

SUSTAINABLE SWANSEA – FIT FOR THE FUTURE **DELIVERY PROGRAMME**

REPORT FOR CABINET
29 JULY 2014

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1 PURPOSE OF THIS REPORT

This report contains proposals from the Executive Board to update the Council's *Sustainable Swansea – fit for the future* strategy, following:

- A review of the strategy's objectives, structure and readiness to deliver, including an assessment of what others are doing to meet the current challenges
- Three workshops designed to generate ideas for the Delivery and Savings Programme
- A review of resources allocated to the Programme and particular projects.

The report also provides:

- An update on the financial forecast for the medium term in the light of latest assessment of pressures and level of grant reduction
- Proposals for the next stage of engagement on *Sustainable Swansea*, "Continuing the Conversation"
- An update on governance arrangements and risks

The report recommends a set of outline proposals for Cabinet to consider, incorporating:

- Savings already agreed by the Council, but still to be delivered
- Existing work that is integral to *Sustainable Swansea*
- Current projects that have already commenced following earlier scoping
- New projects (or ideas) following the workshops

It is proposed that, following Cabinet approval, a summary of the paper is reported to Council.

2 BACKGROUND – SUSTAINABLE SWANSEA

Sustainable Swansea – fit for the future: Objectives

The scale of the financial, demographic and sustainability challenge facing Swansea requires a radically different approach to the past.

An approach that focuses on:

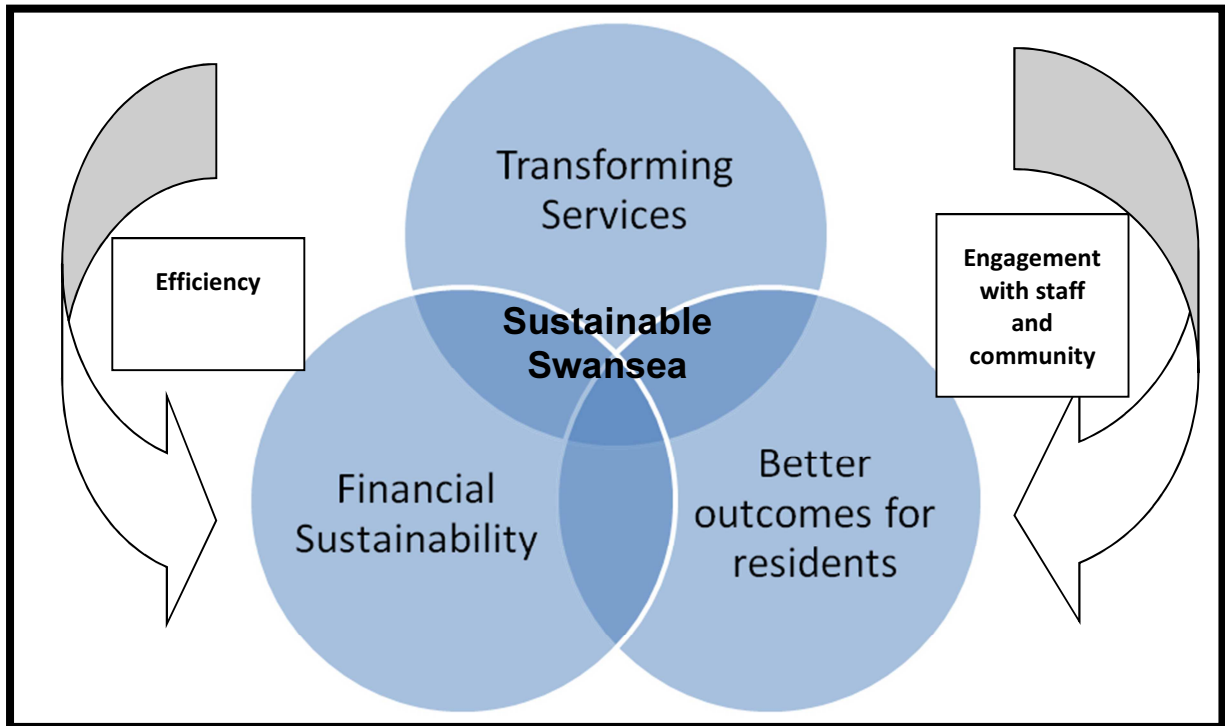
- *The core future purpose of the Council*
- *The transformation of services and the model of delivery*
- *Greater collaboration with other councils, local organisations, community groups and residents*
- *And, above all, sustainable solutions with prevention at its heart*

This ambition is set out in ‘*Sustainable Swansea- Fit for the Future*’, our long term plan for change. As well as looking at priorities for the short and medium term, this programme is intended to set the longer term context for change, which will be further developed as a strategic and whole Council sustainable plan spanning the next 25 years (target 2040).

The Council’s longer term strategy for sustainability will address, amongst other things:

- Longer term trends (e.g. financial, demographic, socio economic, natural resources etc.)
- Developing our resilience for the future, alone, and in partnership with others
- Managing the process of long term transformation of services to achieve better outcomes
- Embedding and delivering our early intervention and prevention plans and actions
- Exploring and developing sources of alternative resource (human, financial, natural, capital etc.)
- Ensuring the best possible outcomes for our resident and stakeholders given the context of our depleting resources
- Building our organisation so it is ready and fit for the future
- Whilst retaining sufficient flexibility to adapt to changing circumstances

Sustainable Swansea – fit for the future was approved by Cabinet & Council in October 2013. It has three key objectives:



The Strategy is underpinned by our work on the *Innovation Programme*. This is important because we want to be an organisation that is more flexible, adopts new ways of working and has a more innovative and empowering culture. This is key to achieving sustainable solutions and we will work collaboratively with others as necessary to achieve this aim.

These objectives align with the Council’s 12 **Budget Principles**, the headlines are as follows (see full version in **Appendix A**):

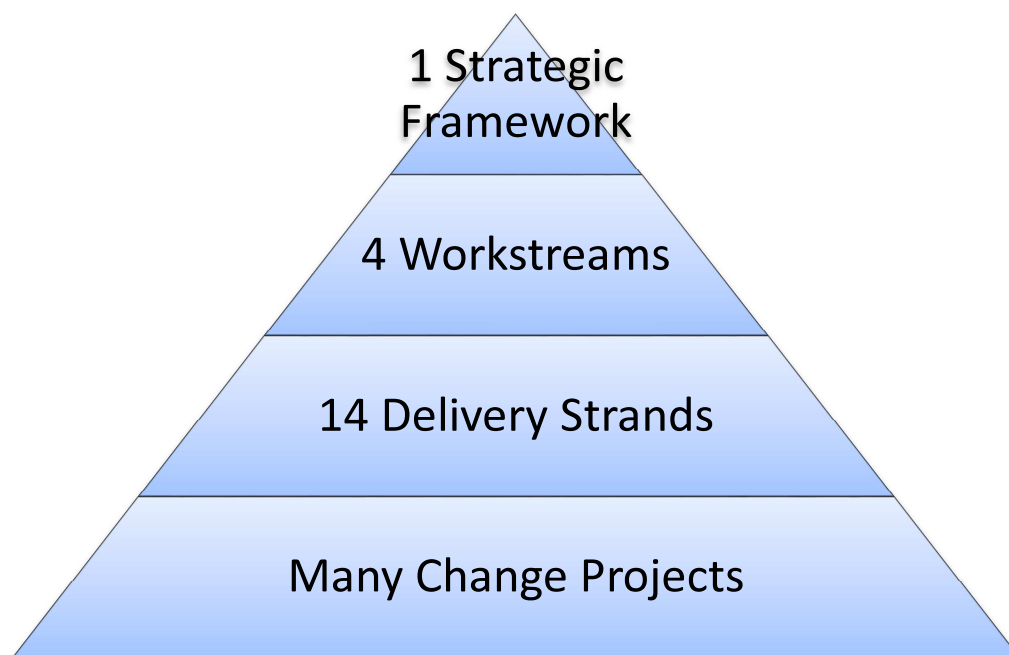
<i>Everything is included</i>	<i>Increased income</i>
<i>Engagement</i>	<i>Different models of delivery</i>
<i>We will have less money</i>	<i>Supporting those at risk</i>
<i>Demonstrating efficiency</i>	<i>Evidence base</i>
<i>Cutting Red Tape</i>	<i>Sustainable outcomes/prevention</i>
<i>Full cost recovery</i>	<i>Personal Responsibility</i>

Sustainable Swansea – Scope and Key Elements

Sustainable Swansea covers **all** our work on service change and savings – both new ideas and existing major projects such as Transforming Adult social Care

This is important for three reasons: to make sense of all of this for people, to harness our efforts in one direction and to avoid duplication.

Sustainable Swansea has a number of key elements (see diagram in **Appendix B**):



All underpinned by our Innovation Programme.

Reshaping the Strategy: Context

As part of the review of *Sustainable Swansea*, a further assessment has been made of what other councils (in Wales and England) are doing to meet the financial and service challenges that we all face.

Two recent reviews on current thinking, Deloitte: *Determined, Realistic and Focused* and WAO: *Meeting the Financial Challenges Facing Local Government in Wales*, confirm that our current strategy still holds. Some key themes (**which may not reflect our local position in all respects**) are set out below:

Coping with Austerity – Key Themes from Recent Research

- **Service Transformation**... the lessons are that simply trying to save money will not achieve the changes we need to see, we need to seek genuine transformation, whilst accepting that some changes will take time
- **System change**... change needs to be joined up across services and agencies; not only is this required for the customer journey, the impact of one change on other parts of the system needs to be understood ie: unintended consequences. Community budgets are now being used to provide a system wide perspective
- **New models**... successful change is underpinned by changing the model, not just making the current model cheaper
- **It will get worse before it gets better**... despite the cuts so far, the impact on (most) residents has not been significant and the worse is yet to come
- **Local prosperity**... many local authorities see the need to support local economic growth as a way of mitigating the impact of a smaller public sector
- **Plan for the long term**... austerity isn't going away, so a long term plan is needed to tackle the challenges
- **Less for less**... continuing to do everything we do is not an option, this requires a mature dialogue whilst there is still time for a "planned retreat"
- **Provider of last resort**... refocusing on what is important leads to a debate about the role of councils as a provider of last resort: a safety net, safeguarding, statutory responsibilities
- **Redefining the role of citizen and state**... the principle of self-reliance - the local authority cannot do everything and needs people to do more for themselves and to reduce the demand for service by behaviour change and community action
- **Sustainable solutions**... investment in early intervention and prevention is essential for long term sustainable solutions, this means avoiding arbitrary cuts to discretionary services, which can play a key part in this

