

Cymdeithas Llywodraeth Leol Cymru
Welsh Local Government Association



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Local government: the future isn't what it used to be

CIEH Seminar - Action and Not Just Words - Future Challenges

14th March 2018

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[@welshLGA](https://twitter.com/welshLGA)

[@jonprae](https://twitter.com/jonprae)

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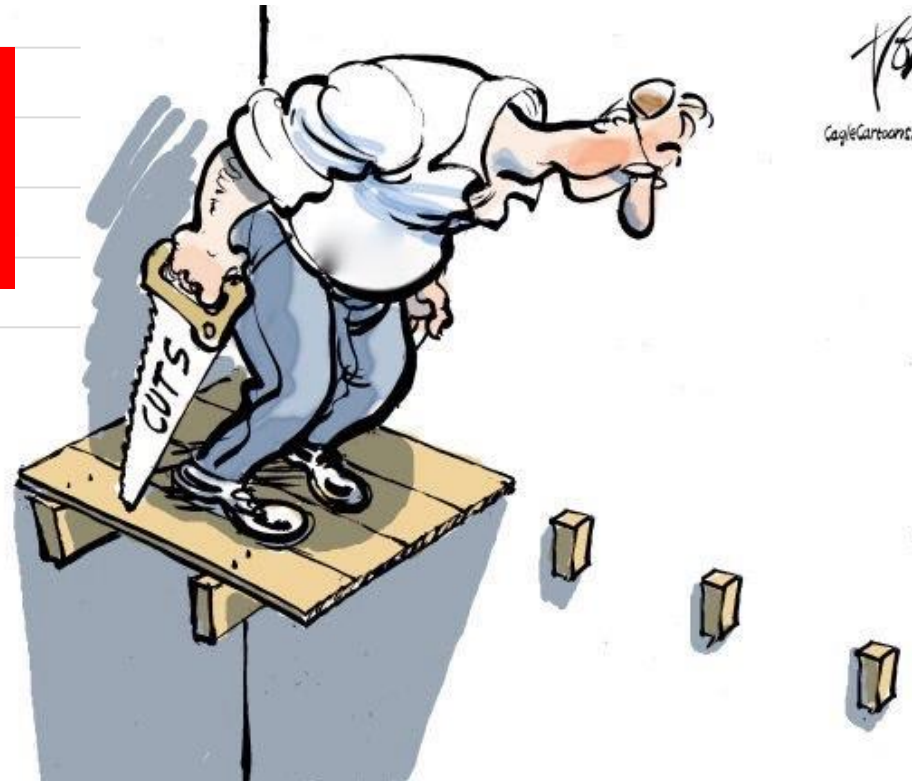
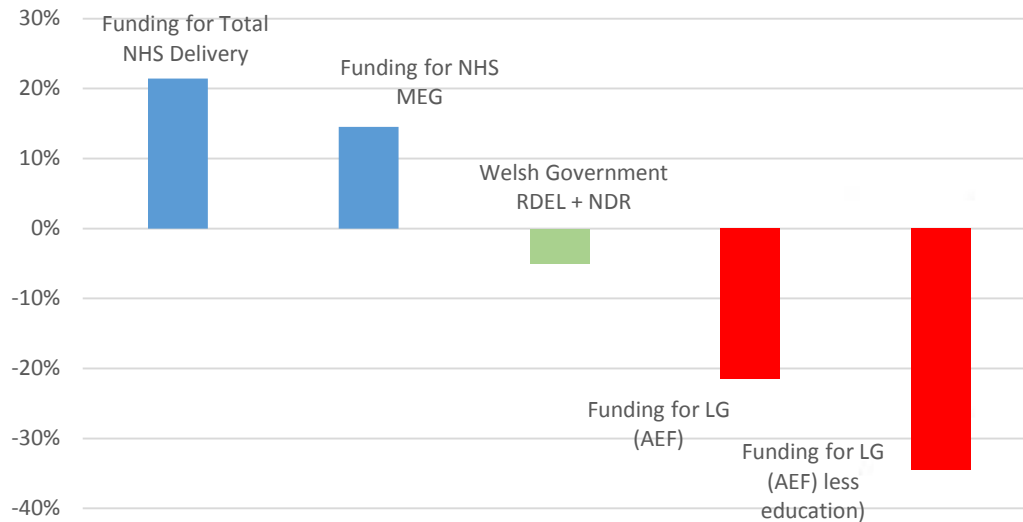
www.wlga.wales

