



Welsh Local Government - And it came to pass, the money ran out.

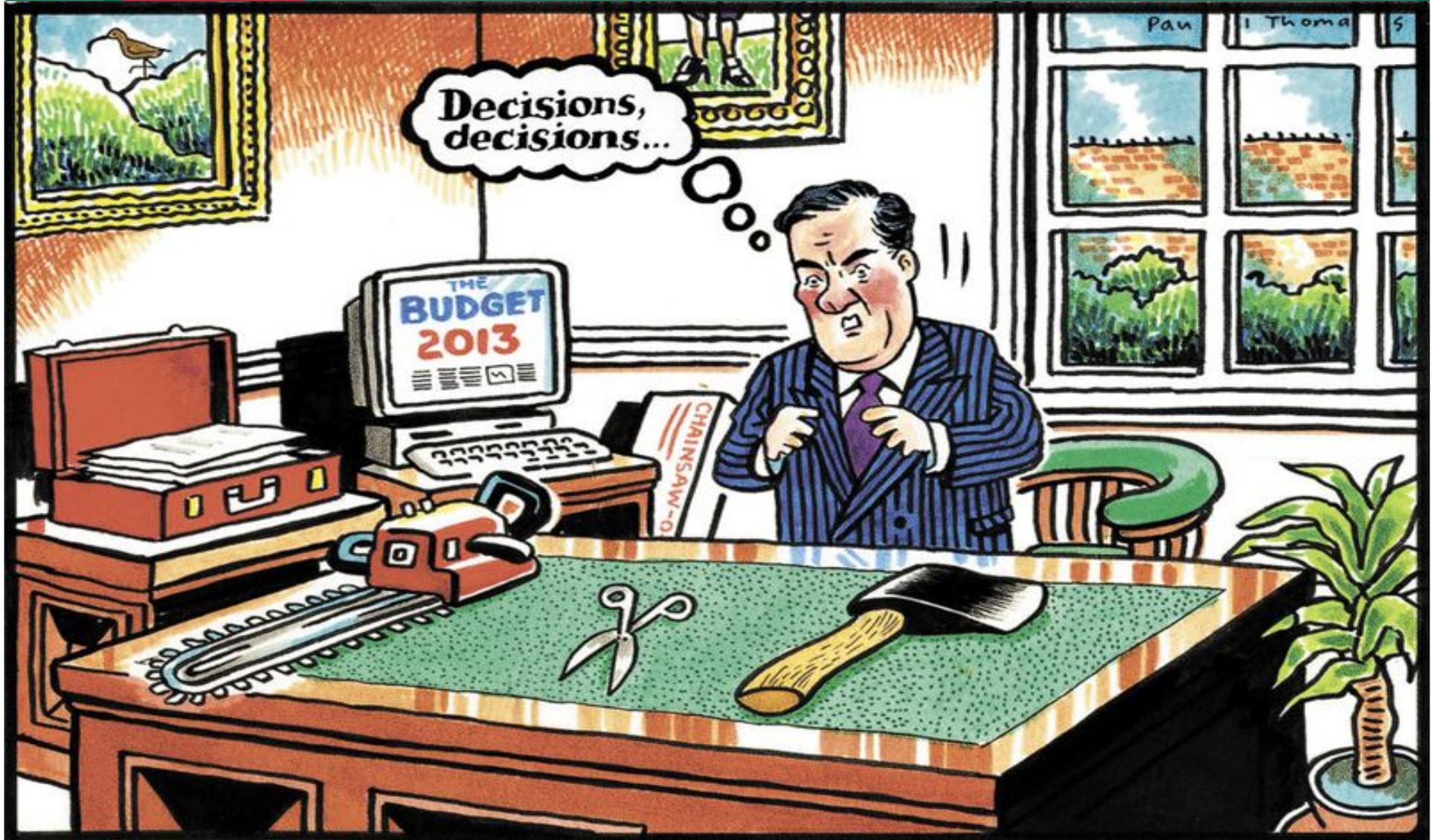


Steve Thomas CBE
Chief Executive WLGA



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Still got those global economic austerity Blues





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The impact of the cuts are going deeper than previously imagined





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Councils in Wales have a budget shortfall of £450 million over the next two years