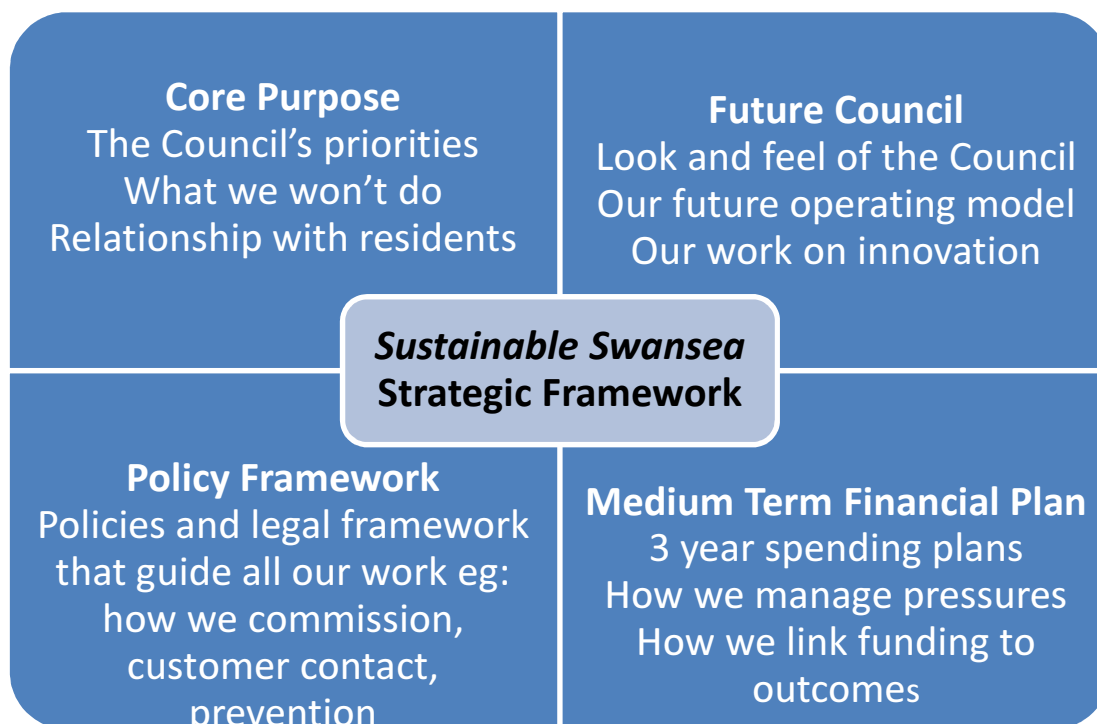
The Williams Report and prospective local government reorganisation in Wales will inevitably be a factor in our future thinking, but must not be a distraction to what we need to achieve. Whatever the structural solution we need to transform now what we do and how we work.

In conclusion, horizon scanning confirms that *Sustainable Swansea* includes the right things and there are no obvious gaps. The challenge is delivery, which this report comments on later.

Sustainable Swansea - The Strategic Framework

As part of the review of *Sustainable Swansea*, work has taken place to shape and define a Strategic Framework to give greater clarity and definition about what the strategy is seeking to achieve. The Strategic Framework contains the overarching statements about the future priorities for the Council, our future shape and how this will be delivered by the workstreams.

There are **four elements** to the Strategic Framework:



An explanation of each element follows below:

Core Purpose

The challenges we face require a fundamental review of the future role of the Council, shaped by a number of key questions:

Core Purpose Questions

1. *What are the long term priorities for the area?*
2. *What should the Council (as opposed to any other agency) do to contribute to these priorities?*
3. *What should we stop doing, or do differently?*
4. *What are residents and communities prepared to do for themselves and for others?*
5. *What is the role of the Council as Community leader?*
6. *How do we engage with and through the LSB?*

The core purpose debate will be the next phase of *Sustainable Swansea* engagement (see section 7). This will involve staff, Members, partners and, in particular, residents.

Future Council

The Council will be very different in the future. The “Future Council” debate will use simple “from” and “to” statements to engage staff, Members and others about the overall change we want to see. A few **examples** are set out below to illustrate the point:

What Sustainable Swansea means for WHAT WE DO and HOW WE WORK

From..... <i>What we <u>do</u> now in Swansea</i>	To..... <i>What we want to <u>do</u> in the future</i>
Leading the Council	Leading Swansea
Residents as receivers of services	Residents as co-producers of services
Providing services	Creating new models
From..... <i>How we <u>work</u> now in Swansea</i>	To..... <i>How we will <u>work</u> in the future</i>
Service led	Whole Council
Top down leadership	Everyone is a leader
Risk averse	Risk aware

This will link to the work on the *Innovation Programme* and our Values, because it is as much about mind set and changing perceptions as saving money.

Flowing from the Core Purpose and Future Council debate will be changes to the organisation’s **future operating model**. This is important because we need to knit together all our objectives, strategies and initiatives so we can make sense of the changes and paint a clear picture of the future for people.

The outline model in **Appendix C** illustrates, for further discussion, the key components and headlines that we might use to focus this debate.

Policy Framework

The Policy Framework contains the key corporate policies and principles that will guide our approach as a Council in the future. Clearly, the Council's own policy framework is influenced and constrained in certain respects by the legislation and policies of the Welsh Assembly Government, including: Programme for Government, major bills such as the Social Services and Wellbeing Bill and the Future Generations Bill, as well as the funding and grant regime.

The key policies and principles that will underpin Sustainable Swansea are as follows:

- **Co-operative Council:** what this means in Swansea for residents, Members, staff and partners all working together
- **Commissioning & New Models of Delivery:** our Core Principles for commissioning and our approach to assessing different approaches to delivering the outcomes we want to see
- **Prevention:** our strategy to work with individuals, families and communities to prevent problems occurring
- **Customer Contact:** our approach to managing customer demand, using customer insight to improve services and get it right first time and increasing self service

The key elements of these policies (which will be developed further) are set out in **Appendix D**. Additional policy areas may be added to the Framework.

Medium Term Financial Strategy (MTFS)

The MTFS sets out how we will fund Council services and manage future financial pressures. A key development for *Sustainable Swansea* is increasing our ability to describe how we link funding to outcomes so we understand the activity that takes place and the public value that is created. This will enable us to make more informed choices about investment and disinvestment and stopping some of the things we currently do. A project will be required to increase the Council's capability in financial modelling and analysis to enable us to achieve these aims. This capability will also support the proposed commissioning framework for assessing new models of delivery.

In addition, we will adopt a longer term, say 3-10 year, approach to financial planning, in line with our wish to have a longer term plan for Swansea. As part of this we will identify the high level longer term decisions that we need to make so that we consider these holistically.

Sustainable Swansea - Workstreams and Delivery Strands

Sustainable Swansea has **4 workstreams** designed to deliver the aims in the strategic framework, linked to the budget principles. The workstreams will deliver savings and other benefits over different timescales as indicated.

These are supported by **14 delivery strands** which oversee the projects for change and savings:

Sustainable Swansea - Workstreams and Delivery Strands		
Workstream	Workstream Aim	Delivery Strands
Efficiency (1/3 years)	<i>Demonstrating we are as efficient as we can be before services are cut</i>	<ul style="list-style-type: none"> • Continuous Improvement • Workforce • Support Services • Assets • Third Party spend • Income & Charging
New Models of Delivery (2/5 years)	<i>Moving to other models of delivery which can provide better outcomes and/or cheaper costs</i>	<ul style="list-style-type: none"> • Customer contact • Commissioning services • Collaboration • Community action
Prevention (3/10+ years)	<i>Investing in early intervention and demand management to reduce costs and achieve better outcomes</i>	<ul style="list-style-type: none"> • Demand management • Early intervention
Stopping Services (1/3 years)	<i>Stopping services that are not our core purpose, or don't deliver worthwhile outcomes</i>	<ul style="list-style-type: none"> • Council priorities • Future Council

Some important points to note about the workstreams and strands:

- *The workstreams and strands are inter-dependent eg: customer contact will support demand management*
- *Some strands will support other work eg: community action is required for some forms of new service models such as co-operatives*
- *All strands are underpinned by our work on innovation and cultural change, linked to the continuous improvement strand.*

Only by completing the scoping, agreeing projects and starting to deliver can we fully appreciate and, consequently manage, these linkages. The aim will be to:

- **Explain** the interdependencies
- **Manage** the interdependencies
- **Exploit** the interdependencies

Scoping Projects

Each Workstream has a Director as Sponsor and a Lead Officer has been identified for each Delivery Strand.

A number of **projects** are being developed for each Delivery Strand to deliver the change and savings we wish to see.

Some projects will be longer term eg:

- *Efficiency savings can be achieved quickly... but cannot on their own meet the overall financial challenges*
- *A new approach to activity based budgeting... including changes to finance systems and skills*
- *New delivery models require capacity building or market development... which takes time*
- *Prevention is a long term process... often only showing results after many years*

Projects will be **resourced**, where possible, from within, as savings delivery is part and parcel of the day job, but with some external expertise. **This may mean that other things need to wait** – the Council will need to be clear about the impact of this at each stage. A Transformation Fund has been established to support resourcing.

Scoping Workshops

During April and May 2014, three workshops were held to increase engagement across the *Sustainable Swansea* Workstreams and to produce new ideas for projects. This involved some external input.

The outcomes from these workshops are set out in Section 4 of this paper.

Further events will need to take place to continue the engagement (both inside and outside the Council) and to look for new ideas for savings.

Summary

Cabinet is asked to agree, subject to any changes, the restatement of the objectives of *Sustainable Swansea* and the strategic framework, including the “headlines” for the Policy Framework in Appendix D.

A revised Financial Forecast is set out in the next section.