There never-ending age of austerity



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Funding up to 2019-20, inflation adjusted

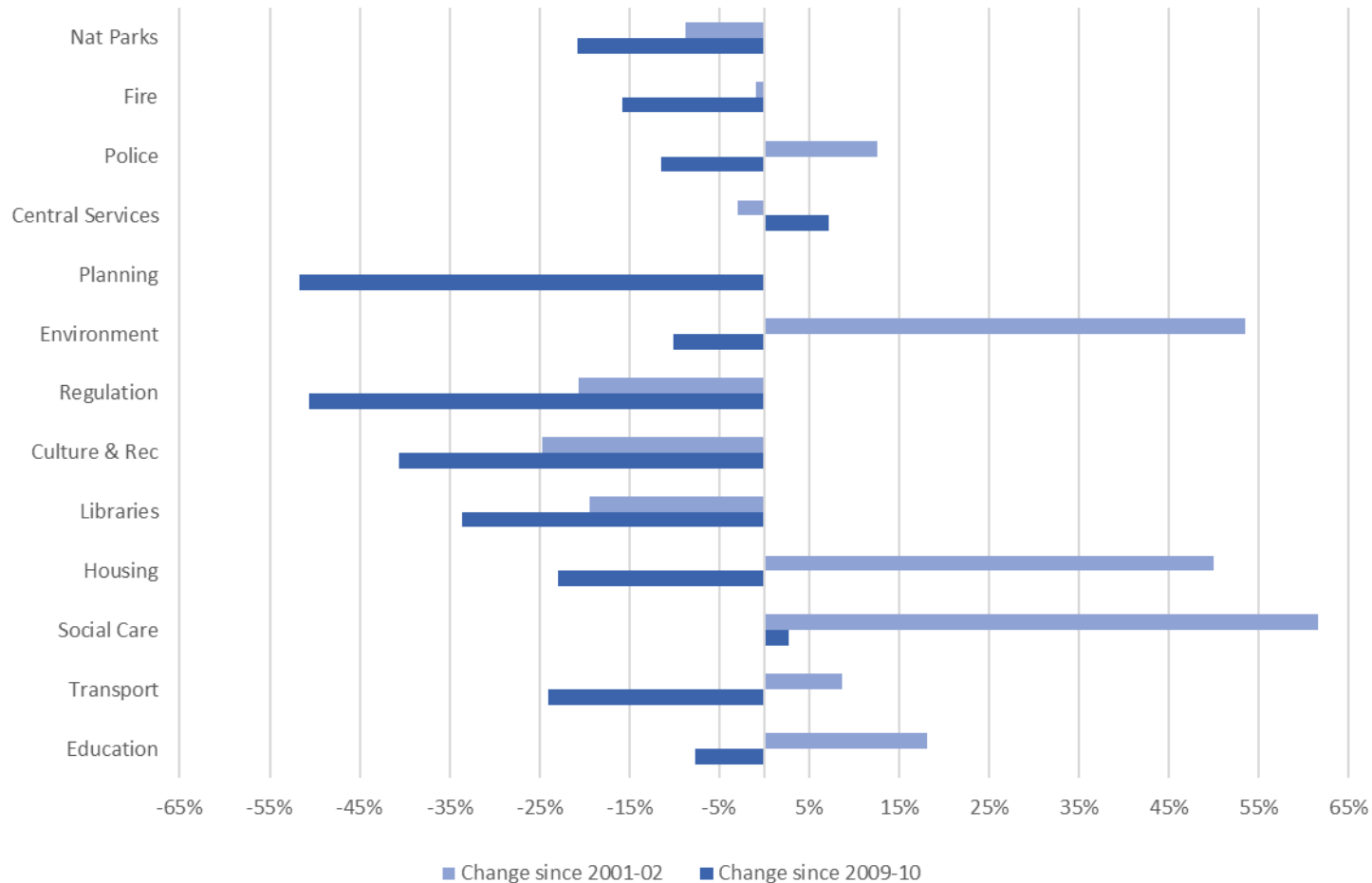


In local government services the scores on the doors are



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Spending up to 2017-18 under 2 different time periods, inflation adjusted





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Does it have to be like this?

