# Local public services in Wales: developing a whole area approach

**A report by Local Government Leadership for SOLACE Wales**

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# Local public services in Wales: developing a whole area approach

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# 01 executive summary

SOLACE Wales commissioned Local Government Leadership to support its work in creating a vision for local public services and look at ways that whole area working might support improved outcomes for citizens at reduced costs.

This report describes the outcome of this work and recommends an approach and methodology for taking forward whole area working.

In the coming months and years, local government will have to cope not only with the funding 'tap' being turned off, but will have to plug the financial leaks in their own systems. The scope of the savings needed are such that they will not be able to be met by the relatively easily identified savings such as those achieved by local authorities over the past five years.

Wales can learn from, quickly build on and even leapfrog the Total Place process in England by using the knowledge about where the maximum efficiency gains are to be found to focus on these areas. It can also identify where the gaps might be in relation to sharing learning and identifying efficiencies and consider ways to fill these gaps.

Research for this report found that, although there is a clear recognition of the need for change, there is not a consensus about *how* best to take forward whole area working. This report outlines a potential public service framework which builds on what is already in place and strengthens those arrangements that support whole area working and a collaborative pan-public sector approach.

This report suggests that a fundamental requirement in Wales is to test out what might be delivered locally, regionally and nationally and to determine what the wider policy, financial and legislative context to support whole area working needs to look like.

The recommended way to do this is to focus on a small number of high impact projects that will test out whole area working and level of delivery through citizen involvement, service redesign and cost benefits between August 2010 and March 2011.

It is envisaged that the projects will use and build on the support of the Efficiency and Innovation Programme Board and the New Models of Service Delivery workstream to give the structure and governance needed to oversee the high impact projects proactively at national level.

Included in the programme must be a framework to gather the learning from the projects and elsewhere to contribute to the ongoing conversation about the development of a public service framework for Wales and a strategic mechanism to capture and share learning and leadership across the country.

There are already excellent examples of leadership and collaboration in Wales to achieve this transformation – transformation that does different things, not the same things differently. There is now a great opportunity to build on this to achieve the greater economies of scale and significant service improvements possible through whole area working and a collaborative approach across agencies.

## 02 background

SOLACE Wales commissioned Local Government Leadership to support its work in creating a vision for local public services and look at ways that whole area working might support improved outcomes for citizens at reduced costs.

The work was conducted during June 2010 and included:
- research into the current Welsh context; a comparison of the policy frameworks in Wales and England; the learning from Total Place and whole area working in England; the leadership needed for this approach; and the potential application in Wales
- interviews with 12 senior leading professionals from across Welsh public services to understand their perspectives on whole area working and preferred direction of travel
- a workshop on 25 June involving more than 25 stakeholders from across public services to discuss and agree a way forward and timescales.

This report describes the outcome of this work and recommends an approach and methodology for taking forward whole area working.

## 03 the case for change

The funding crisis in the public sector in the United Kingdom has not spared Wales. Local government is facing a dramatic drop in funding over the coming years – moderate estimates expect a shortfall of around a third over the next four years. The scope of the savings needed are such that they will not be able to be met by the relatively easily identified savings such as those achieved by local authorities over the past five years.

The situation calls for radical transformational change. Existing priorities and processes will need to be re-assessed within the new spending context, and the role of local and national government will need to be reconsidered. Local government will have to cope not only with the funding 'tap' being turned off, but will have to plug the financial leaks in their own systems. Local government has the opportunity to lead the way in this change and act as the catalyst for a reinvention of public services in Wales.

There are indications of a move towards consideration of a more area-based approach. Last year the Welsh Assembly Government (WAG) reached a new understanding with local government with a focus on delivering better services for citizens and getting best value for money in Wales. The WAG has also promoted initiatives and bodies that cross public sector boundaries, such as Public Sector Management Wales, the Public Services Summit, Value Wales, and the Efficiency and Innovation Programme Board.

## 04 learning from whole area working

There has been a trend over the past decade in English local government to move from an organisation-controlled system of public service delivery to one that is increasingly focused on partnership working. There is an opportunity to learn from the best of these initiatives in order to streamline the transformation of local public services in Wales. Some of the key learning is highlighted in this section.

The Total Place pilots and others have begun to explore how whole area working might function. Pilots and parallel places worked at different geographical levels to explore how to deliver the best benefits for citizens and efficiencies. Some examples of the work underway are included below:

- neighbourhood level: Kent is working with two wards identified as having high levels of deprivation and disproportionate public costs to radically transform their service delivery, particularly around housing
- borough level: Croydon is looking to reshape its children's services into a 'Think Family' approach that is solutions-focused, rather than delivery-based
- sub-regional level: Coventry, Solihull and Warwickshire are looking to develop a 'Concordat' model of governance for their area that would "enable the freedom to manage parallel systems better and reduce cost, share services, pool strategic development capacity, manage our own improvement and make it easier and more cost effective for central government to interface with [them]".[1]
- national level: re-examining the improvement and leadership development offer for the public sector so that it supports partnership working.

## 4.1 Learning about place work

Over the past two years, Local Government Leadership has been working on place-based projects to bring together the learning gained and share it with others. Some of the key points about place-based work, especially on a large scale, are listed below:
- context matters. What works in one place will not necessarily work in another, although there will be principles in common
- start slow to go fast. Getting everyone on board at beginning can feel slow and involve seemingly repetitive conversations, but it builds a solid base that allows later work to proceed much more quickly
- having a citizen's perspective from the start will lead to services configured around the specific needs of the citizen rather than around the needs of organisations
- having visible high-level commitment to the work will give a sense of 'permission' to those involved that will allow people to work more innovatively
- but don't wait for approval – get on and do it. It's hard work but the prize is worth it
- don't underestimate the value of personal relationships in moving things forwards.

## 4.2 Community engagement

Local Government Leadership has also worked with places to enhance their community and political engagement. Much of our focus has been aimed at creating and supporting long-term and sustainable changes in the ways in which local authorities engage with and represent their communities.

Among the key lessons from programmes Local Government Leadership has been involved in are:
- the present disjointed method of delivering many services makes for sub optimal service for many people
- the only way to get a more joined up solution is through locality (place based budgets) with the local authority being the glue
- despite decades of different strategies attempting neighbourhood renewal, undertaken by different political parties, operating different strategies we still see growing disparities
- the speed and nature of short term interventions means that the "usual suspects" can often get the money - as they have "learned" how the system operates
- the failure to properly tackle the most problematic families and households means that what other residents see is considerable attention being given to certain groups - but they fail to see change.

Historically we have fluctuated between two types of community development – both flawed – community development as a challenge to the "system" and neighbourhood management. In

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[1] Coventry, Solihull and Warwickshire Total Place Pilot report, 19 February 2010

both models, there has often been limited scope for the role of the local councillor. A future role for local democracy may be a way of orchestrating the range of interventions in particular areas, not just those of the local authority but across the public sector. Secondly it is reworking the role of the ward councillor to be the local community champion and advocate. The role of the councillor and local politics in service and sector redesign is something that needs to be more fully explored.

