



Powys County Council's

Medium Term Financial Plan

2014/15 to 2016/17

Contents

Section 1 – Introduction and Overview

1. Introduction
2. Revenue Budget Funding
3. Funding beyond 2014/15
4. Budget Strategy Approach
5. Links to Corporate Objectives
6. Key Budget Proposals
7. Grants
8. Equalities Impact Assessment
9. Capital Programme
10. Risks
11. Consultation

Section 2 – Directorate Proposals

1. People Directorate
2. School Service
3. Place Directorate
4. Resources Directorate
5. Change and Governance

Section 1 – Introduction & Overview

1. Introduction

- 1.1 This document is the financial plan for Powys County Council for the three year period 2014/15 to 2016/17. It has been developed as part of the overall strategic planning process that involves the 'Statement of Intent' which captures the financial, regulatory and policy drivers affecting the council and sets the direction and approach for the Council's Medium Term Financial Plan and the annual budget.
- 1.2 The financial plan covers all Council revenue services, the Housing Revenue Account and the Capital programme. This financial plan comprises:
 - revenue plan that covers a period of 3 years (Appendix A)
 - The 3 year Capital Strategy
- 1.3 The Plan delivers a balanced budget for 2014/15, however, this position is reliant on the delivery of **£17.576m** savings during the year.
- 1.4 The plans for 2015/16 and 2016/17 require further savings of £20m over the 2 years. This is based on current assumptions for funding levels and financial pressures and these forecasts will be developed over the next few months as more information becomes available.

2. Revenue Budget Funding

- 2.1 The Council's net revenue budget is funded from Welsh Government (WG) Grant and Council Tax income.
- 2.2 The Welsh Government (WG) will fund 75.2% of the Council's 2014/15 net revenue budget, compared to 76.6% in 2013/14 and 76.1% in 2012/13. The funding is provided in a settlement known as Aggregate External Finance (AEF).
- 2.3 As part of the UK Government's austerity measures for 2014/15 the AEF has decreased across Wales by an average of 3.4%. Powys received the 2nd lowest settlement in Wales with a 4.6% decrease, equivalent to a decrease in funding of £8.712m.
- 2.4 To mitigate the year-on-year impact on any Authority a damping mechanism or 'floor' has been applied within the settlement, this means that no Authority will experience a reduction in funding of more than 4.6%. This calculation excludes any funding already committed in terms of the Local Government Borrowing Initiative or Private Finance Initiative and after any adjustments for transfers. Powys benefits from this arrangement and without this safety net would be £1.5m worse off. This is a discretionary matter which is not guaranteed for future years.
- 2.5 The AEF for Powys for 2014/15 totals £182 million and consists of the following:

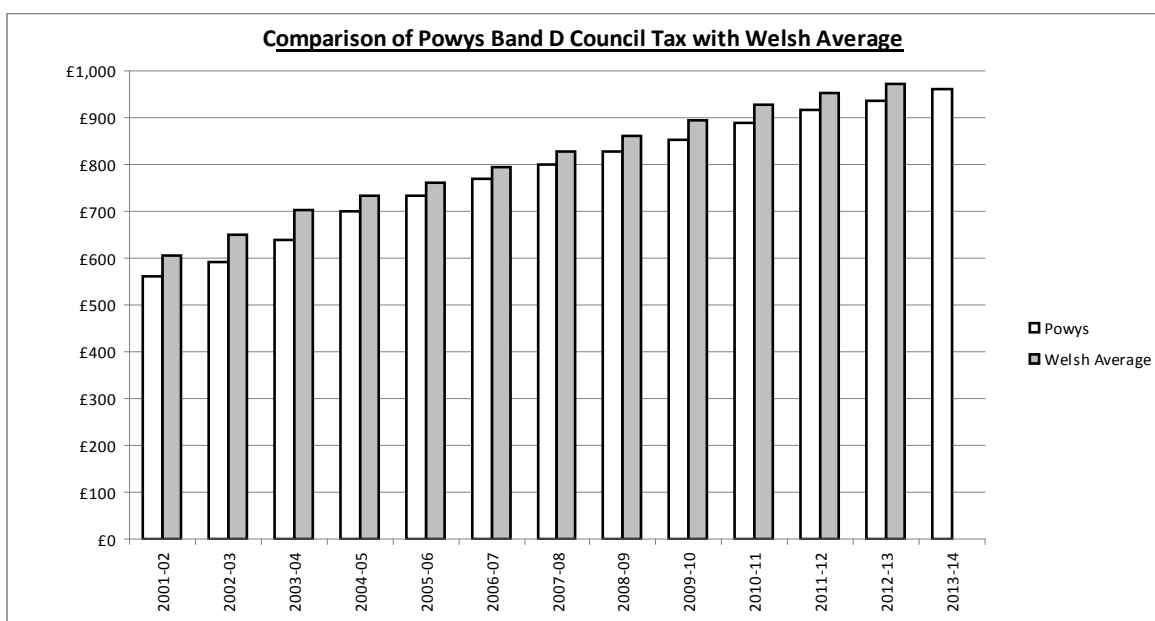
- Revenue Support Grant (RSG) totalling £139.6m
- Non Domestic Rates (NDR) totalling £42.4m. Powys collects rates from business ratepayers on behalf of WG. It is then redistributed to local authorities in proportion to resident population over 18.