Wales 2025 scenarios for WG Budget

R1: Baseline ‘austerity’ scenario (Knackered Option) assumes March 2017 budget to 2019-20, allocates a Wales share of the Treasury’s planned £3.5bn efficiency savings, assumes UK DEL spending allocations are uprated for inflation in 2020-21 and 2021-22.

R2: ‘Easing of austerity’ scenario (Reasons to be Cheerful Option) follows R1, but *Cancels* the planned £3.5bn efficiency savings, and builds in 2017 Conservative manifesto spending pledges.

R3: ‘Benchmark’ scenario (Fighting Chance Option) protects 2017-18 allocations in real terms in following years

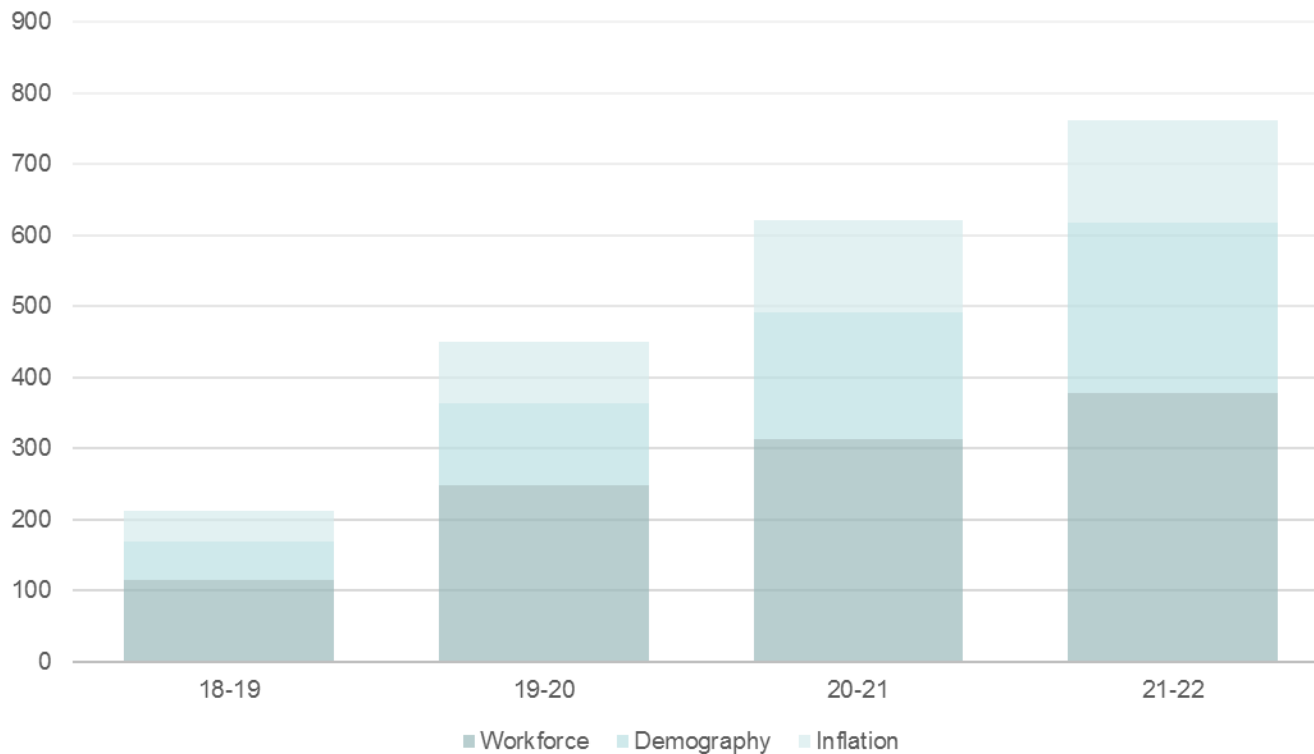
Scenario	2017-18	2018-19	2019-20	2020-21	2021-22	% change 2017-18 to 2021-22
R1	13,400	13,196	12,998	13,001	12,998	-3.0%
R2	13,400	13,246	13,182	13,261	13,334	-0.5%
R3	13,400	13,332	13,287	13,291	13,288	-0.8%