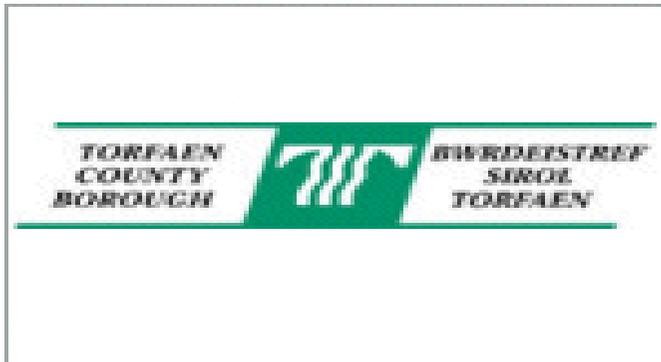
CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

£96,326



CYNGOR SIR
CEREDIGION
COUNTY COUNCIL

£103,708



£135,225



Cyngor Bwrdeistref Sirol
Blaenau Gwent
County Borough Council

£117,336



Prospects 2014-20. Bad day at the office



- Average 4% cut terms with some smoke and mirrors to be revealed
- Decrease of £153million this year
- Provisional 2% decrease next year
- IFS projections of more austerity into the future
- The squeeze effect of bigger services protection on smaller services budget
- Good news - supporting people budget has relative protection



A real squeeze over time on non protected services – Council Cymru



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If overall spending on services was to be reduced by 4% in 2014-15 and a further 4% in 2015/16 what would the impact be on an average council with a revenue budget of £260m?

The council would need to find recurrent savings of at least £12.8 million over the next two years, all from the £62.5 million controllable expenditure that is not subject to protection. The worst case scenario would result in that expenditure being cut by £25.0 million by 2015-16.



How does Council Cymru balance the books?

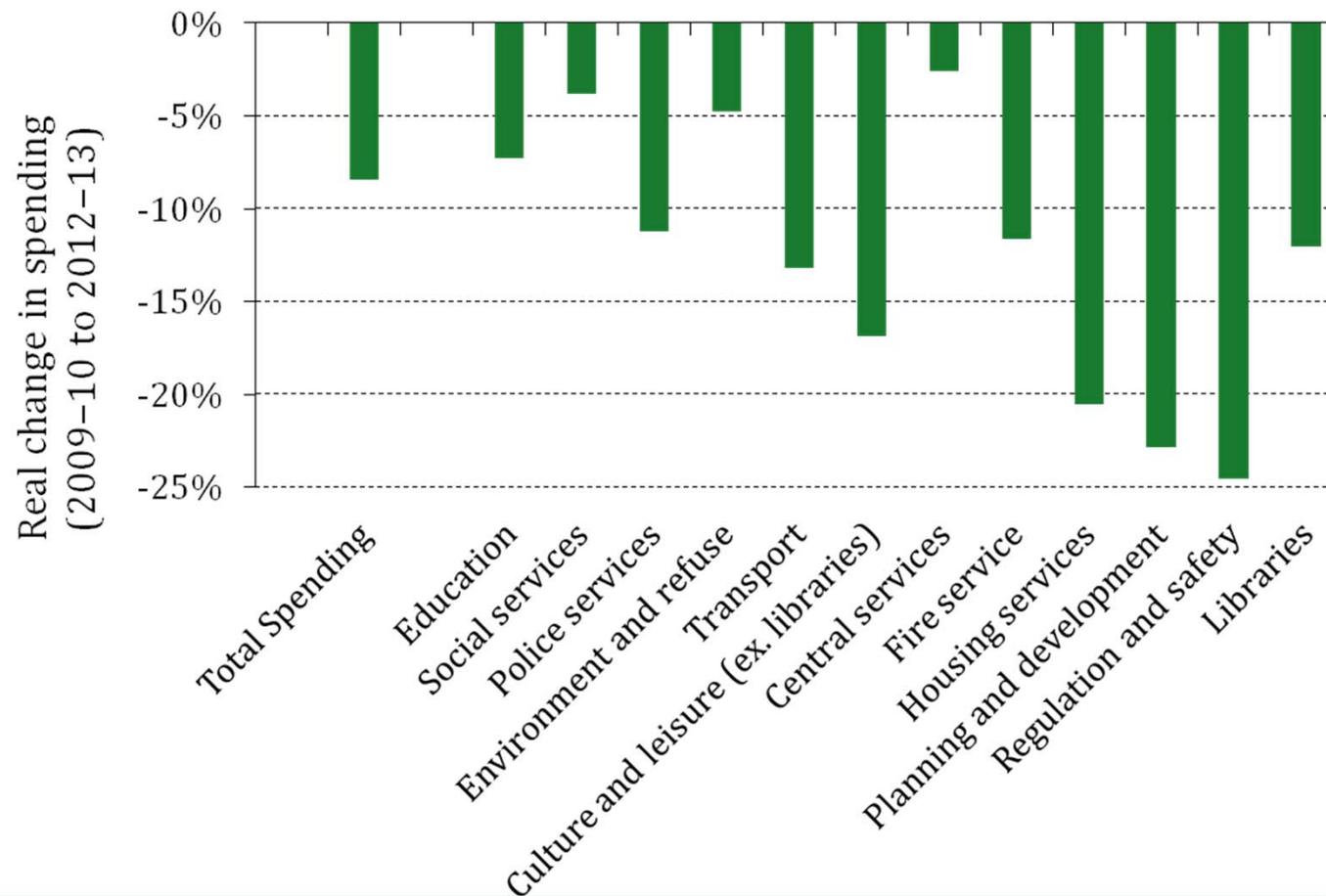
Against that background Council Cymru will have to:

