

Public Services News

July 2015



Chorley Town Hall in Lancashire. Chorley Borough Council is an 'AWICS' client. How will they, and other local authorities, be affected by the emergency budget on 8th July?

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Foreword

Welcome to the July edition of the AWICS Public Services news. In the March edition, we covered the announcement of the United Kingdom budget for 2015/16 and put emphasis on the challenges for public service delivery by local government around the United Kingdom, including the challenges of service delivery in rural areas, the Local Government Association (Local Government Association's) peer review programme for local authorities' services, and neighbourhood planning.

This month's edition picks up on the policy developments since the General Election that returned a majority Conservative government, and the announcements in the Queen's Speech. Hence, we focus on the devolution agenda and highlight the upcoming emergency budget. In response to the continued budget cuts, we review the government's digital push in local government and neighbourhood planning that we see as two relevant developments. We conclude with a brief article on the implementation of the Care Act.

Preview of the 8th July Budget — Expected Austerity Measures

The United Kingdom budget, announced on 19th March this year¹, identified an additional £30billion cuts in public spending until a surplus of 0.2% is reached in 2019/20. By the end of the decade, public spending would then increase (or fall) in line with the rate of annual economic growth (or contraction). Partly, this would be achieved by share sales in bailed-out banks², reduced interest burdens from favourable rates, and £12billion in welfare cuts.

This year's budget announcement fell into an unusual period. It was made by a Coalition Government that has since been replaced by a Conservative majority government. Since the Election has passed, the Chancellor now has a freer hand to draft a budget for the new government. He will announce an 'emergency' budget³ on 8th July to specify, for example, where additional welfare cuts will fall. The choice of the word 'emergency' is interesting in view of the fact that the Prime Minister and Chancellor have both been in office for five years.

At present, information on what cuts will apply is speculative, but government representatives have made many public comments that suggest a general direction. While refusing to give details on the emergency budget before its announcement, George Osborne has outlined his goals for the budget. Commenting on his priorities, he said:

"I don't want to wait to deliver on the commitments we have made to working people. [The revised budget] will continue with the balanced plan we have to deal with our debts, invest in our health service and reform welfare to make work pay. But there will also be a laser-like focus on making our economy more productive so we raise living standards across our country. We're going to put Britain into good shape for the long term."

David Cameron has emphasised his intention to tackle the United Kingdom's productivity gap and low-paid jobs. Pointing to a "merry-go-round" dilemma, he said:

"People working on the minimum wage having that money taxed by the Government and then the Government giving them that money back - and more - in welfare... Again, it's dealing with the symptoms of the problem - topping up low pay rather than extending the drivers of opportunity - helping to create well paid jobs in the first place. We need to move from a low wage, high tax, high welfare society to a higher wage, lower tax, lower welfare society."

¹ The briefing paper can be downloaded here: <http://www.awics.co.uk/budget2015.asp>

² Such as Lloyds TSB and RBS

³ Budget announcements that follow a General Election and the official State Opening of Parliament are known as emergency budgets or summer budgets, as they usually fall into the summer period.

Some indicative items included in the emergency budget

So what is already known about the emergency budget?

- **Central government:** During 2015/16, Osborne intends to save £3billion in central government departments. The government has already identified savings including £500million in the Ministry of Defence, £300million from the Department of Business, Innovation, and Skills, and £450million from the Department of Education's budget items not related to spending on schools.
- **Reclaiming of public health funding:** While the local government settlement⁴ will not be reopened, the government plans to reclaim some public health funding that has been devolved to local government. The government has cut £200million from the Department of Health budget.
- **Further divestments:** The budget will include the £1.5billion sell-off of government-held shares in the Royal Mail and further government investments, such as Eurostar, Lloyds, and the pre-2012 student loan book. A new agency, called United Kingdom Government Investments, will be tasked with future divestments. The government's decision to class asset sales as reductions in expenditure is a strange use of accounting terminology!