Houston, we have a problem!



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Pressures up to 2021-22, by type, £m

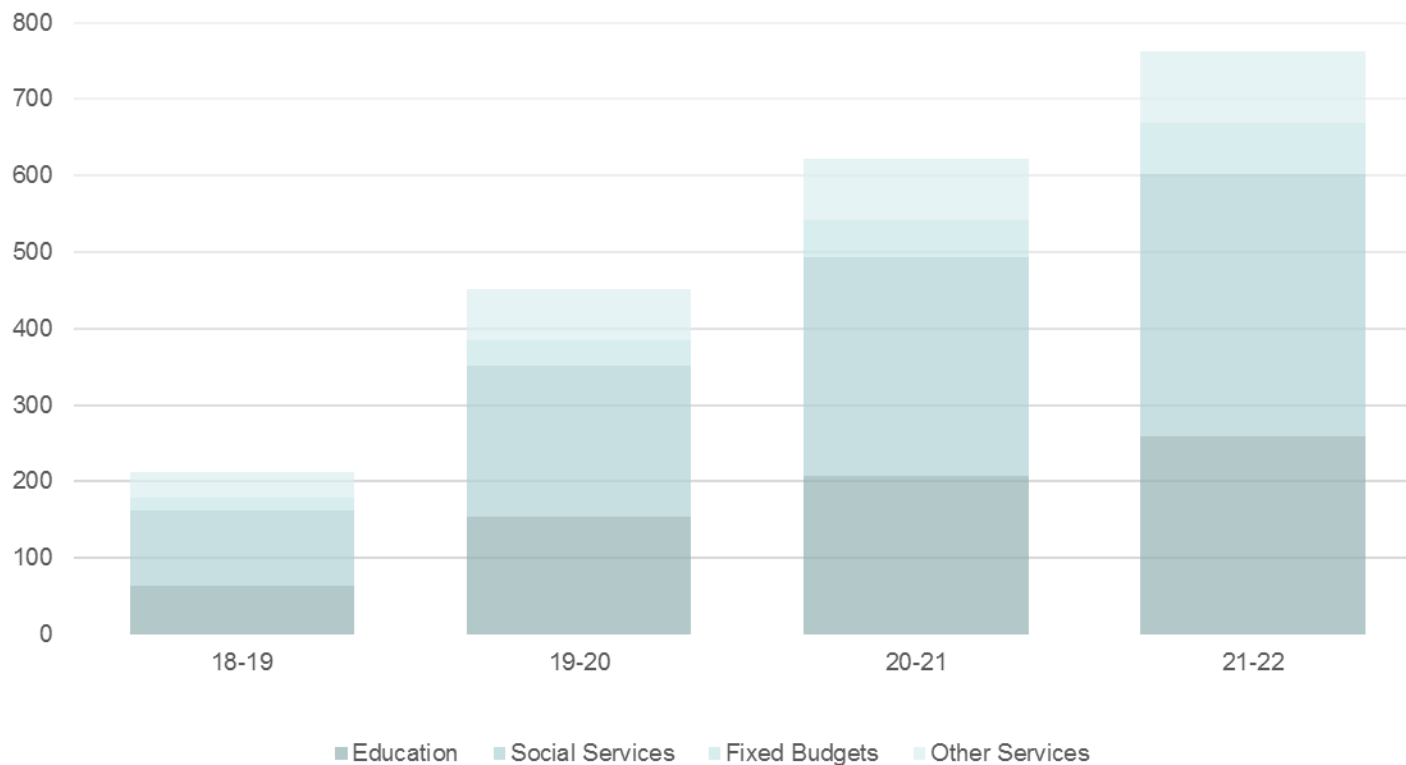