## 4.3 Efficiency work

Recent work, especially that undertaken by the Total Place pilots, has highlighted some 'quick wins' that places can take up:

- Taking a preventative approach
  - o London Councils propose a radical new approach to worklessness in London that could save nearly £630 million of the £5 billion currently spent across the city in benefits. The resulting income tax increase could take this to nearly £1 billion in savings
- Simplified access for customers
  - o The Kent Gateway brings together services from 60 partners and is already saving £500,00 per year, with the potential for £2.2 million per year
- Multi-agency teams
  - o Bradford aims to save £4 million across the offender pathway by introducing a more holistic programme of care and reducing assessments
- Back office and support functions
  - o Assets: the Kent and Worcestershire pilots each indicated that revenue savings of up to 10 per cent per annum may be possible from reducing the running costs of the public sector estate. Releasing appropriate assets could also realise significant capital receipts. There should be significant scope for savings – the Audit Commission's *Room for Improvement* report [2]found that few councils were managing their assets strategically, and one third do not yet share assets with other public services.
- Joint service delivery between the local authority and the PCT.
  - o Lewisham Strategic Partnership have developed an integrated joint commissioning model for the PCT and council for £200 million of pooled adult health and social care budgets and £40 million of children's budgets; the NHS and council are sharing the same performance management system and have introduced a rolling programme of priority needs assessments.

An extended list of other notable work is included in Appendix 3.

# 05 the current approach to whole area working in Wales

Appendix 2 shows that there are degrees of overlap between Welsh and English policy frameworks, however it would be reasonable to suggest that Welsh policy is more closely aligned with outcome- and citizen-focused collaborative working. This presents a huge opportunity for public service bodies in Wales to set their own future agenda by taking advantage of the lower 'barriers' to radical change. A further advantage is that structures already in place including Local Service Boards, Regional Partnership Boards, and Spatial Planning Areas could be given a specific remit to take forward whole area working.

In addition, there is an agreed shared purpose for public services which is articulated as better service outcomes for the citizen at less cost through strong local leadership, new models and ways of working and deep engagement with the citizen. This is reflected in and driven by legislation in Wales such as the Local Government Measure, the New

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[2] *Room for improvement: strategic asset management in local government,* Audit Commission, June 2009.

Understanding between WAG and local government; strategic undertakings including Outcome Agreements and the Wales Programme for Improvement. These and other measures provide a solid foundation from which to build better public services in Wales.

Wales can leapfrog the Total Place process in England by focusing on the learning about where the maximum efficiency gains are to be found and focusing in these areas. It can also identify where the gaps might be in relation to sharing learning and identifying efficiencies and consider ways to fill these gaps. Some of the challenges and opportunities facing Wales are discussed below and in the following sections.

The best "shape" of public services within the context of whole area working is not clear, although there is a clear recognition that things can't stay as they are:

- "We can't go on delivering everything twenty-two times"
- "Wales is a Total Place in itself ... we can exploit this"
- "We have to work out what is best delivered where geographically and at what level"

There are some excellent examples of collaboration locally, regionally and nationally between local authorities and across public services, and agencies are rightly proud of their achievements. However, the commitment to change varies between areas and there has been more emphasis on some issues than on others.

There is not a consensus about *how* best to take forward whole area working:

- "It will be very organic with different delivery methods for different services"
- "We have no energy for structural change – we just need to grab hold of it and make some decisions"
- "WAG just needs to decide what is done where and enforce it"
- "We could end up with a chaotic situation on our hands with different service configurations for different services and lacking any bite".

There is interest in the English work underway on what services are best delivered at what level to achieve economies of scale. It is also agreed that the best focus is on the Total Place pilots that delivered the greatest possible efficiency gains.

Although it is not clear at this stage how whole area working might be achieved, the questions that need to be addressed in working towards it have been articulated clearly during the interview process and stakeholder workshop:

- What is the outcome we are looking for and if it is working what might it look like?
- How do we share intelligence and identify and build on what is already working well?
- How do we build a momentum for change across the system (viral infection)?
- What are the right scales of operation and how do these vary by geography and service?
- What are the models of delivery that will best support whole area working and how do we reconfigure to achieve this?
- What changes are needed to the bigger system to enable whole area working?
- How might relationships be developed even further between WAG and public services and what the roles of each might be to support whole area working?
- What is the leadership that will help us to achieve whole area working?
- What is the role that local government wants to play in taking this debate to the next level?

# 06 gaps identified in the current approach in Wales

Although there are examples of excellent collaboration at a local, regional and national level in Wales, a number of gaps have been consistently identified through this research.

## 6.1 Learning capture and sharing
There are very clear examples of inspirational and transformational thinking that have and will continue to deliver real change in services and practice. Most areas interviewed can articulate and are proud of their specific projects but what is happening is not being identified and shared across the country and beyond. It is also suggested that collaboration is less well developed in some places. There does not seem to be a mechanism to understand the nature of the change being delivered and therefore to understand and articulate the learning.

## 6.2 Focusing on reducing costs
Reducing cost is identified as a major driver. However, current costs, efficiency gains and savings are not necessarily being identified in a structured way as part of the transformation agenda. The issues being tackled are also not necessarily those where efficiency gains can be maximised. There is not consensus on the best way to drastically reduce spend with suggestions ranging from an immediate "slash and burn" approach to an "invest to save" model over a longer time period. In this context the *pace* of change is identified as an issue – it's not happening fast enough!

## 6.3 Leadership
Collaborative leadership at all levels is seen as vital to move whole area working forward. It is recognised by all interviewed that future leaders will not only be people who can work across organisations on behalf of their places, but people who engage effectively with peers, communities, the third sector and with local democratic representatives. They might be political leaders, chief executives, and chief constables; equally they might be programme managers, frontline staff or members of the public. Further consideration will need to be given to the leadership implications of whole area working, and the development needs of current and future leaders to support this.

## 6.4 Energising the whole system
Many senior leaders are committed to and energised by the idea of working differently together and doing different things. Engaging the energy of front line workers is seen as vital to generate new ways of working and if ideas and concepts are to be translated into action and real change on the ground. This is extended to ensuring citizens and communities are involved in the decisions that affect their lives and that those areas not seeking transformation are encouraged to become involved in ways that will work for them.

## 6.5 Deciding at what level services should be delivered
In order to be able swiftly to implement the findings of the projects to the betterment of public services in Wales, a conscious exploration of the options for service delivery needs to take place. There is a lack of clarity about what should be delivered locally, regionally and nationally and this is leading to confusion and duplication. The current models of service delivery will need to be thoroughly re-examined. This is explored in more detail in section 9.

## 6.6 Dealing with whatever is standing in the way
Actually very little in the way of willingness is standing in the way and the time seems right! However there are specific issues that are standing in the way of progress such as structures and governance; local ways of working that do not hand over control to other agencies; procurement, HR and finance rules; inability to share information; self interest and protection of power; ability to move budgets around; a reluctance to innovate without approval; politics

locally and nationally; personality issues; pace is too slow… All of which there is a willingness to discuss and change over time but the scale of the task is not underestimated.