2.6 The settlement mechanism usually gives no requirement to specifically fund certain services, nor any specific service levels. However in 2012/13 WG indicated that it expected Councils to protect funding for Schools and Social Services at 1.58% above the level of the settlement that it received, this was extended into 2013/14 with protection of 2.08% expected. No protection is required for Social Services in 2014/15 and the approach any council takes is a matter for local determination. The protection for schools continued in 2014/15. The paragraph in the Final Settlement states:

“The settlement reflects the Welsh Government’s commitment to protect schools funding to ensure the delivery of the best outcomes for Welsh children. Together with an element of the Pupil Deprivation Grant, the settlement includes resources necessary to protect funding for schools at 1% above the overall change in the Welsh Budget.”

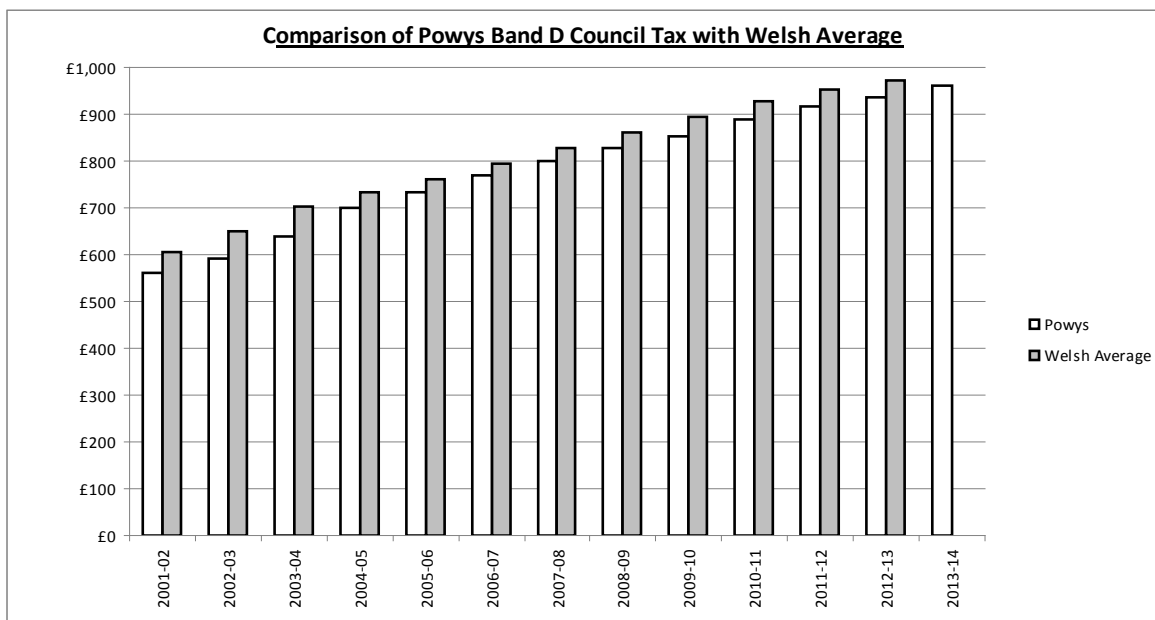
2.7 Apart from this it is for Powys County Council to determine how it uses the funding, together with the Council Tax it collects, to meet its service priorities in accordance with legislation.

2.8(i) The Council Tax increase has been set at 4.5% for a Band D property this represents an increase of £43.29 per annum and a Council Tax of £1005.40. The graph and table below show Council Tax increases since 2001. Powys continues to remain below the previous year average for all Welsh authorities. Powys has consistently had Council Tax levels that have been below the Welsh average but has benefitted from a redistribution of resources (the ‘floor’ mechanism).