Houston, we have a problem! - alternative view



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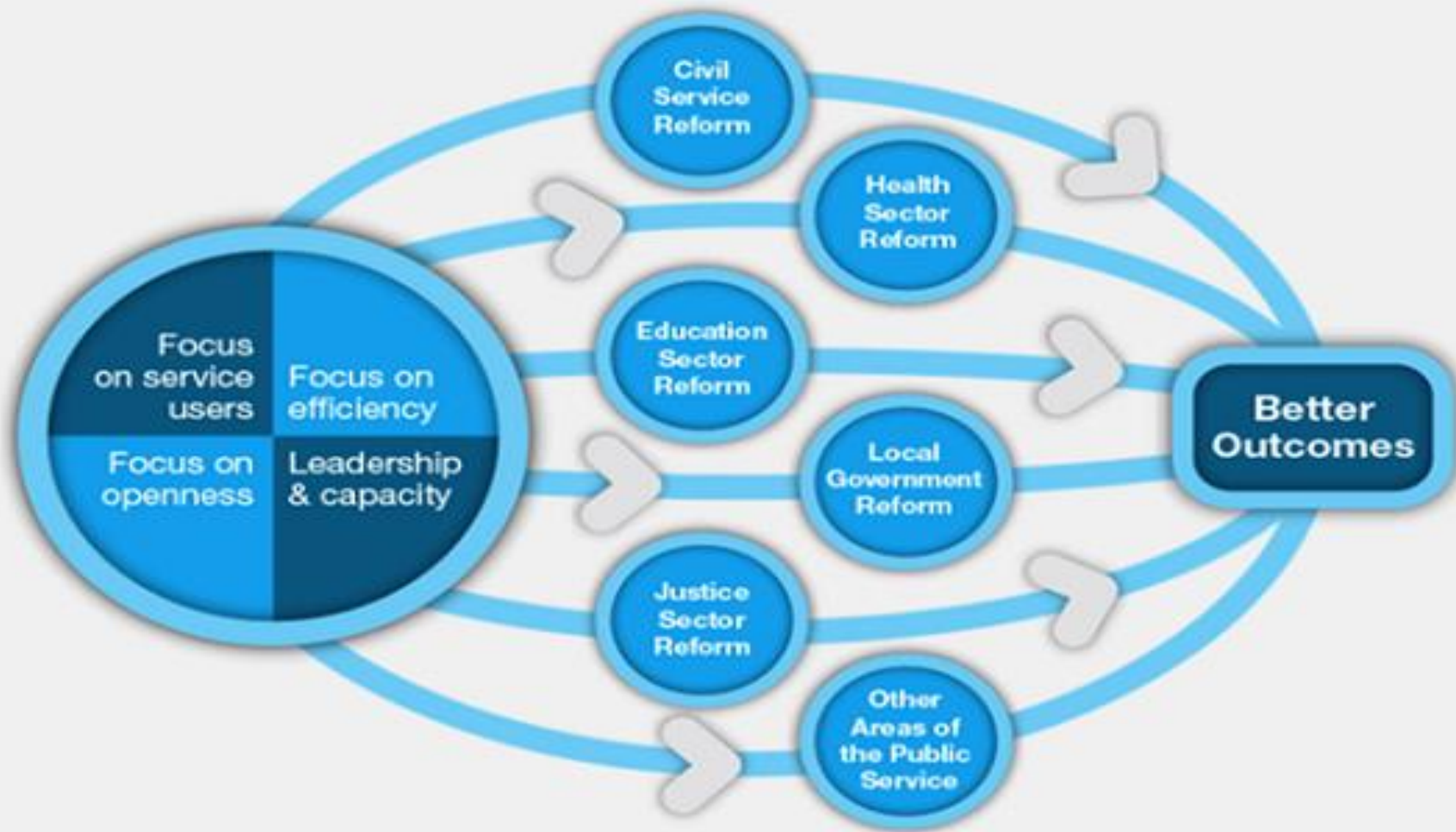
Pressures up to 2021-22, by service, £m