3 UPDATE ON FINANCIAL FORECAST

Current MTFP

The following Medium Term Financial Forecast was approved by Council on 18th February 2014:

Projected spending pressures 2015/16 – 2017/18

	<u>2015/16</u> <u>£'000</u>	<u>2016/17</u> <u>£'000</u>	<u>2017/18</u> <u>£'000</u>
Future cost of pay awards	3,400	6,800	10,200
Pay and grading scheme	3,000	5,700	8,400
Cumulative contract inflation	2,000	3,000	4,000
Capital charges	2,750	4,250	4,250
Schools pay award	2,400	4,800	7,200
Contribution to capital charges	-2,000	-2,000	-2,000
Use of General Reserves	2,200	1,200	
Total known pressures	13,750	23,750	32,050
AEF movement (327,772)	3,545	6,745	6,745
Cumulative budget shortfall	17,295	30,495	38,795

Potential Funding 2015/16 to 2017/18

	<u>2015/16</u> <u>£'000</u>	<u>2016/17</u> <u>£'000</u>	<u>2017/18</u> <u>£'000</u>
Specific savings proposals	-8,990	-17,143	-18,706
Current Workstream savings	-4,500	-6,500	-8,000
Further workstream savings	-500	-2,450	-5,200
Council Tax Charge	-2,105	-4,402	-6,889
Use of General Reserves	-1,200	0	0
Overall resourcing	-17,295	-30,495	-38,795

Key Financial Risks

The following additional risks, which are still relevant, were identified as part of the last MTFP:

- The forecast makes no allowance for potential funding changes to **employers National Insurance** contracted out pension arrangements which are inexorably linked with the Government's single state pension proposals. This on its own has the potential to add some £5.5m to the Council paybill if progressed.
- As stated, this forecast contains no provision for **increases in net service costs**, in particular:
 - a) Projected increases in demand for older peoples services based on demographic pressures in relation to an increasingly elderly population.
 - b) Any increases in costs relating to Children's services, in particular any increase in numbers relating to looked after children. The assumptions within the current MTFP in respect of downward movements in both the number and costs of looked after children are projected to continue.
 - c) Any increase in costs arising from decisions on Government taxation – most significantly increases arising from upward increases in landfill tax costs
 - d) Corporate costs in excess of budget provision in respect of single status implementation or other issues relating to employee costs.
 - e) Any one off costs arising from complex service delivery across the Council.
 - f) Any general inflation provision relating to non-contractual issues.
 - g) Any increased costs or reductions in income arising from ongoing changes to welfare reform, in particular the potential introduction of Universal Credit during the lifetime of the MTFP.
 - h) Any budget changes arising from further regionalisation of Education and Social Services particularly where projected budget transfers may be in excess of current CCS service budgets.
 - i) Any increases in Capital financing charges which is dependent on the Council achieving a level of capital receipts as detailed within the Capital budget submitted for approval elsewhere on this agenda.
 - j) Future funding decisions in respect of protection for Social Services or Delegated Schools' budgets which may be specified by the Welsh Government in future budget settlements
 - k) Any potential downward movement in service specific grants.

We are clearly at a very early stage in terms of assessing specific amendments to the adopted forecast. However, it must be recognised that the forecast needs to be a 'living' document and will be subject to update should key assumptions change and/or there are changes to Government Policy at either a National or Wales level.

It is also clear that, in developing a Medium Term forecast, the Council has to adopt a more rigorous and structured financial model which can be applied – albeit across a range of assumptions – over a longer time period.

The following recent developments are considered likely to further adversely impact on the Medium Term Financial Plan:

	2015/16 £'000	2016/17 £'000	2017/18 £'000
Changes in Employer Contribution rates – Teachers Pension Funds. Will Impact mainly delegated Budget CERTAIN	900	1,840	1,840
Changes to Employers Contracted Out National Insurance contributions as part of standardisation of enhanced state Pensions. Will impact all budgets Probable		6,800	6,800
Increased costs in respect of Social Services/Western Bay ICH strategy as reported to Cabinet. Will impact on SS Revenue Budget CERTAIN	1,463	-1,463	

Revised Estimate of Future Savings

The financial forecast for CCS has been updated, taking account of known spending pressures, other financial risks and the latest estimate of reduction in revenue support grant. The latter has been clarified in a letter received from the Minister for Local Government and Business dated 24th June 2014. This letter introduces planning assumptions for aggregate external funding in respect of 2015/16 and beyond, which **substantially increases the overall savings requirements**.

Whilst the letter from the Minister highlights a range of potential reductions ranging from a reduction of 1.5% to a reduction of 4.5% for 2015/16, it is reasonable to assume that 4.5% is a best estimate at this stage for planning purposes and that, if anything, the figure may deteriorate further.

In terms of strategic planning, therefore, it would now be prudent to assume a **funding gap of some £30m for 2015/16, rising to some £70m over the following two years**, based on a planning assumption of a 4.5% reduction in AEF for each of the next three years.

As part of our engagement strategy, we will need to explain how this assumption is derived and the savings that the Council has already made in recent years.

Impact of Savings

This revised assessment builds upon the savings already included in the 2014/15 budget, for which new and improved budget monitoring and service delivery tracking has been introduced. We will continue to review progress on the delivery of savings as future savings options, in terms of both value and timing, are heavily dependent upon current delivery. This includes monthly reports to Executive Board and the Budget Review Steering Group and quarterly to Cabinet.

As has been said before, given that we spend over 40% of the Council's budget on staff (considerably more in some Service Areas) it is inevitable that savings will involve further significant reductions in staff numbers over time. Work will continue with Heads of Service and the Trade Unions to improve further our processes and communication on all staffing matters relating to the budget.

Similarly, it is worth restating the point about the "gearing" effect of achieving savings if we exclude any part of the Council's spend. Any element of the Council's £366m net Directorate spend that is excluded from savings means a higher proportion of savings for the remaining budget heads. For example: savings spread equally across all services would equate to a 19% cut but if we excluded, for example, Delegated Schools Budget and Social Services, this would rise to 57% and so on. Consequently, we cannot exempt any services from challenge, review and change.

Summary

Cabinet is asked to note the revised Financial Forecast and the future presentation of the financial challenge that the Council faces in the light of a revised potential £70m savings estimate. The latest assessment will be presented to Council as part of the planned Mid-term Budget Statement in the Autumn. There is also a particular need to further debate the interaction with, and degree of protection or otherwise, with schools delegated budgets.

A recommended Delivery Programme following the three *Sustainable Swansea* workshops is set out in the next section.

4 SUSTAINABLE SWANSEA - RECOMMENDED DELIVERY PROGRAMME

Outcome of Workshops

During April and May 2014, three facilitated workshops were held to increase engagement across the *Sustainable Swansea Workstreams*

9 April	New Models of Delivery
10 April	Efficiency
1 May	Prevention

The **objectives** for the workshops were as follows:

- Greater understanding of what *Sustainable Swansea* means
- Engagement in the process
- More ideas
- List of candidate projects we can develop
- Honest appraisal of delivery challenges
- Understanding of the leadership challenge and our role

Working in tables, participants were asked to review existing scoping papers to confirm, change or add to what had already been identified. Ideas were then developed into more detail using an outline delivery template.

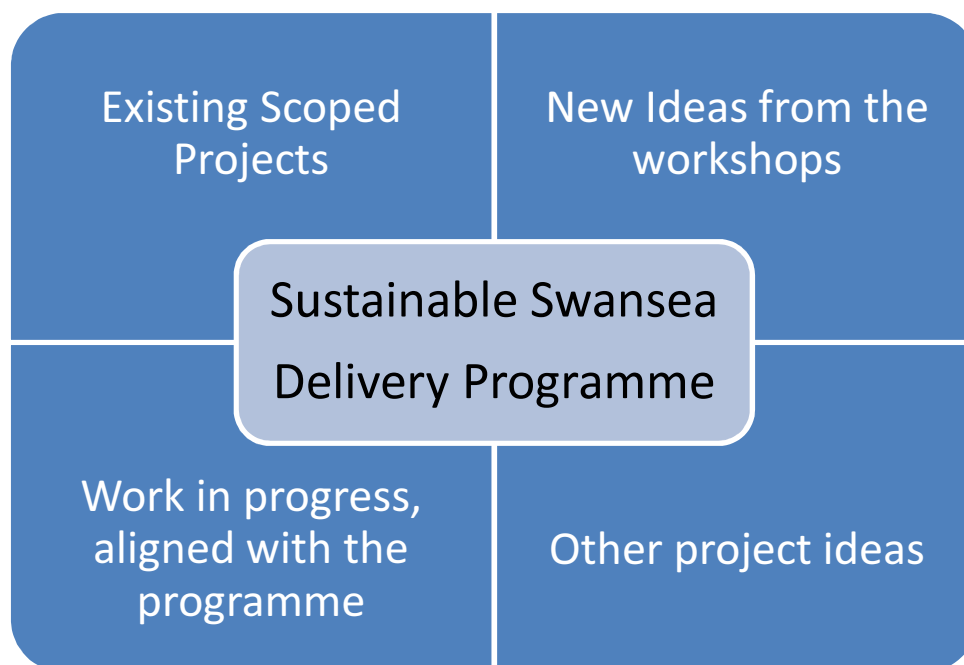
The **overall assessment** of the process is as follows:

- A total of 140 people attended these workshops, raising awareness and increasing engagement
- Feedback was very positive, including a wish to have more cross Council events in the future
- Many of the comments made at the events reaffirmed the direction of the overall *Sustainable Swansea* programme and the aims of individual workstreams and strands
- Some new ideas did come forward, as contained in the programme
- It proved difficult in the time available to develop detailed actions and savings estimates (further work now needs to take place on the agreed programme)
- Much of the discussion focused on wider issues about the way the Council works, our culture and behaviour and the challenges around delivery

The Executive Board has agreed action to pick up a number of general themes from the workshops as part of our work on the Innovation Programme and cultural change. For example: how we will deliver savings, our approach to managing the organisation and workforce redesign.

Shape of the Programme

The *Sustainable Swansea* programme that the Executive Board is recommending to Cabinet is a mixture of the following areas:



Existing Scoped Projects

Scoping documents have been produced for the delivery strands (and will continue to be updated). These contain the projects and targets already agreed by the Executive Board (and/or via the Council budget decision). These projects must be delivered.

Work in Progress

We need to align other work that predates and/or sits outside *Sustainable Swansea* with the programme, including major change projects and outstanding reviews from the 20% service savings exercise. To facilitate this, Directorates have overlaid existing work against each Delivery Strand. The significant projects have been incorporated in the Programme.

New Ideas from the workshops

These are included in the programme below. Some ideas have simply been passed to the appropriate Head of Service to implement.

Other Project Ideas

The work we have undertaken so far has not captured every idea. Clearly new projects will emerge over time and we will continue to horizon scan to pick up on what other councils are doing across the UK. Some projects that are deemed unacceptable now may well be revisited at a later date.

Proposed Programme – Context

The Executive Board has reviewed all the projects and ideas identified so far (there will be others in the future) and have put forward a programme for review by Cabinet.

A few **explanatory notes** on the Programme to set the context:

1. “Target Savings” have been included within the recommended programme as a guide to the scale of savings that might be expected.
2. Once projects are agreed in principle, further work will be required to assess the savings that may be realised and any investment required to achieve this.
3. Some projects are “enablers” ie: essential to deliver other projects that will result in savings, but not delivering direct savings themselves. These are shown for completeness.
4. Some projects will deliver non-financial benefits; these are also important because *Sustainable Swansea* is also about a Council fit for the future, not solely savings
5. The Programme needs to be the right mix of quicker to deliver efficiency savings and necessary preparatory work on longer term savings or cost avoidance from preventative action
6. In assessing saving opportunities work will take place to identify the overall impact on Service Areas to ensure we do not double count savings or overestimate the potential available
7. 2017/18 savings have not yet been included at this stage, but will be added to the overall programme and savings targets as this plan is progressed.

