



## Getting the best from behaviour

A root-and-branch change to how local authorities engage with individuals is needed to cope with austerity, argues iMPower Consulting Ltd Director Jon Ainger...

**T**he government's Nudge Unit has received a positive response for the small changes it has implemented to processes, forms and the language used by government departments. These experiments prove that even minor changes to the way government behaves can have a fundamental impact on how people respond. The Nudge principle is attractive to policymakers: cheap and easy to implement, it can have a significant impact on behaviours, which improves outcomes and reduces costs. Local government can learn from this, but nudge tactics alone are not enough.

Austerity is hitting local authorities hard, with the 2010 Spending Review reducing funding by 28% over three years. As a result, councils are implementing radical changes. To date, these changes have been aimed largely at supply-side decision-making, the impact of which is less noticeable to residents than cutting frontline services. However, the required funding cut cannot be met by squeezing supply alone, therefore demand-led tactics need to be considered.

### The trust factor

The austerity drive is exposing a problem that has until now simmered beneath the surface: the absence of trust

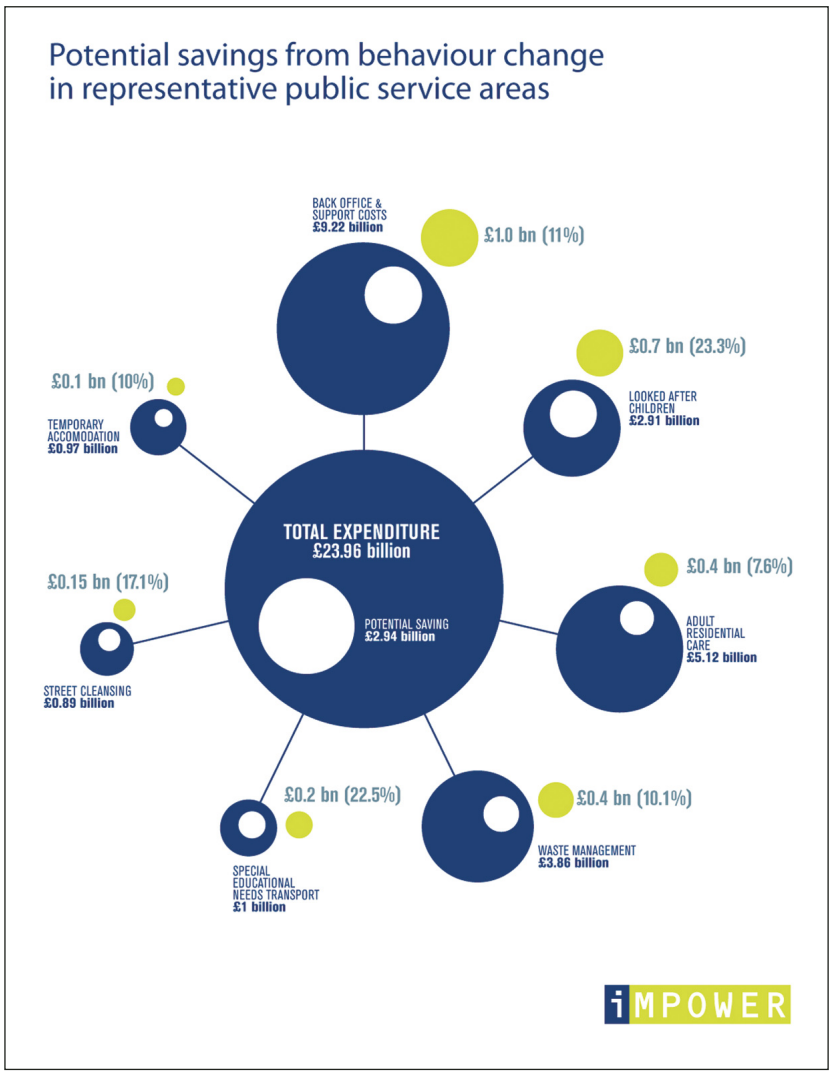
between citizens and local government. The furore over alternative weekly bin collections (AWC), for example, illustrates how politicians are nervous about cutting a universal service, while householders are suspicious of their intentions. Without trust, the government cannot enforce such major changes, even though AWC will save money, reduce waste and increase recycling.

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Research reveals that trust has eroded over the years, as local government failed to notice the values of the population changing under its feet. Councils have been



people to become foster carers can inform changes to the process, increase recruitment and reduce taxpayer costs. For example, some people are motivated by helping the local community and happy to put up with a certain level of bureaucracy. Others will be motivated by the additional income, but not enough to tolerate endless processes and the fact that foster caring isn't better regarded in the community. Simplifying the process, incentivising carers with free leisure centre passes or adult learning courses, and recruiting celebrities to endorse foster caring are all tactics to consider to make this group more likely to volunteer.

### The £5bn prize

The cost-saving opportunity in behaviour change is real. Financial research into seven key local authority service areas identified a £3bn opportunity in behaviour change for English local authorities, equivalent to 14% of baseline expenditure for those services. Extrapolating this over all local government services where demand management can be applied, results in a potential £5bn saving for English councils, £0.5bn in Wales and £0.9bn in Scotland.

generating efficiencies by standardising and automating contact with the public, in many cases reducing contact as far as possible. As a result, relationships have broken down. Rebuilding trust will take time, but local authorities need to bring about changes now. Real-life examples demonstrate how chief executives can give their service directors the license to experiment and test, as the Nudge Unit has done, but with more profound changes.

### Case Studies

A child with special educational needs has been awarded a place at a new school. Often, a council will offer free transport without asking what the parents can do to help get the child to school. The service is then retained without review for a number of years. An alternative approach is to address transport needs as soon as the place is given. The council asks the parent how they will get their child to school, and offers creative services such as a personal travel budget and travel training, to enable the child to use public transport. The parent's expectations and behaviour are transformed, costs to the taxpayer reduced and the child's needs met.

Another example is the recruitment of foster carers, which is governed by rules and routine and undifferentiated by customer type. A better understanding of what drives

The research found that 100 senior local government executives support this view. Almost all (98%) believe they can reduce demand by changing behaviours. Nearly three-quarters (72%) agree that managing demand for services and changing citizen behaviours offer significant potential to offset declining budgets. Two-thirds (65%) claim these present the single greatest opportunity to reduce costs. Yet research found that just 22% of senior executives describe community trust in their authority as high – compared with 40% a year ago and 45% three years ago.

Fundamentally, altering the cost base of local authorities requires a new, mature and trusting relationship with the citizen – and this needs more than just a 'nudge' in a few service areas. It demands a root-and-branch change to the way local authorities engage with individuals and communities, to ensure their energy is used to positive effect and is not wasted fighting the system.



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