- Cut expenditure on cultural services by 75% over the two year period potentially closing art galleries and museums.
- A 25% reduction in spend on planning in 2014-15.
- Close down all sports and leisure facilities if they cannot be transferred to third sector or operated commercially (without subsidy) by mutual or arms-length organisations.
- Reduce libraries expenditure by 50% over a two year period, keeping open half of those facilities that will act as hubs for welfare reform changes.
- Reduce highways spend by a quarter in 2015-16.
- Switch off up to 50% of street lights from midnight to 5am in 2014-15 and all from 2015-16.
- Cut spend on economic development by a half in 2015-16.
- Cutting third sector funding in half in 2015-16.



Who wants to be in a unprotected service like housing?

This may reflect prioritisation of services due to rising demands, statutory obligations or Welsh Government targets





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The good news is that we all in this together!





The nub of the housing problem

Gap between housing need and supply widening – more affordable homes desperately needed

- Research (Holmans 2010) estimated we need 14,200 additional Homes each year 5,100 of which need to be non market homes. On average housing supply has increased by only 6,600 properties pa over the past 5 years.
- The target for additional affordable homes is 7,500 over the term of the current government and on current projections this target is likely to be exceeded. **This has been possible through good partnership between RSL's and LA's**
- Social Housing Grant is at an all time low – need to be creative and innovative about how we make best use of the funding but also make sure we are meeting the housing needs the market can't or won't meet.



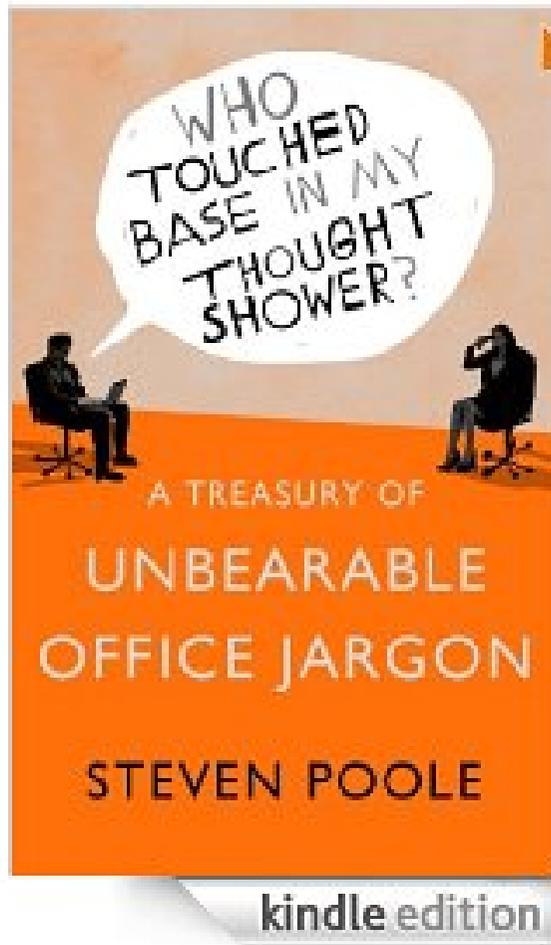
The strain on Partnerships – but keep the faith