Proposed Delivery Programme – Tables

The following tables outline the Programme for review by Cabinet:

- **Table 1:** the **committed** Service Savings agreed by Council in February 2014
- **Tables 2-5:** the **proposed additional** Delivery Programme across the four Workstreams of Sustainable Swansea
- **Table 6:** summarises the **total proposed Programme**

Table 1: Existing Service Specific Savings built into budgets					
Strand	Project	Lead	Estimated Savings £000 (Cumulative Totals)		
			14/15	15/16	16/17
Service Specific Savings	Savings that flowed from the 20% /RAG exercise and due to automatically build into future budgets	All	10,867	19,857	28,010
Total	Per RAG schedules		10,867	19,857	28,010

As a reminder for Cabinet, the **main** (by value or sensitivity – not exhaustive) areas of service specific savings programme are as follows (cumulative indicative figures from MTFP quoted):

Corporate Services

- Savings in overheads, management and administration £1.6m
- Renegotiating strategic contracts (primarily ICT) £1.1m
- Automating payments and reducing invoice processing £0.2m

People – Education

- Home to School Transport Efficiencies and changes to eligibility criteria £1.4m
- Provide Ethnic Minority Language Service at level of specific grant (review underway) £0.3m
- Schools contributing to ICT investment £0.6m
- Schools contribution to capital investment £3.3m

People – Social Services

(NB: savings form part of the wider programme of service transformation)

- Commissioning of support for carers and supporting people £0.6m
- Older Peoples Day Services £1.0m
- Reshaping of older peoples' services (following an independent review) £1.0m
- Learning Disability Day Services £0.6m
- Mental Health and Learning disability £0.6m
- Residential disabled long term care £0.3m
- Llanfair house – alternative model £0.3m
- Respite care for families with disabled children £0.3m

People – Poverty and Prevention

- Residential outdoor centre provision (review underway) £0.1m

Place

- Leisure facilities to not for profit trusts (Penlan & Bishopston Leisure Centres) £0.3m
- Parks cost reductions £0.8m
- Reduced subsidy to sports facilities £0.1m
- Car parking charges and residents parking £0.2m
- Library reductions £0.3m
- Reduced Waste costs through staff reductions and lower landfill costs through increased recycling (with investment) £0.3m

Notes:

- In some cases, further reports are due to come to Cabinet for approval before proposals are implemented eg: Older People's Services, Library Review.
- In some areas, we may, through the revised Programme, seek to go further than the original proposals.
- If the original saving cannot be achieved, an alternative proposal will be required from the responsible Head of Service

Table 2: Efficiency Workstream – Proposed Delivery Programme					
Sponsor – Dean Taylor					
Strand	Project	Lead	Target Savings £000 (Cumulative Totals)		
			14/15	15/16	16/17
Continuous Improvement	Lean Systems Thinking Capability (eg: training for Practitioners and “training the trainer”)	Alison Lewis	-	-	-
	Support for Corporate Projects (eg: Customer Contact Redesign; Business Support)	Alison Lewis	Savings allocated to relevant strand	-	-
	Directorate Based Lean Systems Projects (being identified, savings indicative)	Directorate Leads	100	200	300
	Review of Internal Charging	Ben Smith	-	-	-
	Process Busting (eg: decisions, red tape, HR policies, IT policies, meetings/room hire)	Leanne Cutts	50	100	150
Workforce	Workforce Redesign	Steve Rees	-	-	-
	Modernising the HR Function (including ISIS, self-service to reduce staffing levels)	Deb Yeates	-	100	200
	Employee Retention, Recognition & Engagement	Steve Rees Lee Wenham	-	-	-
	Management Posts (meeting delayering targets, further savings from restructuring*, new ER/VR approvals) <i>* Significant</i>	Steve Rees	1,000	1,500	2,000

	<i>management savings have already been made</i>				
	Reducing the Paybill (eg: pay & reward policy, further changes to terms and conditions, working practices, flexible working)	Steve Rees	-	1,000	2,000
	Training & Development (smarter commissioning)	Khan Prince	-	200	400
Support Services	Reduction in Business Support Staff (a new Directorate model has been agreed; Lean thinking is required to reduce demand)	Steve Rees Directorate leads	500	1,500	2,500
	Reduction in Corporate Support Staff (eg: policy, performance, project management, research, communications & marketing, partnerships, governance, equalities)	Steve Rees Lead HoS	20% of current spend	20% of current spend	20% of current spend
	Information Management (eg: extend document management, reduce paper, reduce FOI costs, reduce storage costs, information sharing) (investment may be required)	Sarah Caulkin	-	50	100
	Modernising Finance (including ISIS, self-service for better budget monitoring, new finance structure, reduced staffing levels)	Mike Hawes	-	100	200
	Modernising ICT (new in house model, service	Sarah Caulkin	250	500	1,500

	improvements, reduced hardware costs, reduced staffing levels)				
Assets	Accommodation Strategy (including agile working)	Geoff Bacon	300	800	1,800
	Area Reviews and Community Asset Transfers* (including shared use of community facilities) <i>* Note links with the Community Action strand</i>	Geoff Bacon	250	500	750
	Service Asset Proposals	Geoff Bacon Lead HoS	Within existing savings	TBA	TBA
	Depot Restructure	Martin Nicholls	-	100-500	100-500
Third Party Spend	Compliance (enforce contract rules, ensure use of ISIS, training, control of spend, reduce contract waivers)	Pat Arran	Day to day savings: to be captured where possible	-	-
	Commissioning and Commercial Operating Model (commissioning principles, commercial strategy, hub and spoke structure, skill development)	Pat Arran Commercial Panel	Enabler for savings below	-	-
	Contract Management (single contract register, improve data and analysis, spend verification and challenge, efficiency programme)	Pat Arran	-	5% of contract spend	5% of contract spend
	Supplier Relationship Management (programme of cost	Pat Arran Leads from	TBA	TBA	TBA

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	reduction with top “10” strategic suppliers”)	Service Areas			
	Phase 1 Savings (as listed in Appendix E)	Pat Arran	1,000	1,000	1,000
	Phase 2 Savings (as listed in Appendix E)	Pat Arran		2,000	2,000
	Phase 3 Savings (as listed in Appendix E)	Pat Arran			2,000
Income, Charging & Trading	Charging Framework (policy, benchmarking, awareness raising, full cost recovery guidance)	Pat Arran Martin Nicholls	-	-	-
	Phase 1 Charging & Income Proposals (see Appendix F)	Gemma Lelliot	1,100	1,100	1,100
	Phase 2 Charging & Income Proposals (see Appendix F)	Gemma Lelliot	-	750	750
	Phase 3 Charging & Income Proposals (see Appendix F)	Gemma Lelliot	-	-	TBA
	Services to Schools (full cost recovery, new offers)	Brian Roles		200	500
	Trading Opportunities (to be assessed)	Gemma Lelliot	-	TBA	TBA
	Sponsorship & Advertising Opportunities (Website, council assets, corporate events, staff benefits etc)	Karen Betts	-	100-200	100-200
Total			4,550	12,300	19,950

Table 3: New Models of Delivery Workstream – Delivery Programme					
Sponsor – Phil Roberts					
Strand	Project	Lead	Target Savings £000 (Cumulative Totals)		
			14/15	15/16	16/17
Customer Contact	<ul style="list-style-type: none"> • New website based on user feedback and best practice. • Roll-out of online services and e-payments. • Improvements to the contact centre (eg: Wi-Fi access, a new e-zone and piloting self-service cash payment machines) • Piloting automated call handling • New federated call centre model • Digital inclusion strategy and promotion of existing sessions 	Lee Wenham	300 initial target	To be scoped in more detail	To be scoped in more detail
Commissioning <i>NB: Targets will take account of any savings identified from other strands to avoid duplication</i>	Explore New Models of Delivery for Culture and Leisure Services using the proposed matrix (see Appendix D)	Tracey McNulty	Scoping & prioritisation	Target 10% of spend for each function under review	Target 10% of spend for each function under review
	Explore New Models of Delivery for Place Based Services (eg: refuse, parks, building services)	Martin Nicholls Chris Howell	Scoping & prioritisation	Target 10% of spend for each function under review	Target 10% of spend for each function under review

	using the proposed matrix (see Appendix D)				
	Explore New Models of Delivery for Social Care Services* using the proposed matrix (see Appendix D) <i>* Note links to TASS</i>	Carol Rea	Scoping & prioritisation	Target 10% of spend for each function under review	Target 10% of spend for each function under review
	Explore New Models of Delivery for Corporate Services using the proposed matrix (see Appendix D)	Steve Rees Mike Hawes Pat Arran Sarah Caulkin Lee Wenham	Scoping & prioritisation	Target 10% of spend for each function under review	Target 10% of spend for each function under review
	Transport (one transport function, integrated fleet management, integrated route planning)	Stuart Davies	To be scoped	£1m plus	£1m plus
Community Action	Increasing Community Access to ICT	Robin Brown Lee Morgan	To be scoped	?	?
	Building Community/Voluntary Capacity to Run Services* <i>* Note links to community asset transfer</i>	Robin Brown Lee Morgan	To be scoped (link to Community Action Fund)	Potential reduction in service/ staffing	Potential reduction in service/ staffing
	Informal Volunteering <i>This will be led through an expansion of the TASS work on volunteering</i>	Deborah Driffield	To be scoped	?	?
Collaboration	<i>Projects not yet scoped. Project success based on assumption that partners will be willing</i>				

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	<i>to collaborate. New areas of collaboration are expected to be longer term</i>				
	Shared Back Office Services – with External Partners across Swansea and/or the region	Dean Taylor	-	-	£1m+
	Building Capability and Capacity to Collaborate eg: development of a toolkit to support staff	Steve Rees	No direct saving; an enabler for building capacity for effective collaboration	-	-
	Shared Transport Services (across Swansea/region) <i>NB link with transport commissioning project above</i>	Chris Howell Education Social Services Fleet manager	-	-	Under £100k
Total	Net new additional savings and subject to further scoping		300	1,300	2,400

Table 4: Prevention Workstream – Delivery Programme					
Sponsor – Chris Sivers					
Strand	Project	Lead	Target Savings £000 (Cumulative Totals)		
			14/15	15/16	16/17
Demand Management	Insight – Understanding Demand (followed by targeted action to reduce demand in priority areas)	Sarah Caulkin	An enabler for other projects	-	-
	“Changing the Front Door” (eg: raising thresholds, reducing service standards, better information for self-service/personal choice)	Sarah Caulkin	Cost avoidance of less than £100k	£1m + cost avoidance	
	Communications Campaign (eg: personal responsibility, behaviour change, new service standards)	Lee Wenham	-	Cost avoidance of 100k - £1m	Cost avoidance of £1m+
	Waste and Recycling: further initiatives beyond current strategy to reduce costs (investment may be required)	Chris Howells	To be scoped	-	-
Early Intervention	Prevention Strategy	Sarah Crawley	An enabler for others projects, impact £1m+ may need invest to		

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			save proposals coming forward for funding		
	Child and Families Support	Dave Howes	Nil	More likely cost avoidance of multi-£m	
	Opportunities for Young People	Gavin Evans	Nil	More likely cost avoidance of multi-£m	
	Out of Area Placements	Brian Roles	Tbc, but unlikely	Up to 100k	100k - £1m, increasing in future years
	Local Area Coordination	Deborah Driffield	Nil	Cost avoidance of up to 100k	Cost avoidance of 100k – £1m, increasing in future years
	Intermediate Care Fund	Deborah Driffield	Accounted for separately	Accounted for separately	Accounted for separately
Total	No net new additional savings - primarily cost avoidance for future years		-	-	-

Table 5: Stopping Services Workstream – Delivery Programme					
Sponsor – Dean Taylor					
Strand	Project	Lead	Estimated Savings £000 (Cumulative Totals)		
			14/15	15/16	16/17
Council Priorities	Core Purpose of the Council: review of priorities & new single corporate plan	Dean Taylor/Richard Rowlands	-	-	-
	Budget Activity Reviews: stopping services or spending less (to be agreed)	Directors	1,000	2,000	3,000
Future Council	Look and Feel of the Council	Dean Taylor	-	-	-
	New Operating Model: potential changes to organisational and management structures	Dean Taylor	-	750	1,250
Total			1,000	2,750	4,250

Tables 1 to 5 set out the existing firm budget plans and a range of potential savings targets for the new areas of activity if they are all taken forward to form a Delivery Programme for *Sustainable Swansea*.

