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Adrian Waite (Independent Consultancy Services) Limited

Public Services News

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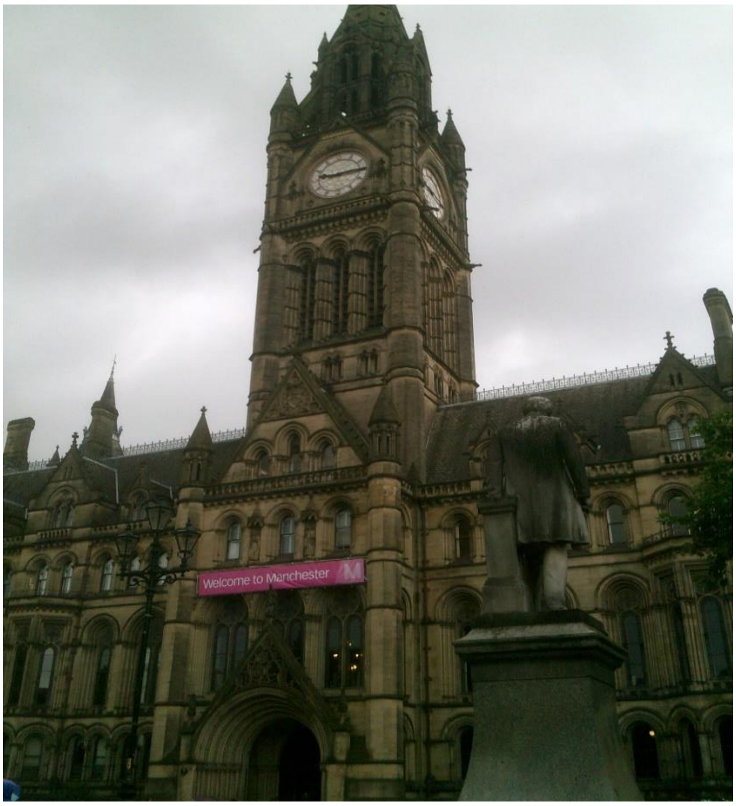

Manchester Town Hall, the headquarters of Manchester City Council.

Contents:

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Local Government Finance Settlement for England 2017/18

The provisional local government finance settlement for England was published on 15th December 2016. This was followed by the final settlement on 20th & 21st February 2017.

At the total England level, Core Spending Power is reducing by 1.1% in 2017-18, then is projected to rise by 1.0% in 2018-19 and rise by 2.7% in 2019-20. However, it should be noted that this is in cash terms, whereas costs are increasingly rapidly for local government, particularly in social care. Also, these changes vary widely between authorities. For example, Forest Heath District Council faces a cut of 19.5% in 2017-18, while at the other end of the scale, Daventry District Council will receive an increase of 2.4%.

Settlement figures for the year 2017-18 have been presented before, in last year's settlement. The most significant changes are twofold:

- Firstly, there is a national reduction of £241million in New Homes Bonus (including the return of the surplus – see below) and this is being used to fund a one-year grant for adult social care.
- Secondly, local authorities are able to bring forward some of their social care precept on council tax, allowing a different profile in the rise in council tax. Both are intended to help with immediate pressures on social care budgets.

Secretary of State for Communities & Local Government, Sajid Javid said:

"Recognising the immediate challenges in the care market facing many councils next year, this settlement repurposes £240million of money which was previously directed to local authorities via the New Homes Bonus to create a new adult social care support grant next year. It also grants councils extra flexibility to raise the adult social care precept by up to 3% next year and the year after."

There is no new grant funding in total of any significance in this settlement. There is, in effect, a slight relaxation of the constraints on council tax rises in 2017-18 and 2018-19. However, this has been done in such a way that there is no net impact on funding from council tax from 2019-20 onwards. It therefore allows councils a limited tool to handle the pressures on social care in the next two years, but does nothing to relieve the long-term pressures. The impact of these measures is also small in proportion to the scale of the problem, even in these next two years.

The essential problem in funding adult social care is that an aging population is putting increasing pressure on the system. One way or another, this must be paid for. Charges have been raised as much as they realistically can be, and it would be neither legal nor prudent to borrow for these ever-rising revenue costs.