- *Partnerships are likely to come under strain as pressures on budgets rise*
- **Growing concerns that pressure on RSL budgets mean they increasingly withdraw from the community investment type activities and minimize risk. LA' s have fewer resources to contribute to partnerships eg land transfer at minimal cost.**
- **Impact of welfare reform – “that tax which generally affects a room that we commonly sleep in”**
- **The Housing (Wales) bill will place a new duty on LA' s to prevent homelessness.**
- **Can only do this if we work closely with a wide range of partners including RSL' s, health boards, criminal justice agencies, 3rd sector organisations**



Moving forward together - illustrated through the use of modern management terminology

Click to **LOOK INSIDE!**



- “Deep dive into a big hairy audacious goal”
- Run it up the flagpole
- Define the north star”,
- Give it hands and feet”,
- Take a helicopter view”,
- Open the kimono”,
- Come to Jesus moment”



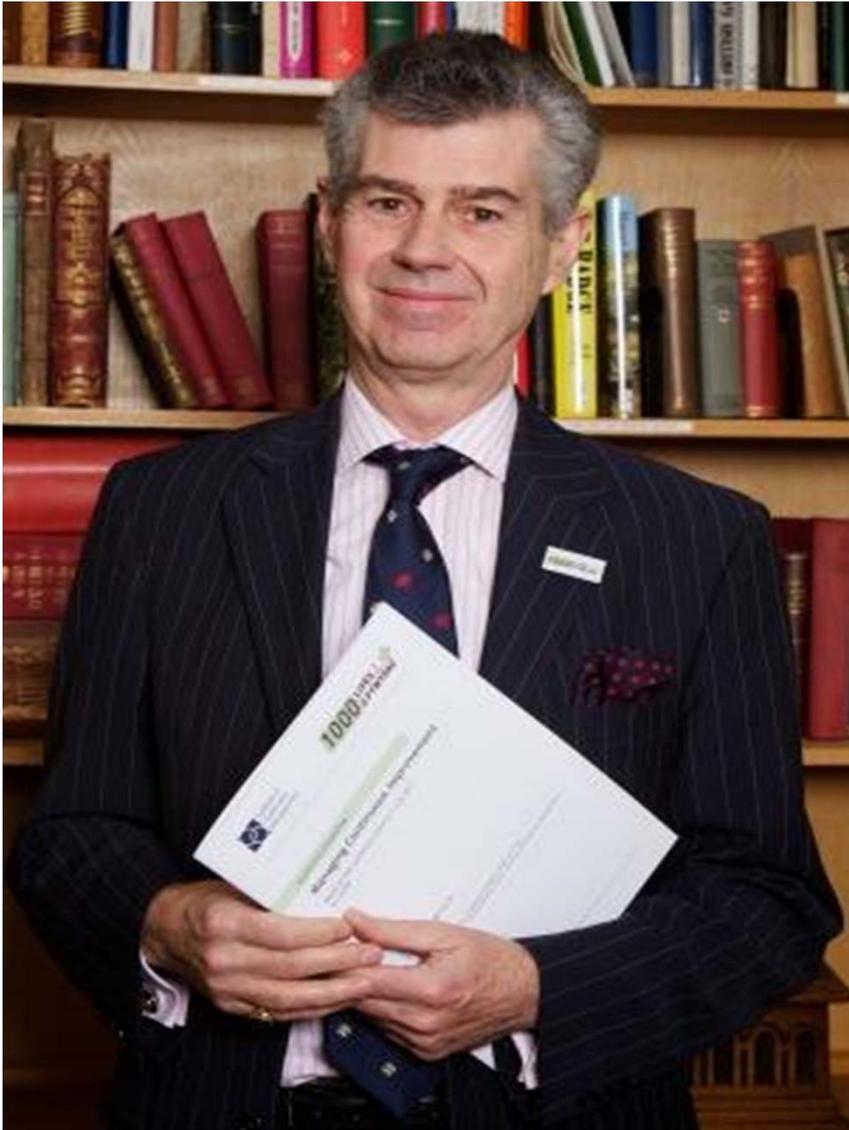
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The future of local government in Wales Where is it heading?





