

Powys County Council

Statement of Intent 2014-17 (2015 Update)

Responses

WHO	SECTION
✓ Management Team	Executive Summary (ES) 1; ES 2; ES 3; ES 4; 3.1; 3.6; 3.7;
✓ <i>Amanda Lewis</i>	<i>ES 4.1/3.7.1; 3.6.1;</i>
✓ Ian Roberts	ES 4.2/3.7.2;
✓ Paul Griffiths	ES 4.3/3.7.3; 3.6.4; 3.6.7;
✓ David Powell	ES 4.4/3.7.4; 2.4; 3.1; 3.1.1; 3.6.2; 3.6.8;
✓ Nick Philpott	ES 4.5/3.7.5; 3.5;
✓ Dominique Jones	2.1; 2.3; 2.5; 2.8; 3.4; 3.6.5; 3.6.6;
• Jane Thomas	2.2
• Anya Richards	2.6; 3.1; 3.2; 3.3
✓ Andrew Durant	2.7
• Susan Bolter	3.6.3; 3.6.7
• Heads of Service Group	Section 4; Appendix A

Statement of Intent

1. About this document

Each year, we produce a Statement of Intent as part of the Council's business and financial planning process. It allows us to capture the financial, regulatory and policy pressures affecting the Council and sets a direction for the cabinet's approach to the Council's budget and improvement priorities.

2. The situation we face

The Cabinet in setting its approach to the budget needs to understand community and residents' views, financial and inflationary pressures, performance and regulatory reviews.

This year we undertook an extensive community engagement exercise running a series of workshop and drop-in sessions across the county. The aims of the exercise were to inform the community of the current issues facing the Council and to ascertain the level of interest and capacity within the community for alternative models of service delivery. This work built on previous engagement activity which had ascertained resident and community views on priorities for service delivery and improvement.

The Council will be facing continued budget reductions until at least 2020 by which time we estimate that the Council's support from the Welsh Government would have reduced by a further £70m; almost one third of our current net budget. Therefore the Cabinet must not just plan for the next financial year but will need to put in place plans which seek to respond to this reduction to the end of the decade.

The Council's performance has continued to improve over the last twelve months however significant challenges remain. The Council must continue to drive the modernisation of its social care services to make them more efficient and tailored to the changing needs of the population. Standards have continued to improve within the council's primary schools however concerns remain in the secondary sector together with the acute need to reduce surplus capacity.

The Council will increase the scope and tempo of its integration work with the Powys Teaching Health Board but it must ensure that this work does not constrain the Council's ability to balance its budget and to develop current collaborative arrangements with Ceredigion County Council.

3. The Cabinet's approach

Recognising the increased challenges posed by the long term financial outlook the Cabinet has reviewed and amended the Council's overall vision to **Strong Communities for the Green Heart of Wales**.

The amendment to the vision focuses on the relationship between the Council and its communities. The Council is seeking partnership from communities to work together to deliver services in future and in turn this will help keep communities vibrant. In particular the Council wishes to create more employment opportunities for young people within the community.

The Cabinet will continue to develop the Council's operating model based upon commissioning and has reaffirmed the following priorities to support the Vision:

- **Remodelling council services to respond to reduced funding.**
- **Supporting people within the community to live fulfilled lives.**
- **Developing the economy.**
- **Improving learner outcomes for all, minimising disadvantage.**

These priorities will shape everything we do, and we hope to fully engage citizens and staff in the process of change. Citizens need to be aware that we can no longer deliver all the services in the traditional way and that to maintain services communities and citizens will be supported to do more for themselves. Staff will be encouraged to work in new ways and to take on new responsibilities.

We recognise that we can no longer meet the needs of communities on our own. Through the Powys Local Service Board, we will work with our partners in the public, voluntary and independent sectors

to plan and deliver services that our communities need. We will seek to do so through the development of a single improvement plan for Powys, the One Powys Plan.

We will set out to reduce our cost base through transforming services by undertaking whole council and sector reviews, reducing the amount of property we use, and developing a community delivery and neighbourhood management approach which will focus upon the needs of specific communities and the services they need.

4. Prioritising our service spend and achieving savings targets

In order to deliver the Council's priorities the Cabinet have developed a set of budget principles which will inform the allocation of resources:

- Valued Services.
- Supporting the Vulnerable.
- Local Delivery.
- Personal Responsibility.
- Value for Money.
- Improving Productivity.

The scale of the financial challenge facing the Council dictates that the Cabinet must review the historic allocation of resources to services and re-allocate funds based upon these principles.