There are steps that can be taken to cut costs. Many commentators are calling for faster integration of health and social care and this is being trialled in different parts of the country, as well as tailoring care packages around the needs of service users. Use of new technology, holistic care packages and changing procedures can ensure more efficient use of resources. However, such changes take time to generate identifiable savings (they may even have start-up costs) and are very unlikely to free up enough resources to meet rising demand indefinitely. This essentially leaves funding the rising costs through increasing tax yields. The Government is allowing greater flexibility to raise council tax rates, whereas local government is calling for greater funding from Government.

There are problems with both approaches. Council tax base is very unevenly distributed around the country. In areas dominated by lower value properties, rates would need to be increased much more to generate the same amounts; these are often the properties where taxpayers are least able to pay. Raising rates could also place great hardship on tax payers who have a valuable property but low disposable income. On the other hand, if the additional taxation is to be raised nationally, it increases substantially the proportion of council funding coming from central government. This undermines efforts to achieve financial autonomy for local government, making local government more dependent on central government and increasing the levers the government has over councils.

Greater sums could be raised by stimulating economic growth, but such growth is unlikely to have a similar spread across England to the social care pressures.

It seems likely that achieving financial autonomy for local government while putting social care on a sustainable footing may require a combination of two approaches. The first is to grant councils powers to raise new taxes, perhaps supplements on income-related taxes, such as income tax or corporation tax, or on taxes relating to the transfer of properties, such as stamp duty, capital gains or inheritance tax. The second is to implement policies that would lead to the growing number of retired people providing financial benefits and fewer costs to the public sector. This could include public health interventions to help people stay healthy well into their retirement and policies to help them stay in work if they wish to, including part-time and voluntary work. It is worth local authorities considering whether they can arrange bespoke deals with central government which will allow them to keep a share of the additional revenues resulting from such policies.

In conclusion, the increased flexibility on the social care precept will generally be welcomed across local government. The switch from New Homes Bonus to the new adult social care support grant will be welcomed by the authorities which gain from this but not by those who lose out. But neither makes any kind of dent in a serious long-term funding problem for the public sector. Much more radical changes are needed for this and the options that would could solve the issue are getting ever narrower.

Tom Lawrence, Associate Consultant

Tom has also written a briefing paper on the local government finance settlement for England 2017/18 that summarises the settlement and reaction to it from the sector and provides some analysis and commentary. Your free copy can be downloaded from here: http://awics.co.uk/files/module_document_pdfs/local_government_finance_settlement_2017-18_-_briefing_paper.pdf

Adrian Waite and Tom Lawrence will present this year's seminars on 'All You Want to Know about Local Authority Finance' jointly. Details are shown below. For further information or to make a booking, please click here: http://awics.co.uk/all-you-want-to-know-about-local-authority-finance-2017-seminar

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Autumn Statement 2016

On 23rd November 2016, Phillip Hammond, the Chancellor of the Exchequer, introduced his first autumn statement. This was the first 'budget' after the referendum on the European Union that was held on 23rd June 2016.

Prior to the autumn statement, the Chancellor warned that an unprecedented level of uncertainty surrounding 'Brexit' has led to forecasts that predict slower growth for the United Kingdom and an 'eye-wateringly' large debt. Phillip Hammond told the BBC that:

"Many of those forecasts are pointing to a slowing of economic growth next year and a sharp challenge for the public finances. We have to maintain our credibility - we have eye-wateringly large debt, we still have a significant deficit in this country and we have to prepare the economy for the period that lies ahead. I want to make sure that the economy is watertight, that we have enough headroom to deal with any unexpected challenges over the next couple of years."

On the fiscal outlook, Phillip Hammond said that borrowing was likely to hit £68.2billion in 2016/17 (equivalent to 3.5% of Gross Domestic Product). After that he predicted that the deficit would reduce but would still be £17.2billion (0.7% of Gross Domestic Product) in 2021/22. Therefore, debt will continue to climb, rising from 84% of Gross Domestic Product in 2015/16 to 87% in 2016/17 and 90% in 2017/18. The Office for Budgetary Responsibility ascribes £59billion of extra borrowing over the next five years to changes related to the United Kingdom's exit from the European Union. It is interesting to note that a limit on debt as a proportion of Gross Domestic Product of 40% was set by Roy Jenkins when he was Chancellor in the 1960s and that this same limit was observed by Gordon Brown when he was Chancellor from 1997 to 2007.

The Autumn Statement included announcements on infrastructure, housing, adult social care, highways and welfare.