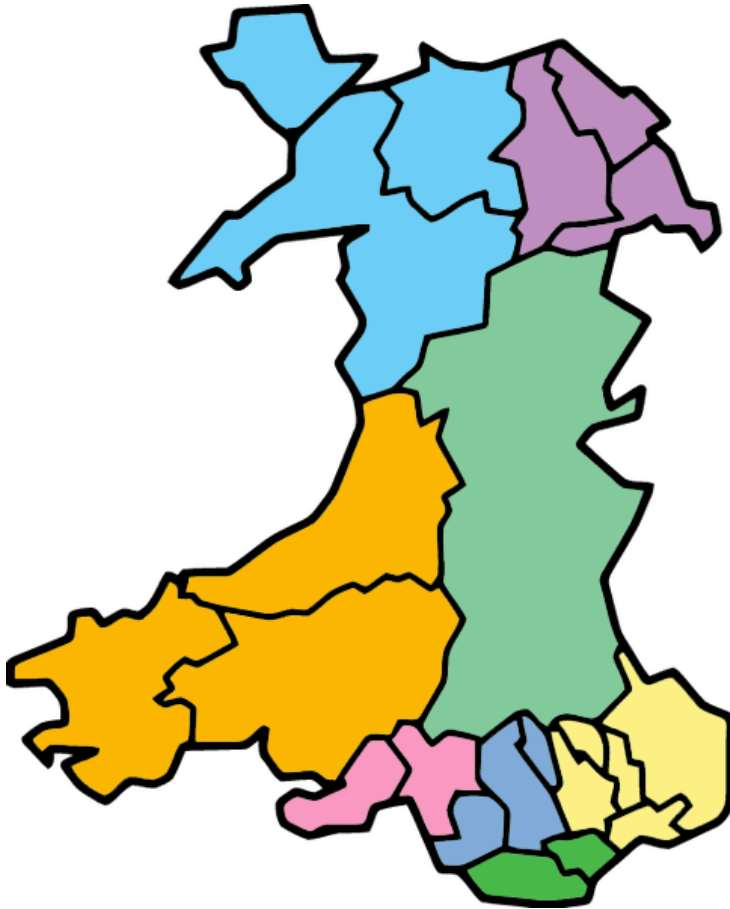
Public Service Reform: an industry devoted to complex graphics



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Eight was the “magic” number



The thoughts of Cabinet Secretary Professor Mark Drakeford AM



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- Retain existing 22 local authorities - the 'front door' through which people access services – but with key services being delivered regionally.
- “Behind this front door, we would have an enhanced level of **mandatory and systematic regional working**. This will ensure that services are planned and delivered on the right scale.”



LGR – what next?



