

Making the Connections: Where next

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Making the Connections: Where next

Recap: 3 themes

- ❖ citizen not consumer
- ❖ collaboration not competition
- ❖ voice not choice

Making the Connections: Where next

Beecham:

- ❖ MtC right for Wales
- ❖ push harder and faster
- ❖ tackle the barriers- 3Cs

Making the Connections: Where next

3Cs

- ❖ culture
- ❖ capacity
- ❖ complexity

Making the Connections: Where next

Where are we now:

- ❖ LSBs
- ❖ Spatial Plan
- ❖ NHS reorganisation
- ❖ inspection and regulation

Making the Connections: Where next

LSB Timetable:

January 2007	1st LSB prospectus
2007-08	Pilot year
September 2008	2 nd prospectus
2008-09	Non pilots planning and setup
2009-10	Roll out across Wales

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Work priorities summer 2009

- ❖ recession
- ❖ future direction on LSBs/WSP
- ❖ unified performance framework
- ❖ evidence

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Recession:

- ❖ risk: cost shunting/batten down hatches
- ❖ alternative: innovation /efficiency
- ❖ one public service

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LSB and WSP: mission

- ❖ joined up vision and leadership
- ❖ outcome focus
- ❖ place and citizen at the centre
- ❖ Sharing learning and innovation

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Outcome framework

- ❖ common purpose of public services in Wales
- ❖ from DTOCs to the individual
- ❖ prevention not reaction
- ❖ partnership with citizens and the workforce

Swansea Bay Spatial Plan Area Report
 • Major redundancies since October 2009 include Calsonic, Linamar, Mitsui, Borg Warner, Team Precision Pipework, Cogent Passenger Seating

THEMES AND PRIORITIES

Boundaries
 • Bridgend (partial)
 • Neath/Port Talbot
 • Ceredigion
 • Carmar (partial)

Priorities

Departments identified big issues for Swansea Bay:

A Prosperous Society

- Support sectors hit by economic slowdown: most sectors now affected.
- Develop streamlined support for the economically inactive and NEETs.
- Develop the knowledge economy.
- Make the most of existing capital regeneration schemes & develop Western Valleys & Swansea City Centre Strategic Regeneration Areas.

Learning for Life

- Transform 14-19 learning: address critical issues in post 16 education.
- Growing working age population means focus on training for employment & increasing skills to meet short-term gaps & future needs.
- Maximise HE potential as driver of knowledge economy.

A Healthy Future

- Ensure consistent approach to treatment services in NHS reorganisation.
- Significant capital investments to enhance hospital services & facilities.
- Target health improvement programmes at Community First Areas.

Living Communities

- Raise local housing stock to Welsh Housing Quality Standard.
- Improve inter- & intra-regional transport, resolve rail pinch point.
- Improve access to jobs & services for remote communities.

A Sustainable Environment

- Mitigate high risk of flooding in Swansea Vale.
- Investigate pressures on coastal water quality due to capacity of waste treatment facilities (Burry Inlet) & issues with waste disposal services.
- Address air quality issues in Port Talbot.

A Fair and Just Society

- Increase secure places for children.
- Manage & reduce substance misuse related deaths.

A Rich and Diverse Culture

- Make the most of coastal environment, national nature reserves, historic environment and heritage assets.

A Strong and Confident Nation

- Increase collaborative public service procurement in key sectors.

Big Picture

Themes

- **Economy** – Area has seen period of rapid economic growth & investment, mostly focused around Swansea, but has low employment rates (68.8% in 2007) and high levels of economic inactivity compared to Wales average. Wales now in recession but most recent evidence suggests the Area is performing no worse than Wales average.
- **Health** – Lowest life expectancy at birth in Wales. Greater proportion of individuals with a limiting long term illness. Child immunisation levels lower than Wales average.
- **Education & skills** – High proportion of young people classed as NEET in Swansea Bay. Highest rate of working age population with no qualifications (17.4% in 2007) but educational attainment at O/CSE, attendance at secondary school & degree level qualifications similar or better than Wales average.
- **Population growth** – Area projected to have high population growth, with above average increases in the populations aged under 16 and of working age (10.0% and 13.7% respectively).
- **Sustainable environment** – Issues with air quality & pollution, as well as sewage treatment & waste disposal. Significant risk of coastal and riverine flooding as climate change progresses.

DELIVERY AND INVESTMENTS

According to the Living in Wales 2007 Survey, residents in Swansea Bay area had a similar opinion of local facilities (schools, medical, shopping) as in rest of Wales. However, respondents were more likely to say public transport services were good or very good and were more likely to rate arts & sports facilities as poor.