At this point we do not know how the government intends to make an additional £12billion in welfare savings. Again, taking the general priorities of the government as a guide may help to get an idea that any cuts to the welfare system will come as a wider government agenda that focuses on tackling the root causes of low paid jobs by focusing on apprentices and education and is likely to include cutting benefits for the under-25. Here Osborne had this to say:

"We've got to go on helping businesses create jobs in Britain, so we move towards full employment. That means facing a hard truth: in Britain we produce about a quarter less for every hour we work than countries like America or Germany. Fixing that long-running productivity weakness is the big challenge for the next five years. So in the Budget we'll spend less on welfare, and instead invest to create three million more apprenticeships, so that young people can learn a trade, get better jobs and earn more."

It is almost certain that the welfare cap will be lowered from £26,000 to £23,000. Additional savings may be made by reducing the entitlement of under-25s for housing benefit. Since Cameron has ruled out cuts to child and pensioner benefits, it is widely expected that in-work benefits will be cut further. Currently, tax credits represent the largest expenditure at £30billion. Some critics have argued that tax credits have encouraged low-paid work and served as a subsidy to business.

Responses from the sector

The Local Government Association broadly welcomed the announcement that the 2015/16 local government settlement will remain untouched. However, it warned that the proposed reduction in non-National Health Service funding will make it difficult for local government to deliver improvements in local health services.

⁴ The local government settlement is the annual review and agreement of central government funding allocation to local governments.

Councillor David Sparks, the former Chair of the Local Government Association, reiterated his call for a drive towards devolution of powers over infrastructure, transport, housing, skills, and health/social care to local level:

"Core local government funding has been protected in-year and the Local Government Settlement has not been re-opened which is good news. However, a £200 million reduction in public health funding will clearly have some impact on councils' ability to improve the public's health and wellbeing and reduce demand for hospital, health and social care services.

"Councils have finalised budgets and planned spending for the next 12 months. Local authorities can't be handed further in-year reductions and be expected to be able to protect the services upon which people rely. Councils have worked hard over the past five years to shield residents from the spending reductions in government funding but the same efficiencies cannot be remade.

"With a further reduction in public spending expected next year, we urgently need a new settlement for England which devolves decisions about infrastructure, transport, housing, skills and health and social care, down to local areas so they can tackle the big issues facing their residents and ensure our public services survive the next few years."

'LocalGov' notes that government needs to develop a context for suitable reform. Continued austerity has meant that councils have become increasingly cautious and avoided reinvesting the remaining financial reserves into much needed service improvements:

"Budget reductions need to be rolled out in a way that fosters innovation. For example, multi-year settlements requiring 'savings by 20XX', rather than 'savings in 20XX' would provide the time and short term financial certainty to allow the service redesign, prototyping and learning that is required to confidently make big changes to service delivery.

"Central government must take a more collaborative approach to its relationship with local authorities. In the name of reducing red tape, the Department for Communities & Local Government has stepped back from the sector. Since 2011 it has monitored changes in spending power rather than the impact of budget reductions on local public services."

A consultation on the £200million non-National Health Service budget cut is now underway, but it is likely that the government needs to further intensify the discussion with local government around England and the governments of Scotland, Wales, and Northern Ireland. As we write in the next article, some important work is currently underway. We also think that part of the resolution to the problem is in the profound appreciation of localism as a framework for the redesign of government services on individual localities. In the process, novel approaches to the delivery of local public services may be found.