Financial Year	Powys £	Welsh Average £
2001-02	560.21	606.28
2002-03	592.10	649.58
2003-04	639.17	702.04
2004-05	699.89	733.72
2005-06	733.48	762.09
2006-07	769.77	795.09
2007-08	800.18	829.00
2008-09	828.16	860.10
2009-10	852.92	894.06
2010-11	889.17	926.61
2011-12	915.76	954.00
2012-13	936.36	972.24
2013-14	962.11	1000.30
2014-15	1005.40	

2.8(ii) The Council Tax increase has been set at 4.95% for a Band D property this represents an increase of £47.62 per annum and a Council Tax of £1009.73. The graph and table below show Council Tax increases since 2001. Powys continues to remain below the previous year average for all Welsh authorities. Powys has consistently had Council Tax levels that have been below the Welsh average but has benefitted from a redistribution of resources (the 'floor' mechanism).



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- 2.9 The Council holds 5,149 units of Housing stock. House rents have been increased by 4.2% which is in line with the WG average guideline of 4.2% across Wales. This equates to an average increase of £3.08 per week bringing the average rent to £76.31 per week.
- 2.10 In common with an approach adopted in the rest of the UK, Wales has seen a number of specific grants transfer into the general settlement. This approach is welcomed because it not only reduces the administrative burden associated with managing grants but also provides greater local freedom about how resources are used. The 2014/15 settlement includes a number of grants which have been transferred into the Revenue Support Grant (RSG). These are :

Transfers In	Grant £000	Transfer £000	Difference £000
First Steps Improvement Package	160	160	0
Council Tax Support Admin	165	165	0
Public Facilities Grant	18	18	0
Council Tax Reduction Scheme Grant for Pensioners	141	141	0
	<u>484</u>	<u>484</u>	<u>0</u>

- 2.11 The settlement also contained £1.112m for new responsibilities. This includes additional funding of £0.791m for the Council Tax Support, which replaces the DWP funded Council Tax Benefit scheme. The budget plan proposes that this funding is passported directly to the service areas. The second responsibility is the third and final year of the Local Government Borrowing Initiative for highways of £0.321m.
- 2.12 In addition to RSG and Council Tax raised the Council receives income from specific grants and income from fees and charges. These form part of the gross budget which is an indication of overall spending power.

3. Funding beyond 2014/15

- 3.1 It has been assumed that the settlement from WG for 2015/16 will be a decrease of 2.8% and a decrease of 4% for 2016/17. This is based on the indicative figure from WG and work undertaken by the WLGA and the Institute for Fiscal Studies focusing on how Local Government Settlements in Wales may be affected in the future.
- 3.2 Forecasting inflation includes a number of assumptions. It is assumed that a pay increase of 1% will continue to be awarded from 2014/15. It is also assumed that the protection for schools will remain at 1% above the settlement that WG receives from Central Government in London. Other inflation factors are included in the plan for these future years.
- 3.3 A Council tax increase of 2.25% is included in 2015/16 and 2016/17. This will be subject to political determination on an annual basis but if the safety net provided by the floor is removed this would need to be revised upwards or further cuts sought.
- 3.4 Service pressures particularly around Adult Social Care will continue and pupil numbers in the Primary sector are also forecast to begin to rise, these pressures have been incorporated into the plan for future years but will be subject to review and separate agreement in the future.
- 3.5 These factors will have a significant real terms cut in the Council's spending power. Further savings are required through to 2016/17 to produce a balanced budget.
- 3.6 The savings identified will continue to reduce headcount, and generate service efficiencies some of which are transformational, however a large number of the proposals put forward will inevitably impact on front line service delivery. The figures beyond 2014/15 are therefore subject to revision as alternative models of delivery and other savings are identified through the councils budget and cost improvement strategy, these together with any unforeseen budget pressures will be considered as the Council determines its budget.

4. Budget Strategy Approach

- 4.1 The Medium Term Plan approved in March 2013 identified a funding gap of £35m over the next 3 years, this was based on the assumption that funding levels for 2014/15 would be similar to that of 2013/14 with a reduction of 3.3% projected for 2015/16. Savings were identified to fill the majority of the gap that was estimated at £35m at that time.
- 4.2 During the summer of 2013 it became clearer that funding for Wales was to take a further cut of £110m for 2014/15. Publication of the settlement in the Autumn confirmed Powys' funding would be reduced by £8.712m, 4.6%.
- 4.3 The reduction in funding coupled with increasing costs for inflationary pressures, new responsibilities and increases in service demand increased the budget gap to £20m for 2014/15, £40m over 3 years.

