated their human resource services and the Council will also provide payroll services for NHS H&F.
- A single joint Emergency Planning Team across the two organisations is being established. This will enable a co-ordinated response to emergencies as well as a single out-of-hours call out system.
- The Council is sharing its procurement experience with the PCT, which will strengthen its development to become a world class commissioner.

Asset Management

24. Well-planned use of property can help join up local services and improve public access.
25. Through Total Place, pilot areas including Lewisham have been exploring barriers to better asset management. Evidence from here and the Audit Commission²⁰ suggests there is much local authorities could do to optimise management of their estates.
26. A recent report²¹ cited that councils thought there was 'scope for producing efficiencies through reducing the costs tied to property, such as office space and buildings'; however only one in five directors of finance says their council has all the information it needs to manage the estate properly.²²

Joined-up Leisure Services in Lewisham

Lewisham council's innovative Downham Health and Leisure Centre opened in March 2007. The centre incorporates community health, leisure and well-being services such as swimming pools, fitness centre and dance studios; library with associated meeting area and dedicated ICT spaces; exhibition space, café, creche, an Accesspoint for council services; community hall, two GP surgeries, community health care facilities and a dental practice.

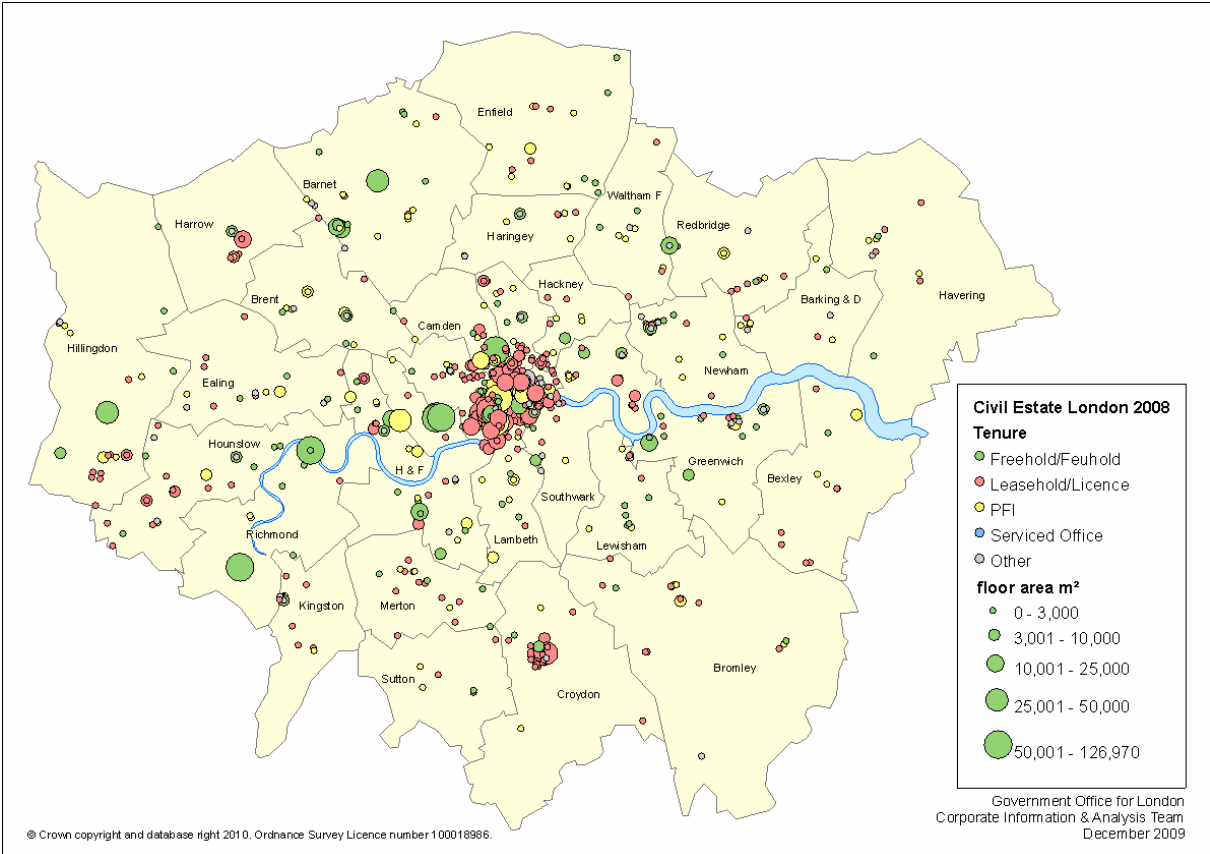
The centre was designed as a 'one-stop-shop' for services that can be used on a regular basis. There are immediate benefits to the local community in providing a 'one stop shop' for services that can be used on a regular basis. Overall, the Private Finance Initiative is in place for 33 years. Extending costs over that period leads to savings in delivery costs. The management board expects additional savings in ancillary services such as cleaning and maintenance. Services have developed a community engagement plan which means they can act together. They can also inform, and engage with, local people and organisations*.

