

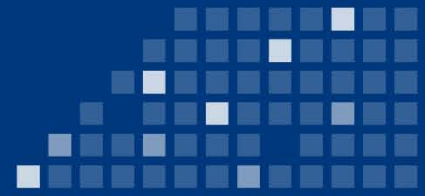
Facing the Public Service Challenges

BYRON DAVIES

Chief Executive, City and County of Cardiff, Wales, UK

President, UDiTE (European Federation of Local Authority Chief Executives)

The Era of Turbulence



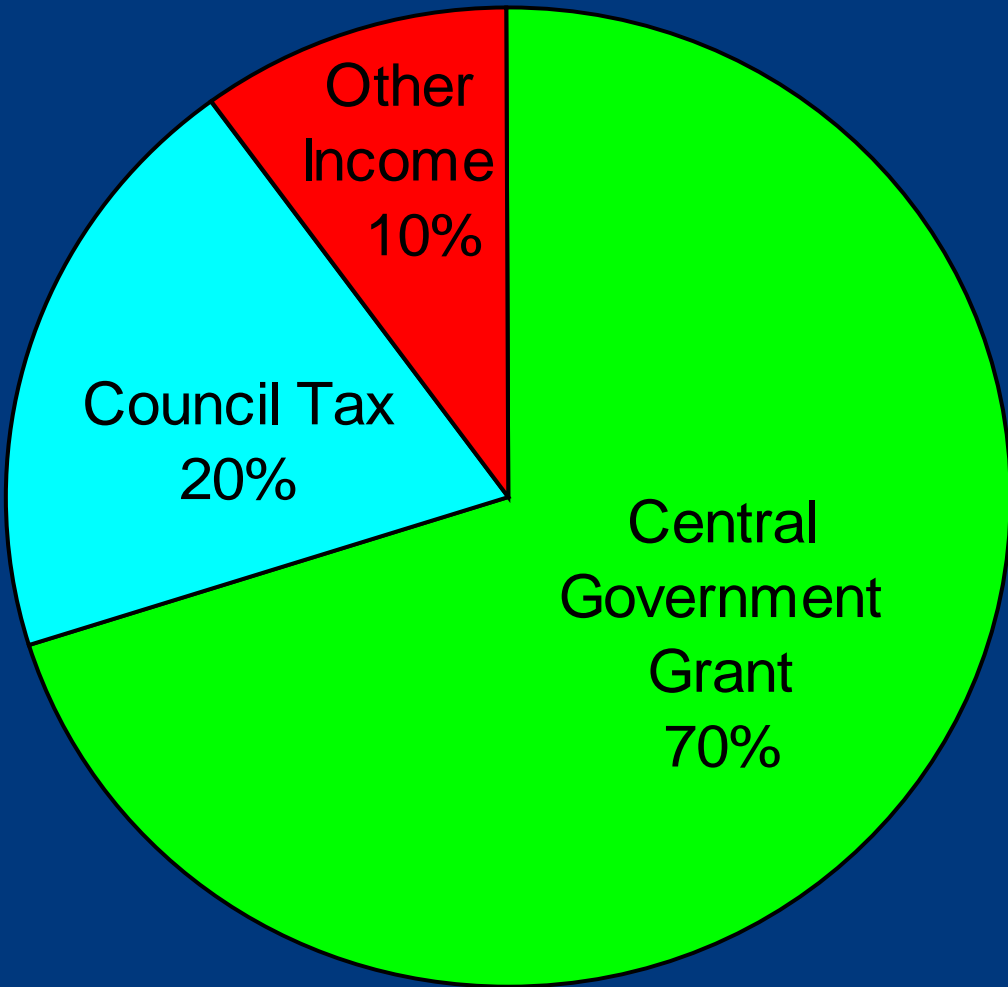
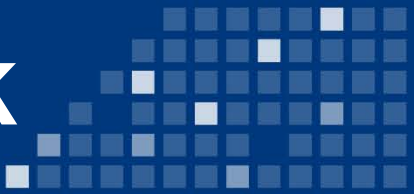
- Worst economic recession since 1930s
- Significant deterioration in public finances
- Unprecedented risks, challenges and opportunities
- Place shaping / shielding strategies

Local Government in the UK – at the eye of the storm

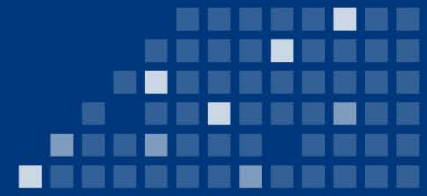


- Centralised system of funding
- Likely reduction in government grants and income
- Low income and lack of alternative income streams
- Public service tax threshold / tolerance
- Depressed property and housing market
- Impact of falling interest rates and debt
- Falling sales of land & buildings and impact on other capital projects