The Queen's Speech — devolution of authority to Wales, Scotland, and Northern Ireland

One part of the complex devolution debate is the renegotiation of the powers between England, Scotland, Wales, and Northern Ireland. Going back more than a century, the concentration of political authority in the United Kingdom has been well documented and continues to be debated, particularly now in the face of fiscal austerity. Recently, Ron Martin and colleagues at the Regional Studies Association, an academic think-tank, concluded:

"Spatial imbalance in the United Kingdom has to do with the progressive concentration of economic, political, and financial power in London and its environment. The United Kingdom has one of the most centralised systems of the public finance, policy-making, and political control amongst Organisation for Economic Co-operation and Development countries"

Austerity measures emanating from the United Kingdom government also lead to a growing decoupling of local government from central government finance and the argument that the Local Government Association and others have put forward is that this has so far not been followed by the capacity for local councils to take decisions locally as to how to accommodate to these cuts. The Scottish referendum in 2014 has become a wakeup call for the need for further devolution of authority to the governments and assemblies in Scotland, Wales, and Northern Ireland; and to the sub-national level in England.

What to expect from United Kingdom devolution

Over the next five years, the United Kingdom government will try to resolve the increasing need for local autonomy across the nations that make up the United Kingdom. The Queen's Speech, announcing the government's programme for the next five years, indicated a raft of measures to shape the United Kingdom's political landscape for years to come. For example, the Queen indicated work on a new constitutional settlement of the United Kingdom government with Wales, Scotland, and Northern Ireland:

"My government will [...] bring forward legislation to secure a strong and lasting constitutional settlement, devolving wide-ranging powers to Scotland and Wales. Legislation will be taken forward giving effect to the Stormont House Agreement in Northern Ireland. [...] My government will continue to work in cooperation with the devolved administrations on the basis of mutual respect."

England is likely to obtain a unique role within a revised set-up. Unlike Wales, Scotland, or Northern Ireland, England does not have its own assembly. In terms of a revised constitutional settlement, this means that devolution within England will have to be achieved in some other way. Here the Queen's Speech referred to the plan for a law that would offer English members of parliament the sole right to vote on laws that apply mostly to England:

"My government will bring forward changes to the standing orders of the House of Commons. These changes will create fairer procedures to ensure that decisions affecting England, or England and Wales, can be taken only with the consent of the majority of Members of Parliament representing constituencies in those parts of our United Kingdom."

The principle of 'English Votes for English Laws' will be introduced before the first budget of the new government in early 2016. Under the principle, changes to the standing orders of the House of Commons would allow only English members of parliament to vote on laws applying to England. Arguing for the need of the proposed changes, David Cameron said:

"English MPs will be unable to vote on the income tax paid by people in Aberdeen and Edinburgh, while Scottish MPs are able to vote on the tax you pay in Birmingham or Canterbury or Leeds. It is simply unfair. And with English votes for English laws we will put it right."

This is likely to result in a 'messy' constitutional arrangement. Furthermore, with different levels of devolution in different parts of England, should this also be reflected? For example, should MPs from Greater London and Greater Manchester be prevented from voting on transport issues in other parts of England?

In the table below, we have summarised the proposed changes for England, Scotland, and Wales that the government has proposed over the next five years. On the one hand, it's about the recognition of the permanent role of the governing institutions for Northern Ireland, Scotland, and Wales. On the other hand, the deals underway provide settlements that see a range of taxation powers transferred, but in a bespoke manner.

Table 1: Deals in progress with the nations of the UK

Country	Central government strategy
England	<ul style="list-style-type: none"> • Proposed “English votes for English laws” Bill: A Bill has been proposed that would change the standing orders of the House of Commons so that only English MPs would be able to vote on laws that apply to England only. The government plans to have it in place for early next year before the next United Kingdom budget.
Scotland	<ul style="list-style-type: none"> • Smith Commission: Following the Scottish Independence referendum in September 2014, the Smith Commission recommended wide ranging new powers for the Scottish Parliament. This also includes new powers over ‘taxation and public spending, including elements of the welfare system’ and additional borrowing capacity, amongst other devolution measures.
Wales	<ul style="list-style-type: none"> • St David’s Day Agreement: Over the next fiscal period, Wales will receive an additional £17million in revenue and £0.9million in cash. Business rates are fully devolved since April 2015 and Wales can conduct referenda on further tax powers such as Aggregates Levy, Stamp Duty Land Tax and Landfill Tax. There will be a guaranteed minimum funding from the United Kingdom government and, additionally, the Wales government will be able to issue bonds to borrow for capital expenditure.
Northern Ireland	<ul style="list-style-type: none"> • Stormont House Agreement: This package includes goals such as the devolution of corporation tax by April 2017. Further tax devolution is considered after additional reviews, including taxes such as the Aggregates Levy, Stamp Duty Land Tax and Landfill Tax.