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~~Plan A~~

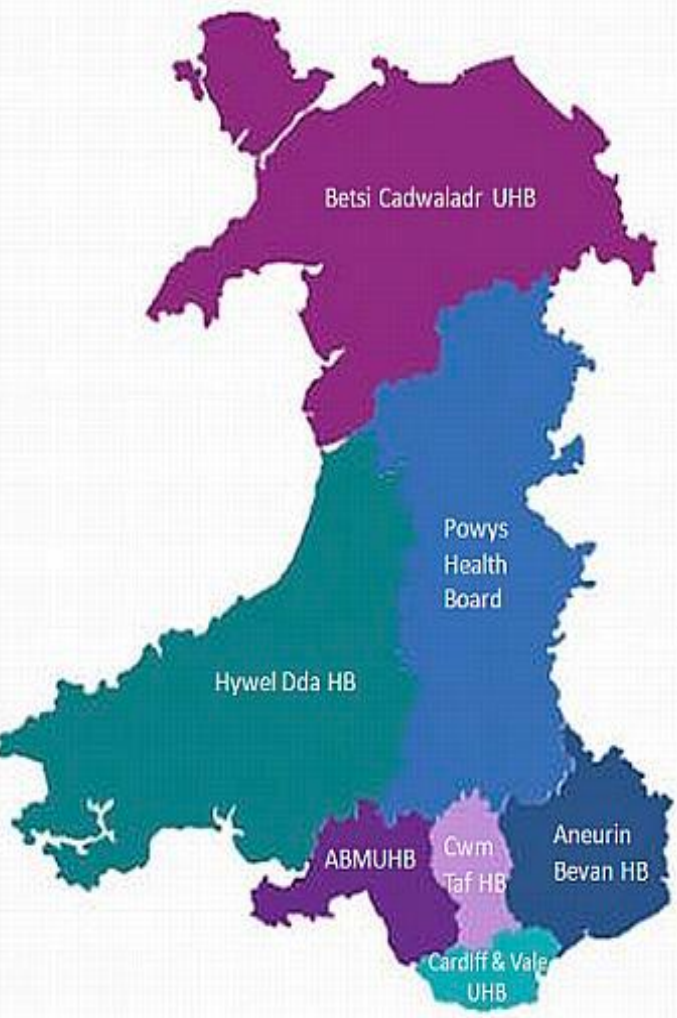
~~Plan B~~

Plan C

Local Government reform “It Takes Two”. Focus on councils to deliver

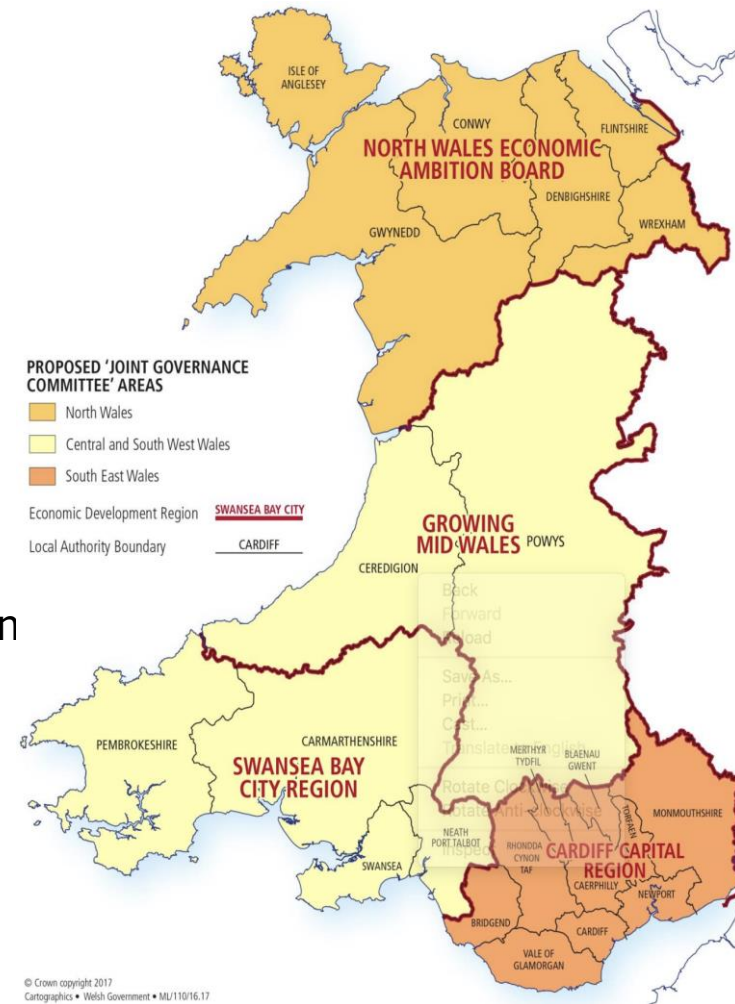


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Two models to deliver such services in the future: one based around **city regions/regional partnerships** covering strategic transport, land-use planning and economic development

Another aligned to **Local health boards** for services such as education improvement, social services and public protection.