- 4.4 With savings of £8.4m already identified for 2014/15 a further £11.6m was required, services were targeted with delivery proportional savings to meet this.
- 4.5 The financial pressure will continue and the Council recognises that it must operate at a much lower cost. Our vision “Efficient Services for the Green Heart of Wales” means that services must be cost effective and focused on core outcomes for residents, business and communities.
- 4.6 A shift in cost of this magnitude cannot be achieved through an annual budget process of targeting services with savings, it is a continual process which is developed within a clear cost improvement strategy. This requires a better understanding of each services cost base and the application of a model of key cost cutting themes which require consistent and coherent cross council action is in place. This is a new approach for the Council.
- 4.7 The objective of the cost improvement strategy is:-
- To set out the financial gap between demand and funding.
 - Identify additional cross-council approaches that help services improve cost.
 - Collate an overall cost improvement programme and help stakeholders to prioritise and commit.
 - Provide rigorous processes for benefit management and for understanding and managing cost.
 - Challenge to ensure robust and reliable benefit delivery and to track that deliver.
- 4.8 The cost improvement streams are as follows:-
- **Income** - Agree fees and charges principles and policy; collate fees and charges register and baseline. Apply principles and benchmarks to scope potential opportunities. Develop business case for each change and agree new fee levels.
 - **Third Party Spend** - Prepare spend analysis and contract relet schedule. Prepare opportunity diagnostic and apply in services. Identify and deliver tactical negotiations prepare sourcing strategies for longer term opportunities.
 - **Service Commissioning Review** - Agree service lines for commissioning undertake initial scoping of cost, current approach, statutory and citizen requirement and service pressures, Use this to identify tactical service changes and priority opportunities for service commissioning
 - **Management Delaying** - Set spans and layers principles and structure diagnostic approach; establish current staff baseline and reporting structures. Apply principles and identify roles who will no longer manage. Agree people process to risk assess and release posts.

- **Transport** - Improve utilisation of vehicles and reduce leased vehicles by managing individual service requirements together from a single fleet. Deliver alongside Northgate intervention.
- **Property** - Collate single property register. Identify influencable property costs – lease terminations, revenue costs etc. Review current and future occupancy against capacity. Set occupancy principles and work with services to identify opportunities to adjust and release cost.
- **Aggregate Support** - Review status of current support functions against the new operating model and assess the level of fragmentation. Scope potential opportunities for aggregation.
- **Enabling** - Provide improved cost base and cost driver analysis to services. Outline an opportunity management process to track identification, testing and development of cost reduction opportunities at a whole council level.
- **Channel Shift** - Identify main tasks people want to complete with the Council and shift these to electronic self-service channels. Publish a new, fully mobile compatible website structured around these tasks with up to date and relevant content. Establish frameworks for developing services online and for maintaining the website.

4.9 The scale of the financial challenge experienced by Powys has not been faced on previous years. This requires a new approach to savings delivery. A 'Star Chamber' event was held to sign off the proposed budget and savings to be submitted to Cabinet. Heads of Service presented their savings proposals and delivery plans to Management Team to provide the required level of assurance that the plans would be delivered and that any required Equality Impact Assessments were carried out. The Council's approach is both to challenge delivery and also support changes required to deliver financial balance. The emphasis in the budget round has been on a corporate approach that identifies risks and mitigation.

5. Links to Corporate Objectives

- 5.1 The budget has been developed this year within the framework of the Statement of Intent, a range of issues including community needs and resident's views, financial and inflationary pressures, performance and regulatory reviews from Welsh Audit Office, Estyn and CSSIW have all been considered.
- 5.2 The council recognised the challenges which were posed with the tough financial settlement and the cabinet reaffirmed the council's vision of "Efficient Services for the Green Heart of Wales". The vision envisages a future council securing services which are targeted at outcomes and are delivered by the most effective provider. In addition the council will seek to sustain communities by developing the capacity for them to design and deliver services in the long term.

5.3 To deliver this vision the council has created a new operating model which will seek to commission future services based upon the following priorities:

- 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, minimizing disadvantage.

It is the Cabinet's intent that these priorities will help deliver the necessary changes. Citizens need to understand that local authorities 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.

5.4 **The Statement of intent**

- Provides explicit strategic direction and expectation for the council for the period 2014-17.
- Informs service business, financial and programme planning processes.
- Confirms the financial gaps and sets financial targets for how those gaps may be addressed.
- Ensures that Cabinet, Management Team and Heads of Service have shared ownership and commitment to the direction set.
- Provides clear communication to council staff.