*<http://www.living-places.org.uk/culture-and-sport-planning-toolkit/case-studies/joint-facility-provision-case-studies/downham-health-and-leisure-centre/>

Asset sharing with other public services

27. The Smarter Government White paper expresses the Government's desire to develop regional strategies for the government estate, considering best use of assets across both central and local Government.
28. The size of the Central Government London estate is nearly 2,403,000m² ²³, accounting for 25% of government mandated estate. This offers considerable opportunities to join up services to deliver efficiencies and better outcomes for residents.
29. Recent national work by the Audit Commission suggests that a third of local authorities do not yet share assets with other public services.²⁴

Chart D: opportunities for co-location - the Central Government estate in London



- 30. Total Place work suggests that boroughs could look to savings through reducing running costs including maintenance, property management, energy, leases, security, cleaning and reception across the public sector estate of around £2.5-3 million a year, equating to between £80 and £100 million across the capital.
- 31. The Office for Government Commerce, working with the pan-Departmental initiative Civil Service London, led by the Government Office for London, are looking to work with London Boroughs and Departments to facilitate collaboration and identify and remove potential barriers to shared estates in London.

Chapter 3: Variable Geography – Working Across Borough Boundaries

32. Cross-borough collaboration offers considerable additional opportunities to improve outcomes and release efficiencies. The examples below highlight some of the opportunities in key service areas that London could potentially take further.

Shared services

33. Local Authorities undertake many activities which are delivered broadly uniformly across London, for example due to their transactional or regulatory nature.
34. A 2007 study found that £12 billion is spent by Local Authorities on commodities, goods and services annually.²⁵
35. The Scottish executive believe there may be savings of between £250 - £750million, equivalent to 1% and 3% of total operational costs across the Scottish public sector through greater application of shared services²⁶. It is possible that even greater savings may be possible in London due to its unique geography.
36. As table 1 and other examples in this document highlight, local authorities have been active in seeking opportunities to share services across boroughs for some time. These have released efficiencies, and in some cases also improved the service offer and better helped meet desired outcomes.

Table 1: Examples of shared services in London

Area	Project	Savings	Outcome improvements
Barking and Dagenham, Havering	Shared service for business rates running since 2008	Savings of £50K have already been made; estimated savings over the 5 year life of the contract are £600K	Success has led to further co-operation between Havering, Newham and Tower Hamlets on a single service to deal with collection of non payment of business rates.
Ealing, Haringey, Lambeth, Barking and Dagenham, Tower Hamlets	Joint out of hours call centre	£200,000 per annum	No redundancies took place and existing staff were transferred to specialist contractors, who offered to halve the cost for dealing with inquiries by providing one centre for the five local authorities.
Olympic Host Boroughs (Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest)	Printing residents' newsletters	£125K/annum in Hackney alone	Demonstrated true partnership with defined tasks between the boroughs
Forty-seven organisations, including 16 London boroughs	Joint procurement through IT hardware e-auction	More than £10.5 million in one auction alone	The councils and NHS trusts have together achieved far greater price reductions than anything they would have obtained by negotiating on an individual basis
Kensington and Chelsea, Hammersmith and Fulham	Sharing director of transport and legal director posts	Over £80,000 per annum per post	An improved service by sharing skills and knowledge.