Table 6 below draws together the items in tables 1 to 5 to provide a composite view of the target savings (excluding those areas still to be scoped) contained in the proposed plan.

Table 6: Summary of Proposed Programme (from above)					
Strand	Project	Source	Estimated Savings £000 (Cumulative Totals)		
			14/15	15/16	16/17
Existing	Treated as firm (20%)	Table 1	10,867	19,857	28,010
New	Range 70-100% to allow for double counting,	Tables 2-5	4,095	11,445	18,620

	overlap, delay, optimism bias etc.		TO 5,850	TO 16,350	TO 26,600
Grand Total	Offered by proposed programme		14,962	31,302	46,630
			TO	TO	TO
			16,717	36,207	54,610

Overall Financial Assessment of Proposed Programme

Table 7 below references the existing budget for 2014-15 and the published Medium Term Financial Plan, both agreed by Council in February 2014.

This sets out the minimum amount considered necessary at that point in time to provide a credible, deliverable, potential balanced budget. The proposed plan needs to be benchmarked against that requirement.

Table 7: Existing budget and MTFP savings to set a balanced MTFP in February 2014					
Strand	Project	Source	Estimated Savings £000 (Cumulative Totals)		
			14/15	15/16	16/17
Service specific savings	Already built into service budgets for 14-15 and planned for firm delivery	Budget	10,867	10,867	10,867
	New cumulative additional savings planned to be built into service specific budgets per MTFP	MTFP	-	8,990	17,143
Current workstreams built into service budgets	Firm target in 14-15 budget but only partly built into service budgets	Budget	3,000	3,000	3,000
Sub-total	In service budgets		13,867	22,857	31,010
Current workstreams	Targets not yet built into service budgets	Budget and MTFP	2,600	7,100	9,100
Further Workstreams	Aspirational additional target already built into	MTFP	-	500	2,450

	existing MTFP to balance the MTFP over medium term				
Sub-total	From all service budgets		16,467	30,457	42,560
Council Tax	For future years	MTFP		2,105	4,402
Use of Reserves	Future years	MTFP		1,200	-
Grand Total	Needed per existing published MTFP (1)		16,467	33,762	46,962

Memorandum – note and reconciliation to existing published MTFP

Increase from 14-15 base (1)	Differential in above line and as per existing published MTFP approved February 2014 - incremental basis		-	17,295	30,495
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Overall Financial Assessment of Proposed Programme – Summary

The proposed delivery programme contains a number of assumptions and hypotheses still to be more rigorously tested and evaluated. In addition, a number of key areas (eg: commissioning and preventive work) still need to be scoped before firm targets can be set. Consequently, further assessment and due diligence work will be needed as the programme evolves.

Nevertheless, the overall package if ultimately wholly delivered is considered capable of offering savings in the medium term of around £50m plus or minus a range of 10%.

Clearly, the Council will need to revisit the savings plan on a regular basis to assess both delivery and other areas where savings will need to be made, in order to meet the funding gap indicated in Section 4 above of 30m for 2015/16, rising to some £70m over the following two years.

Delivery of the Programme

The Executive Board has agreed the following principles for delivery of the *Sustainable Swansea* Programme:

- **One version of the truth** – all savings will be captured in one place to ensure:
 - we don't double count
 - we are clear whether savings are cashable, or cost avoidance
 - savings are not spent on something else
 - we can track and account for savings
- **Approach to delivery** – a common framework for delivery will be used (scoping template, highlight report etc) to provide consistency and rigour but not to be a detailed or constraining process
- **Priorities** – we need to agree relative priorities for the Programme:
 - We can't deliver everything at once:
 - We need a balanced programme over the 3+ years
 - Work cannot just focus on year 1 savings, we also need to allocate resources to “dig the foundations” for year 2 and 3
 - We need to get on with savings that will be politically difficult (and therefore be at risk of deferral) if left until later
 - We need to group similar pieces of work together e.g.: the corporate and support services project
- **Resources to deliver** – we can't simply deliver everything on top of the day job, although for some it needs to become the day job; we will use the talent, knowledge and experience across the Council; therefore:
 - **ALL** HoS will play a leadership role
 - All senior accountants will spend a good proportion of their time on this
 - We will nominate a good spread of senior managers who will be supported to get involved
 - We will second 3 people as project managers to drive the work forward across each of the workstreams
- **Informed pragmatism** – in line with the principle of “decide and do”, we will adopt a pragmatic approach to delivery:
 - The savings potential can be assessed as a range to be fine-tuned as we get going
 - Businesses cases will not normally be required, but we will expect a benefits statement
 - Implementation timescales need to be realistic but we must accept that not all details will be agreed or in place when (for example) new structures are put in place

- **Accountabilities** – we need people across the Council to take personal responsibility for delivering the savings and other benefits, it cannot rest just with the leads, we must engage all cost centre managers

Communication and Engagement

As part of delivery, it is clear that we need to do a lot more to communicate what *Sustainable Swansea* means and to engage with residents, Members, staff and partners on how we achieve this. A key learning point from the process last year was the importance of “**stories**”: explaining why change is needed, what it will look like and how and when this will happen.

It is planned to build on the work from last year on communication and engagement for **Sustainable Swansea** through, “*Continuing the Conversation*”. The proposals for this are set out in Section 7.

Summary

Cabinet is asked to agree the proposed Delivery Programme, subject to any changes as appropriate

A summary of the Programme will be reported to Council.

Resourcing the Programme is considered in the next section.

5 RESOURCING

Current Resources

Allocating the right resources to each Delivery Strand is vital if we are to deliver the agreed projects.

A number of discussions have taken place within the Executive Group and Top Managers about resourcing the Delivery Programme. The current Sponsors and Leads allocated to the workstreams and strands are set out in the table below:

Workstream	Sponsor	Delivery Strand Leads	Project Support
Efficiency	Dean Taylor	<i>Continuous Improvement:</i> Alison Lewis	Leanne Cutts
		<i>Workforce:</i> Steve Rees	Leanne Cutts
		<i>Third Party Spend:</i> Pat Arran	
		<i>Income & Trading:</i> Pat Arran/Martin Nicholls	Gemma Lelliot
		<i>Assets:</i> Geoff Bacon	
		<i>Support Services:</i> Steve Rees	Linda Phillips
		<i>Customer Contact:</i> Lee Wenham	Lyn Roberts Maxine Bromfield
New Models of Delivery	Phil Roberts	<i>Commissioning:</i> Tracey McNulty (plus Commissioning leads for each area)	Phil Davies Chantelle Ellis
		<i>Collaboration:</i> Chris Howell	Tanya Nash
		<i>Community Action:</i> Robin Brown/Lee Morgan	
Prevention	Chris Sivers	<i>Demand Management:</i> Sarah Caulkin	Lyn Roberts
		<i>Early Intervention:</i> Sarah Crawley	Hilary Davies
Stopping Services	Dean Taylor	<i>Council Priorities:</i> Dean Taylor	Richard Rowlands
		<i>Future Council:</i> Dean Taylor	Lee Wenham

Additional current resources allocated to the Delivery Strands can be seen in Section 6 (Governance) of the report.

Additional Resources Required

The main gaps in resources identified from the recent assurance process and in the light of the proposed programme are as follows:

Strand	Requirement
Third Party Spend	Category Managers: being addressed as part of the new commercial team arrangements
Commissioning	Project leads for recommissioning to new models of delivery: to be identified when priorities for reviews are agreed
Transport	Various elements of this across the workstreams will be brought together and re-scoped
Financial Modelling and Analysis	Additional capability – requirements are being scope

The Executive Board is addressing these gaps as indicated and will keep resourcing under review.

Funding to Support the Delivery Programme

A **Transformation Fund** of £1.7m was allocated by Cabinet for transformation and change costs. The Executive Board has agreed a number of proposals to fund workstream secondments, back fill, short term capacity as well as supporting innovation and change. Bids have been agreed based on the links to *Sustainable Swansea* and the anticipated return on investment.

Cabinet also agreed a **Community Action Fund** of £300k. So far we have:

- Developed criteria for its use... in support of the Community Action strand
- Agreed the approval process... through the External Funding Panel

The Strand leads for Community Action will oversee the budget.

The proposed **Preventative Fund** is yet to be finalised, but will be overseen by Chris Sivers.