# 07 turning strengths to opportunities

There is a willingness to address and fill these gaps in moving forward. Part of this will be building on the obvious strengths and opportunities:

### 7.1 The financial squeeze
The financial challenges are seen as a positive incentive by some, leaving very little option but to work in different ways and provide the same or better services at less cost. "The squeeze is an opportunity to think differently about how we deliver". This may also mean "stopping" the delivery of some services.

### 7.2 Seize the day
The overwhelming message was that the time is right for action.

- "We need to capitalise on the will and commitment to do different things. Change our thinking and not be constrained"
- "Its about pushing people over the final line"
- "There is a pre election window – we must grab hold of capacity and leadership during this time"
- "It's about exploiting our competitive advantage"

### 7.3 Exploiting current structures
The structures are in place to deliver whole area working and there is a need to exploit these rather than reinvent. These include the Public Services Summit, Regional Partnership Boards, the Efficiency and Innovation Programme Board and Local Service Boards. There is an opportunity to use these as a vehicle to design and deliver whole area working.

### 7.4 Build on approaches that are working
Many examples of transformation and methodologies that are working are cited. These strengths need to be shared and built on.

# 08 the future of whole area working in Wales

A fundamental requirement in Wales is to test out what might be delivered locally, regionally and nationally and to determine what the wider policy, financial and legislative context to support whole area working needs to look like. In the emerging financial environment it needs to be very clear at what level certain things should happen. In considering this, the following areas should be taken into consideration:
- Governance
- Funding
- Performance, inspection and regulation
- Improvement
- Strategies and plans

This section outlines a potential public service framework which builds on what is already in place and strengthens those arrangements that support whole area working and a collaborative pan-public sector approach. It is recommended that these areas should be further developed and that this should happen alongside the removal of the additional structures, policies, processes, targets, etc that currently form the 'bigger system' in order to achieve a simpler more efficient and effective framework for public services.

## 8.1 Devolved governance and determining the level of service delivery

The Local Government Association (LGA) has recently produced a briefing document on place-based budgets and the future governance of local public services.[3] It argues that many important decisions that need to be made about public services are more effectively made at a local level – whether sub-regionally or more locally. They estimate that, in England, this could result in an annual administrative saving of £4.5 billion. The paper introduces a set of criteria for determining when devolved governance would be appropriate and what additional services could be locally determined.

The four key criteria are:
- integrated commissioning and decision making at a lower spatial geography could yield **performance** gains
- there are **not national economies of scale**
- the public does not expect strong geographical **equity** defined as the same service or level of entitlement from one place to another and
- **risks**, both financial and political, can be managed below the national level.

This, combined with the research in Wales suggests the four key criteria of performance, economies of scale, equity and risk should be considered alongside the criteria identified in Wales, shown in the table below, to determine those services where the governance should be localised and those where there are benefits to regional or national delivery.

**Table 1 guidelines to service delivery levels in Wales**

| Level | Criteria | Indicative examples |
|---|---|---|
| Local | Personalised and individualised services requiring high levels of citizen access and delivered through multi-agency teams | - individual services for the most vulnerable<br>- integrated primary health and social care<br>- environmental health services inc. food hygiene, housing, health & safety, pollution<br>- most licensing services<br>- trading standards – underage sales<br>- schools<br>- adult skills<br>- local transport<br>- support into employment for the long term unemployed or workless<br>- housing<br>- neighbourhood renewal<br>- regeneration<br>- community<br>- home energy efficiency<br>- managing flood and climate risks |
| Regional or sub-regional | Specialist services where citizen access is required but there are | - fostering and adoption,<br>- specialist placements for |

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[3] *Place-based budgets: the future governance of local public services*, Local Government Association, June 2010 http://www.lga.gov.uk/lga/publications/publication-display.do?id=12294112

| | | |
|---|---|---|
| | economies of scale in regional commissioning because for example costs of provision are high and skills are specialised | looked after children- mental health placements<br>- specialist interventions<br>- school improvements<br>- taxi licensing process and criteria<br>- personalisation and points based systems in adult care<br>- specialist youth services<br>- drug and alcohol specialist support<br>- some children and family services<br>- waste disposal<br>- most trading standards including weights and measures, doorstep crime<br>- economic development |
| National | Highly specialist services where costs are very high and skills are specialised or services that are unlikely to involve direct citizen contact and follow routine processes and procedures. | - certain aspects of specialist family intervention<br>- Welsh and other translation<br>- payroll<br>- specialist equalities advice and equality and diversity training<br>- common training<br>- eligibility criteria for access to services<br>- aspects of procurement<br>- trading standards – illegal money lending and scam busters service<br>- student finance |

The large traditional service areas such as education, environment and social services encompass a wide range of services so it is more useful to break down the functions within these using the criteria above to identify the best level of service delivery.

## 8.2 Governance

The research in Wales suggests that further development and strengthening of pan-public sector governance and decision making is needed for whole area working to be successful. Existing structures should be built on and strengthened by allocating them more responsibility and decision making powers along with more accountability.
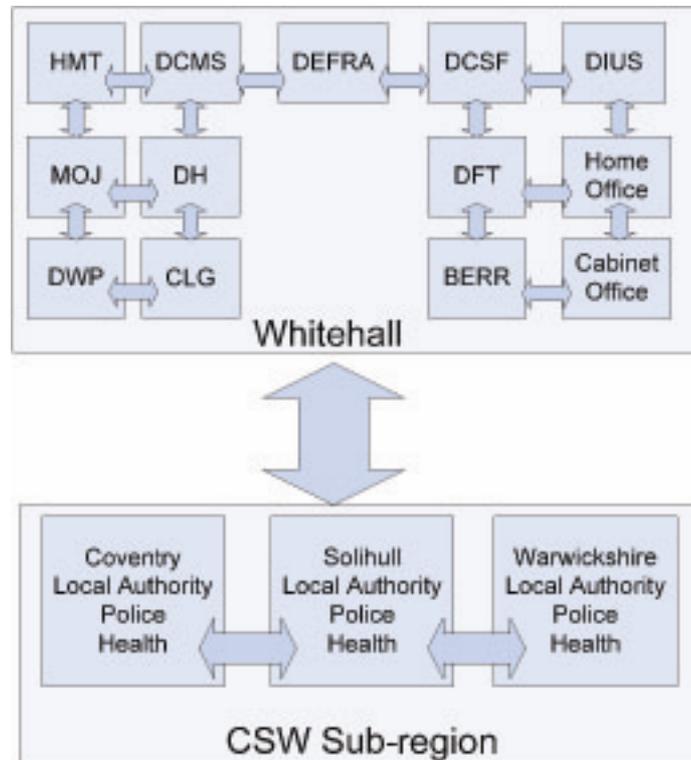
What could this look like in practice? At a local level, Local Service Boards are best placed to be the main vehicle for service delivery. In England, for example, Leicester and Leicestershire have established a new Public Sector Board that constitutes leaders from councils, health and police. They will use this as a vehicle to argue for public and financial accountability for public services in their area.