Public Services Commission – The status quo in public services is a not an option



The Commission on Public Service Governance and Delivery will:

- Provide an objective, authoritative assessment of the extent to which current arrangements for public service governance and delivery in Wales meet the needs and aspirations of people today and provide a sustainable basis for the future;
- Propose an optimal model of public service governance and delivery for Wales, that will ensure that efficient, effective and accessible services are provided to the citizen; and support continuous improvement in those services against the background of financial and demand pressures



The six key themes for examination by the commission

1. **Performance and outcomes** – Wales as the curates egg
2. **Scale, capability and capacity** – Big is beautiful?
3. **Complexity including the effectiveness of partnership working** – Welsh Academy of pointless partnerships
4. **Culture and leadership** - Are the generals up to the job?
5. **Governance, delivery and scrutiny** – Inputs rather than outcomes -
6. **The role of the Welsh Government in a maturing devolved context** – Lets be polite at this point!

The Commission reporting in December 2013.



Issues for the Commission to chew over.

- Organisational change will figure heavily
- Timing of organisational change
- Will link into other reviews – City Region
- Hill review recommends 14 LEAS and 4 School Improvement Consortia
- Social Services and Wellbeing Bill enshrines Social care in local government
- Nevertheless integration of health and social care will be the big debate
- It will set out expectations around regionalism and complexity
- Examination of performance of the best and worse
- Inevitably NUMBERS will dominate



Y Comisiwn ar Lywodraethu a
Darparu Gwasanaethau Cyhoeddus
Commission on Public Service
Governance and Delivery

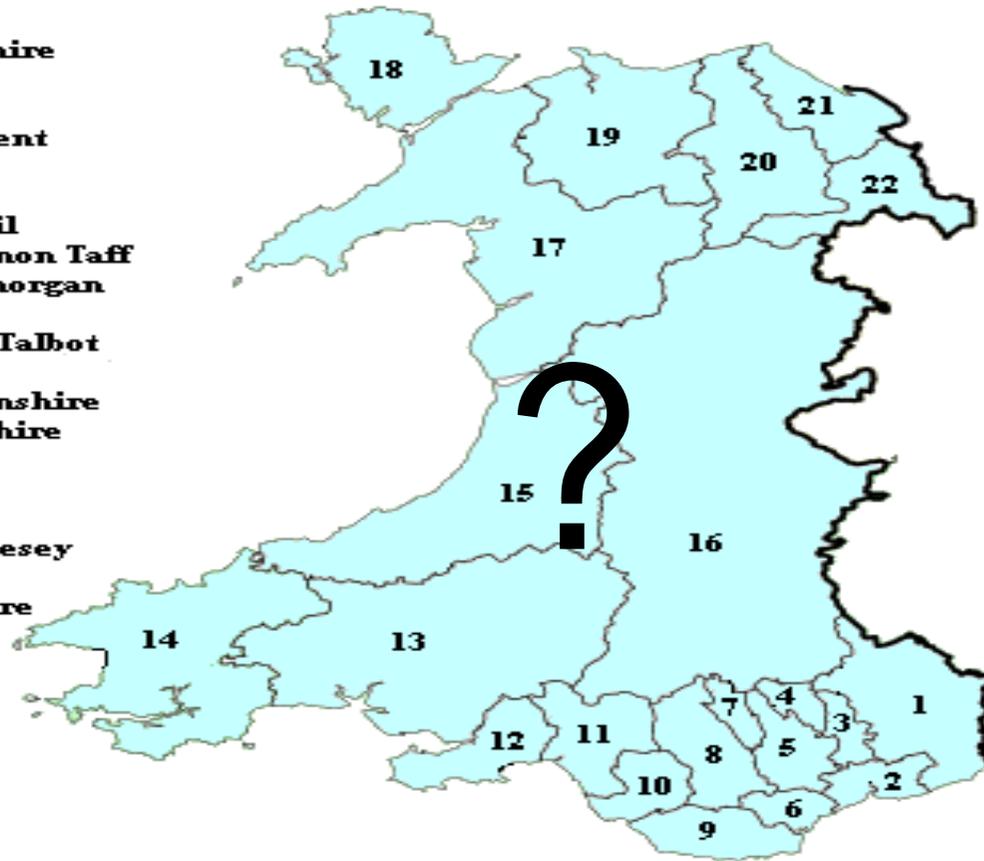


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LGR - Is the map going to change?