There will be a £2billion pot of cash for the accelerated construction of house building on primarily central government land – £1.7billion of which will be used in partnership with private developers on sites in England. The money, however, was actually announced by Sajid Javid MP, the Secretary of State for Communities & Local Government at the Conservative party conference at the beginning of October.

The government has also included £1.8billion of assumed extra borrowing by housing associations in its headline £7.2billion figure. A Department for Communities & Local Government spokesman told the 'Local Government Chronicle' that the £1.8billion was what housing associations would:

"Be able to borrow from providers as a result of our additional investment".

However, analysis by the 'Local Government Chronicle' shows that almost half of the £7.2billion for investment in housing announced in the autumn statement is either not new money or does not belong to the government.

The Autumn Statement made no reference to local government funding and offered no additional resources. It made no reference to local government finance reform, including how 100% business rate retention will work or what sort of redistribution mechanisms there will be. However, rural rate relief will increase from 50 to 100% in April 2017, saving a business up to £2,900 a year.

There had been hopes that the autumn statement would provide additional funding for the National Health Service and for Adult Social Care but it did not. Philip Hammond later defended his decision not to act in the autumn statement to alleviate immediate pressures on the system by saying that discussions are ongoing and that councils must manage the 'envelope of resource' they are given, adding that the better care fund would deliver £1.5billion a year by the end of this parliament and the council tax social care precept would provide a further £2billion.

Philip Hammond said that an additional £1.1billion for highways infrastructure would be used for:

"Investment in English local transport networks, where small investments can offer big wins."

The Autumn Statement confirmed that the government does not intend to introduce any reductions to welfare entitlements other than those that have already been announced. However, those that have already been announced are significant. The Autumn Statement included an announcement that the Universal Credit taper will be reduced from 65% to 63% from April 2017.

Until 2008, the United Kingdom government based its finances on the principle that the budget would be balanced in the long-term with deficits at times of recession balanced by surpluses during times of growth. If the United Kingdom is to avoid bankruptcy it will need to return to this policy eventually.

In August 2016, the Bank of England reduced interest rates to a record low of 0.25% and announced a programme of £70billion of quantitative easing. Now, the Autumn Statement has increased public expenditure and reduced taxation at a time when government revenues are already falling. The government was already projecting at the time of the last budget that the 2016/17 deficit would be £75billion and that total debt would increase to £1.6trillion. Total debt is now projected to increase to £2trillion.

According to the 'International Spectator', the United Kingdom's external debt as a proportion of Gross Domestic Product is now 267%. This compares with 205% in France and 194% in Greece. Looking forward, United Kingdom debt is projected to increase. Even Phillip Hammond has described this level of debt as 'eye-watering'.

This appears to me to be the biggest reflationary package using both fiscal and monetary measures that any United Kingdom government has ever introduced and underlines the threat to the economy caused by falling investment, exports (despite the fall in the value of sterling) and consumer demand. Whether this approach will be effective remains to be seen. However, it appears to me that it will not be sustainable in the long-term and certainly does not appear to be 'prudent'.

The government's priorities in this Autumn Statement are to reduce taxation and to increase expenditure on infrastructure – especially high profile infrastructure – but with limited emphasis on local government or social housing.

I remember attending the annual conference of the Chartered Institute of Public Finance & Accountancy in 2010. One of the presentations was made by Goran Persson, the former Social-Democratic Prime-Minister of Sweden from 1996 to 2006, who tackled that country's budget deficit successfully in the 1990s. He described a meeting that he held shortly after becoming Prime-Minister with American bankers with whom the Swedish government was in debt. They were insisting that Sweden reduce its expenditure on specific budgets and insisting that specific changes were made to the way education, health, welfare and other services were provided. He said that he initially felt angry that the bankers dared to make these demands but then concluded that:

"An indebted government and people have no political freedom because the markets will act independently".

In short – debtors have no sovereignty because they surrender it to their creditors. My fear is that in trying to borrow and spend their way out of this crisis, the United Kingdom government will create an even greater financial crisis in the long-term with prosperity and sovereignty being lost.