Is bigger always better? – economies of scope, not scale



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Jon Rae Retweeted

 **Nick Servini** @NickServini · Mar 5

When this was launched, it was described by ministers as a "very Welsh way to meet Welsh business needs but also value for money for the Welsh pound":



BBC NEWS

Public sector bulk buy scheme loses cash

The National Procurement Service was meant to save Wales' public bodies money but lost millions.

bbc.co.uk

2 7 10

Facing the future and the possibilities across Wales



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north wales economic ambition board
bwrdd uchelgais economaidd gogledd cymru



Cyngor Sir
CEREDIGION
County Council

Growing Mid Wales



DINAS-RANBARTH
Bae Abertawe
Swansea Bay
CITY REGION



So which future is it to be?



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It's behind me...

Isn't it..?



Risks.....how will councils cope with this?



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.....and this?



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taxes work taxpayer ideas
poverty **Welfare** security
disability unemployment credit **social** youth creativity
education **Reform** sustainability
money **benefits** disadvantage local
responsibility training economy protection
vulnerable workforce confidence
access system employment reform policy
flexible solutions choice

Remember, there's always the consultants.....



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managerial fads & ideas that work

1900s to 1960s

- agglomeration economies
- industrial management
- specialisation
- production line
- theory X & theory Y
- cost benefit analysis
- Coates' theory of the firm
- creative destruction
- management by objectives
- return on investment ratios
- cash flow to capital spend ratios

1970s to 1995

- competitive tendering
- service contracting
- competitive advantage
- diversification
- complementarity & synergy
- conglomeration & portfolio management
- outsourcing & unbundling
- mergers & acquisitions
- strategic alliances & joint ventures

1990s to 2015

- zero based budgeting
- total quality management
- in search of excellence
- lean processing
- six sigma
- public value
- business process reengineering
- delayering; downsizing
- empowerment & engagement
- knowledge management
- matrix management
- 360 degree feedback
- programme & project management
- strategy mapping
- balanced scored card
- performance management & targets
- enterprise resource mapping
- risk management
- business continuity & internal controls
- stakeholder analysis
- reputation management
- strategic alignment
- disruptive innovation
- service commissioning
- innovation ecosystem
- service redesign
- design thinking
- digital transformation

2016 to 2020

- co-production
- system leadership
- collective intelligence
- augmented/virtual reality
- sharing economy
- big data
- Holocracy
- self organising
- network dynamics
- Quantum team management
- Blockchain

FADS are:

simple,
prescriptive,
one size fits all,
easy to cut & paste,
in tune with the
zeitgeist,
novel not radical,
legitimised by gurus
ultimately vacuous

Barry Quirk (2018)

Digitalisation - the next stage in service evolution



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Things can only get better?



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 **Jon Rae** @jonprae · Mar 11
BBC News - We're not out of austerity tunnel yet - Chancellor Philip Hammond



We're not out of the tunnel yet - Hammond
The chancellor says he will not relax his grip on public spending in his spring statement on Tuesday.
bbc.co.uk

 **Steve Thomas** @stevethomas100 · Mar 10
"Up to 2013/14, spending came down without big political consequences or things falling apart That is no longer true"

Jon Rae Retweeted



Economist Paul Johnson: 'We are nowhere near out of austerity'
As the man relied on to make sense of the numbers in the chancellor's spring statement, the IFS director warns that cuts have taken Britain to c...
theguardian.com

  3  3

Conclusions



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- Despite cuts councils doing great work – a force for good
- Time to end austerity
- Local authority sustainability over time
- Brexit debate and the formulation of a new regional policy for Wales
- Local authority role in promoting economic transformation Unfinished work on local government reform
- Need to make a clear case for preventative services from social care to regulatory services
- WLGA is your national voice and in the current cuts climate we need you to SHOUT LOUDLY – YOU HAVE A PROFESSIONAL VOICE AS WELL!!

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Thank you for listening

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