Regionally, it is likely that places will explore a combination of arrangements depending on what best suits the services in question. The LGA report also emphasises that it is not possible to be dogmatic about structures at this level). Such arrangements could include:
- Sub-regional arrangements for issues such as health and integrating health and social services, which may look like the regional LSB structures being trialled in Gwent and

should seek to take advantage of any joint boundaries, for example with Local Health Boards or Police, wherever possible. In England, Coventry, Solihull and Warwickshire propose the following structure, which would allow the area to "work together strategically, pooling risk across its three LAA areas and streamlining how it manages its own interface with central government inspection, regulation and performance management systems."[4]

**Figure 1 Coventry, Solihull and Warwickshire sub-region model**



- Spatial plan areas should focus on economic development, regeneration, strategic planning and transport infrastructure. Regional Boards established by the WLGA should continue to be the focus and driving force for collaborative projects and increasingly for improvement and efficiency initiatives and link closely with the national Efficiency and Innovation programme workstreams to ensure their successful implementation. Thought should also be given to widening these to include other partners.

At a national level, the Efficiency and Innovation Board brings together the work to reduce costs and improve services for citizens and as a pan-public sector body can provide the lead for area based working. The Public Service Summit provides the senior leaders forum and is vital for championing this approach and ensuring engagement at the highest level.

### 8.3 Funding
Any of the models of devolved governance described above would depend in part on a simplified funding stream with a budget available to local bodies (at whatever level) to deliver the agreed outcomes for their place. The funding diagram from the Croydon Total Place pilot demonstrates the complexity of the current system. The National Audit Office calculated that between each extra tier between the funding source and front line delivery costs between 10

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[4] Coventry, Solihull and Warwickshire Total Place final report, 19 February 2010

and 20 per cent of the funding.[5] Similarly, the Leicester and Leicestershire Total Place pilot found that it costs national, regional and local organisations £135m to spend £176m on economic development projects in their area. This provides a strong savings argument for a simpler system.

**Figure 2 Croydon spend count**

**Total Place: Croydon Spend Count Wiring Diagram**

Total spend £2,599 m

| Funded by | £75 m HCA | £19 m HO / MoJ | £33 m LSC | £288 m DCSF | £911 m Local Income | £642 m DWP | £71 m HMRC | £558 m DH | £2 m CLG |
|---|---|---|---|---|---|---|---|---|---|

| Spent by | £75 m HCA | £6 m Probation Service | £13 m Courts | £33 m Higher Ed. | £768 m LA | £393 m GLA | £38 m HRA | £642 m DWP | £71 m Child Benefit | £558 m PCT | £2 m Env. Agency |
|---|---|---|---|---|---|---|---|---|---|---|---|

COFOG 2: 01.1 01.3 01.6 02.2 03.1 03.2 03.3 03.4 03.6 04.1 04.5 04.7 05.1 05.3 05.6 06.1 06.2 06.4 06.6 07.1 07.2 07.3 07.4 07.6 08.1 08.2 08.4 09.1 09.2 09.3 09.4 09.5 09.8 10.1 10.2 10.3 10.4 10.5 10.6 10.7 10.9

| N° Funded | 1 | 1 | 2 | 1 | 2 | 2 | 1 | 1 | 3 | 3 |
|---|---|---|---|---|---|---|---|---|---|---|

| N° Spent | 2 | 1 | 4 | 2 | 3 | 4 | 1 | 2 | 2 | 3 |
|---|---|---|---|---|---|---|---|---|---|---|

| Theme | 01. General Public Services £72 m | 02. Defence £1 m | 03. Public Order & Safety £221 m | 04. Economic Affairs £239 m | 05. Env. Protection £37 m | 06. Housing & Community Amenities £157 m | 0.7 Health £558 m | 08. Rec., Culture & Religion £20 m | 09. Education £367 m | 10. Social Protection £928 m |
|---|---|---|---|---|---|---|---|---|---|---|

In addition to simplification of funding streams, places need greater flexibility to move resources across organisation boundaries and less ring-fencing of resources. This would be supported by a funding system that is determined by the outcomes being worked towards rather than the organisation delivering particular services. This would most probably require a move towards place-based budgets channelled through LSBs and appropriate regional/sub-regional structures, once the appropriate level of service delivery has been agreed upon.

It is recommended that a 'high level count' similar to that of the Total Place pilots is undertaken across Wales to determine what the current money flows are. This will give the necessary context for a discussion of which bodies may need to be changed in function or structure and potentially decommissioned, and which funding streams most critically need freeing from ring-fencing. It is important, however, that this is a 'rough and ready' exercise that provides enough information to set the scene without spending precious time and resource on what could become an overly bureaucratic process.

## 8.4 Performance, inspection and regulation

Consideration of the best level of service delivery and governance are necessarily intertwined with issues of planning, improvement and performance management and funding. In

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[5] *Delivering Efficiently - Strengthening the links in public service delivery chains*, National Audit Office, March 2006

simplifying and aligning public services, these will also need to be examined and reshaped in a way that best supports the new model. The trend in the recent past has been for central government to legislate around *processes*, rather than *outcomes*. The time is ripe for local and central agencies to enter into a new conversation about where the energy of the public sector in Wales should be focused on moving towards a more simplified and joined-up framework for Welsh public services (rather than separate for local government, health, police, etc) where all are being assessed against the same outcomes.

This could take the form of a set of outcomes that all public sector bodies develop and agree to work to. There would need to be flexibility for regional bodies to adapt these for their areas and for local areas to agree their own locally determined outcomes according to their priorities within certain parameters. Organisations should then be free to shape their own processes and structures to deliver the agreed outcomes.

The basis for the outcomes could be the Outcome Agreements currently being agreed between national and local government. These agreements could be developed into Public Service Outcome Agreements between a place and WAG, likely to be best delivered through LSBs, which would then provide a mechanism and incentive around which to plan place-based budgets and inspection and regulation. In order to make the efficiencies and streamline the processes all other performance targets and measures need to be removed.

An equivalent extension of scrutiny and democratic accountability, such as those mentioned in the recent English Draft Structural Reform Plan[6] and Health White Paper[7], could also be considered at this point.

### 8.5 Improvement
Improvement has historically been linked to delivery chains that pursue national outcomes at a local level. This model can no longer deliver the scale or nature of the change that is now required. A new model for whole public sector improvement will need to align with the customer- and place-based governance structures that will develop. For example, national improvement resources and field forces could be devolved, allowing regions or local authorities to manage their own improvement. This would require a change in commissioning from central to local, and a change to a more flexible and integrated approach.

### 8.6 Strategies and plans
The future of strategic planning needs to be considered in the context of the imperative to reduce costs and structure services around the citizen. This will include basing plans and strategies on an appropriate level of place (bearing in mind the principle of devolving to the lowest level possible) and the key agreed outcomes to be delivered there. This would be supported by the current move towards bringing together all statutory plans into one integrated strategy document at the local level, encouraging a more holistic view of the whole area by cutting across the services areas and different themes.

There should be simplified requirements across the board for producing and reporting on plans and strategies. This framework should include an outcome-based plan setting out the national programme which is linked to One Wales and reviewed annually.

## 09 high impact projects

In addition to clarifying high levels of service delivery, the recommended direction of travel is to focus on a small number of high impact projects – "big tickets" – that will test out whole

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[6] Communities and Local Government, July 2010
[7] *Equity and excellence: Liberating the NHS*, Department of Health, July 2010

area working and level of delivery through citizen involvement, service redesign and cost benefits between August 2010 and March 2011.