5.5 It is the combined point of view from officers and members of how the council will meet its citizen, service and financial obligations over three years in a deliverable and sustainable way. It:

- represents our best understanding at one point in time as to how the council will address financial and service pressures over three years.
- provides a unified whole council view and allows officers and members to balance priorities between services and individual opportunities. It ensures that individual service changes are coherent and do not compromise each other. It ensures that the overall effect of changes on staff and citizens is recognised.
- provides a guiding hypothesis to be tested and developed through the business and budget planning process
- will be adjusted as our understanding changes.

5.6 **Service Intent**

It is important to note that despite the unprecedented financial reductions and pressures the council will still be a major provider or commissioner of services. However to help shape the future, services have been classified as:

- Excellent – A beacon service for the Council
- Effective but economical – Delivering universal services well
- Exit – Others are better able to deliver

In turn services in all three categories have been assessed against the following criteria

- Commissioning/service redesign
- Process redesign
- Cost improvement

These principles have been applied to current services in order to realise the savings required. The resultant proposals are included in this plan, the council budget, and the One Powys Change Plan.

5.7 Delivering in Partnership – One Powys Change Plan

We believe that we can best deliver this statement of intent through working with our Local Service Board Partners. We will jointly develop and implement a single improvement plan as required by Welsh Government. Many of our cross cutting themes outlined in section 3 above will support the delivery of the One Powys Change Plan.

6. Key Budget Proposals

6.1(i) The budget for 2014/15 has decreased by £5.808m, funding provided to meet areas of new responsibility, improve and modernise services, and to fund cost pressures across services totals £12.028m.

6.1(ii) The budget for 2014/15 has decreased by £5.548m, funding provided to meet areas of new responsibility, improve and modernise services, and to fund cost pressures across services totals £12.028m.

6.2 All pressures and savings included in the previous Medium Term Financial Plan for 2014/15 have been reviewed and amended if necessary.

6.3 Government continues to impose new legislation and policy pressures, backed by tougher regulatory and inspection regimes. These do not always accord with local priorities and pressures. Demographic changes interact with these priorities to create increased demand on resources well in excess of funding available. The following investments has been included for 2014/15:-

- | | |
|----------------------------|-------|
| • Landfill Tax | £158k |
| • Waste Services | £700k |
| • Home to School Transport | £200k |
| • School Improvement | £220k |
| • Increase in School Roll | £6k |

6.11 The overall funding from Welsh Government and the increase in Council Tax is not sufficient to deliver the level of additional services required. The financial pressure on the Council has again risen significantly and in order to balance the budget efficiency savings of £17.576m have been identified, the savings can be summarised as those that :-

- Transform Services
- Increase charges for existing services
- Introduce new fees and charges for services
- Reduce some services

6.12 Service budget Strategies and key proposals are outlined for each Directorate in section 2 of this document. A full list of all efficiency savings is included in Appendix C

6.13 The Financial model originally identified a shortfall of £20m, this shortfall has been found from not only the savings proposals above but by a reduction in the budget pressures, the use of reserves and a change in the level of Council Tax proposed. The table below shows the reconciliation of the final proposals back to the original £20m gap.

	Option 1	Option 2
Council Tax Increase	4.5%	4.95%
Savings proposed	£17.576m	£17.576m
Reduction of Pressures following review	£ 0.820m	£ 0.820m
Increase in Council Tax from 2.25%	£ 1.336m	£ 1.560m
Temporary Use of Reserves	£ 0.224m	£ -
Total	£19.956m	£19.956m

7. Grants

7.1 In 2013/14 the Council relied upon £31.7m of specific grants from Welsh Government to support services. The Council has received notification of changes to the following grants;

Grant name	<u>Annual Grant</u>		<u>Change</u>
	2013-14	2014-15	2014-15

	£000's	£000's	£000's
Pupil Premium Grant	758	1,623	865
Flying Start	1,042	1,713	671
Local Flood Authorities Grant	90	100	10
Post-16 Provision in Schools	6,536	5,882	-654
Supporting People Programme Grant	6,038	5,736	-302
14-19 Learning Pathways	740	479	-261
Foundation Phase Grants	4,325	4,218	-107
Welsh in Education Grant (WEG)	380	335	-45
School Effectiveness Grant	1,250	1,219	-30
Outcome Agreement Grant	1,393	1,363	-30
LA Animal Health & Welfare Framework	165	145	-20
Youth Work Strategy Support Grant / Youth Service Revenue & Training Grant	120	108	-12
Minority Ethnic Achievement Grant	188	179	-9

7.2

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7.3 Grants provided by WG often reduce or cease, it is therefore essential that services consider the impact this will have and develop appropriate exit strategies.