37. However, the scale and pace of change suggests that there may be barriers to the more widespread adoption of the shared service model – some particular to individual boroughs, others more widespread. Aside from missed opportunities through economies of scale, the Roots review²⁷ highlighted wider impacts of a failure to share services on choice and value for money, including a disinclination on the part of the private sector to tender for small and repetitive procurements, meaning many potential suppliers do not apply.

Cross-borough collaboration and social care

- 38. At over £3 billion, funding for social protection makes up one third of all public spending in London. London Councils predict that, on current trends, this cost will rise at a rate of (5.5%) per annum²⁸. However, only 3.4% of health and social care funding was formally pooled in 2008²⁹.
- 39. All boroughs are required to transform adult social care to enable vulnerable adults to have greater choice and control over their care. This requires re-shaping services, new skills sets, new roles and responsibilities. World class commissioning is improving the way in which PCTs and boroughs jointly procure services within an area. There is evidence that this has increased efficiencies and led to better services through shaping the provider market. However, there are also wider opportunities to commission across boundaries in order to further drive down costs and improve service provision.

West London Alliance (WLA) Adult Social Care Efficiencies Programme

The West London Alliance (WLA) boroughs – which provide services to over 1.4m residents in Brent, Ealing, Hammersmith & Fulham, Harrow, Hillingdon and Hounslow – have agreed to collaborate with each other on the procurement and commissioning of adult care services, which have an estimated value of £220 million per year.

The projects involve pooling financial resources, staff expertise and jointly managing relationships with partner agencies to build wider strategic and organisational partnerships.

A West London Commissioners Group will also be taking forward the wider remit of commissioning adult social care, including taking account of the prevention, personalisation and new models of care agendas.

The efficiencies programme will look to raise standards of social care (by specifying higher standards in contracts), secure efficiencies and enhancing market provision by utilising its collaborative procurement plus achieving savings in operational resources.

Transforming Community Equipment Services in London

Currently vulnerable people who need simple aids to daily living, for example bathing aids and handrails, have these supplied either by the Local Authority or NHS or they can purchase them themselves.

This project aims to implement a move away from a state provided supply chain for simple aids to daily living to one where need is served by the retail market place.

The implementation of the solution will reduce the cost of running the service within London by £2.88 million year on year. A further £12.3 million could be realised through transforming the remaining comprehensive aids to daily living element of the services.

The programme is already engaged with 8 sites within London (Brent, Barking and Dagenham, Camden, Enfield, Harrow, Havering, Lambeth and Southwark) and it is hoped that other boroughs will follow suit when the benefits have been demonstrated.

Cross-borough collaboration on regeneration and worklessness

40. London has 20.8% of the most deprived Super Output Areas (or neighbourhoods) in England. Deprived areas do not recognise boundaries. However, planning and delivery of services in deprived neighborhoods is in many cases confined to local authority borders. The examples below point to areas where boroughs have sought to collaborate to deliver better services.