I have written a briefing paper on the Autumn Statement and its implications for housing and local government that can be downloaded from: http://awics.co.uk/httrack/awics.co.uk/dynamicdata/data/docs/autumn%2520statement%25202016%2520-%2520briefing%2520paper.pdf

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Budget 2017

Phillip Hammond presented his first budget on 14th March 2017. Public sector debt in the United Kingdom is now close to £1.7trillion (equivalent to £62,000 for every household in the country). The government plans to borrow £52billion during 2016/17 and to continue borrowing for the foreseeable future. Borrowing now represents 87% of Gross Domestic Product and this figure is expected to increase to 89% next year. This compares with the ceiling on borrowing of 40% of Gross Domestic Product that was part of Gordon Brown's 'sustainable investment rule'. Consumer borrowing is also at record levels. It is hard to avoid the conclusion that economic growth is only being sustained because of this borrowing and that therefore it is not sustainable.

The Chancellor responded to widespread public concern about adult social care services by providing local authorities in England with an additional £1billion in 2017/18 and a further £1billion over 2018/19 and 2019/20. This is designed to enable them to commission new care packages. He also announced an additional £325million to fund Sustainability and Transformation Plans for joint working between Adult Social Care services and the National Health Service. A long-term funding strategy for the care of older people will be outlined in a Green Paper later in the year. Many in the sector consider that these measures are an inadequate response to the funding crisis in Adult Social Care.

However, it is becoming apparent that this is not only insufficient and temporary but will also come with 'strings attached'. This is because the government will require the money to be spent on reducing the delays in hospital discharges rather than on other priorities. The government is expected to publish guidelines soon but it is reported in the 'Local Government Chronicle' that councils will be required to treat the money as their contribution to the Better Care Fund, spending it on the integration of health and care services and to make regular reports to government on how the money has been spent. The Care Quality Commission is also expected to assess social care arrangements as part of their inspections of hospitals.

The Local Government Association has pointed out that only a small proportion of their expenditure is on people who are leaving hospital; and that by 2019/20 the funding gap for adult social care will be £2.6billion while councils will only receive an additional £337million of funding. A major cause of increased costs is the implementation of the national living wage, that is welcomed by councils, but no additional funding to meet these costs has been provided.

Just before the budget, Sajid Javid, the Secretary of State for Communities & Local Government told the District Councils' Network that:

"Of the big issues, number one is making sure there is enough resources and I recognise that is still a challenge – that's one of the reasons we had some of the changes announced (in the local government finance settlement). I said at the time they were very much short-term measures and I recognise more needs to be done and that is something being looked at."

Local authorities will also receive £300million for discretionary business rate reliefs to help firms facing higher bills due to the revaluation that will be implemented in April.

The freeze on benefits will continue despite the forecast increase in inflation meaning that the real reduction in benefits will be even greater than initially planned.

The government has moved £200million in housing association grants in England forward a year that means £200million will be paid out in 2019/20 instead of 2020/21. In England 14% of investment by housing associations is supported by grant compared with 34% in Northern Ireland, Scotland and Wales.

The Value of Peer Reviews

The anxiety around the idea of a peer review is a bit like the trepidation of going to the dentist. You know you ought to do this regularly, but the thought of not knowing can be an unwanted distraction. Once it's done, everything is usually OK, or you discover that you need to get something sorted out fairly quickly before it gets worse.

In Bournemouth, we've had a recent Department for Communities and Local Government's (DCLG) homelessness 'Gold Standard' review, led by Tracy Hendren, assisted by practitioner peer reviewers from Swindon and Reading.

Three years previously Bournemouth Council had volunteered to be the pilot authority for Ms. Hendren's homelessness team. At the time, the DCLG were developing the model to roll out across the country. So far, the DCLG has completed comprehensive reviews for around 100 local authorities.

"We learned things from an outside perspective that we just couldn't see ourselves."

We were obviously worried about where we would fall short (don't we all?) and probably dismissed the value of the positive strengths the review would uncover. Typically, the overall outcome was very fair and balanced.

We learned things from an outside perspective that we just couldn't see ourselves. We were also encouraged about efforts in our commercial approach that were deemed best practice. Unsurprisingly, there is still much more for us to do now, with the prevention agenda our top priority and all of the other requirements within the Homelessness Reduction Bill.

Going back many years I remember the Audit Commission's 'seeing is believing' mantra. My first experience of this was during an early housing inspection led by Paddy Mooney and Pam Wharfe; they definitely stuck to these principles and were out on site a lot of the time looking at what we actually did (rather than what we said we did) and talked to as many stakeholders as they could.

