

*Transformation & Re-organisation:
what's in store for local government in Wales?*



Can there be a Positive Strategy for Wales?

Dominic MacAskill, Head of Local Government
UNISON Wales

Overview of presentation



- Political context: Westminster & Welsh Government
- Impact on workforce: current & future
- Reducing workforce unit costs v Cutting jobs v Efficiencies
- Managing change whilst resisting

Political context: Westminster



- cuts;
- Cuts
- **& MORE CUTS**

Political context: Welsh Government



- Welsh Government: Managing the CUTS

Through:

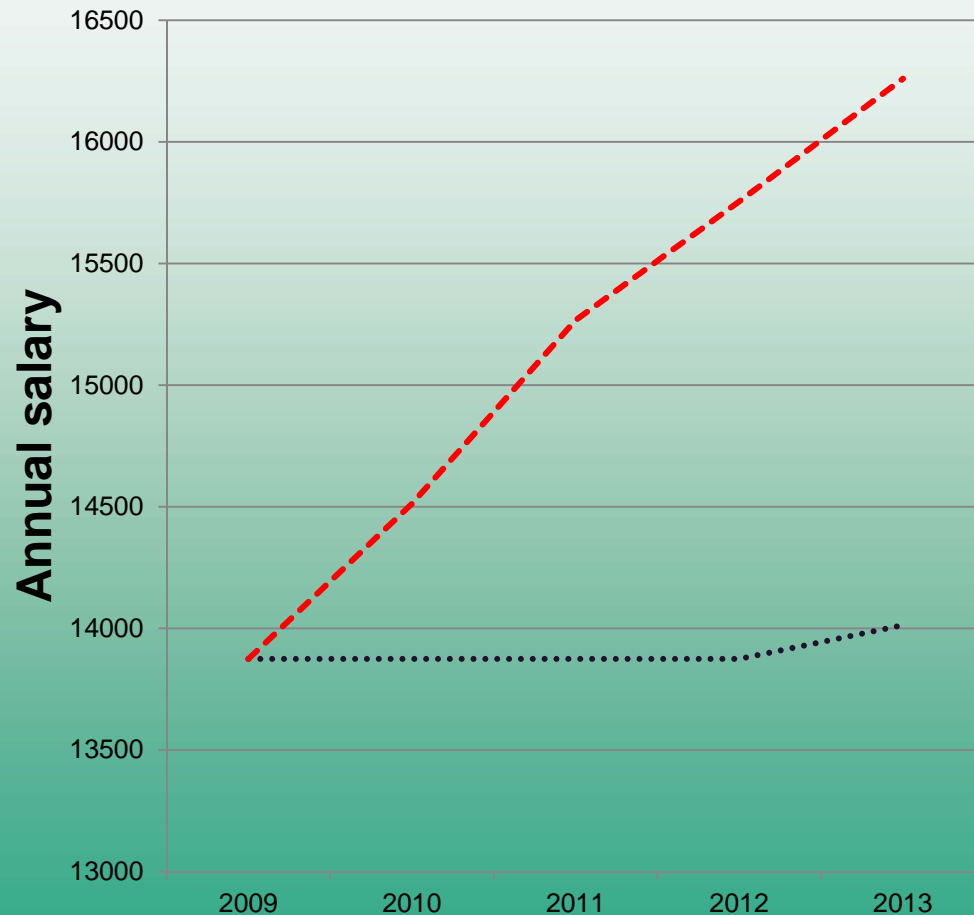
- Holistic approach to setting budgets (3 years) then reverting to type to protect high profile NHS
- Transformation and reorganisation: One Public Sector Wales; Shared Services & the Williams Commission

Impact on workforce: Current to date



- 5 years of pay freeze and pay cap leading to a real terms reduction in wages of 18% since 2010
- Cut or curtailed Terms & Conditions affecting take home pay and expenses e.g. Cuts in unsociable hours and overtime payments; cuts in car allowances; cuts in working hours (MOU context)
- In work poverty and cost of living crisis real and pressing issue for many workers

What does this look like?