Summary

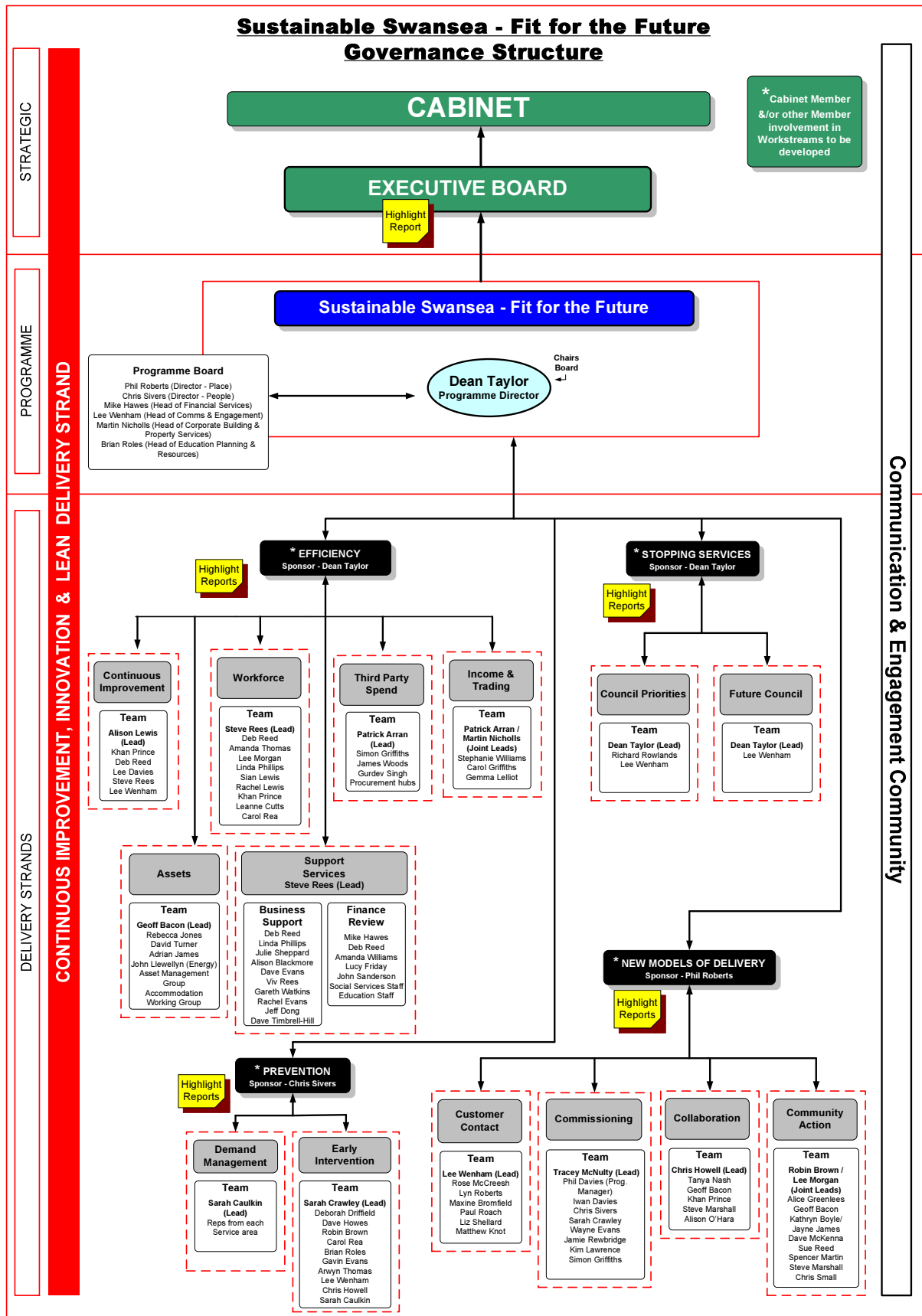
Cabinet is asked to note the current allocation of resources to the Programme and that this may impact on other work in order to deliver the priority projects agreed. The Council will need to be clear about this, in particular any impact on residents, at the appropriate time.

The Executive Board will continue to:

- Review the resourcing of the Programme
- Agree to allocate additional people to strands as indicated
- Review new bids against the Transformation Fund.

Governance of the programme is considered in the next section.

6 GOVERNANCE The overall governance arrangements for Sustainable Swansea are shown in the diagram below:



J:Strategic Programme Office/Vision Charts/Sustainable Swansea - Fit for the Future Governance Structure v17

Governance Roles

The main Officer governance roles (outside of formal decision making and scrutiny) are summarised below:

GROUP	ROLE
Executive Board	Fortnightly: Advice to Members on budget choices
Top Managers	Monthly: Delivery of the Savings Programme
Directors' Group	Fortnightly: Development of the Budget Strategy
Sustainable Swansea Programme Board	Monthly: oversight of the budget process and savings programme (see further below)

Programme Board

Membership

Sustainable Swansea Programme Board Membership:	
Director of Corporate Services	Dean Taylor (Chair -Programme Director)
Director of People	Chris Sivers
Director of Place	Phil Roberts
Head of Finance	Mike Hawes
Chief Operating Officer	Martin Nicholls
Head of Education Planning & Resources	Brian Roles
Head of Comms & Consultation	Lee Wenham
Econ Regen & Planning	Tanya Nash
HR & OD	Khan Prince

Others may be co-opted on to the group as and when required, to undertake specific tasks.

Purpose

- To ensure overall monitoring and delivery of 2014/15 budget savings, Medium Term savings
- To have an oversight of the Sustainable Swansea – Fit for the Future Programme including:

- Priorities
- Resourcing
- Inter-dependencies
- Delivery
- Budget Principles
- Responsibility for sifting bids for the Transformation Fund received from Workstreams.

Meetings & Reports

The Board meets monthly and reports to the Executive Board.

Programme & Project Roles

Programme Director

The Project Director will have overall accountability for the Project, together with personal responsibility for ensuring that it meets its objectives and realises the expected benefits. This accountability is exercised on behalf of the Executive Board.

Workstream Sponsors (Directors)

The Workstream Sponsors are ultimately responsible for the relevant workstreams, ensuring that it is focused throughout its life cycle on achieving its objectives and delivering a product that is in accordance with customer requirements.

Cabinet Member and/or other Member involvement in the Workstreams will also be developed.

Delivery Strand Leads (Head of Service/Senior Manager)

- Set out the aims, objectives, timescales etc for delivery within the Strand
- Identify the key officers required within the team (permanent members and those required at specific stages only)
- Organise and set task and finish groups to carry out specific work and ensure deadlines are met
- Identify any extra resources required to undertake the activities
- Liaise with other Strand Leads on implications/issues that affect their area
- Draw together key information and report as agreed to Sponsor/Director.

Team Members

Support & work with the Delivery Strand Leads to deliver Projects.

Senior User (SME)

- The SME is responsible for specifying the needs of those who will use the final product(s).
- The SME will liaise with the Project Team and for monitoring that the solutions will meet those needs within the constraints of the Business Case in terms of quality, functionality and ease of use.

Lead Accountant

- Cautiously pessimistic (i.e. do not over estimate savings).
- Pragmatic (i.e. not too het up on technical financial detail) – in line with “decide and deliver.”
- Test and broadly validate any financial assumptions as reasonable.
- Help monitor and track savings.
- Report financial progress or lack of it through PFM, programme board, other channels etc. as appropriate.

Monitoring Arrangements:

Reporting arrangements for the Savings Programme will be as follows:

Executive Level	Cabinet	Quarterly
Programme Level	Executive Board	Monthly
Delivery Level	Top Managers/PFMs	Monthly
Project Level	Programme Board	Monthly

Reporting will be via a standard Highlight report co-ordinated by the Chief Accountant and Project Lead.

Summary

Cabinet is asked to note the governance of the Programme

The next stage for engagement on *Sustainable Swansea* is considered in the next section.

7 ENGAGEMENT

Engagement So Far

The Council undertook wide-ranging engagement on *Sustainable Swansea* between September 2013 and March 2014. It was aimed at a range of stakeholders, including Councillors, staff, service users, partners and community councils.

This engagement helped to raise awareness of the challenges facing the Council and the need to make significant changes to what we do and how we work.

The main focus of that engagement plan was to inform the 2014/15 budget. A key learning point from the process last year was the importance of “**stories**”: explaining why change is needed, what it will look like and how and when this will happen.

The focus of the *Sustainable Swansea* engagement plan now needs to shift away from the annual budget process and engage people on its wider aims.

Continuing the Conversation

The next stage of engagement, “*Continuing the Conversation*”, will build on the progress already made in highlighting the challenges facing the Council. *Continuing the Conversation* will develop an on-going conversation with stakeholders to further raise awareness and understanding of the key issues and generate discussion and ideas for potential change.

The conversation will focus on a number of **key questions**:

- *What is the Council's core purpose?*
- *What are the long-term priorities for the area?*
- *What services do residents value the most?*
- *What should the council stop doing?*
- *Developing community action/responsibility - what services are residents, communities and groups prepared to provide for themselves and others?*

Alongside this, we will promote a **clear and consistent narrative** to support the conversation based on:

- *We can't continue as we are due to reduced funding and rising demand for services which means we need to save £80m in the next three years.*
- *We have to become smarter, leaner and more efficient.*
- *Even if we had unlimited funds we wouldn't continue to do things in the same way because we need to change to get better outcomes for people.*
- *The benefits of change, in terms of financial savings and service quality.*
- *Focus on what we'll continue to do and why – eg, collect waste, provide street lighting, safe roads, fund schools etc.*
- *The council tax is only a small proportion of the overall costs of providing all our services.*
- *There are some things we have to stop doing – we need to set out why.*
- *Residents and organisations will have to do some things for themselves because the council doesn't have the money to do so.*

Engagement Methods

The Welsh Local Government Association and Participation Cymru have provided training on public engagement to Cabinet Members and senior officers.

Following this, a series of community engagement sessions will be organised to begin the conversation with groups and individuals over the future of Council services.

This face-to-face engagement will form the centrepiece of the engagement plan and will help to establish which services are valued most by the public and highlight potential areas where the community could take greater responsibility.

It will be supported by a range of other activities, both internally and externally, to support the engagement plan:

- **Swansea Voices:** Gain feedback on the key issues including core purpose, what services should continue/stop, community action. Surveys will also measure awareness/opinion.
- **Online engagement:** The Council's new public website and StaffNet will provide updates on *Sustainable Swansea, Continuing the Conversation*, specific projects and online forums and surveys.
- **Social media:** Use Twitter, Facebook and YouTube to engage and generate discussion.
- **Hard-copy consultation:** Information and feedback opportunities, particularly for those without access to IT, will be available in libraries, community centres and the Civic Centre.
- **Councillors' briefings:** Regular seminars/briefings for all Members.
- **Staff engagement:** StaffNet, road shows, team meetings, encourage innovation and ideas.
- **Media:** The Evening Post to be our media partner to promote the conversation and help lead the debate. Provide briefings and updates to other media and be seen to lead the way in Welsh local government
- **Publications:** A series of leaflets and publications providing consistent and clear messages will be produced to support our activities.
- **Branding:** The *Sustainable Swansea: Fit for the Future* identity will be reinforced on all materials and publications relating to the programme to help build awareness.

Timing and roll-out of activities

In order to raise awareness, a launch event for stakeholders and the media will take place in August. This will provide a platform to launch the next phase *Continuing the Conversation* and will help to shift the focus from the budget to the wider debate about the council's future role and shape.

Following the launch, *Continuing the Conversation* activities will be held during August to November 2014. This will be followed by engagement on specific budget proposals during December 2014 to February 2015.

Assessing the Feedback

The Council's Consultation Co-ordinator, with the support of Heads of Service and consultation champions, will collate and assess feedback which will be regularly reported to Executive Board and Cabinet.