As the Audit Commission inspection regime developed in later years and KLOEs (key lines of enquiry) became the order of the day, for me, something seemed to get lost in translation. The 'seeing is believing' bit had disappeared and the inspection morphed into a much more 'one size fits all' approach, and felt rather formulaic.

A wide-ranging environmental inspection endorsed this for me; the inspectorate at the time were critical of the apparent lack of strategy and the 'golden thread'.

I think a view of the environmental credentials of our town were formed by desk study, not 'seeing is believing'. Once the inspectors arrived they were pleasantly surprised by the quality of our town, our wonderful green spaces, award-winning beaches and the high levels of cleanliness.

At the feedback session, I remember being frustrated by the almost total focus on strategy, because we didn't articulate well enough how we did it, rather than state what our beautiful town was like in reality.

"A peer review isn't a threat; it is a challenge."

A year ago, we voluntarily ventured into another housing peer review; this time influenced by the Elphicke-House report on housing supply. We duly invited the newly formed Housing & Finance Institute (HFI) to Bournemouth and absorbed ourselves into the Housing Business Ready Programme. This was so useful we will soon be asking for a refresh.

The desk study was very detailed. It informed us of what we really say about ourselves to others – not what we perceive we say – and how we perform against a range of national housing supply benchmarks.

The on site 'seeing is believing' part was also worthwhile. Once again we had missed some very obvious targets that others could see, that we couldn't. I recall one comment from peer reviewer Keith House, leader of Eastleigh Council, asking "why didn't you build three-storey houses?".

Mr. House was right. In this particular location we could have, and didn't properly consider the option. Needless to say, we will in future. The HFI Housing Business Ready 'test' was also unusual in that it explicitly rates political drive and ambition, and associated officer strength to deliver the political parameters. This covers the whole organisation. I certainly recommend it, but do expect some difficult moments.

A peer review isn't a threat, it is a challenge and can certainly be uncomfortable listening at times, but to improve and sustain our organisations, surely it's the approach to take.

Gary Josey, Housing Director, Bournemouth Borough Council

Bournemouth Borough Council sends representatives to 'AWICS' seminars and has used 'AWICS' for in-house training in local authority housing finance and value for money.

Local Government Association Peer Reviews

Peer Challenge is a core element of the Local Government Association's sector-led improvement offer to local authorities, the approach to which is set out in 'Sector led improvement in local government' (June 2012) and which has received high levels of support from councils who overwhelmingly endorse the key principles on which it is based:

- Councils are responsible for their own performance
- Stronger local accountability leads to further improvement
- Councils have a sense of collective responsibility for performance in the sector as a whole
- The role of the Local Government Association is to help councils by providing the necessary support.

The offer of support set out in 'Sector-led improvement in local government' is a core part of the Local Government Association's offer to councils and includes a range of free of charge / subsidised tools and support for councils.

A major part of the support is the offer to each council and fire and rescue service to have a corporate peer challenge (at no charge) at a time of its choosing.

Peer challenges are managed and delivered by the sector for the sector. They are improvement focused; the scope is agreed with the council and tailored to reflect their local needs and specific requirements.

The peer teams involve peers from across the sector and beyond. Their ambition is to help the council to respond to its local priorities and issues in its own way to greatest effect.

There are some design principles that it is important to understand:

- Peer challenge is not an inspection, it is a tool for improvement. Peer challenge is carried out to the Council's specification aimed at improving, not judging, the council.
- Peer challenge should be undertaken at a time that most suits a council and focus on what is of most importance to a council.
- A scoping meeting at the outset involving a visit by Local Government Association representatives is an essential feature. The council's specific needs, the areas it wants to focus on, the make-up of the team and the results it wants to achieve will be discussed and agreed.
- Peer Challenge should include some focus on leadership, governance, corporate capacity and financial resilience. These form a core component of all corporate peer challenges.
- The process should be proportionate – minimising the burden (rather than making unnecessary demands that absorb capacity and divert attention) focusing on making appropriate preparation and maximising the benefits.

AWICS is assisting the Local Government Association with peer reviews by providing expert advice on financial diagnostic reports. Adrian Waite has also assisted as lead associate consultant on a financial peer review.

More information about the Local Government Association's Peer Reviews can be found on their website at: http://www.local.gov.uk/peer-challenge

Sevenoaks District Council: How we became Council of the Year

Being recognised by the LGC as Council of the Year is a tremendous honour.

A little over five years ago Peter Fleming (Con), the leader of the council, and his member colleagues set out a vision to become financially self-sufficient.