Jointed-up working

- **Collaboration between Local Authorities**: legal services, 'virtual shared services', Local Investment Fund/ business grants; local government / CVCs 'statement of intent' with focus on social enterprise and CSR; SW Wales Waste Committee; consolidation of substance misuse services; regional Social Care partnership; childcare shared services
- **Multi-agency & cross-sectoral collaboration**: Wales Spatial Plan Ministerial Area Group; pilot LSBs in NP1 and Carmarthenshire addressing health and healthcare issues; joint commissioning Community Legal Advice Network; Swansea City Centre Partnership; SW Wales Economic Forum
- **Collaboration on education and skills**: Regional Learning Partnership; SWAMWAC; Skill Build pilot; Learning Coach Training; pilot of school effectiveness model; in-level reforms to collaborative learning provision DCCELLS, LAs & schools; WAG/ HE/ industry e.g. Swansea universities, Techniums
- **Collaborative procurement**: care packages; food contracts; use of social clauses in Swansea/private sector highway contract, £12m.

Investments

Major WAG investments in Swansea Bay Area

A Healthy Future (NHS, 08/09)	£962m
Living Communities (LG capital & revenue 08/09)	£924m
SCIF projects (transport, healthcare)	£90m
Some Highlights	
MC Improvement Fund collaborative projects	£1m
Strategic Regeneration: Western Valleys (09/10)	£7m
Convergence: Approved projects (EU Grant £47.5m)	£91m
FE, HE and Work Based Learning	£149m

Conclusions

- Swansea Bay Area is a developing network city region. Although close to the capital, it has its own centre of gravity. Its services, markets and wages exert influence far into rural Mid and West Wales.
- A period of population and economic decline has left a residue of tough social problems and a poor quality built environment. A growing, younger working age population offers promise of renewal and growth.
- Major investment in Swansea in regeneration & development of services but city not yet fully functioning as regional economic engine. Civic leadership needs to make more of the regional potential.
- Citizens and communities should be more involved in regeneration. Some evidence of effective collaboration on improving delivery of services but a plethora of other partnerships and initiatives means there is a fragmented approach to tough social issues. Collaborative procurement and co-commissioning of services poorly developed.
- Learning institutions, notably HE and the natural environment, are Area assets with transformational potential.
- The Area has a strong Welsh identity and a new buzz about it but mixed perceptions within the Area and externally.

Opportunities

- Establish gateways with local organisations to support economically inactive into the labour market.
- Ensure regeneration of Western Valleys and Swansea City Centre employs a coordinated and collaborative approach, involving citizens. Address outstanding regeneration needs across the Area.
- Actively pursue extensive collaborative procurement opportunities.
- Use HSCA/WV Strategies and LSBs to address health inequities.
- Review effectiveness of partnerships: streamline.
- Leverage gain from further HE/FE college mergers / collaboration.
- Accelerate development of knowledge economy drivers: HE including Innovation Campus, ICT skills, incubation premises.
- Develop tourism potential of the Area e.g. Centre of Excellence.
- Progress the Swansea Bay Waterfront Masterplan, from Portcawl to Llanselli and Burry Port.
- Collaboration between local authorities/CWC/EA to develop win/win approaches to coastal and river flood plain management.
- Develop shared regional identity, build reputation externally.

“I think a change in perception I think I’ve had personally is that I’ve always had a real sense of responsibility for delivering my own agenda, as you do as an officer. Now I feel a responsibility to move a shared agenda forward.”

Pilot LSB Member, Baseline Review Report

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APSE Wales one day seminar



Making the connections 5 years
on – What’s next?

Wednesday 10 June 2009

The Metropole
Llandrindod Wells, Powys

Association for Public Service Excellence
www.apse.org.uk
Email: enquiries@apse.org.uk



The Efficiencies Challenge

APSE
Llandrindod Wells, 10 June 2009

Vanessa Phillips
Director of Resources
WLGA

Draft V2



The Efficiencies Challenge

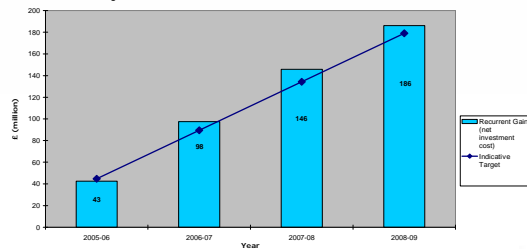
- ❖ What local government has achieved so far
- ❖ Public Finance Outlook
- ❖ Meeting the challenge ahead