..... Actual pay level after pay award

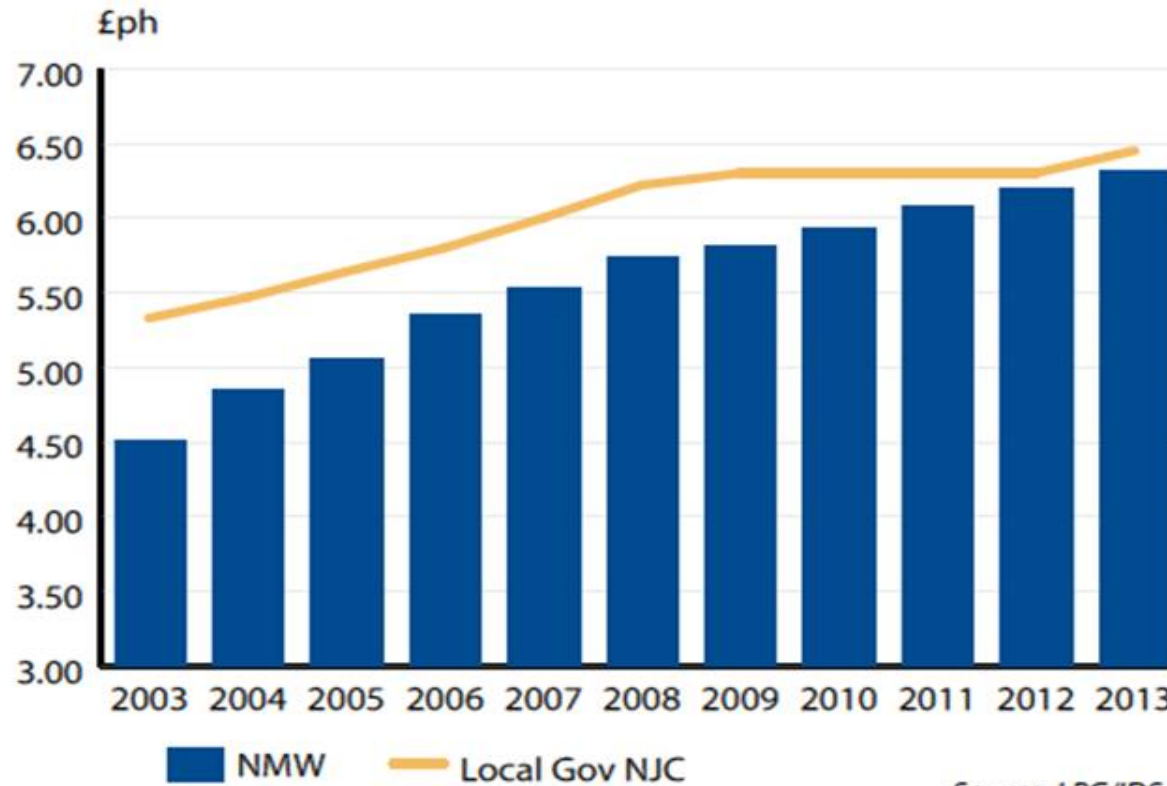
- - - Pay level if past pay awards had matched inflation

If SCP 10 pay had matched inflation, you would be earning £16,260 today or £8.4 per hour

If the NMW increases as much as many politicians would like, it will be between 49p – 62p above the bottom NJC pay rate of £6.45 per hour.