Back in 2010 all of local government was faced with the stark reality of austerity and dramatic cuts to our funding. We took the view the funding was unlikely to ever return to the levels the sector had previously enjoyed. We began planning to deliver our services without the need for direct government funding, in order to secure their future.

We achieved our goal in 2015, one year earlier than our most optimistic assumption.

Since 2011 we have set and delivered a balanced ten-year budget. We have a property investment strategy that means we are the proud owners of a pub, a petrol station, commercial offices and high street shop space that bring in the income we need to balance our budgets without government grant. In April we begin construction on a hotel that we will own long into the future with the security of a long-term lease, brining new life to our vibrant visitor economy.

All of this I'm sure helped our case to become Council of the Year. However, what makes me most proud is that the LGC award judges have singled out our organisational transformation and our workplace culture as the biggest reason for our success.

I first joined Sevenoaks DC in 2005. As the director for corporate resources at that time, I was faced with reports from external auditors about their concerns for the council's future solvency. Our customer satisfaction ratings were low and our performance and productivity levels were falling.

The council we have become today bears no resemblance to the council we once were. Early in 2016 we became one of only five organisations globally, and the only public sector organisation, to be awarded platinum status by Investors in People.

At the centre of our improvement is an unapologetic focus on two things; the customer and our workforce.

Our members are passionate about retaining our staff. We do not outsource our services. We hold a deep belief that we can best succeed with our own people, who are focused on the outcomes that we need to deliver and people that are empowered to achieve outstanding results.

We encourage staff to take risks. We know that, at times, mistakes will happen but that's okay. We fiercely protect our no-blame culture and make sure we learn from what goes wrong. We are also proud that our members have gone from being averse to risk to positively embracing it, and their courage has paid off.

Empowering staff to take their own decisions and willing to take risks breeds innovation, in the way we deliver our services, how we manage our budgets and how we develop our staff.

We have 30 professionally trained executive coaches in house. Coaching is open to everyone from the caretaker to the chief executive and is non-hierarchical.

We have designed and delivered our own management development programme: the Leadership Masterclass. It is based on bite-sized learning with most courses delivered in two hours on our premises. There are 30 modules, some developing practical skills such as procurement and finance but the majority focused on the soft skills required to succeed. Modules such as protecting the culture, emotional intelligence and developing your career were incredibly well received.

We have also designed our own staff development programme. 'Personal Best' emerged from the simple premise of wanting staff to be happy at work. Over 60% of our staff have taken part and we have given them the tools to achieve their own personal breakthrough goals and overcome the issues at home and at work that may have been preventing them from reaching their full potential.

We are now planning a further staff development programme with up to 70 subjects in bite-sized modules delivered once more on site. Staff can develop their own bespoke programme specifically for their needs. If you work in the contact centre and want to find out about local government finance, there's an opportunity for you to do so. If you're a planning officer and want to learn about mindfulness, you can do that too.

Our commitment to empowerment means that decisions are made by those closest to the customer. I'm obsessive about the customer and it delights me that our staff are too. Everyone understands that 'the customer is anyone who isn't me' and this mantra has a hugely positive influence on our behaviours and our services.

Across incredibly challenging times for our sector we have continued to do what local government does best: deliver exceptional services for our customers. For example, we still provide a weekly collection of rubbish and recycling and have developed partnerships in revenues & benefits and licensing to enable us to do more with less.

Our local MP Michael Fallon describes us as delivering "excellence on a shoestring".

Sevenoaks District is a community with high expectations. Residents are passionate about protecting the 93% of our area that is green belt. We have the highest number of gypsy traveller public plots in the whole of Kent; there are wealthy commuters around Sevenoaks town, but we also have farming and isolated rural communities to look after and pockets of high deprivation.

To meet their needs long into the future, we have a clear plan to utilise our services and our future income to support other public services to deliver for our district. Our health deal with partners in west Kent and the county council will see us taking an active role in delivering preventative care. We have begun work with a local hospital to speed up the discharge process, minimise bed-blocking and get people back in their homes as quickly as possible. We know the quality of a person's house is the most significant determinant of their health and we will be using all of the levers that we have to go well beyond our statutory remit to improve the lives of people in our district.

Achieving recognition as Council of the Year has given us even greater resolve to move our ambitious plans forward. We have achieved a lot in the last ten years and I believe, regardless of what happens around us, we have a strategy and a financial framework that will allow us and our district to prosper long into the future.