Local Government Funding in the UK

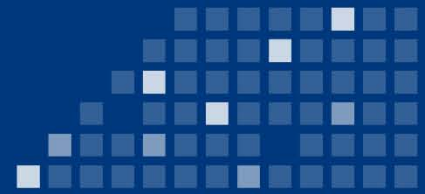


Local Impacts: Cardiff, Capital City for Wales



- Indicative reduction of £50m in public services over next 3 years
- Economic, social & environmental regeneration momentum affected, but not halted
- Need to redefine strategies and direction

Scale of the Challenge



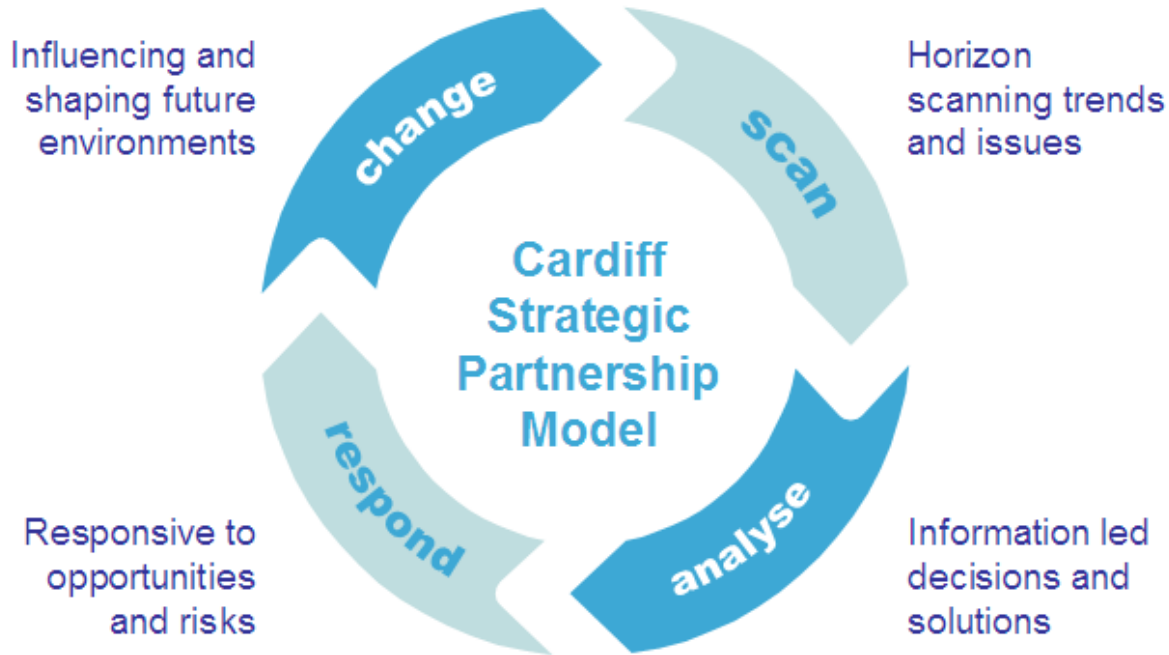
- Repositioning of economic, social and environmental regeneration
- Wider public service agenda covering health services, voluntary services, police, fire & rescue
- Focus on:
 - Citizens, communities and customers
 - Operational efficiencies
 - Shared services