Comments from Wales, Northern Ireland, and Scotland

Naturally, the debate across the four different nations towards devolution is complex and can cause controversy. Also, as part of the dilemma of bespoke agreements, a strategy followed by the national government, arrangements with one nation may cause additional criticism and stalling in other parts of the United Kingdom. Since the independence referendum in Scotland, a key debate in each nation revolves around what fair settlements may look like. Here we briefly pick on comments from around the United Kingdom, that provide a partial picture of the debate overall.

In Wales, the outcome of the St. David’s Day Agreement was seen as lagging behind similar devolution agreements with Scotland and Northern Ireland. Critics described the current plan as ‘third rate devolution’. The First Minister of Wales, Carwyn Jones, commented on the outcome of the devolution agreements in February this year:

“Wales is still not being treated with the same respect as that being afforded to Scotland and this continuing imbalanced approach is damaging to the United Kingdom. The proposals only go some of the way to matching Labour’s devolution offer already set out by Ed Miliband, but they fall short in crucial areas - such as on policing. The move towards a funding floor is an important step forward and we have been pushing for this for some time. But we cannot be confident that funding for Wales has been put on a fair and sustainable footing until the detail is agreed at the next Spending Review. This is disappointing and should also be seen in the context of an unprecedented £1.5billion cut to the Welsh budget in this term.”

The responses in Northern Ireland to the follow-up to the Stormont House Agreements, that sees £2billion being handed to the Northern Ireland Government over ten years, was more receptive and positive. Back in December, the deal was celebrated as a widespread victory for Northern Ireland to regain powers beyond what had been previously agreed. However, the deal recently ran into trouble when the Welfare Reform Bill was vetoed in May this year as Sinn Fein withdrew support over details of the scheme.

In Scotland, more negotiations are underway to implement the recommendations of the Smith Commission that recommended devolution of a range of taxation powers and parts of the welfare system. With the recent rise in popularity and strength of the Scottish National Party, commenting on the most recent government proposals, Nicola Sturgeon, Scotland's First Minister, talked of a watering down of the Smith Commission recommendations⁵. She said:

“For example, the proposals on welfare do not allow us to vary universal credit without the permission of the United Kingdom government. That means – under the current proposals – we will not have the independence to take action to abolish the bedroom tax. This cannot, under any interpretation, represent the meaningful progress on the devolution of the powers we need to design a social security system that meets Scotland’s needs.”

As for the plan to introduce an English Votes for English Laws arrangement in the House of Commons, some have warned of a fragmentation of parliament into factions of Welsh, Scottish, Northern Irish, and English members of parliament. In future parliaments it is quite possible that different parties would have majorities among English members of parliament and among members of parliament as a whole.

Conclusions

As Michael Keaton observed with some degree of astonishment in the ‘Herald Scotland’⁶, devolution is indeed happening although it hardly appears to be as a smoothly concerted effort:

“It is a peculiar feature of devolution in the United Kingdom that each nation is treated differently, with its own settlement geared to local political demands. Foreign observers look with puzzlement, seeing it as British pragmatism taken to extremes. Yet, whether by chance or design, devolution does seem to occur at the same time.”