5 The 2015/16 Budget and subsequent years

The provisional budget settlement for the Council was announced by Welsh Government on 8th October 2014. The settlement has awarded the Council a 4.4% budget reduction for the next financial year against a Welsh average reduction of 3.4%. This amounts to a reduction in cash terms of £7.762m compared with the settlement for the current financial year.

The Council received the benefit of the floor mechanism in the sum of £1.7m. The highest in Wales.

Importantly this means that the per capita funding for Powys is £1,298m compared with a Welsh average of £1,323m. Many of the Councils current services and facilities were developed when the County received one of the highest per capita allocations within Wales. The Councils future service provision needs to reflect this shift of funding away from rural areas which is likely to continue and the Cabinets budget proposals acknowledge this requirement.

Due to inflation and spending pressures from increasing regulation and the aging population the Councils savings target for 2015/16 amounts to £16.339m. The details of how the budget will be balanced are reflected in the Cabinets headline policy initiatives which appear below:

- Council Tax increase 2015/16 – within the range 3.5% to 4.95%. For subsequent years a notional increase of 3.25% will be used.
- Reserves – To increase general fund reserves by £0.5m each year with a target level of 4% of budget.
- To increase the focus of income generation opportunities.
- Capital – Refresh the Council's Capital Strategy and to challenge the allocation to 21st Century Schools in order to release to other areas.
- Third Party Spend – Seek to achieve the £8m identified by Northgate with £1.8m identified for 2015/16.
- Property – Increase the pace of disposals; single occupancy buildings to be challenged together with an assessment of the long term future of County Hall, Neuadd Brychieniog and Neuadd Maldwyn.
- Leisure – Future provider will be required to produce substantial reductions in the current net subsidy for leisure centres.
- Schools – The current number of schools in the primary and secondary sector is not sustainable:
 - A 50 pupil minimum number for primary schools will be introduced. All schools falling below this figure will be challenged.
 - The number of post 16 centres / secondary schools will be reduced.
 - Schools modernization will need to make a net contribution to the Councils overall savings annually.

- Highways, transport and Waste – The service will be re-commissioned to produce a £6m saving over the next three years. The number of depots will be significantly reduced.
- Community Delivery – We will seek to re-commission a number of services by transferring delivery to town and community councils with the aim of securing a 50% reduction in the current cost of provision.
- Support Services – Further reductions on the current delivery model are marginal. New delivery model to be explored including integration with the Powys Teaching Health Board.
- Social Services (Adults and Children) – The Cabinet will permit funding transfers across the Adults/Childrens blocks to contain expenditure within these two areas. This may lead to a permanent redistribution. Further growth pressures on the Adult Services budget must be met from efficiencies within the overall Adults/Children’s area.
- Change Capacity – The Cabinet will allocate resources and will invest in short term and long term change capacity.

6 People services (Amanda Lewis)

Our people services include adult social care, children’s services and housing. These services are developing a number of ‘whole system’ approaches both within the services, the council and in our work with partners in order to make our contribution to the Council’s savings requirements. By ‘whole system’ approach we mean that we look at the broader picture of what is being delivered to service users as a whole and work to redesign our approach so that each component part of service delivery compliments and contributes to the overall service delivered and improves the impact and service users experience.

We are progressing:

- The redesign of our service and management structures including the de-commissioning of services. Where there is value to be added we will work regionally to improve purchase power and make better use of specialist skills where critical mass does not exist in Powys.
- Continue to build on the success of our early intervention and prevention approach with well-defined and integrated care pathways, including a joint approach with Powys teaching Health Board and other partners such as the third sector.
- Develop clearer eligibility criteria alongside full cost recovery access model to services such as income generation (where a client can afford more) and direct payments.

As part of this strategy there will be changes to the type and level of service we offer our citizens, however we remain focused on supporting and protecting the most vulnerable.

Our people services will remain committed to:

- High quality, efficient and effective services that focus on impact and outcomes.
- Engaging our citizens in building social capacity (both individuals and communities) - in essence partnering with our citizens to deliver services.
- Developing effective and efficient care pathways from universal through to acute, through managed demand for the whole population in collaboration with our partners.
- Equity of access - ensuring that the resource requirement and true service cost is fully understood.
- Partnership and collaboration with key partners.

7 Schools service (Ian Roberts)

Our schools service has an overall annual budget of £97m, £72m of which goes directly to schools and forms their delegated budget. An additional £9m per annum is used to provide home to school or college transport.

Transforming learning and skills is one of the five main themes of the One Powys One 2014-17. We are committed to ensuring that “All children and young people are supported to achieve their full potential”.

We must strive towards improving the performance of our schools and standards in terms of learner outcomes and well-being to ensure that Powys Local Authority, its schools and learners are amongst the highest performing in Wales.

