

Future Challenges for Council Services

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APSE National Full Association Meeting

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Best Government Services Employer in the UK 2016
(Bloomberg Business Best Employer Awards 2016)

What I will talk about:

- Facing up to financial austerity
- Reconfiguring services
- Delivering public policy outcomes
- Managing public expectation

Facing up to Financial Austerity:

SG Funding Limits/Conditions

- Scottish Government funding conditions 2016/17
 - Council Tax Freeze (£1.01m penalty if not agreed)
 - Education protected – Maintain teacher number at 2015 levels (£0.7m penalty if not agreed)
 - Secure all Induction Scheme Probationers a place (£0.516m penalty)
- Social Care and Health Protected – Integrated Joint Boards (£250m in Health Budget for Social Care)
- NDR Changes to empty property relief (Potential cost of £1.2m)
- Targeted Policy Priority Spend – No Ring Fencing???
- UK Government Apprenticeship Levy – 0.5% of Paybill (2.3% of Workforce to be Apprentices)

Budget Pressures:

- Reducing Population leading to further cuts in Government Grant
- Workforce Pay Increase Demands
- Increasing elderly population
- Increased number of young people with Additional Support Needs
- Welfare Reform – Cuts in DWP funding and increased demand
- Infrastructure Maintenance (Property, Roads, Flooding etc)
- Continuing Financial Austerity (to 2019/20?)
 - Reduced Government Funding
 - Reduced Partner Funding

Finance and the Gearing Effect:

	<u>£million</u>	<u>£million</u>	
Inverclyde's Revenue Budget 2015/16		196.00	100%
<u>Protected Areas</u>			
Education	70.00		
Inclusive Education	9.00		
Health and Social Care Partnership	49.00		
Loan Charges	14.00		
Pensions	<u>2.00</u>		
Sub Total		<u>144.00</u>	73%
Other Services (Inc. Roads, Environmental etc,)		<u>52.00</u>	37%

£21million Estimated Savings Requirement by 2016/20 (4years) = 11%

Finance and the Gearing Effect:

£21million Estimated Savings Requirement by end 2016/20 (4years) = 11%

	<u>£million</u>	<u>% of Total</u>
Estimated Savings Requirement by end 2016/20 4years)	21.00	11.0%
Protected Areas – estimated maximum saving	<u>2.88</u>	2.0%
Balance of Savings from Other Services	18.12	9.2%
Other Services (Including Roads, Environment etc)	52.00	37.0%

Therefore £18.12m out of the £52m = 35% saving

Facing up to Financial Austerity (Continued):

- Status quo is not a viable option – must be prepared to change
- Increasingly difficult to produce balanced budgets
- Political Priorities/Policies
- Remaining services will absorb higher share of cuts
- Avoid short terms focus & maintain long/medium term financial planning
- Build collegiate approach with Elected Members and Trade Unions

Reconfiguring Services:

- Drivers for change – “The Burning Platform”?
- Transformational Change
- Delivering Change and New Operating Models
- Barriers to Change

Critical Workforce Issues:

- Previous staffing cuts – Capacity
- Age profile
- Loss of skills and expertise – Business resilience?
- Generalists and not Specialists
- Sustained lack of investment in training and development
- Emerging recruitment and retention crisis
- Significant competition from other sectors
 - 28500 construction jobs by 2019
 - 40-50,000 professional LGV drivers needed now
 - Pay differentials

Reconfiguration Options:

- Management Restructuring
- IJBs/HSCPs
- Trusts
- ALEOS
- City Deals
- Shared Services (Joint Committees/Boards)
- 3RD Sector/Social Enterprises
- Merged Councils/Shared Management
- Commercialisation
- Outsourcing/Externalisation

Reconfiguring Services (Continued):

Key points:

- It is not just about Business Systems and Processes
- It is also about Resilience and Sustainability

Most Importantly –

- It is about the People & Relationships, and
- Trust & Confidence

Reconfiguration Objectives:

- Local Democratic Governance
- Improved performance
- Improved Service standardisation and consistency
- Increased specialist management capacity
- Improved staff retention, skills development and training
- Improved business resilience & sustainability
- Increased efficiency and effectiveness
- Better procurement
- Commercial Opportunities
- Delivery of Best Value

Delivering Public Policy Outcomes:

- Elections
- Evidence Based Community Plans/SOA
- Repopulation/Place
- Eradicating Poverty, Housing Provision
- Education & Health Priorities
- Employability, Employment & Economic Vitality
- Environment

Managing Public Expectation:

- Community Empowerment (Scotland) Bill
- Increased Community Engagement
 - Geographically and with Communities of Interest
- Budget Consultation – Involve/Inform public of difficult choices
- Policy Options/Consultation
- Giving communities greater say on how services are delivered
- Regular Communication via community events, newsletters, press, social media etc.

QUESTIONS?