Summary

Last year's *Sustainable Swansea* engagement helped to raise awareness of the challenges facing the Council and the need for significant change. The next phase of engagement, *Continuing the Conversation* will include the Core Purpose and Future Council debates referred to in section 2. A small number of key messages are being developed as the narrative for *Sustainable Swansea*.

It will also be important to communicate changes to services to residents swiftly as the delivery programme is implemented.

In order to have proper engagement and to raise awareness of the issues, the Council will need to be candid about the challenges it faces and the potential options for change, including stopping services.

The Council will be leading the way in Wales in terms of the debate about the future roles of councils. However, this brings with it the risk that opposition to change may grow.

Early and continued engagement based on a clear narrative and messages will help to increase stakeholder awareness and involvement, but it is no guarantee that everyone will support what we are doing.

The next section comments on the top risks for the *Sustainable Swansea* Delivery Programme

8 RISKS

There is a Risk Register for the Programme which is reviewed by the Programme Board at each meeting. The top 5 current risks are summarised below:

Risk	Countermeasure
Failure of Council to make decisions, political or otherwise, and commit to savings proposals.	<ul style="list-style-type: none"> • Budget reflection and review process undertaken and improvements agreed • Budget Review Steering Group to oversee the process during 2014 • Engagement of Cabinet & all Councillors
Lack of resources to deliver programme.	<ul style="list-style-type: none"> • Lead Heads of Service/Senior Managers designated for each Savings Strand • Transformation Fund in place for additional resources/skills/backfill • Project Teams being assembled. • Executive Board to review resourcing plan and agree actions to address gaps.
There is a risk that level of savings required will not be achieved in time	<ul style="list-style-type: none"> • <i>Sustainable Swansea</i> Strategy agreed by Cabinet • Budget Proposals for 2014/15 approved by Council • Mechanisms in place to monitor and assure delivery • Executive Board to review a Contingency plan for savings/in year action/use of reserves required
There is a risk that the public and partners will not accept changes agreed	<ul style="list-style-type: none"> • Ensure comprehensive engagement & consultation takes place
Welsh Government AEF funding predictions will be worse than indicative figures, increasing the savings we have to find	<ul style="list-style-type: none"> • Ongoing assessment • Develop a contingency plan

Summary

Cabinet is asked to note the Risks set out above and comment on the actions as appropriate.

9 SUMMARY AND TIMELINE

Key Points

This report makes proposals to update the Council's *Sustainable Swansea – fit for the future* strategy, following:

- A review of the strategy's objectives, structure and readiness to deliver, including an assessment of what others are doing to meet the current challenges
- Three workshops designed to generate ideas for the Delivery and Savings Programme
- A review of resources allocated to the Programme and particular projects.

The report also provides:

- An update on the Financial forecast for the medium term in the light of latest assessment of pressures and the likely level of grant reduction
- Proposals for the next stage of engagement on *Sustainable Swansea*, "Continuing the Conversation"
- An update on governance arrangements and risks

Cabinet is asked to:

1. **Agree the restatement of the objectives of *Sustainable Swansea – fit for the future* and the Strategic Framework set out in the report**
2. **Note the revised Financial Forecast and the future presentation of the financial challenge that the Council faces (£70m over the next 3 years)**
3. **Agree the outline Delivery Programme for *Sustainable Swansea* set out in Section 4 of the report**
4. **Agree the proposals for the next stage of engagement on *Sustainable Swansea*, "Continuing the Conversation" set out in Section 7 of the report**

As indicated, it is proposed that, following Cabinet, a (shorter) version of this paper is reported to Council.

Timeline

DATE	MILESTONE
21 May 2014	Executive Board reviews Sustainable Swansea Programme
11 June	Top Managers' Briefing
29 July	Cabinet report on the Programme
August	"Continuing the Conversation" – next phase of engagement commences
12 August	Report to Council
October	Cabinet considers the Mid-Year Budget Statement
November	Council considers the Mid-Year Budget Statement
November	"Continuing the Conversation" – outcome of engagement reported
December	Cabinet receives Financial Update with grant allocation
January 2015	Cabinet recommends draft Budget and MTFP
February	Council approves Budget and MTFP

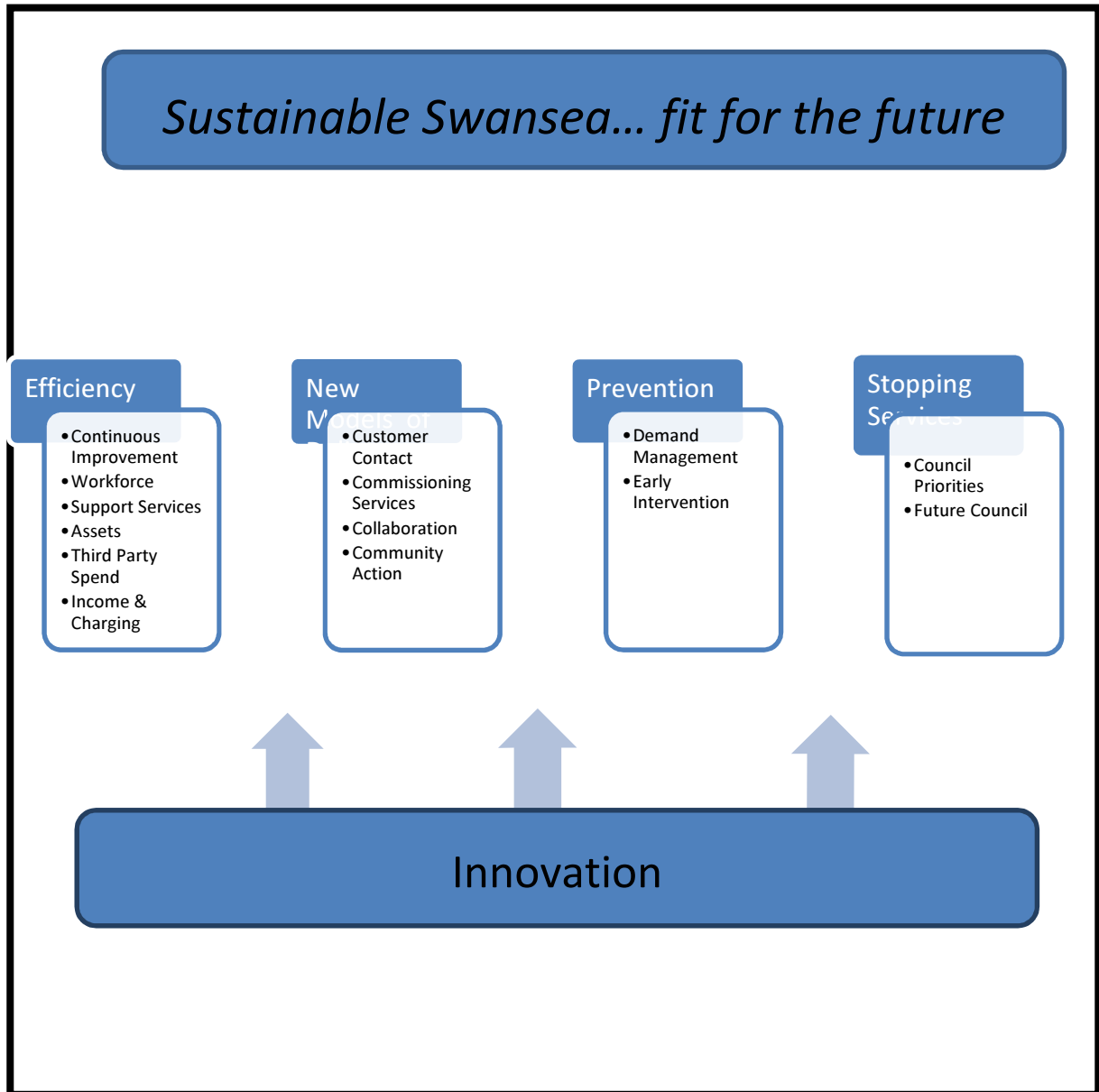
Budget Principles (1)

PRINCIPLE	IMPACT
Everything is included...	• We will review all areas of spend, even priorities, to ensure we are cost effective and explore better ways of achieving outcomes: no options are ruled out
Engagement...	• We will engage fully with employees, Members, residents, partners and other organisations about service and budget choices
We will have less money...	• Services will work on the assumption that growth or pressures will have to be contained within lower budgets
Demonstrating efficiency...	• We must demonstrate that we are as efficient as possible (eg: reducing management costs, support services, overheads) before services are cut
Cutting Red Tape...	• Options will cut regulation & bureaucracy, eliminate waste and remove unnecessary policies and processes through lean thinking and ideas from staff
Full cost recovery...	• We will seek to increase income from charging, based on full cost recovery and to reduce public subsidy, unless there is an agreed policy exception

Budget Principles (2)

PRINCIPLE	IMPACT
Increased income...	• We will use all our powers for charging for services and to trade and sell services to other organisations to increase income
Different models of delivery..	• Options will assess service provision (cost and outcomes) against other delivery models including: collaboration, outsourcing, partnering, community action
Supporting those at risk...	• We will target resources on individuals, families or communities at risk of harm, or significant disadvantage, using Target Areas in particular
Evidence base...	• Budget choices will be based on evidence of need (why do we do this?), whether current spend achieves agreed outcomes (is it VFM?) & comparative data (do others do it cheaper, better?)
Sustainable outcomes...	• Options will demonstrate how investment in early intervention/prevention and demand management can reduce spend, avoid future costs and improve outcomes for people
Personal Responsibility...	• Action is required to change behaviour and to increase the number of people and communities helping themselves as part of our approach to sustainability

Appendix B



Appendix C

City and County of Swansea – future operating model?

Sustainable Swansea.. fit for the future

- A plan to 2040 setting out our place based priorities
- Clarity about what we do and what we don't do
- A new relationship with our residents & resilient communities
- Positive resident experience of change... increased accountability
- Providing community leadership and leading the region
- Sustainable whole place partnerships

Council Priorities

- Single Corporate Plan, aligned with the One Swansea Plan
- One Needs Assessment
- A single Commissioning framework, focused on outcomes and the best model for delivering these
- Integrated Medium Term Financial & performance planning
- Core Values: working together, people focus, innovation

Future Council

- Workforce fit for the future... right skills, focused on performance and continuous improvement
- Employees who take personal responsibility & are supported to innovate
- One Council, working together, across boundaries
- Customer insight... used to reshape and target services
- Evidence led.. doing what works, understanding what results we get for our money
- Business like... delivery, self service, process lite
- Commercial edge... with an understanding of activity costs, more traded services
- Standardised, simplified and shared support services
- Modern technology... enabling change, increasing productivity and connecting communities
- New Ways of Working... mobile, flexible workforce, fewer buildings

Transformed Services

- Customer organisation... integrated customer contact, approach, digital by default, right first time
- Target Areas... services integrated in priority areas with high levels of community engagement, reduction in levels of poverty
- New Models of Delivery... social enterprise, staff mutuals, third sector led
- Community action... co-production, community support networks, asset transfer
- Prevention... early intervention/demand management preventing service need & reducing costs
- Sustainable schools in Swansea... federations, collaborations, local decisions
- Sustainable Social Care... independent living, fewer traditional care settings, people need care later in life
- Safeguarding... children and adults are protected from harm, fewer looked after children

Appendix D

SUSTAINABLE SWANSEA POLICY FRAMEWORK – HEADLINES

The Policy Framework contains all the key corporate policies that guide our approach as a Council in the future. The main ones are as follows:

These policies are still being developed but the key elements of these are set out below.