This to be achieved in two ways:
1. A named organisation to lead on each of the specific projects and bring together the organisations from across Wales into a network to share learning and develop common practice. There will be at least one project in each region to allow opportunities to explore regional whole area working and synergies.
2. To continually develop the approach and policy framework proposed in section 8. The New Models of Service Delivery workstream of the EIB should coordinate the broader approach to whole area working (beyond the specific projects) and support the sharing of learning from the projects.

The recommended ways to achieve this are as follows:

## 9.1 Criteria for the high impact projects
The criteria for projects are:
- large issues where the solution is complex and not known and will involve a number of organisations but the issue is susceptible to change
- spread geographically across the country
- a different thematic / issue based focus for each so that different service models can be tested
- varies the lead service organisation for each project and according to the theme
- a high cost service area and therefore likely to achieve greater efficiencies
- connects with and takes responsibility for sharing the learning between other places in the country involved in similarly themed transformational work
- works within the region to identify and agree the delivery model(s) for this area of work and shares learning within the region and beyond.

## 9.2 The underpinning approach
There are a number of critical aspects that have been identified as underpinning the approach to be taken within each of these projects. These are:
- uses systems thinking which starts from the viewpoint of the customer and considers the whole range of provision
- co-produced with all parts of the system – politicians, front line workers, senior leaders, WAG
- contributes to the debate on the shape of and vision for whole area working
- active citizen and community involvement in the design of services and models of delivery
- demonstrates and shares efficiency gains and savings
- identifies and develops the skills needed by staff at all levels to enable them to work in a different way (link to EIB Workforce Planning workstream)
- articulates the difference in leadership needed to achieve whole area working (link to EIB Leadership workstream)
- identifies barriers and enablers on a local, regional and national level
- identifies and shares learning across the country to include methodologies, approaches and ways of working.

## 9.3 Methodologies
The Total Place pilots were based on three workstreams: 'counting', 'culture' and 'customers'.
- The counting process maps money flowing through the place (from central and local bodies) and makes links between services, to identify where public money can be spent more effectively.

- The culture process looks at the way existing cultures (the way we do things at the moment) actually helps or hinders the process. Together, these strands should aim to identify potential efficiencies and help people and organisations work together to achieve them.
- The customer needs process provides additional support around customer insight to help places better understand customer need and identify opportunities for collaboration between agencies on service redesign and use of resources.

The methodology that is decided upon for the high impact projects will of course be tailored to the Welsh context and unique to Wales. However, the work undertaken through Total Place can be used as an indication of areas to be considered when setting up the projects.

There was no overarching method for how Total Place pilots would explore the three workstreams.[8] However, a number of publications have been produced that provide practical guidance to places wishing to undertake similar work. Local Government Leadership produced *Total Place: a practitioner's guide to doing things differently*.[9] It gathers experiences, methodologies, theories and practices that can be drawn upon to support similar work. The guide includes, for example, advice on roles and responsibilities; bringing data alive; using multiple cause diagrams; planning a learning cycle and process design. It is recommended reference material for those thinking of undertaking a whole-area approach.

Further detail on the 'counting' process is available in section 10.4 of this document.

### 9.4 The identified high impact projects

The learning from Total Place and experiences identified in section 4 of this report indicates that the citizen and financial benefits are greater in some areas than others. To achieve maximum impact it is therefore recommended that the focus should include some / all of the following areas:

- Creating teams around complex families – working in an integrated manner to ensure interventions with families with complex needs and high demands of public services are coherent, aligned, and efficient
- Frail elderly – looking at the best form of support for older people that best meets their needs in the most efficient way possible
- Offender management – investigating a coordinated multi agency approach to offender management, providing an opportunity to significantly reduce crime, improve public confidence in criminal justice and reduce the social exclusion of offenders
- Worklessness – tackling the issues surrounding worklessness in Wales, especially in a time of economic challenge
- Asset management – exploring revenue and capital savings made possible by rationalising the public estate, managing it more effectively and ultimately underpinning the continued modernising and transformation of public services
- Integrated health and social care – investigating the options for organisations to work together to plan, deliver and monitor health and social care

Doing these high impact projects will enable the decisions to be taken about what is best delivered at a national, regional and local level and for the decisions to be based on actual practice and effectiveness at dealing with specific needs rather than on an existing presumption about organisational structure or grouping together the traditional service areas resulting in a poor 'fit'..

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[9] Available at http://www.localleadership.gov.uk/totalplace/learning/a-practitioners-guide/

There are a number of places already working on the above issues and so it is expected that one of these places would lead the work on behalf of the country. Transformational work will obviously continue in those places not acting as the project lead but they would be able to share their experiences through this approach.

Other areas have been identified as part of this research and it is anticipated that work in these areas would continue, for example neighbourhood management; schools and shared assets, obesity, domestic abuse, workforce costs and flexibility, customer access, streamlining grants, chronic conditions.

# 10 making it happen: the enabling framework for high impact projects

These are some of the enablers that have been identified as important to deliver the high impact projects successfully and contribute to the implementation of whole area working:

### 10.1 Process to decide high impact projects
The projects should report to the New Models of Service Delivery workstream of the Efficiency and Innovation Board. The workstream steering group will need to reach an early agreement on and ratify the lead organisation for each of the high impact projects and also invite other places doing similar work to be part of the learning network or the theme across Wales. It is thought the information on who is doing what is available.

Critical to this approach is developing a *sense* of momentum and therefore it will be vital that the New Models workstream enables the work to proceed at a pace, with the framework in place and lead projects ready to begin by the end of August.

### 10.2 Programme governance
It is envisaged that the projects will use and build on the support of the Efficiency and Innovation Programme Board and the New Models of Service Delivery workstream to give the structure and governance needed to oversee the high impact projects proactively at national level. This should include key politicians and policy makers. At the local level they should engage all partners through the most appropriate arrangement which is likely to be through the LSB.

### 10.3 Political engagement
Strong political leadership will be needed where complex decisions on outcomes and service redesign have to be taken.

The attitude of both local and national political leaders will have a bearing on the effectiveness of implementing projects' proposals. Innovative proposals for public services can present challenges for local leaders, especially politicians, in making the case to local people about how services can be improved and how they can benefit from this approach.

Any changes in financial accountability structures would also have to take into account the implications for local politicians. The collaborative leadership model demands that, as democratically elected representatives, councillors have a mandate to scrutinise local authorities, and are answerable directly to citizens on how local authorities' services are being delivered.

If political leaders (both local and national) are involved from an early stage of the projects, they may gain a better understanding of the goals and processes involved and therefore be more publicly supportive. The corollary to this is that elected members may need more

development support to be able to effectively take part in a new and challenging way of working. This will need to be considered by local leaders as the work progresses.

## 10.4 Approach to efficiencies
A framework for identifying and capturing efficiency gains and cost savings at multiple levels and between agencies to be commissioned. This could build on the solid foundation established by Local Government Leadership and Total Place pilots. A detailed report on the high-level count used in the initial work in Cumbria is available to download.[10] Following this, a 'counting' template was developed by Total Place pilots and is also available online.[11] The report recommends that all places looking to undertake themed work in their local areas begin by running a high-level count to gain a better understanding of the context within which services are operating, but keep this process brief and high level.