Collaboration to tackle deprivation

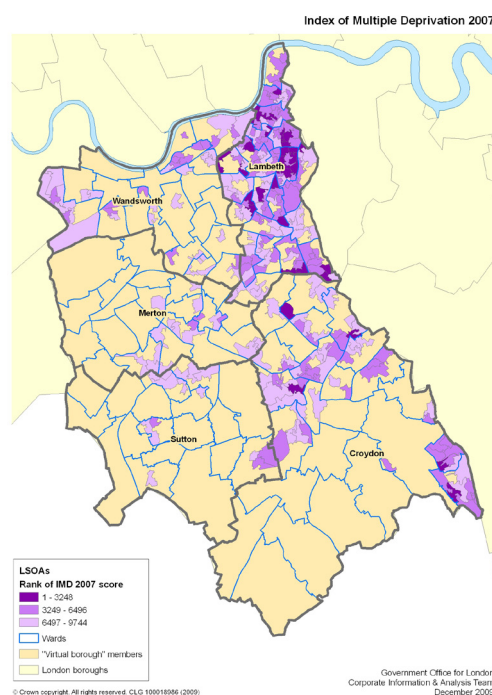
A number of adjoining wards in Croydon, Merton, Sutton, Lambeth and Wandsworth have been identified with common levels of deprivation, and communities that span borough boundaries. Given this, there is a view that these communities would benefit from a more co-ordinated approach to service delivery, including unemployment and skills, community cohesion, crime, access to health and affordable housing.

Potential benefits include:

Significantly lower costs brought about through economies of scale e.g. through pooling resources and reducing duplication. Strategic neighbourhood level approach will bring clearer focus on addressing neighbourhood level priorities and better tailored interventions. Improved and more focused neighbourhood management will reduce overlaps and inconsistencies.

Bottom up community led approach will generate an increased sense of place and belonging for local residents. More widely, there may be opportunities to target national intervention and support on a sub-regional basis.

Chart E – the virtual borough



Collaboration to tackle worklessness

As part of the Budget in April 2009, the Government announced the establishment of the Future Jobs Fund, which aims to create 150,000 additional jobs. These jobs are primarily aimed at 18-24 year olds who have been out of work for nearly a year.

LB Hammersmith and Fulham has recently had a bid approved to create 80 'hotspot' area jobs in six adjoining deprived wards, which includes two each in LB Brent and RB Kensington and Chelsea - 'a virtual borough'. The bid will enable a consortium of providers to work across traditional borough boundaries to support 18 – 24 year olds from wards with high Job Seekers Allowance claimant rates into work, allowing:

- gaps in provision to be more easily identified
- better sharing of good practice
- potential for local providers to release efficiencies through reduced duplication and sharing services.

Delivering waste services in London

41. Waste management accounts for significant public expenditure across London.
42. There is huge potential to make real and big carbon savings by improving waste minimisation and waste management. There is also the potential to make monetary savings given density of population and cost per capita of waste services.
 - In terms of costs, in 07/08, the costs of waste collection in London boroughs ranged from £29.50 per head to £441 per head (though only two were above £100 / head). The London average was around £72 /head.
 - In 07/08, costs of waste disposal in London ranged from £22 per head to £76 per head. The London average for unitary authorities was £58, and for joint waste disposal authorities the average was £55.
43. When comparing waste disposal costs in London to other cities in England, in general costs are lower elsewhere than in those boroughs in London that manage their own waste disposal. Disposal costs for boroughs in London that have formed partnerships are also generally less than those who manage their own disposal. Collection costs across other cities are also generally less than in London.
44. For example, in 07/08, costs for collection and disposal in Birmingham were around £52 and £50 per head respectively. In Liverpool and Manchester collection costs were £57 and £35 per head respectively.
45. There are of course many factors that impact on the costs of waste management across the country including the cost of labour, economies of scale and proximity and cost of disposal facilities.
46. Efficiency savings could potentially be made through joint procurement of services and infrastructure at a sub-regional level, and examples of this are already happening. One such example is the procurement of waste treatment facilities by the South London Waste Partnership. Further savings may also be possible through joint delivery and management of waste services. This is perhaps best led at a sub regional level. The work needs to be taken forward in a collaborative approach, and linked firmly to strategic decisions taken by the London Waste and Recycling Board, the GLA and Boroughs regarding waste infrastructure needs, locations and associated collection approaches.

Collaborative working - waste minimisation

The seven London boroughs of the North London Waste Authority (Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest) undertook an initiative to encourage and promote a reduction in the level of waste arisings in boroughs. Over 1,000 residents, schools and businesses cut their waste by up to 50 per cent, with 87 per cent of people making lifestyle changes as a result of taking part in activities. This was part of wider drive to divert 80,000 tonnes of waste from landfill by 2010.