Unitary Authorities of Wales

1. Monmouthshire
2. Newport
3. Torfaen
4. Blaenau Gwent
5. Caerphilly
6. Cardiff
7. Merthyr Tydfil
8. Rhondda Cynon Taff
9. Vale of Glamorgan
10. Bridgend
11. Neath Port Talbot
12. Swansea
13. Carmarthenshire
14. Pembrokeshire
15. Ceredigion
16. Powys
17. Gwynedd
18. Isle of Anglesey
19. Conwy
20. Denbighshire
21. Flintshire
22. Wrexham



Yes!



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Confidential – you heard it hear first!

Greater Angleseyside



Montgomeryshire



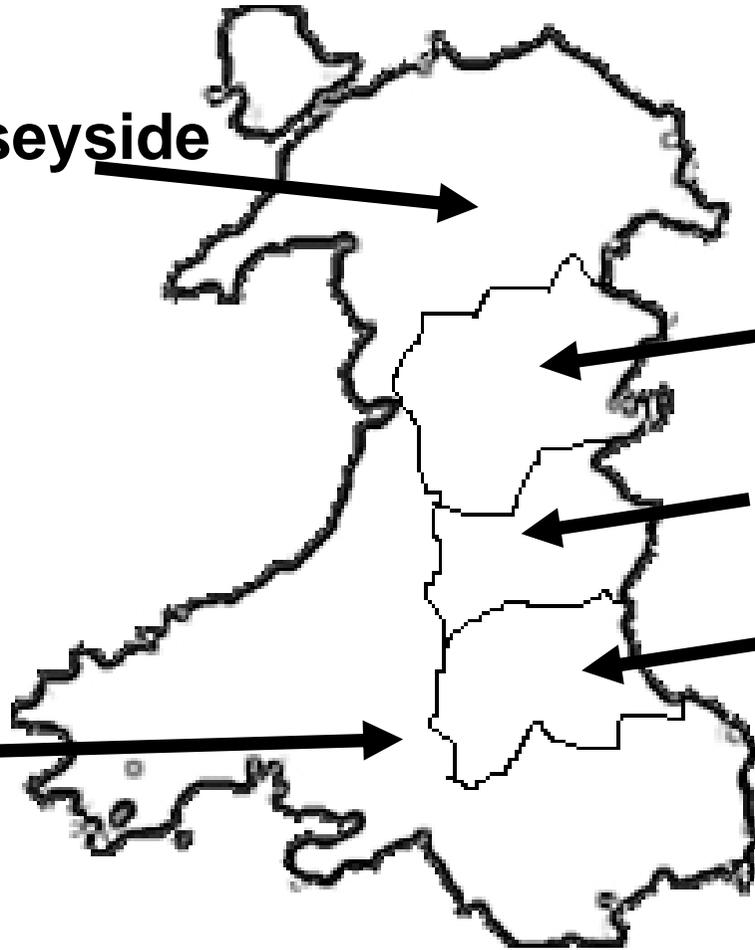
Radnorshire



Brecknockshire



**Greater
Blaenau
Gwent**





Key issues

Keep your shape – every one needs to deliver

Housing services - Its not just about savings its about resilience.

Council need to actively challenge themselves on innovation itself to continually improve. Seek out learning and be prepared to try new and innovative approaches to become even better

Take the tough decisions now – NESTA research is showing that incremental decision making and prolonging the pain. No sign from any major party of a change of course on the public finances

England has been here, done it and got the t shirt – Head up the M6 and steal with pride. Cooperative councils. Energy tarriffs etc

The current local government paradigm needs to shift to new models



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So what will be cunning response to this?



Form follows function what is the vision for local government?

Do we want a centralised devolved state or do we value local democracy?

Delaying the existing complexity.

How will it work with 8, 9, 10, 11 rather than 22?
Taking on functions?



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Is it as scary as it looks or can we successfully navigate through this?

It's behind me...

Isn't it..?





Prospects – Glass half full or half empty?



- We have got through worse
- Opportunities as well as threats
- Time to innovate and work to make partnerships real
- Redefine civic leadership and the expectations/roles of the public
- Welsh government needs to react accordingly



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Thank you for listening

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