Pilots then explored a specific theme in more detail, the process of which was called a 'deep dive'. Guidance on how to approach a deep dive, in terms of what data to collect, some thoughts on useful processes, and ideas on how best to involve customers is available online from the Total Place Community of Practice library.[12]

## 10.5 Support to deliver
External support to each project from different regions of Wales, to lead the work, introduce new thinking, offer challenge, facilitate discussion and work with others to identify new ways of working and approaches..

## 10.6 Project management
A clearly defined project lead and project manager within each project to be chosen by and funded by the places.

## 10.7 Redefining leadership
Developing a better shared understanding of the implications of a different way of working for the leadership in an area.

## 10.8 Capture and sharing of learning
Having a broad framework in place, identifying ways to identify and share learning locally, regionally and nationally throughout the process. This will engage with those who are part of the projects as well as those who are not. This will be the glue that holds the work together and brings about transformational change across the country, not just in the project areas. It is recommended that this includes:
- Setting up "communities of practice" at a number of levels across the country and using these to build learning. The separate communities might include programme leads and project managers; issues based with all those doing similar work nationally e.g complex families; regionally to share work on the issue; senior leaders; politicians. A scheduled series of "face to face" events would be important as part of this to share new ways of thinking and working and different methodologies and tools
- "Learning histories" to understand what is different and how people are learning to think differently
- Online fora as a way of widely sharing learning
- Linking with the Leadership workstream of EIB, including Public Service Management Wales (PSMW), about the role they might play in sharing and capturing the learning
- To incorporate not just how to do things better but how to de-clutter the existing system in order to avoid just adding further processes to the system

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[10] *Counting Cumbria* is available at
http://www.communities.gov.uk/publications/localgovernment/spendcountcustomerinsight
[11] http://www.communities.idea.gov.uk/c/1564537/doclib/document-display.do?backlink=ref&id=3193499
[12] http://www.communities.idea.gov.uk/c/1564537/doclib/index.do?parentId=5069512

### 10.9 Communication

Communication is vital at all stages of the projects to develop relationships and secure ownership from all partners. Momentum will be gained by clearly planned contributions at all the major conferences taking place in Wales over the next six months.

### 10.10 Funding

External support and capture of learning will have funding implications and it is recommended that this is achieved through a redirection of resources already committed for learning. Some funding may be available through training agencies and the LSB fund. Project areas will be need to redirect their own resource to support the projects however Invest to Save bids can be targeted towards supporting areas that need some initial investment in order to change their operating model and release efficiencies later on.

### 10.11 Clear timescales

Projects timescales and pace are vital to move forward and have an impact. The recommended timescales are:

- Publication of project report – early August 10
- Approach agreed and places to lead nominated – August 10
- Decisions about places to lead specific projects – by end of August 10
- Approach to national learning capture finalised – end of August 10
- Approach to efficiencies finalised – end of August 10
- External leads identified – end of August 10
- High impact projects begin – September 10
- Pre-budget reports – December 10
- Final reports from places – February 11
- National report – March 11

# 11 conclusions and recommendations

There is a clear will and commitment to achieve the greater economies of scale and significant service improvements possible through whole area working and a collaborative approach across agencies. This is driven by the need to improve services to citizens at reduced costs. There are already excellent examples of leadership and collaboration in Wales to achieve this transformation – transformation that does different things, not the same things differently. However, it is possible to learn from the experience of others including Total Place about where maximum efficiencies are to be gained. The pace of change will need to increase significantly to address the financial challenges.

The approach recommended is to seize and lead the whole area working agenda now, by:
- building on the collaboration, relationships and governance structures already in place
- focusing on a number of high impact transformational projects spread geographically across the country, each working to the same broad criteria and using the same underpinning approach
- identifying what is best delivered locally, regionally and nationally within each of these projects (using the criteria at 8.1) and using this as a model for whole area working
- putting in place a strategic mechanism to capture and share learning and leadership across the country
- to gather the learning from the projects and elsewhere to contribute to the ongoing conversation about the development of a public service framework for Wales
- starting immediately and reaching a report stage by March 2011.

# Appendix 1:

## The English context: whole area working and Total Place

There has been a trend over the past decade in English local government to move from an organisation-controlled system of public service delivery to one that is increasingly focused on partnership working.

In 2006 the Labour Government published a local government White Paper called 'Strong and Prosperous Communities'. Its aim was to give local people and communities more influence over their services and rebalance the relationship between central and local government. The Paper put a number of mechanisms in place to support this change. Building on councils' existing obligation to provide a Sustainable Community Strategy setting out a strategic vision for their area, the Paper introduced Local Area Agreements that would prepare a delivery plan for the Sustainable Community Strategy.

Local Area Agreements were required to include "a single set of targets for improvement, tailored to local needs, agreed between Government and local partners." Local authorities and partners are required to work together to agree the priorities in the Local Area Agreement (LAA). The delivery of these local priorities was seen to be the responsibility of partners in key local partnerships like the Crime and Disorder Reduction Partnership, the children's trust and the at that time new health and well-being partnerships. City-regions and others were also offered the chance to enter into Multi-Area Agreements across organisational boundaries. LAAs were originally funded through a direct LAA grant to upper tier authorities from central Government which represented a pooling of previously separate funding streams. Since 2008, authorities fund LAAs and MAAs from the Area Based Grant, a development of the LAA grant which is distributed to all authorities to support the delivery of local, regional and national priorities in their areas.[13] The grant amount differs according to authority and is determined according to policy criteria.

The delivery of LAAs is often undertaken by the Local Strategic Partnership (LSP). These bring together local councils, other public sector agencies, the business sector, and the third. They are non-statutory partnerships, established over the past decade in each local authority area in England. Their role has developed significantly since the introduction of LAAs. The make up, roles and responsibilities and effectiveness of LSPs varies from place to place. Generally speaking, they play a significant role in the leadership of an area, although there is still scope for LSPs to further develop their role within communities (see for example http://www.idea.gov.uk/idk/core/page.do?pageId=15217079).

Places have also been exploring other ways of working more closely together at a local level. Some councils and Primary Care Trusts share their senior teams, for example the London Borough of Hammersmith and Fulham and Herefordshire Council. Other councils have shared service arrangements in place with neighbouring councils, for example in Adur and Worthing. These arrangements are locally determined.

'Strong and Prosperous Communities' also promised a reduction in indicators and introduced the Comprehensive Area Assessment (CAA), which was to provide a more risk-based approach to assessment. At the time of writing, it is unclear what the Conservative-Liberal Democrat coalition Government approach to assessment will be.

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[13] http://www.communities.gov.uk/localgovernment/localgovernmentfinance/areabasedgrant/

Total Place has been the touchstone for whole-area working in England for the past year. It is a programme that developed from an increasing awareness among local government and other public sector leaders of the need to lead their place in a way that recognised the interconnectedness of public services. The impetus for this to be a national piece of work was increased by high-level support within Communities and Local Government Department (CLG) and HM Treasury (HMT) (not least from ex-local government chief executives) and the impending shortfall in public spending. These three elements – a local groundswell, central support and a financial driver – helped push Total Place to the top of the public sector agenda in what was a reasonably short space of time.