Strategic Public Service Transformational Change



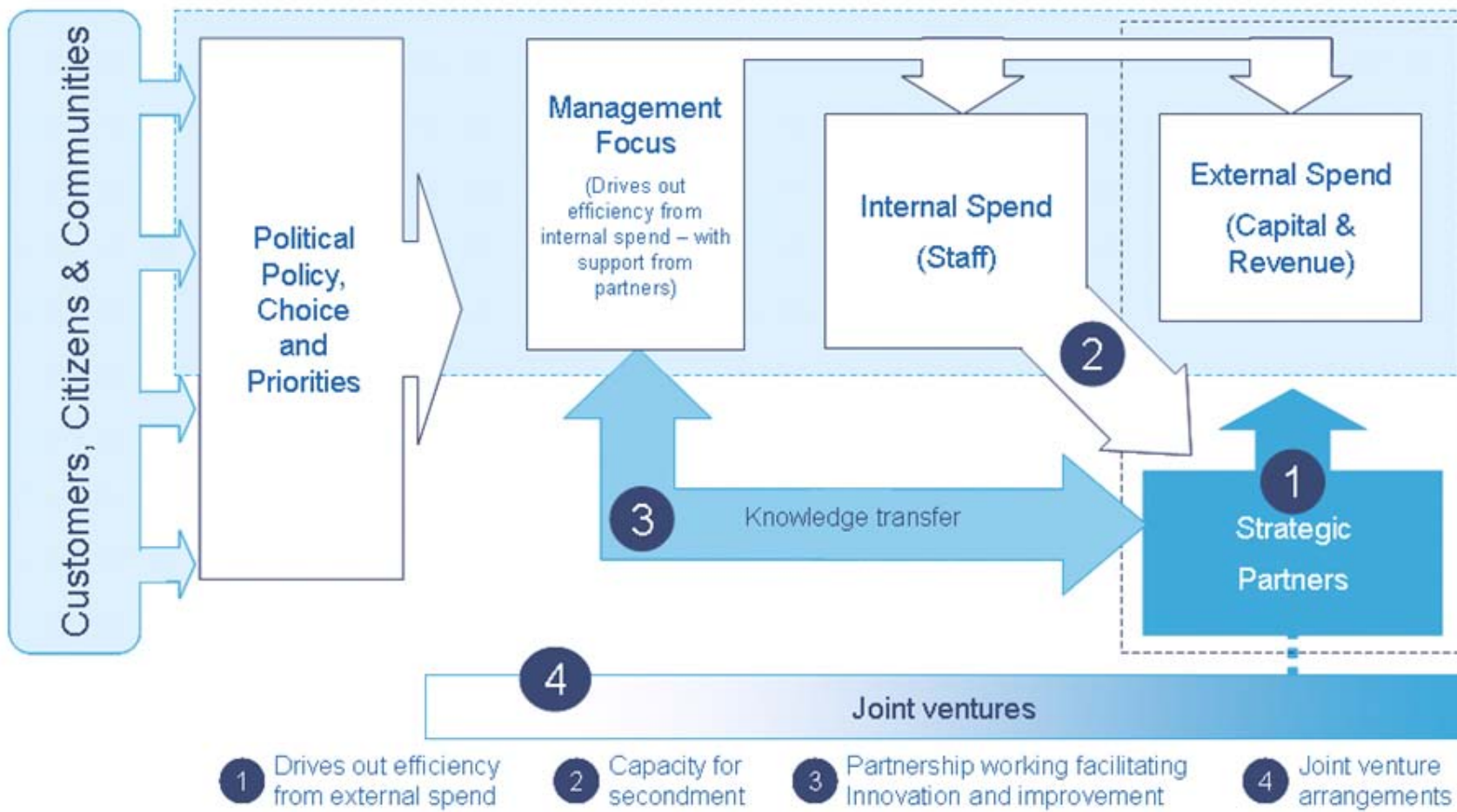
- Public/private partnership model placing the citizen at the centre of service delivery
- Transformational change leading to a more efficient 70/30 ratio (from 60/40) between direct delivery of services & support/back office functions
- Importance of establishing strategic partnerships with the private and voluntary sectors
- In-sourcing of equity and knowledge from the private sector

Agile Public Services

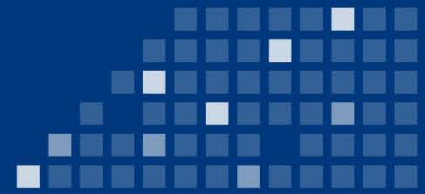


Cardiff Public Service Model

Public / Private in-sourcing model



Benefit Realisation Management



Focus on benefits

- **focus on benefits** not short term solutions;

Non-negotiable milestones

- Benefits, outcomes, and milestones **non-negotiable**. Instead, the means by which they are achieved can be negotiated;

Monitor cash-flow and timings

- ensure that **cash flow and specific timing of benefits** is understood and monitored;

Responsibility and accountability

- **Specific responsibility and accountability for benefit delivery linked to performance management**

Performance management

- streamline processes of appraisal, capability, disciplinary and **performance manage** accountable individuals against agreed benefits targets

Strategic change

- **manage achievement in a consistent approach** alongside budget monitoring and improvement monitoring

Summary



- Strategic and transformational change – building on the opportunities to reposition public services
- Need to bring together leading management, academic and business thinking to develop options for politicians
- City leadership will be vital – not just political leadership, but also strategic leadership from officers
- Planning for recovery means taking some radical steps on the basis of strategic risk management principles – starting now