This parliament has a chance, and arguably also the responsibility, to find lasting settlements for devolution between the nations of the United Kingdom. This could result in a United Kingdom federal state in which the best balances would be found for decision making at the national and sub-national levels. While it is good to find settlements that fit to Northern Ireland, Scotland, Wales, it seems important that a degree of commonality in agreements is found that ensures that the outcomes are not unworkable. England, that doesn't have its own parliament, will find itself in a rather peculiar role.

⁵ We reported on the progress of devolution in a previous edition of our Scottish Newsletter. Download it here: [link](#)

⁶ Link to article: [link](#)

Devolution of powers to Local Government across England

In parallel to the ongoing negotiations with the nations of the United Kingdom, the devolution of powers to local authorities in England represents another effort in the government's challenge to provide greater political autonomy, but also to tackle the poor economic recovery in the North of England and other regions. The government's policy for the next five years is aimed at building a "Northern Powerhouse", by investing in transport links amongst the major urban areas in the North (a policy somewhat undermined by the cancellation of many rail investment projects); and devolving powers to elected mayors of city governments throughout England.

In the most recent budget speech, the Chancellor announced a number of devolutionary measures that aim at strengthening the "Northern Powerhouse" by devolving further powers starting with Greater Manchester and West Yorkshire and including:

- **Business rate retention:** Since April, Greater Manchester will be able to keep 100% of any growth in business rates (similar deals were agreed with Cambridgeshire and Peterborough). In Greater Manchester, the agreement is part of a wider reform that will see the election of a Mayor and further devolution of National Health Service spending.
- **Additional powers for West Yorkshire and Greater Manchester:** The West Yorkshire combined authority is to take on powers relating to skills, transport, employment, housing and business support. Greater Manchester will obtain greater control over its skills, transport, and health budgets.
- **Transport strategy:** A comprehensive government-commissioned transport strategy for the North has been unveiled.

Since the election, Chancellor Osborne has said that a new Cities and Local Government Devolution Bill (CLGD)⁷ would take the agreement made with Greater Manchester as a template for other areas. A central part of the bill is the requirement for an elected mayor with wide-ranging political authority and who is directly elected. Following the Greater Manchester model, Osborne insists on local authorities creating a mayoral office before powers, such as transport, housing, planning, policing and public health are devolved. He said:

"It's right people have a single point of accountability. Someone they elect, who takes the decisions and carries the can. So with these new powers for cities must come new city-wide elected mayors who work with local councils. I will not impose this model on anyone but nor will I settle for less. My door now is open to any other major city who wants to take this bold step into the future."

Responses from the sector

On the announcement of Manchester's greater local autonomy the then Chair of the Local Government Association, David Sparks, and the Chief Executive of the Chartered Institute of Public Finance & Accountancy, Rob Whiteman called for an extension of the scheme. David Sparks said:

"The announcement of pilots in Greater Manchester, Cheshire East, Cambridgeshire and Peterborough keeping a greater share of this income is a significant step forward, but one which should not just be limited to a handful of areas. All parts of the country should be able to reap the benefits of having a thriving local economy. This should be implemented as soon as possible in a way which ensures areas with fewer businesses do not lose out."

⁷ The draft bill can be found here: [link](#)

Sharon Taylor of the Local Government Association, added:

“The proposed devolution of transport, housing and policing powers is great news for our larger cities, but we want to make sure that the benefits of devolution reach every corner of England and the United Kingdom. This will require different approaches to both governance and the powers needed for different areas.

“There is compelling evidence that making decisions at a more local level will bring about huge economic and social benefits, including reducing youth unemployment by half, creating 500,000 homes and helping people to live independently at home longer, saving almost £4billion alone.

“But all parts of the country, from city regions to non-metropolitan areas, need greater freedom from Whitehall. We are now urging government to go further and set out a new settlement for all of England that devolves decisions on important issues such as skills, housing, transport, care and infrastructure. This is vital if the economy is to prosper and good-quality public services are to survive.”