Chapter 4: Common barriers to collaborative working

National barriers

47. The Smarter Government White Paper outlined some of the national barriers limiting organisations' ability to combine resources effectively to meet local priorities and needs:

- **Overuse of ring-fenced budgets**, which can inhibit strategic local spending decisions
- **Multiple national funding streams**, which can get in the way of cross-sector working
- **Disincentives to align budgets** across local organisations because of the complexity of operating pooled budgets and lack of clarity about roles and responsibilities
- **Disincentives to invest in interventions where the benefits may accrue to a much wider set of organisations** than those making the spending decision and where benefits are only realised in the longer term.

48. The Smarter Government White Paper also sets out a range of proposals to help address these issues:

- By Budget 2010, specific proposals to reduce the level of ring-fencing for local authorities and the number of different funding streams across the board
- Consideration of single area-based capital funding by Budget 2010, which will be piloted in six Local Authorities, including Southwark
- The development of a small number of focused pilots to devolve pooled budgets to frontline services
- Publication of guidance on aligning and pooling local-level budgets
- Consideration of options relating to the stronger local scrutiny of spending on public services and publish specific proposals in early 2010.

Local Barriers

49. Evidence from Total Place work to date and from examples within this document highlight that many of the barriers to collaboration can be solved locally through effective leadership, different ways of working across organisations e.g. facilitation of IT and data sharing, and transforming services through building a shared understanding of the needs of the citizen.
50. Previous reviews into the barriers to more shared back office activity, including procurement, have identified issues including politics (local and party), the strategic fit between partners, leadership, and affordability. The Roots review of arrangements for efficiencies for smarter procurement in local government³⁰, authored by ex-Westminster City Council Chief Executive Bill Roots, highlighted a number of further barriers:
- **Refusal to collaborate** – “At present it is too easy for individual authorities not to engage with the efficiency actions being undertaken by the Regional Improvement and Efficiency Partnerships (RIEPs); sub-regional arrangements; consortia or other alliances or partnerships. This can harm value for money, as well as showing poor spirit in partnership working”.
 - **Information availability** – “Finding out who is doing what is often difficult. This leads to authorities letting many contracts individually or in small groups when best practice would argue for greater collaboration.”
 - **Organisational capacity** – “Procurement operates below the strategic level in most local authorities, which means that control of third party spend is fragmented, and the ability to drive coordinated savings effectively is limited. Local authorities need to be encouraged to give more weight to this function, as part of their overall strategy for outcomes, efficiency and value for money.”

Conclusion and Next Steps

51. The examples within this document highlight the possibilities that collaborative working within and across boroughs has to offer London. Through integrating and streamlining governance structures, providing greater clarity of roles and widening the scope for better joint commissioning arrangements, boroughs have improved service delivery and released efficiencies, for example, in procurement and front and back office staff functions. Also clear are the potential gains from taking a preventative approach to identifying and addressing issues before they become acute.
52. There may be potential to go further. The principles that have underpinned the successful service transformation initiatives highlighted in this document could be more widely applied, both in terms of rolling out what's worked across London and other parts of the UK, but also in terms of developing new initiatives.

Next Steps

53. Government Office for London and the London School of Economics are jointly organising an event with key London players to discuss collaboration as a means to better outcomes and efficiencies. It will seek to explore a number of key questions:
- **What scope is there for greater collaboration within and across boroughs in London? – following from this:**
 - **What are the priority areas?**
 - **What are the models for greater collaboration in the priority areas?**
 - **What are the barriers to realising them, and how can we work together to overcome them?**
54. Following the seminar, LSE will produce a note summarising key points and next steps.
55. The Government is committed to helping promote greater collaboration across London. Building on progress to date, it is hoped that by working together partners can increase the scale and pace of change in order to deliver the joined-up cross borough services Londoners desire.

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