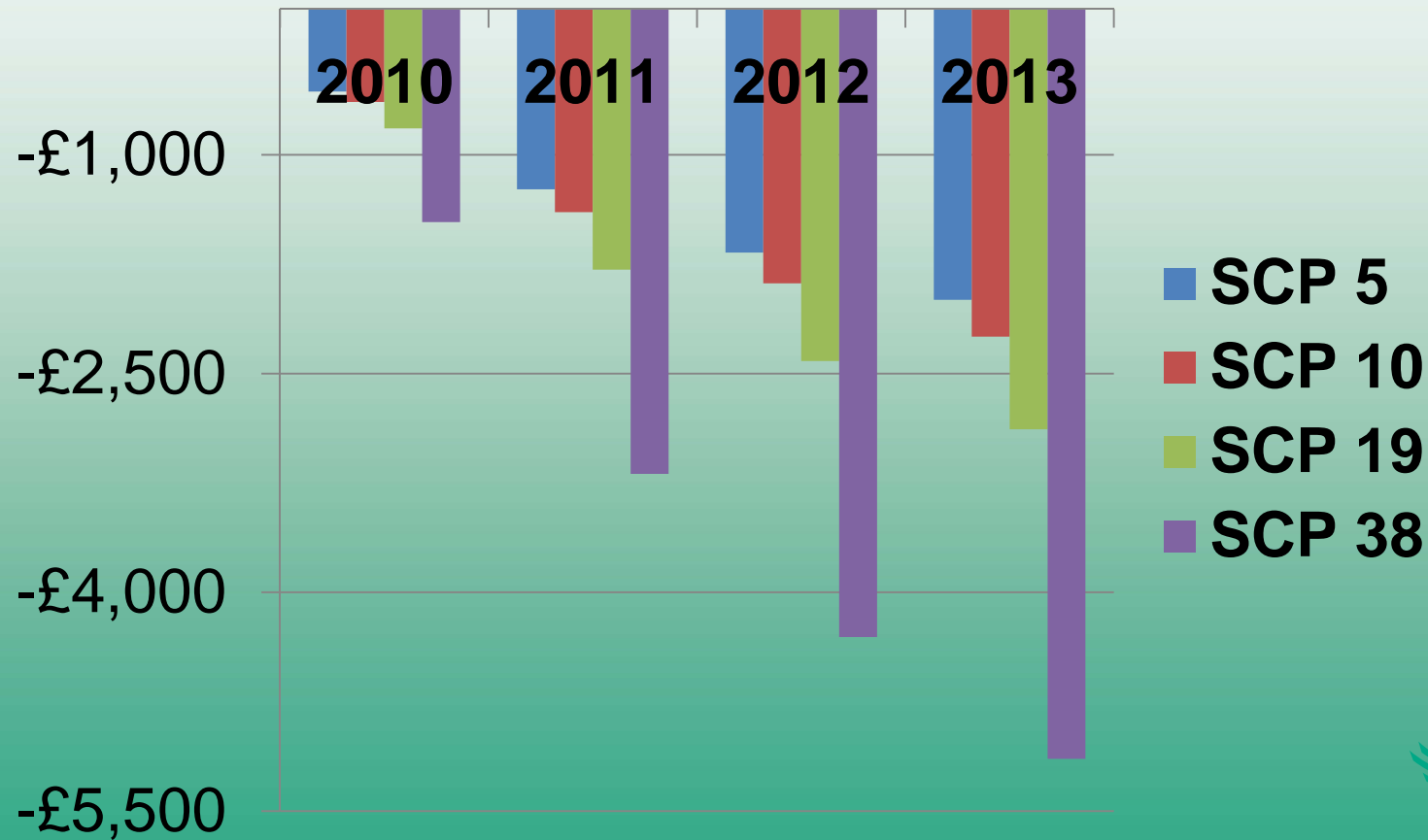


The NMW and the lowest local government pay rates



Source: LPC/IDS

*Its not just the lowest paid struggling...
... everyone is worse off now than in 2009*



Impact on workforce: the future



More of the same is not sustainable!

Already

- 10,000 jobs gone over last 4 years
- In work poverty rising
- Endemic low morale
- Increased levels of stress

Future (if this strategy continued)

- 25,000 jobs to go over next 3 years
- Poor recruitment & retention
- Reduced quality of service
- Entering a spiral of decline in quality of services

Reducing workforce unit costs v Cutting jobs v Efficiencies



- Problem not going away any time soon
- So difficult and painful decisions
- Faced with managing expectations and decline
- Until political consensus shifts from its neo-liberal, endless austerity and small state is good position to a more progressive, people centric and positively public services position

Reducing Workforce unit costs



- Much, too much, has been done already under the old Wales MOU (a pragmatic tool of the day which is past its sell by date) and LGA's NJC pay policy
- Previous slides demonstrate that this is not sustainable, nor desirable, going forward
- Public sector workers can no longer subsidise services with cuts to their pay and Terms & Conditions

Cutting jobs



- It is inevitable: 10,000 jobs have already gone in Wales and UNISON project that a further 25,000 jobs will go in the next 3 years
- Workforce cost make up 70% plus of total council expenditure
- The scale of budget cuts: a quarter only so far have been realised and already the workforce is at breaking point - further unit cost cuts will not deliver the cuts demanded.

Efficiencies



- Need to do more with less by being innovative; imaginative and creative
- Utilise the knowledge, experience and expertise of the workforce
- Holistic, systems based approach to service redesign
- Retain the quality and most of the capacity
- Manage demand
- Still massive job losses but in more controlled and sustainable manner

Managing the pain! Strategic



- One Wales Public Service approach e.g. Health & Social Care integration; money following need irrespective of silos; public sector work force planning
- Sharing Services through Joint committees & delegation of services
- Williams commission restructuring
- Forensic audit of council budgets: avoid England example reserves increase to £19 billion whilst staffing cost reduced by a quarter
- Commitment to cross service reviews rather than simplistic top slicing budgets

Managing the Pain!

Within organisations



- JCW Managing Change in Partnership and WPC Partnership and Managing Change (2012): Shared Vision; Workforce Engagement; Workforce Learning; Career Development & Equality and Well-being
- WG Revised Code of Practice on Workforce Matters
- Don't privatise the efficiency savings, keep services in-house & utilise APSE (2009), In sourcing: a guide to bringing local authority services back in house
- Be financially creative: minimise revenue contributions to capital; maximise income and minimise penalties; prudent not excessive reserves; capital refinancing has been explored; minimum revenue provision has been explored

Managing the Pain!

Within organisations cont.

- Manage demand through public information, communication and engagement
- Politicians stand up for their services with an alternative narrative and vision for the future of LG services
- Take the lead in campaigning for this alternative vision

Yes We Can!

A Positive Strategy for Wales



Hold to our principles through difficult times:

- Working together to deliver
- Putting citizens first
- Fairly rewarded world class workforce
- Better and smarter use of resources
- Jointly campaigning for a brighter, more positively public services future