Total Place was launched at Budget 2009 as a key recommendation of the Operational Efficiency Programme. The 13 pilot areas covered 63 local authorities, 34 Primary Care Trusts, 12 fire authorities and 13 police authorities across England. The pilots focused their work around three work streams: "counting" the public money flowing into their area; the "culture" of places and organisations and how that helped or hindered their work and "customers" and how services could be better understood from their perspective. Through the work they have identified opportunities for genuine service transformations across organisational boundaries; better develop services around the needs of people in the local area and identify efficiencies through collaborative working and redesigned services.

Pilots produced initial high-level counts to feed into HM Treasury's Pre-Budget Report in December 2009. They continued their more detailed work around chosen themes, such as drug and alcohol misuse, older people or asset management, with final reports informing Budget 2010 in March. Throughout this time, around eighty so-called 'parallel places' began working in accordance with Total Place principles. For example, the South West Regional Improvement and Efficiency Partnership (one of nine across England which are funded by CLG to support councils) committed £1.75 million to its councils to take forward Total Place work. The pilots are now implementing the proposals put forward in their final reports, and continue to work together and with Whitehall colleagues.

# Appendix 2:

## Welsh and English policy frameworks

This section contains a comparison of policy in Wales and England relevant to the work to be undertaken.

The key Government white papers for local government, England's *Strong and Prosperous Communities*[14] and Wales' *Beyond Boundaries*[15], are compared in the New Local Government Network's *Devolution and Divergence* report (March 2007). It concludes that both papers set out to address increasing citizen expectations around public services, but go about this in different ways and with different assumptions. They both acknowledge the importance of the citizen-centred approach discussed elsewhere in this paper. However, *Strong and Prosperous Communities* promotes a choice agenda and 'market forces' as being the most effective way to do this, while *Beyond Boundaries* argues that the Welsh context – concentration of high levels of public need, areas of low population, more older people, fewer people in paid work and higher levels of chronic ill-health – calls for instead a greater level of engagement with communities.

These differences continue throughout both papers, with *Strong and Prosperous Communities* promoting 'efficient and effective' partnership working, and *Beyond Boundaries* suggesting joint working to get the right balance of services to deliver the best outcomes. This difference in tone is reflected in developments in each country in the four years since. At the end of 2009 the Welsh Assembly Government published *Better Outcomes for Tougher Times: The Next Phase in Public Service Improvement* which revisited the Beecham Review. *Better Outcomes* calls for a "radical transformation in the way public services are planned and delivered". It also builds on the strong citizen focus of *Beyond Boundaries* and reinforces the need for organisations to work together across places and regions.

The improvement of public services is overseen by the Efficiency and Innovation Board chaired by the Minister for Business and Budget. The Board will lead a programme of interventions to improve the operational efficiency of the public services. The programme consists of seven workstreams, which reflect the aims of *Better Outcomes* in focusing on improved outcomes for citizens and stronger collaborative working across Wales.

In 2007, WAG also published *One Wales: a progressive agenda for the government of Wales*, which aims to "transform Wales into a self-confident, prosperous, healthy nation and society, which is fair to all."[16] The aims of One Wales are to be delivered, in part, through the Wales Spatial Plan. The Plan sets out cross-cutting national spatial priorities around issues such as health, education, housing and the economy. It defines six sub-regions in Wales, however the sub-regions' areas have 'fuzzy edges' and do not follow existing local authority boundaries. Each sub-region has a Spatial Plan Area Group charged with achieving the strategic vision for that area. The Group should include local authorities, the third and private sectors, WAG and national agencies.

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[14] Strong and Prosperous Communities – The Local Government White Paper, 26 October 2006
[15] Making the Connections - Delivering Beyond Boundaries: Assembly Government Response to the Beecham Review, 21 November 2006
[16] http://cymru.gov.uk/about/programmeforgovernment/strategy/publications/onewales/?lang=en

Specific points of Welsh and English policy are discussed in more detail below. [17]

## Outcome Agreements and LAAs

Wales' Outcome Agreements between local government and WAG include as key the following requirements: "Outcomes can only be meaningful and robust if they are grounded in a thorough understanding of the communities and citizens to which they relate," and "outcomes should not reflect purely internal or local authority-specific changes that are not necessarily or directly of wider public value."[18] Outcome agreements should be concerned with delivery across public services and the measurement of these should be at a high level and not overly bureaucratic. England's Local Area Agreements (LAAs), the closest policy equivalents, "set out the priorities for a local area agreed between central government and a local area (the local authority and Local Strategic Partnership) and other key partners at the local level."[19] They aim to make local places better places to live, and see citizen involvement as a part of that, but one of the key drivers behind their introduction was devolving power from central to local agencies, and as a consequence the focus of LAAs is less citizen-focused than that of Outcome Agreements. Outcome Agreements are therefore a potentially more powerful tool in reshaping public service delivery.

## New Understanding

A New Understanding between the Welsh Assembly Government and Local Government in Wales: this document sets out how national and local government will work together in Wales. It focuses on outcomes for citizens and the need to establish a firm base for working together in the face of diminishing public funding. There is currently no equivalent to this understanding in England, and expectations have been fixed around performance management and assessments for specific outcomes.

## Local service delivery bodies

There is a similarity between Wales' Local Service Boards (LSBs), and England's Local Strategic Partnerships (LSP)s. Both LSBs and LSPs are specifically set up to include a wide section of community leaders from across the sectors. They are both non-statutory bodies, however LSPs are responsible for the allocation of an area's neighbourhood renewal funding (if applicable) and are charged with developing and overseeing Community Strategies. LSBs have responsibility for agreeing and overseeing their Local Delivery Agreement, which focuses on working together to tackle complex, intractable issues and is often based on the priorities in the Community Strategy and other existing strategies. There is no funding attached to this delivery. Two key areas where LSPs and LSBs differ are in central Government representation and joined-up learning opportunities. LSBs have a direct connection to their central Government through their WAG board member that is lacking in LSPs. This could be a useful relationship to exploit in jump-starting a place-based agenda. Additionally, LSBs have the existing framework of the LSB Innovation Networks to draw upon. These could also be useful in quickly sharing information and experiences across potential pilot areas.

## Improvement agendas

The Local Government Act 1999 outlines a number of duties for local authorities in terms of performance and improvement. In Wales this is currently defined by the Wales Programme for Improvement (WPI), which addresses outcomes raised in the Making the Connections agenda. WPI was introduced in 2002 and revised in 2005 and 2009 following the Local Government Measure, and is a risk-based approach to assessment. Its origins in Making the

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[17] It should be noted in reading this section that public bodies in England are currently undergoing a comprehensive change and the landscape is changing at a rapid rate. Therefore, assertions made in this section are subject to change at short notice.
[18] http://wales.gov.uk/docs/dsjlg/publications/localgov/100401oaprospectusen.pdf
[19] http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/localareaagreements/

Connections means that it embraces a focus on citizens, outcomes, and the need to work together. Councils are required to self-assess their organisation and services and develop improvement action plans to address any shortcomings. This is audited by the Wales Audit Office. In England, the Strong and Prosperous Communities White paper 2009 introduced a set of national indicators for measuring council performance. This was to lead into the Comprehensive Area Assessment scheme, however this was recently abolished by the coalition Government and no replacement framework will be introduced in its stead.[20] Reasons for the abolition cited include costs – both money and time – for councils, its top-down nature, and the move instead to a more transparent and accountable public service.