Pav Ramewal, Chief Executive, Sevenoaks District Council

Budgets for Cumbria County Council and Eden District Council

Local authorities have recently prepared their budgets for 2017/18 and as part of this have consulted their residents. I live in Cumbria, that is a two-tier area, and so took the opportunity to respond to the budget consultations of Cumbria County Council and Eden District Council.

In common with most local authorities, Cumbria County Council is experiencing significant budget pressures caused by reductions in government funding, restrictions on the Council's ability to raise Council Tax and increasing need especially for Adult Social Care services. I therefore wrote in support of the Council's proposal to raise Council Tax by the maximum increase allowed of 1.99% plus 2% to fund the additional costs of adult social care. However, I also commented on other options for Council Tax, Adult Social Care, Children's Services, the Efficiency Strategy, the Reserves, the Capital Programme, Asset Management and inflation.

A copy of my response to the consultation by Cumbria County Council can be downloaded from here: http://awics.co.uk/httrack/awics.co.uk/dynamicdata/data/docs/cumbria%2520county%2520council%2520budget%2520consultation.pdf

Eden District Council's budgets have been protected from the most severe reductions in local government funding ever since 2010 but in my view, are not making good use of the resources available to them. In my response to their budget consultation I suggest that the Council consider:

- A more significant capital programme to address especially the economic development and housing objectives that it has identified, funded through surplus reserves, prudential borrowing and more effective asset management.
- Approving revenue budgets that do not contain 'budget slack', that aim to reduce reserves to an appropriate level and that focus resources on direct services.

A copy of my response to the consultation by Eden District Council can be downloaded from here: http://awics.co.uk/showdoc.asp?fname=eden district council budget consultation 2017.pdf

In February 2017, I had a letter published in the 'Cumberland News' and the 'Cumberland & Westmorland Herald' about how Eden District Council could do more to support the development of affordable housing, including extra care elderly housing. The 'Cumberland News' gave it the catchy title: 'Time for Council to invest in Housing' while the 'Cumberland & Westmorland Herald' chose: 'Eden has enough money to support extra care for the elderly'. A copy can be downloaded from here: http://awics.co.uk/files/module_document_pdfs/eden_has_enough_money_to_support_extra_care_for_elderly.pdf

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Future of the Health Service in Cumbria

The public consultation on the future of Health Care in West, North and East Cumbria closed in December 2016. There are many such consultations being held by the National Health Service at present. The principal issues facing the National Health Service are the same in all parts of Britain, although there are always specific local issues also. In Cumbria, it is proposed to make several changes including the closure of some community hospitals and reductions in the number of beds; the removal of consultant-led maternity care from the West Cumberland Hospital and a focus on 'Integrated Care Communities'.

I think there is increasing reason to be concerned about the National Health Service and its capacity to deliver the services that are required moving forward. In my view, there is a need to consider significant changes to funding, management and partnership working if the National Health Service is to continue to be fit for purpose.

As I live in Cumbria I responded to the consultation in a personal capacity. My conclusion is that the proposals contained in the consultation paper do not appear to have been fully thought through, especially because:

- They are being put forward before the National Health Service locally has identified how to meet its existing budget deficit or projected future costs.
- They are being put forward before the National Health Service has addressed important issues such as its approach to management, 'failure demand', the role of the private sector and the shortage of staff.
- There is a lack of a 'joined-up' approach between the National Health Service and the Local Authorities; and no mention of a 'joined-up' approach with the Housing Associations.
- It is not clear that the Adult Social Care service will be able to provide the services that the National Health Service envisages it will.
- The effect on local communities may be adverse.

A copy of my response can be downloaded from here: http://awics.co.uk/httrack/awics.co.uk/dynamicdata/data/docs/consultation%2520on%2520health%2520care%2520in%2520cumbria%25202016.pdf

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The Implications of Brexit for Public Services

In February 2017, Tony Blair, the former Prime Minister, caught the headlines with his speech about Britain leaving the European Union. His speech included the following interesting section about the implications for public services:

"The economic future which could work outside of Europe is… the low tax, light regulation, offshore free market hub… which to the Brexit ideologues is a promise of things to come. This free market vision would require major re-structuring of the British economy and its tax and welfare system.