1. Co-operative Council

The Council has a policy commitment to follow the co-operative council model and ensure that the whole council - elected Members and Staff - works together to empower local communities, enabling their voices to be heard and allowing them to 'own' local issues.

As part of this we will work towards:

- Members/Officers/Residents/Partners – all working together
- Defining a new relationship between the Council and residents
- Empowering and supporting people to shape their own lives and the places they live
- Championing the role of councillors as community connectors
- Adopting new and different approaches to commissioning, with an emphasis on co-production with local people
- Embedding social value in commissioning and procurement
- Working with new forms of service delivery which give greater influence and voice to staff and users, for example mutuals
- Making the most of the strengths that lie in communities – the people, organisations, networks and physical assets that make communities vibrant

2. Commissioning & New Models of Delivery

Our Core Principles for commissioning:

- **Outcome led:** we will focus first and foremost on the outcomes we want to see for residents, families and communities
- **Engagement:** we will adopt an asset based approach to commissioning and engage at an early stage with people in designing the outcomes and, where possible, in delivering these outcomes, This will include:
 - Workforce
 - Trade Unions
 - Communities
 - School/Universities
 - Partners
- **Market Sounding:** we will use market sounding to find out what others are doing and to shape our commissioning plans
- **Innovation:** we will seek innovative solutions, using private sector expertise where appropriate

- **Evidence:** we will adopt an evidence based approach to solutions to deliver agreed outcomes
- **Local Markets:** we will maximise the local capacity to deliver services where appropriate
- **Collaboration:** we will look to commission jointly with partners where this makes sense

Our approach to assessing different models to deliver the outcomes we want to see:

- The status quo is not an option
- What matters is what works: we therefore expect to see a mixed economy of delivery models
- There is a presumption against private sector delivery
- We will challenge in house provision to improve where there is evidence that other models can produce better outcomes and/or cheaper costs
- We support the creation of Co-operatives
- We will use a common framework to assess the best model for each service (**example** shown below):

Model	Outcomes				Etc..
	Outcomes	Cost	Sustainability	Fit with Priorities	
Transformed in house					
Partnership					
Social Enterprise					
Etc...					

3. Prevention

Our approach to prevention has five key aims:

- To make prevention everyone’s business
- To prevent or delay the need for costly or intensive services
- To enable people to remain independent for as long as possible and to reduce dependency
- To promote voice, choice and control for individuals and families
- To increase resilience and build capacity within communities for self help

To achieve these aims we will adopt the following principles:

- We will engage people in the design and delivery of services
- We will adopt an asset based approach and use the strengths within individuals, families and communities
- We will support carers to enable them to support others
- We will manage the front door for services to divert people towards self help

- We will provide people with timely, accurate and accessible information, advice and guidance for informed choices and to promote independence
- We will increase direct payments to individuals to promote choice and diversity of provision
- We will make investment decisions on the basis of evidence of what works
- We will target resources toward those people who are vulnerable or at greatest risk of harm
- We will balance our approach to prevention with our duties for safeguarding
- We will develop and support our staff to adopt preventative approaches and to make every contact count
- We will do all of this in partnership with other agencies and the voluntary and community sector in Swansea

4. Customer Contact

Our approach to customer contact has four key aims:

- To improve customer experience
- To achieve a fundamental shift in customer contact to digital self-service channels
- To consolidate current customer contact
- To use customer insight to improve services and achieve the other aims

To achieve these aims we will adopt four key principles:

- We will operate as a single customer service organisation, not a number of separate customer services businesses
- We will bring current customer contact resources under a single management structure
- We will adopt the principle of *digital by default* and transfer, where ever possible, customer contact from face to face and telephone to digital channels
- We will *make every contact count* to reduce or minimise demand and change resident behaviour

INCOME AND TRADING PROPOSALS

1.0 Introduction

- 1.1 Income and Trading is part of the Efficiency Workstream of Sustainable Swansea. There is an initial income target of £1m for 2014-15. This report:
- provides a progress report
 - recommends the initial tranche of items for further work to contribute to that target, subject to further Cabinet approval as appropriate
- 1.2 This work is being carried out in two phases. The first phase was to identify charging opportunities. In order to inform this work, officers used an income tool devised by Deloitte which had over 400 examples of charging opportunities. This toolkit benchmarked a range of common discretionary services and the charges for these at each Welsh authority.
- 1.3 Phase 1 concluded with a Charging Policy being devised and approved by Cabinet in March 2014. Swansea now has a coherent corporate charging policy for the first time. This phase took place over 3 months and highlighted the potential the Council has to raise income by fees charges and trading, and changing processes.
- 1.4 Further detailed work with all Service Areas will be necessary and is being undertaken by the Commercial Team at present. This, in turn, is providing further examples of charging opportunities. The Charging Policy supplements this work by giving a clear framework and the Commercial Panel acts as a critical friend by challenging current charging habits.
- 1.5 It must be stated at the outset that, historically, Swansea has not adopted a corporate approach to exploiting charging and trading opportunities. As a result, there is a certain amount of groundwork to be done. This is being addressed and officers are confident that we will gain in maturity very quickly. In fact, there is now far more visibility of opportunity than we have ever had. However, this will be a medium term piece of work which will involve full engagement of service managers, changing practices and implementing and monitoring charging mechanisms, as well as resident engagement as appropriate.
- 1.6 With this in mind, it is difficult at present to predict income opportunities with any precision – though this will be possible as the project progresses. However, based on an assessment of the potential from the information available, a perpetual income / cost avoidance figure of at least £1m should be achievable.

- 1.7 The income target was set as a result of the Council budget meeting on the 18th February 2014. We have lost some momentum whilst forming the Commercial Team and as a result, we are under some pressure to deliver the savings in the remainder of this financial year. It is imperative, therefore, that we make decisions in relation to proposals as soon as possible.
- 1.8 This report set out the first tranche of proposals – **it is important to note that this is not an exhaustive list and there a great deal of work is necessary to ensure that these opportunities will be deliverable.** In order to provide some context, set out below is a summary of the work carried out in Phase 1:
- Training and advice was provided to 13 Service Area Senior Management Teams throughout the Council
 - Best practice advice was been obtained from other Councils.
 - Updated benchmarking data from the Deloittes 2011 table was put together from Swansea and other Welsh and English Councils,
 - A Commercial Panel with nominees has been formed
 - A Charging Policy has been agreed by Cabinet to provide the framework for charging
 - Some of the opportunities highlighted below were identified for further work.
- 1.9 Phase 2 will develop all charging opportunities with the simple rule, in accordance with our Budget Principles, that nothing is out of scope. There will be an intensive period of work to liaise with all Service Areas to identify and assess ideas and prepare business cases for individual opportunities. These will then be brought to Cabinet for consideration at a later date having been agreed at Directorate PFM meetings or Executive Board as appropriate as achievable.

2.0 Commercial Services Team Update

- 2.1 The income generation team have now been in post for 6 weeks and have begun exploring opportunities in greater detail with relevant budget holders and/or Heads of Service. This work has required support from many Service Areas and has been positively received to date.
- 2.2 A number of the 'quick wins' identified in Phase 1 will require longer term intervention and/or wider consultation. This is on the basis that they have to be thoroughly analysed in consultation with the relevant Directorate. Officers are keen to ensure that all interdependencies are identified and dealt with prior to any business cases being presented to Cabinet for approval. In addition, working with Procurement across the Category Hubs has thrown up additional opportunities which had not yet been scoped but with approval can be implemented swiftly in order to achieve revenue for this financial year.

2.3 The Commercial Team is tracking all interventions with Service Areas across charging & trading, savings, 'stop service' recommendations (when/if they arise), efficiencies and streamlining of officer time, in order to provide full transparency on the facilitative approach to income generation across all directorates. This will ensure that Executive Board and Members are able to access an up to date progress report at any time from the team on both income realised and work in progress.

3.0 Equality and Engagement Implications

3.1 There will be equality and engagement implications in relation to all proposals and it is intended that an individual equality impact assessment will be prepared for each proposal. In some cases consultation with service users may be required before an increase in charges can be agreed.

4.0 Proposed Areas for Review and Financial Implications

4.1 The following have been identified as **potential** income generation items which may contribute towards the target of £1m income. More work is necessary to fully "work up" the concepts and, as mentioned above, this will be undertaken in conjunction with Directorate PFMs:

Charging Credit Card fees

Music SLA

Shopmobility

Land Charge Searches

Park and Ride

Grand Theatre

Dylan Thomas Programme

Indoor Leisure Centres

Plantasia

Indoor Bowls

Special Events

School meals

4.2 In addition, the Commercial Team has begun to review the suggestions that emerged from the benchmarking, awareness raising sessions and *Sustainable Swansea* workshops as well as other areas within the benchmarking analysis. So far, initial research and analysis has taken place for 39 income generating/savings opportunities:

Public Conveniences

Marina

Swansea Leader

Brangwyn Hall

Astro Turf Pitches

Knab Rock

Langland Bay Huts

Recreation Ground

Rooms/Facilities Hire

Residents Parking Permits

Bus Station Washrooms

Park & Ride price change

Sunday Parking

Park & Pedal

Olga Cutter (Swansea Museum)

Roundabout Sponsorship

Allotments

Cashpoint Machine (Civic Centre)

Car Parks (staff)

Big Screen (Castle Square)

Trade Exchanges

Traffic Orders Section 278

Traffic Orders Section 38

Waste – Recycling

Car Parks – Stairwell advertising

Sponsorship & Promotions (generic)

Car Parking Tickets

Grass Verges

Swansea Bay Rider

Blackpill Lido

Outdoor Centres (phase 1)

- 4.3 A number of the proposals have yet to have a monetary value attached to them due to the continuous data gathering being completed. Findings will not be presented to Service Areas without this data. All business cases presented to the Commercial Panel (and therefore Executive Board and/or

Cabinet as appropriate) will have detailed income/savings information up to 2016/17 as a minimum.

- 4.4 All findings reported to Directorates will have a full cost calculator attached which has been devised by Finance. This will allow for a consistent approach to savings/income across the board both in this and future financial years.
- 4.5 Additional work will be required in order to identify any potential double counting against savings already agreed through Directorate service savings. The Commercial Team does not anticipate this affecting the Council's ability to achieve the targeted £1m income for 2014/15.