



Wales Centre for Public Policy
Canolfan Polisi Cyhoeddus Cymru

Welsh local government leaders and austerity: their perceptions

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Focus of presentation

- Aims and methods
- Emerging findings
 - Strategies in responding to austerity
 - Austerity as an opportunity
 - At the tipping point
 - False panaceas
- Recommendations

Aims and methods

What we wanted to find out

- How have councils in Wales responded to austerity?
- What has been the impact of austerity on local government in Wales, and what might the impact be in the future?
- What could local government and Welsh government do to improve their response to austerity?

Methods

- Interviews with Leaders, Chief Executives, and Directors of Finance at 12 councils
- Interviews with key local government stakeholders including WG, WAO etc.

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Strategies in responding to austerity

- **Efficiency** (e.g. reducing 'back office' costs, reducing fixed costs, income generation, redesign of frontline services)
- **Retrenchment** (e.g. renegotiating division of responsibilities between council and other agencies/public, charging for services, reducing range of services)
- **Investment** (e.g. encourage economic growth, accelerate own capital investment, preventative revenue spend)

From Hastings *et al.* 2015. 'Coping with the Cuts? The Management of the Worst Financial Settlement in Living Memory', *Local Government Studies*, 41: 601-21.

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Austerity as an opportunity

- Has reduced waste
- Has encouraged risk taking and creativity

“I think that there was a need for local government across Wales to **reflect on their working practices**. Because if you go back beyond the last eight years, we did live in a time of plenty ... What the challenge of austerity has given authorities is to **make them far more efficient and effective organisations**” .

Chief Executive

At the tipping point...

“If we carry on, on this trajectory, there will come a time when we hit the wall, where we’ve got nowhere else to go”.

Key stakeholder

“There comes a tipping point where, when you’ve considered all of those [efficiency] options, you suddenly then start looking at frontline services and saying, “We need to stop doing those things”. It’s at that point in time that that impacts directly on the quality of life for people living in your local authority. I think we’ve reached that tipping point this year”.

Chief Executive

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False panaceas

- **Impact of cuts:** Changes in one service area has negative implications in another

On charging for leisure services: “Whilst we’ve increased income, if we get less people utilising leisure centres actually we might be in a worse position than we started.”

Director of Finance

- **Efficiencies:** Costs of redundancies can outweigh savings
- **Council tax:** Doesn’t bring in significant income
- **Collaboration:** Doesn’t always save money

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Recommendations

Local government

- Learning from other councils (in Wales and beyond)
- Improving use of digital and technology

Welsh government

- Greater freedom for councils in how outcomes are achieved
- Balance between NHS funding and local government funding
- More coherent view on local government priorities

Questions?



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