"It will not mean more money for the National Health Service but less; actually it probably means a wholesale rebalancing of our health care towards one based on private as much as public provision."

Anthony C Grayling, Master of the New College of the Humanities has written in the 'New European' about the likely effects of Brexit on public services. He says that:

"The United Kingdom economy will lose not only the money it gets back from the European Union, but it will be burdened with higher costs… which the economy will be able to manage only by making further and deeper cuts in health, education, welfare, environmental protection, defence and scientific research and development.

"If, in response to this battering of the economy the United Kingdom tries to attract inward investment by becoming a low tax haven, the deleterious consequences for health, education, welfare and the rest will be even greater because lower taxes will mean less money available for those services."

My briefing paper on: 'Brexit and its implications for Housing' is currently one of our most popular briefing papers. One of our readers, LB Legal Appeals – a company that provides Legal advice and representation at tribunal appeals for supported 'Exempt' and 'Specified' accommodation and other housing benefit issues, has been good enough to provide us with some feedback on the paper on Twitter, describing it as a:

"Very useful piece on the potential implications of Brexit on Housing. It is a brilliant report."

Your copy can be freely downloaded from here: http://awics.co.uk/httrack/awics.co.uk/dynamicdata/data/docs/brexit%2520-%2520implications%2520for%2520housing%2520-%2520briefing%2520paper.pdf

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Editorial Note

The Public Services News is published by AWICS Limited. This edition was edited by Adrian Waite. Articles are written by Adrian Waite unless otherwise stated. However, the views expressed are not necessarily those of Adrian Waite or AWICS unless expressly stated.

AWICS Survey

We would be grateful if you could take part in our survey of our clients, website users, newsletter readers or others with an interest in local government or housing. If you would like to please visit http://form.jotform.me/form/50612526489459

AWICS Seminars:

All You Want to Know about Local Authority Finance

June / November 2017

Local Government is going through a period of significant change. There has been a significant and ongoing reduction in funding for local authorities since 2010 and this is requiring a fundamental redesign of how authorities are organised and services are delivered. The coalition government passed the Localism Act that promoted local decision making and abolished most ring-fenced grants. The coalition government started the localisation of business rates that is expected to be completed in 2019/20 and revenue support grant is being phased out.

In the current climate, a working knowledge of local authority finance will put you and your colleagues in a position of advantage.

This seminar is a useful introduction and overview of this important subject and covers revenue and capital finance, the changes that the government is making and how local authorities are responding to this challenging agenda.

Whether you are in a London Borough, Metropolitan, Unitary, County or District Council or otherwise involved in local government; whether you are an Elected Member, Non-Financial Manager, or even a member of the Finance Team, you could benefit from our seminar at which you will learn: "All You Want to Know About Local Authority Finance"

What the Session Covers:
- The session will answer the following questions:
- How do Local Government Finances work?
- How does Local Government fund its Capital Programmes?
- What are the Implications of Localism, Austerity and the Government's other reforms?
- What are the Financial Opportunities for Local Authorities?

The session is accompanied by a very useful 100-page book that is designed for reference after the session entitled: "All You Want to Know About Local Authority Finance 2017"

Venues and Dates:
- London: Novotel Hotel, Waterloo – 27th June 2017.
- North: Novotel Hotel, Leeds – 21st November 2017.

The price of the seminar in London is £250 plus £50 VAT, a total of £300. In Leeds, the price is £195 plus £39 VAT, a total of £234.

For more information or to make a booking please click here: http://awics.co.uk/all-you-want-to-know-about-local-authority-finance-2017-seminar

Other AWICS Seminars

Our next seminars are as follows:
- All You Want to Know about Service Charges in Social Housing.
- All You Want to Know about Housing Association Finance.
- All You Want to Know about Welsh Social Housing Finance.
- Developments in Local Authority Housing Finance in England.
- All You Want to Know about Service Charges in Social Housing in Wales.
- All You Want to Know about Local Authority Housing Finance.

Information about all our seminars can be found at: http://awics.co.uk/seminars2017

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About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about our services and us please visit our website at www.awics.co.uk or contact Adrian Waite at Adrian.waite@awics.co.uk. Services that we offer include:

- Management Consultancy – http://www.awics.co.uk/ManagementConsultancy.asp
- Interim Management – http://www.awics.co.uk/interimmanagement.asp
- Regional Seminars - http://www.awics.co.uk/seminars2017.asp
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