At all times we must work to ensure the impact of budget reductions on the achievement, attainment and well-being of our children and young people is minimised.

We will:

- Through regional and hub partnerships within ERW implement the national model for school improvement.
- Continue to restructure our services for additional learning needs, inclusion and behaviour through implementation of the revised Strategy for Special Educational needs.
- Implement the revised School Transformation Policy and revised methodology for reviewing schools to ensure quality leadership, teaching and learning, affordability and sustainability in all phases of education.
- Implement the 21st Century School Capital Programme.
- Protect schools delegated budgets in line with the Welsh Government's commitment of increasing expenditure at 1% above the settlement provided to Wales by the UK Government via the Barnett Formula over the lifetime of the current administration in Cardiff Bay. However the figure of 1% is an average over this term and this Council has thus far provided increases in excess of this figure.
- Pass on to schools delegated budgets all increases or reductions which relate to changes in pupil numbers.
- Expect schools to take account of all inflationary pressures including staffing costs when preparing their budgets.

8 Place services (Paul Griffiths)

Our place services include recreation and leisure, highways, transport and waste, property, regeneration, regulatory services (trading standards for example) and commissioning. These are front line services, many of which are highly valued and essential to health and wellbeing.

We will seek to achieve maximum efficiency and effectiveness whilst remaining within the allocated budget.

Through our overall approach we will:

- Ensure that our new operating model is applied to all staff structures so that the workforce is efficient, responsive and accountable.
- Review third party spend so that contracts and specifications are appropriate and proportionate and meeting our priorities.
- Adopt a commissioning approach to service delivery based on proven need.
- Review our use of property to maximise the opportunities for shared service delivery whilst reducing our property portfolio to eliminate unnecessary cost, and increase capital receipts.
- Consider ways we can reduce transport costs whilst taking into account the rural nature of Powys and citizen needs.
- Where possible and appropriate, maximise the recovery of costs (particularly in areas where alternative service provision is available).
- Consider further partnership working in order to increase efficiency and reduce cost.
- Identify services that may be no longer appropriate or required.
- Develop a community delivery approach to service delivery via the Stronger Communities Programme Board and our partners.

In highways, transport and waste services we will:

- Continue the modernisation of our fleet management, passenger transport and the waste collection service to ensure vehicles and staff are deployed in the most productive way possible whilst meeting waste and recycling targets.
- Consider how fees and charges can be used more effectively to support our budget requirements.
- Review the way we manage and deliver front line services in order to achieve cost reduction targets.

In regeneration, property and commissioning services we will:

- Review the amount of property we own and use including reviewing the number of locations we operate from, taking opportunities to reduce our portfolio and meet cost reduction targets, but making sure we can still support our priorities as a council.
- Review our regulatory services in terms of service delivery, to ensure a proportionate approach whilst continuing to improve community safety.
- Continue to ensure planning services are efficient and effective and achieving key performance targets.

In leisure and recreation services we will:

- Develop and implement a new not-for-profit procurement initiative with a suitable partner to manage leisure and sports centres.
- Continue to review the provision of leisure and sports centres, and libraries, to ensure long term affordability and sustainability.
- Continue to progress the transfer of our assets to other organisations where appropriate and possible, in order to encourage and facilitate community engagement in the delivery of appropriate services.

9 Resource services (David Powell)

The Directorate provides services such as finance, HR and payroll. The focus is on changing service delivery in order to make budget savings over the next three years.

In commissioning services we will:

- Challenge whether we remain the provider of service or push for greater commissioning.
- Take out management layers.
- Put in place agreements with other services to specify agreed service levels.
- Continue to develop our new Commercial Services function.
- Explore collaboration where appropriate.

In business services we will:

- Redesign our income and awards service (revenues and benefits).
- Reduce third party spending.
- Seek commercial income generating opportunities.
- Review processes to take out unnecessary activities.

10 Change and Governance services (Nick Philpott)

We have made significant progress in remodeling our change and governance services and have delivered £... of efficiencies over the last 12 months, which is ...% of our 3 year target.

Our priority remains the support of overall organisational development and this will need to evolve further to support the multi organisational development required from the finding of the Williams commission. We will continue to target being effective but economical in our performance management service, making better use of technology and a 'business intelligence' approach.

Following reductions in the level of resources available for customer services we will target staff in support of the most vulnerable in the community and make further use of technology to provide the best possible access to services within available resources.

In information services we will seek to achieve excellence in business change and support for innovation but to be effective and economical for our core services and further develop our use of collaboration & partnership working.

In our corporate, legal and democratic services we will seek to be develop our services around introduction of the new model constitution and investments in new technology.