The Local Government (Wales) Measure was introduced in 2009 and has led to a number of changes to the WPI. The Measure widens the duties of local government and others in terms of their continuous improvement. It also creates a general power for local authorities, National Park authorities and fire and rescue authorities to collaborate with each other to secure improvement. The Measure also creates a common duty on local service providers to prepare and deliver a community strategy which includes an action plan. The strategy could be drawn upon to inform the high impact pilots and engage local stakeholders in the work.

### Regional representation
In Wales, the WLGA regional partnership boards provide a forum for leaders and chief executives to initiate, promote and evaluate collaborative activity within their region.[21] They also provide leadership for current and future collaborative work. There is scope for using their role to share learning from the high impact projects and gain local political engagement. There is no direct equivalent in England: regional LGAs exist, but their influence, structure, and aims are variable.[22] England's nine Regional Improvement and Efficiency Partnerships (RIEPs) support councils to deliver the outcomes outlined in their LAAs. They aim to accelerate the drive for greater improvement and efficiency and have therefore engaged, to varying degrees, with Total Place and other work.

In conclusion, while there are degrees of overlap between Welsh and English policy frameworks, it would be reasonable to suggest that Welsh policy is more closely aligned with outcome- and citizen-focused collaborative working. This presents a huge opportunity for public service bodies in Wales to set their own future agenda by taking advantage of the lower 'barriers' to radical change.

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[20] http://www.communities.gov.uk/news/corporate/16179121
[21] http://www.wlga.gov.uk/english/regional-boards-networks/
[22] See http://www.lga.gov.uk/lga/core/page.do?pageId=14167 for more information

# Appendix 3:

## Examples of efficiency work

- Taking a preventative approach
  - London Councils propose a radical new approach to worklessness in London that could save nearly £630 million of the £5 billion currently spent across the city in benefits. The resulting income tax increase could take this to nearly £1 billion in savings
  - A similar approach to the treatment and care of those with chronic health conditions in London could save £880 million of the £5 billion in current costs
  - Comprehensive and integrated early assessment of individuals could save £2 million for early years provision for 0-5 year olds in Manchester; Croydon estimate that early assessment could save £8.4 million by 2011-12 to 2012-13
  - Bradford believe that better planning for those leaving hospital can reduce the number of older people going straight into long-term care by 50% and save £1.8 million
- Simplified access for customers
  - The Kent Gateway brings together services from 60 partners and is already saving £500,00 per year, with the potential for £2.2 million per year
  - Leicester and Leicestershire are developing a single customer service strategy that could realise up to £5.25 million per year by 2013-14
  - Central Bedfordshire and Luton are introducing a single triage gateway for benefits claimants to reduce the hurdles that discourage people from coming off benefits and getting into work.
- Multi-agency teams
  - Westminster's Family Recovery Programme teams have dramatically improved the circumstances of families with complex needs
  - Bradford aim to save £4 million across the offender pathway by introducing a more holistic programme of care and reducing assessments
- Back office and support functions
  - Assets: the Kent and Worcestershire pilots each indicated that revenue savings of up to10 per cent per annum may be possible from reducing the running costs of the public sector estate. Releasing appropriate assets could also realise significant capital receipts. There should be significant scope for savings – the Audit Commission's *Room for Improvement* report [23]found that few councils were managing their assets strategically, and one third do not yet share assets with other public services.
  - Shared services: the Operational Efficiency Programme (OEP) suggests that savings of up to 20 per cent are possible from sharing back office services. For instance, Oxfordshire County Council has established a shared service arrangement to consolidate the operational aspects of the council's financial services, finance and management, accounting and HR in one place. The initial programme was completed in May 2008 with the objectives of saving £4.5 million per annum and delivering a better and more consistent set of services across all areas.
  - Procurement: The OEP estimated that £103 billion per annum of the total Government procurement spend of £175 billion was spent in the wider public sector, including local government and health bodies.

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[23] *Room for improvement: strategic asset management in local government,* Audit Commission, June 2009.

- o Shared management and joint working arrangements. Adur and Worthing have a joint chief executive and management team. Initial salary savings from this structure were around £450,000 in the first year. As shared service areas were developed, £650,000 of savings were realised in 2009-10, through shared waste collection and disposal, street cleaning, financial services and customer services. Ongoing annual savings of £1.5 million per annum are ultimately expected as further services are shared.
- Joint service delivery between the local authority and the PCT.
  - o Lewisham Strategic Partnership have developed an integrated joint commissioning model for the PCT and council for £200 million of pooled adult health and social care budgets and £40 million of children's budgets; the NHS and council are sharing the same performance management system and have introduced a rolling programme of priority needs assessments.
  - o In Hammersmith and Fulham and also in Herefordshire, the Council and the PCT share a single Chief Executive and joint management team. A comprehensive review of shared services across Herefordshire Council, PCT and the Herefordshire Hospitals Trust has identified annual savings of £4 - £5 million, and annual procurement savings, which could reach £830,000 in 2011-12, and potentially even higher through greater integration of services.

# Appendix 4:

## Organisations that have contributed to the development of this report

Aneurin Bevan Local Health Authority
Bridgend County Borough Council
Cardiff Council
City & County of Swansea
Dyfed Powys Police
Gwent Police
Gwynedd County Council
Home Office
Merthyr Tydfil County Borough Council
Newport City Council
Powys County Council
Public Health Wales NHS Trust
SOLACE Wales
Torfaen County Borough Council
Wales Audit Office
Welsh Assembly Government
Welsh Local Government Association
Wales Central Police Team
Wales Council for Voluntary Action

## Project group members

Dr Jo Farrar, Chief Executive, Bridgend County Borough Council (Chair)
Christina Harrhy, Chief Officer Neighbourhood Services, Torfaen County Borough Council
Daniel Hurford, Head of Policy, Welsh Local Government Association
Harry Thomas, Chief Executive, Gwynedd County Council
Iwan Trefor Jones, Corporate Director, Gwynedd County Council
Jeremy Patterson, Chief Executive, Powys County Council
Joe Simpson, Director of Politics and Partnerships, Local Government Leadership
Leighton Phillips, Workstream Lead Efficiency & Innovation Board, Welsh Assembly Government
Lizzie Swaffield, Executive Officer, SOLACE Wales
Paul Smith, Chief Executive, City & County of Swansea
Rachel Jones, Strategy and Partnerships Manager, Cardiff Council


*Interviews were carried out by Mari Davis, Local Government Leadership adviser. Report compiled by Mari Davis and Rebecca Cox, Local Government Leadership, and Lizzie Swaffield, SOLACE Wales, July 2010.*