8. Equalities Impact Assessment

8.1 We have a duty to provide an Equality Impact Assessment (EqIA) to support the budget planning process, in order to understand whether our proposals will have an adverse impact on any particular group of people or could result in direct or indirect discrimination. We have undertaken these assessment to meet the requirements of the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011.

8.2 Where required the budget proposals have been equality impact screened, those proposals that are deemed to be high or medium risk are likely to need

full EqlAs. The proposals will not be able to be implemented until those assessments have been undertaken and properly considered.

9. Capital Programme

9.1 It is important that the Council continues to renew its core infrastructure, such as schools and housing, in spite of cuts by central government. The Council is also aware that much of its capital investment is spent with businesses within Powys or its near neighbours.

9.2 Maintaining the capital programme has a significant regeneration impact on the economy of Powys alongside the direct effect of better infrastructure to deliver services from.

9.3 The Council receives a core capital allocation from Welsh Government, in 2014/15 this allocation has slightly reduced by £0.027m to £7.567m, in addition to this the capital programme is funded through borrowing money and repaying this over a number of year. The repayment costs form part of the annual revenue budget.

9.4 This strategy supports the authority's priorities over the next 5 years, funding is included for the following projects:

- School Modernisation Programme including Brecon High School Campus, Gwernyfed Catchment and the Severn Valley Welsh Medium School.
- Highways Improvements, Flood Alleviation Schemes, Replacement Bridges.
- Waste Management.
- Brecon Cultural Hub.
- ICT Strategy.
- Welsh Housing Quality Standard which is to be achieved by March 2018.
- Regeneration and Development.

9.5 The Capital Strategy is attached as Appendix D. The Strategy itemises the Council's capital programme for the next 5 years with the budget totalling **£154m**. This is a significant commitment. In addition a further £13.5m is included for the Welsh Quality Housing Standard Programme with the standard to be achieved by March 2018.

10. Risks

10.1 There are a number of risks associated with the budget plans. These are noted below:

- 10.2 Service Savings - The level of savings required in 2014/15 are significant, any unforeseen delays in implementation will impact on the achievement of the reductions required. The Reserve position of the Authority is in line with the prudent range of 3-5% and these will be utilised to “smooth” any slippage in delivery of the savings. The approach is supported by a new policy around the use of reserves: all reserves are corporate rather than service based. The replenishment of these reserves will be required in the following year in addition to the achievement of the saving itself. Plans within service area need to be managed robustly in order to limit any underachievement.
- 10.3 Staffing Reductions - are a significant part of the proposals across all services of the council, it is anticipated that around 400FTE posts will be removed from the organisation. In order to do this in a planned and managed way a Voluntary Severance Scheme has been introduced for employees across the council (other than school based staff). This will incur substantial severance pay costs and the budget proposal includes £2m revenue funding to assist with these, in addition the use of reserves or the capitalisation of these costs will be considered.
- 10.4 Income – the budget is supported by £85m of generated income and therefore services need to constantly review their income levels and develop creative plans to ensure that they are sustained.
- 10.5 Council Tax – collection rates continue to be good in Powys at 98.5%. This needs to be sustained. It is not yet known whether the welfare reform will have an impact on the collection of council tax within Powys. The budget includes an increase in the council tax base for 2014/15.
- 10.6 Single Status – the council has mitigated the financial risk of potential equal pay claims by holding a reserve to support these costs.
- 10.7 Reserves - The Medium Term Financial Plan approved for 2013/14 included a revenue budget of £500m to replenish the general reserve on an annual basis to maintain reserves at an appropriate level, this remains within the budget for 2014/15.
- 10.8 Treasury Management – the revenue budget and capital programme are supported by daily cash movement managed within our borrowing and investment strategies, the financial climate has a significant impact on these activities. We continue to monitor these on a daily basis.
- 10.9 Service Pressure – Adult Social Care revenue budgets have experienced significant pressure, costs have escalated and savings have not been delivered, this has resulted in overspends year on year. This had led to an unsustainable deficit reserve on the balance sheet that represents adult social service overspends from previous years. These are unlikely to be ‘repaid’ by the directorate. As a result this position will be resolved by being offset by service reserves built up in other directorates. This means that going forward social services will not have the added burden of repaying the ‘debt’. The budget proposes a further £3.026m of growth for this service area, which will

be held centrally only to be drawn upon by the service as it transforms its services.