Draft V2



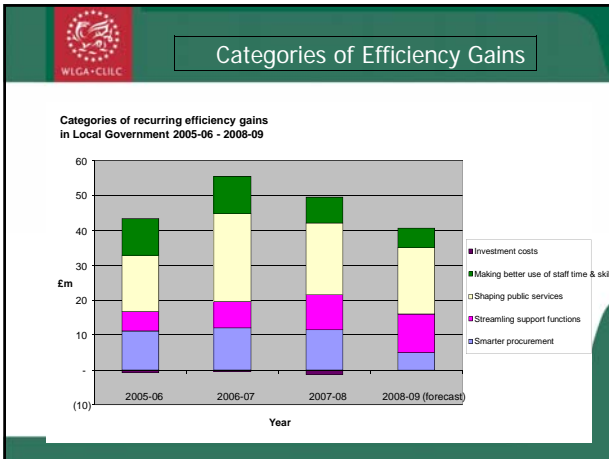
Measuring Efficiency Gains in LG

Figure 1 - Efficiency Gains Reported by Local Government in Wales - recurring gains shown against indicative annual targets



1 - Welsh Part-Farbot actual shown in 2005-06. Forecast shown in 2006-07. No information for later years.
2 - Indicative Target represents 1% of Local Authorities standard spending assessments, representing a recurrent target of £40m per year

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Efficiencies and savings

MtC reported efficiency gains:

£146 million of recurrent efficiency gains between 2005-08

Forecast to rise to £186 million by the end of March 2009

£70 million of non recurrent efficiency gains

Efficiency gains top sliced from the Aggregate External Finance settlement:

£136 million since 2005-06, 1% recurrent top slice

Living within our means:

£102 million efficiencies and savings in 2009-10 to balance budget

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Public Finance Outlook

WAG Budget reduction £216 million revenue and £200 million capital in 2010-11

Settlements for 2011-12 and beyond will be even worse - "Two parliaments of pain" IFS

IFS warns that if budget squeeze were to continue to fall on spending up to 2017-18, total public spending would return to 2002 levels

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Turbulent Times Ahead

*"The next five years will represent a crossroads as the downturn either drives **radical transformation** across the business of government or, unchecked, the tension between expenditure reduction and increased citizen expectations results in **critical shortfalls** in public service quality and provision. While government leaders need to consider the strategic action required to meet this challenge they also need to anticipate and prepare for future shocks"*

Mike Turley - Deloitte Research "Turning the tide"

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HM Treasury's Operational Efficiency Programme

**Additional £15 billion Efficiency Gains
2010-11 to 2013-14**

- ❖ Back Office Operations and IT
- ❖ Collaborative Procurement
- ❖ Asset Management and Sales
- ❖ Property
- ❖ Local Incentives and Empowerment

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Implications for Welsh public sector?

- No new targets yet, but clear Welsh Assembly Government expects budget reductions to be met by efficiency savings
- Scope for further efficiency savings but need to understand real potential
- Corporate expenditure makes up a small part of local government's expenditure - around 4% of their gross annual expenditure
- Corporate efficiencies will be a part of the solution but they will not provide a 'silver bullet' to the financial pressures that authorities face
- Local authorities increasingly looking for efficiencies in the front line

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How is local government responding?

- Priority to maintain high quality services
- Efficiency coupled with service improvement
- Latest in transformational business thinking
- Benchmarking
- Sharing best practice
- Investment in staff to design and implement business change
- Greater collaboration
- Fundamental reviews of structure and purpose to assess organisational capacity and capability

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Regional Collaboration

Development of Local Government Regional Working Arrangements



Wider Collaborations

- Role of Local Service Boards
- Powys County Council and Powys Local Health Board are currently assessing the potential benefits of creating a merged management structure
- Regional Learning Partnership South West Wales includes the local authorities, higher education, further education, the third sector, Careers Wales West and JobCentre Plus outlining efficiencies and service improvements in the area of skills and learning, while improving the engagement of citizens (in this sense "learners") across the region
- Cardiff Neighbourhood transformation

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Barriers to change?

- Risks associated with achieving efficiencies of the scale that will be required
- Require complex change, which can involve large scale IT change programmes, asset rationalisation, staff moves and alternative working practices - not an overnight solution
- Significant costs (consultancy support to help design and develop proposals, officer time in stakeholder management, IT costs)
- Large scale change can also bring significant reductions in employee head-count – potential cost; impact on local economy and possible implications for service quality
- Cultural barriers to change

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Conclusions

Local government has achieved a lot already, but parlous state of public finances means...

- More of the same will not be enough
- Need to prepare for long term fiscal constraint
- Further efficiency gains will be essential
- collective effort needed by all parts of public sector
- the pace of collaboration needs to increase
- Transformational change

...radical transformation of local government over next five years

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The Efficiencies Challenge

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