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Cost reduction programs in Local government organizations

Dear participants,

Thank you for your participation to this online survey. Its results from across Europe and France will be sent to you through the partners to our study (CNFPT, Gazette des Communes, AFIGESE).

The questionnaire is made of three parts:

- 1) Global context of the cost-reduction programs
- 2) Concrete modalities of cost-reduction
- 3) profiling questions of participating LGOs

The information provided by you is strictly confidential. There are no good or bad answers; please try to inform the questionnaire as objectively as possible.

If you are interrupted during the survey, you can return to the questionnaire at any time by simply clicking on the hyperlink received in your email.

You can contact us at any time if needed.
Many thanks for your precious contribution,

Signatures

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Part 1: General context

Among the following trends, which ones have caused ***the greatest concern*** to the governance team of your organization?

Items with 7 points Likert scale, one choice per line, three milestones: "Not at all concerned / Moderately concerned / Very concerned" *

- The transmission to the LGO of new mandates and missions
- Decreasing State endowments
- Declining joint funding and grants (Europe, other LGOs, agencies)
- The rising demands for tax cuts (tax-payers, politicians)
- Legal constraints on fiscal autonomy/powers
- Economic constraints on local taxation (inflation, declining local GDP)
- Social and demographic trends (ageing population, birthrate, unemployment, pauperization, etc.)

Concerning these trends, do you consider that your LG disposed of reliable indicators and projections?

Item with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

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Part 1: General context

Globally, I consider that the cost reduction actions of my LG are in the following phase:

*** one choice: "Nothing was formalized so far / Thinking / Implementing / Finalizing" ****

Respondents who select the first item are sent directly at the end of the questionnaire to profiling/control questions

Concerning the solution adopted by your Local Government, to what extent do you agree or disagree with the following statements?

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- It was urgent to initiate a cost-reduction process
- Our LGO possesses the necessary resources to implement the cost-reduction program (skills, training budgets, expertise, etc.)
- In our LGO, there are significant internal pressures on the cost-reduction program (from trade-unions, professionals, etc.)
- In the current context, I think it's probable that my LGO will reach the objectives of the program
- The cost-reduction process has a long-term perspective
- The absence of a cost-reduction process would have considerably narrowed the options and strategies of our LGO.

How much do you agree with the following statements?

~~Our LGO has enough time to implement its cost-reduction plan/program/process.~~

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- The initiation of our LGO's cost-reduction process is contingent to political milestones
- Our cost-reduction process is due to the LGO's context and namely the crisis

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Part 2: Modalities of the cost-reduction process

In order to cope with the mounting financial constraints, my local government should resort in priority to (**please drag and rank the following options in decreasing order of their importance**):

- A strategic analysis of the goals and objectives of our public policies
- Outsourcing some of its activities (subcontracting, joint delivery, shared functions with other govts, subsidization,...)
- Reviewing the resource allocation processes (finance, HR, equipment...)
- Reviewing management methods and internal operations
- Reviewing the quantity and quality of public services and compensations.

THE REMAINDER OF THE QUESTIONNAIRE explores the content of the **cost-reduction process** implemented by your LGO.

Items are structured along the five axes mentioned above.

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Part 2: Modalities of the cost-reduction process: STRATEGY AND OBJECTIVES

The cost-reduction **strategy** of my LGO is based on:

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- Cosmetic or "paper" cuts achieved through accounting entries and statistics
- Budget cuts "across-the-board"
- "Selective"/ Targeted budget cuts
- An active strategy of debt management
- Better capacities of financial engineering and forecasting to deal with emergent/future constraints
- Implementation of spending norms per department
- The reduction/suppression of optional policies and services
- The suppression of programs/activities no longer aligned with population needs
- The reduction of the most costly/essential programs or activities
- Comprehensive cuts, based on the re-examination of the goals and priorities of the organization's policies, programs, and activities
- A greater involvement of citizens in cutback choices
- The consideration of the expectations and pressures of other institutions

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Part 2: Modalities of the cost-reduction process: RESOURCES

Regarding **Investment and equipment**, this program consists of:

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- Reducing of the budgets of current investments and/or postponing new investments
- Cancelling new projects
- Containing, postponing, or suppressing maintenance expenditures
- Increasing asset maintenance in order to increase their value and use
- The automatization of maintenance
- The rationalization of the premises or implementation of open spaces

Concerning **operation costs**, this program resorts to capping or reducing:

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- The costs of supplies
- Energy and utility costs
- Institutional overhead (support functions, communication, transport, hospitality costs, etc.)

Concerning **procurement**, the program is based on implementing:

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- A procurement unit or internal joint purchasing
- Joint purchasing with other local governments or public actors
- A comparison of procurement prices with those of other local governments
- A *sourcing* policy, cataloguing and referencing potential providers and their offers
- A benchmark of providers
- Management control of procurement processes

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Part 2: Modalities of the cost-reduction process: HUMAN RESOURCES

In the field of **Human Resource Management**, the program is based on:

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- Implementing a capped aggregate payroll
- Encouraging retirement and early retirement schemes
- Layoff or non replacement of contract/temporary employees
- Reshuffling staff according to department budgets
- Implementing flexible work planning or organization
- Reducing absenteeism
- Reducing remuneration (wage freeze, control of salary increases, controlling overtime)
- Controlling career progress, seniority and technicity promotions, using less credential employees to fill in positions

If capped aggregate payroll is implemented, what ceiling is selected? (% of aggregate payroll, including automatic seniority and technicity progress)

*** one choice: "0 / 0,5% / 1% / 1,5% / 2% / 2,5% / 3 %" ****

*** additional open case for "other: please specify" ***

My local governments uses the following replacement rate of retired employees:

*** one choice: "2:3 / 1:2 / 1% / 1:3 / 1:4 / Nothing is formalized" ****

*** additional open case for "other: please specify" ***

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Part 2: Modalities of the cost-reduction process: PROCESSES AND METHODS

Concerning **strategic steering and management control**, the program consists of implementing (or enforcing):

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- Organizational missions and visions, and/or strategic planning
- The evaluation of public policies and of user satisfaction
- A multiannual investment and property scheme
- A multiannual operations plan
- Management by objectives
- Incentive systems based on indicators of efficiency and cost reduction
- A Business Intelligence system
- Responsibility centers and annual internal contracting
- Systematic cost calculations
- Multi-layered reorganization of Management review meetings

Concerning **governance and management**, the program consists of implementing (or enforcing):

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- A specialized unit for driving savings and management improvement (management control, rationalization, quality management, etc.)
- The use of external expertise (consultants, cost-killers, public inspectors or agencies...)
- A reduction of hierarchy levels
- Mergers of departments and/or one-stop shops
- Project management
- Management charters
- The decentralization of HR or financial decisions
- Raising management awareness and training them for cost-reduction and efficiency programs
- Raising employee awareness and training them for a culture of efficiency
- Employee assessment

Concerning **management tools**, the program consists of implementing (or enforcing):

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- Systems of quality management and control (ISO, CAF, EFQM)
- Benchmarking
- Customer relationship management systems
- Lean management
- Yield management
- Process reengineering

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Part 2: Modalities of the cost-reduction process: SERVICES AND OUTPUT

Concerning **services**, the cost-reduction process of my local government is based on:

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- Reducing opening hours of service delivery
- Reducing the frequency / intensity of service provision, establishing service quotas
- Reducing the number of outlets or outlet capacity
- Leveling or reducing the quality of services / compensations
- Reducing the range of services / compensations
- Transforming compulsory services into discretionary services
- Decreasing entitlements / financial transfers to citizens
- Organizing a higher participation of users to service delivery (self-service)
- Streamlining service delivery
- Digitalization/implementation of e-administration

In addition to the cost-reduction program, our Local Government has analyzed and changed its **tariff** policies for:

Items with 7 points Likert scale, one choice, seven milestones: "Not at all / Moderately / To a great extent" *

*** additional open case for "other: please specify" ***

- Urban planning (occupation of public domain, construction tariffs, etc.)
- The use of public property for sports, leisure, cultural activities

The review of **tariffs** was based on:

Items with 7 points Likert scale, one choice, seven milestones: "Not at all / Moderately / To a great extent" *

- Economic analyses (balance of revenues and expenditures)
- Benchmarking (attendance, occupancy, tariffs, income, operations)
- Market studies (expectations, satisfaction, price elasticity, segmentation)
- Tariff modes (per user segments, family criteria, intensity of use, personal situation, social criteria)
- Management of tariff evolutions (communication, service improvement to offset and make acceptable tariff increases, etc.)

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Part 2: Modalities of the cost-reduction process: EXTERNALIZATION

Concerning other local government organizations, our cost-improvement actions are based on:

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- Shifting certain policy fields or functions to other local governments
- Implementing inter-government management of certain resources or policy areas
- Decreasing the funding of inter-government services and programs

Concerning private organizations, our cost-improvement actions are based on:

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- Including social and sustainable development clauses in public procurement
- Reviewing outsourcing contracts in order to put private providers under pressure
- Contracting out certain public policies or services (private contractors, PPP)
- Privatizing certain activities and services
- In-sourcing formerly outsourced services

Concerning civil society organizations, our cost-improvement actions are based on:

Items with 7 points Likert scale, one choice, seven milestones: "Strongly disagree / Disagree / Somewhat disagree / Neither agree or disagree / Somewhat agree / Agree / Strongly disagree" * *****check the scale in English - various options*****

- Contracting out certain public policies, programs, or services to non-profit actors (non-profit businesses, NGOs, foundations...)
- Using new types of partnerships or civil resources (volunteers, civic service, etc.)
- Increasing the use of private patronage or sponsorship for public actions
- Reducing or suppressing the subsidization of civil society organizations
- Implementing contracts of means and objectives with satellite NGOs

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Part 3: Profile questions

General data about your organization. All data are strictly confidential and processed anonymously.

Type of local government

- City/commune Inter-communal organization County
 Other (please specify)

In political matters people talk of "the left" and "the right". On a 10-points scale, the political leadership of my local government is situated:

Item with 10 points Likert scale, one choice, 2 extreme milestones: "Left / Right" *

The government of my municipality is formed as:

- A clear majority of one party
- A coalition majority of parties with similar ideologies (either left or right)
- A coalition composed of parties of different ideologies (left, right, center...)

Number of inhabitants:

- <20000 20000 to 39 999 40000 to 59 999 60 000 to 79 999 80 000 to 99 999
 > 100 000

Number of employees:

- < 500 500 to 999 1000 to 1999 2000 to 2999 >3000

My position within the local government:

- Mayor or President
- Councilman with administrative attributions
- Director General
- Deputy Director General
- Director
- Department head
- Project manager
- Other (please specify)

My domain of work:

- General directorate
- Finance
- Human Resource Management
- Management control
- Other (please specify)

Seniority of my position:

Open question - numerical variable

Name of my local government (data processing is anonymous; this information will inform statistical treatment of multiple responses from the same organization):

Open question - alphanumeric

My email address (guarantees the reception of the results of the study):

Open question - alphanumeric

We thank you sincerely for your precious contribution to this research!