11. Consultation

- 11.1 The council regularly seeks the views of a number of stakeholders in respect of the needs of the communities within Powys. This year the council has worked with the Local Service Board to undertake a Joint Strategic Needs Assessment (JSNA) of the community to assist with the production of the One Powys Change Plan. The Council has also undertaken a residents survey to ascertain a range of views on current services and future issues. The JSNA and residents survey have helped frame a number of service drivers which are captured by the council's revised priorities.
- 11.2 In order to help shape the approach to meeting this unprecedented funding challenge, the Council engaged with the public during January 2014 to seek the views of Powys residents on the proposed approach to balancing the budget. A series of public meetings and workshops were held across the County alongside an on-line survey.
- 11.3 385 people attended either a workshop or a drop in session to talk face to face with directors, managers and members about the budget proposals. Some took a paper survey away with them to complete. In total 1754 residents completed the survey. The response rate equates to over 1% of the population and could be classed as broadly representative of residents views.
- 11.4 The following chart shows the difference between the Powys population and the respondents to the budget discussions.

	Our population	Percentage	Budget respondents
Age Group	Numbers	%	%
Under 45	39,700	35.9%	35%
45 – 64	39,100	35.4%	43%
65+	31,800	28.8%	20%
Total	110,600	100%	98%

- 11.5 The chart shows that we had a good response from those aged under 45 years of age and this matched the actual population. The 45 – 64 age group was over represented in the budget events and the over 65 age group was under-represented.
- 11.6 This is in part due to the fact that some of our older residents may not have felt or been able to complete the survey on-line and perhaps would have preferred to complete a paper survey. This is an area for learning and

consideration with regard to this age group. The report “Feedback Report on the 2014/15 budget proposal discussions and engagement with the public.” is attached.

Section 2 – Directorate Proposals

1. People Directorate

- 1.1 The People Directorate will be developing a number of whole system approaches both within the directorate, across the council and with key partners in order to reduce their current budget of £73.1 million by a forecast shortfall of £8.7 million.
- 1.2 The main thrust of the approach across Adult Social Care, Children’s Services and Housing will include:-
 - The re-design of service and management structures including the de-commissioning of services. Where there is value to be added this will also include working regionally to improve purchase power and make better use of specialist skills where critical mass does not exist in Powys.
 - Continuing to build on the successes of an early intervention and prevention approach with well-defined and integrated care pathways, including a joint approach with Powys teaching Health Board and other critical partners such as the third sector.
 - Working on clearer eligibility criteria alongside full cost recovery access model to services such as income generation (where a client can afford more) and Direct Payments.
- 1.3 It is inevitable that as part of this strategy there will be a significant change to the type and level of service we can offer our citizens, however the premise remains focused on supporting and protecting the most vulnerable.
- 1.4 As a Directorate we remain committed to
 - High quality efficient and effective services that focus on impact and outcomes.
 - Engaging with the citizen by building social capacity both in the individual and community – in essence of co-production.
 - Develop effective and efficient care pathways from universal through to acute, through managed demand for the whole population.
 - Equity of access – ensuring that the resource requirement and true service cost is fully understood.
 - Partnership and collaboration essential with key partners.
 - Generating income where enhanced services can be delivered.
 - Understand costs of delivery.

2. School Service

- 2.1 The Schools Service has an overall budget of £97 million of which in the region of £72 million is delegated to schools. Of the £25million retained

centrally a significant amount in the region of £9 million is used to provide home to school and home to college transport.

- 2.2 In reducing the budget there will consideration at all times on minimising the impact on children and young people to ensure standards in terms of learner outcomes and well-being are at least maintained at the current level and where possible improved to ensure Powys is ranked amongst the highest authorities in Wales and that our children and young people acquire the skills and qualifications to succeed.
- 2.3 There will be a number of approaches used including service transformation and the consideration of the withdrawal of or charging for a number of services which are non-statutory.

These include:

- Implementing a restructuring of services for additional learning needs, inclusion and behaviour
- Restructuring of certain aspects of the School Improvement Service, working towards hub and regional collaboration to deliver the National Model for School Improvement
- Reviewing the school infrastructure to ensure affordability, sustainability and leadership capacity
- Review the provision of the school's library service.
- Reviewing the schools meals service.
- Consideration of the transfer of some non-statutory provision to school delegated budgets

3. Place Directorate

- 3.1 The Place Directorate provides a wide range of front line services to Communities across the County, many of which are highly valued and essential to Health and Wellbeing.
- 3.2 Services will contribute to the delivery of the One Plan where possible. In addition services will seek to achieve maximum efficiency and effectiveness whilst remaining within the budget allocated.

The overall approach is to:-

- Ensure that the Councils 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 in respect of the Councils priorities, whilst developing a Commissioning approach to service provision.
- Review the use of Property to maximise the opportunities for shared service delivery whilst reducing the Councils property portfolio to eliminate unnecessary cost, and increase capital receipts.

- Consider ways in which the cost of Transport can be reduced to ensure budgetary compliance whilst taking into account the rural nature of the authority and resident needs.
- Where possible and appropriate, maximise the recovery of costs particularly in areas where alternative service provision is available.
- Adopt a Commissioning approach to service delivery based on evidenced need.
- Continue to explore collaborative arrangements with partners with a particular focus on increasing efficiency and reducing cost, so as to support priority service areas across the Council.
- Identify areas where the Directorate may need to cease providing services that are no longer appropriate or required.

More specifically in respect of particular services area we will:-

3.3 Highways, Transport and Waste

- Continue the modernisation of Fleet Management and the Waste Collection Service to ensure vehicles and staff are utilised in the most productive way possible whilst meeting Waste and Recycling targets.
- Consider how Fees and Charges can be used more effectively to support the Councils budget requirements

3.4 Regeneration, Property and Commissioning

- Undertake a Corporate Review of Property to ensure that opportunities are taken to reduce liabilities whilst supporting the priorities of the Council.
- Review the Councils Regulatory Services in terms of service delivery, to ensure a proportionate approach whilst continuing to improve Community Safety

3.5 Leisure and Recreation

- Progress the decision to develop and implement a new Not-for-Profit organisation to manage Leisure and Sports Centres on behalf of the Council.
- Review the provision of Leisure and Sports Centres, and Libraries, to ensure long term affordability and sustainability.
- Continue to progress the transfer of assets from the Council to other organisations, in order to encourage and facilitate community engagement in the delivery of appropriate services.

4. Resources Directorate

- 4.1 With an overall budget of £16.2m (of which 83% is spent on staffing) the focus will be on changing service delivery in order to meet the Directorate's £3.35m budget reduction requirement over the next 3 years. As a result just over £3m

will need to be delivered through changing management structures and removing posts. The balance will come from reducing external expenditure and efficiency savings. The approach being taken is as follows across the two service areas in the Directorate:

4.2 **Professional Services & Commissioning**

- Restructure Professional Services and reduce staffing levels
- Development of a customer focussed culture
- Take out Management layers
- Put in place a `Contract` with Internal Customers to specify service levels
- Invest in Procurement and centralise resources
- Explore collaboration where appropriate

4.3 **Business Services**

- Review of Business Support provided to directorates
- Redesign the Income and Awards service (Revenues and Benefits)
- Reduce Third Party Spending
- Seek Income Opportunities (Payroll)
- Review processes to take out unnecessary activities

5. **Change and Governance**

5.1 Change & Governance will re-model its services to work within a budget that reduces by £1.2m over the next 3 years. Our approach is:

5.2 **Organisational Development & Partnership Support Services:**

Excellence in Organisational development & effective but economical in performance management.

- Continue to implement the Organisational Development plan and develop the required culture, behaviour and skills
- Develop the Local Service Board arrangements through a single planning process & multi agency performance improvement & reporting
- Provide support Commissioning, service innovation & process re-design support
- Outcome based performance management & decision support
- From Performance management to Performance improvement, providing joined up, targeted and efficient planning & performance processes
- Fewer, more highly skilled 'decision support' staff and increased skills in operational management to reduce the need for central support
- Maintain a direct connection between regulator feedback and our OD plan

5.3 **Customer Services**

Excellence where required by the service but mainly effective & economical:

- Focus on ease of Customer access, remote / small town access & more web based 'self service'. This will also enable us to realise the benefits of reduced processing costs associated with web / automated transactions.
- Focus resources on highest need / most vulnerable through further developing our Health & Social care 'comms hub'.
- Provide more at the first point of contact for citizens and migrate more contact into the corporate contact methods.
- Further 'multi skill' our staff and collaborate with other services & public sector bodies where service and cost improvements can be made, for example delivery of services through Libraries.
- Re-model customer services in line with Hay management layer principles and making best use of property & technology.

5.4 **Information services**

Excellence in business change but effective & economical for core services:

- Complete current work on 're-commissioning' of IS application to align staffing with business needs and Hay management layer principles.
- Develop resources and capability to support business change & commissioning
- Improve the operational efficiency for core ICT services including increased ability for users to 'self serve'
- Continue to develop our use of national, regional & local collaboration and partnership with the public & private sector where it can improve services and reduce costs
- Continue to invest to keep pace with technology as a key enabler of service re-modelling
- Review our overall spend with third parties on ICT equipment to reduce costs

5.5 **Corporate legal & democratic Services**

Service strategy – effective but economical:

- Effective, efficient scrutiny process integrated to ODP and meeting the needs of the business and our regulators
- Continue to develop the member role in change & improvement