Adam Fineberg, advisor to both local and national government, warned that the current devolution plans of devolving centralised services (such as health and transport) may result in an increase in managerialism and take attention away from making sure local services work for local people:

“The government’s plans for devolution are a political calculation to address metropolitan areas, not the whole of the United Kingdom plc. Studies commissioned by the Treasury in the early noughties pointed to the need to make all areas and geographies work for all people to promote productivity and well-being.

“The government’s devolution plans, based on devolving centralised activities around health, transport and welfare to regional coordinating bodies of individual local authorities – often very different in political colour, nature and needs – just promotes greater complexity and promotes further managerialism, drawing the focus away from addressing the greatest needs at the local level by making local services work for local people and harnessing the growth potential for all areas and members of the population.”

Recently, the Core Cities group representing the United Kingdom’s eight major metropolises outside London, called for a ‘radical modernisation’ of the British state. Unlike Osborne’s proposal that includes a requirement for the elected mayor model, the group calls for flexibility as to which governance structures are allowed in different cities. They have also called for the establishment of an independent devolution commission to lead towards a ‘transparent and robust’ localism programme.

AWICS is holding a seminar on ‘Devolution in England: the Financial Implications’. This session will look in detail at the financial implications for local authorities of the government’s proposals for devolution in England including the ‘Northern Powerhouse’ and the ‘DevoManc’ arrangements. The dates and venues are:

- Oldham – 4th November.
- London – 11th November.

If you would like more information or to make a booking please contact enquiries@awics.co.uk

Neighbourhood Planning in England

The Localism Act (2011) introduced neighbourhood planning into the mix of statutory local planning policy documents. Beyond established neighbourhood forums and frameworks for local-level improvement, the neighbourhood planning process provides a *legal basis* for parish councils or neighbourhood forums to determine planning policies locally. For their role as statutory policy documents, the policies detailed in a neighbourhood plan have to be given weight in deciding planning applications⁸.

Under the new Cameron government, neighbourhood planning retains strong support from the Department for Communities and Local Government. Its success so far could be seen as an example of the positive effects of successful devolution, as neighbourhood planning presents a 'downward' and 'outward' shift in the authority to determine development outcomes. It's a downward shift as the planning policies produced within this framework usually apply to a fairly 'local area' with thousands instead of hundreds of thousands of homes. It's an outward shift, since its production usually involves a greater number of non-planners in the planning policy process, beyond the municipal planners at the local planning authority.

We recently wrote a briefing paper that provides an introduction into this topic and outlines the process that a town or parish council, involved in neighbourhood planning, will face. We mention the case of the Thame neighbourhood plan, a popular example of the positive effects that the neighbourhood planning process can have for local communities in rural areas. Under this scheme, the town people were able to break down suggested large allocations into a number of smaller development allocations that fitted better to the outline of the historic town centre. More examples like this and the experience by existing neighbourhood planning groups shows that it brought in significant volunteer time (ranging from 1,000-5,000 hours). Plans developed at this level show that embracing localism has the potential to bring many new actors into local choices.

You can access and download our neighbourhood planning briefing paper here: [http://www.awics.co.uk/dynamicdata/data/docs/neighbourhood%20planning%20-%20briefing%20paper%20\(final\).pdf](http://www.awics.co.uk/dynamicdata/data/docs/neighbourhood%20planning%20-%20briefing%20paper%20(final).pdf)

Digital transformation of local government — localism as opportunity for service redesign

The budget of March 2015 included a further £30billion in savings in public spending. 43% of cuts apply to government departments, 40% to welfare savings, and 17% to tax avoidance crackdown. During the last parliament, the funding provided by central government to local authorities was cut by 40%. Furthermore, the Institute for Fiscal Studies anticipates that the spending cuts will continue until 2020.

The March announcement in the budget included a note that hasn't been the focus of much attention. The government said that it would support digital transformation in local government through additional funding and the extended remit of the Government Digital Service to collaborate with local government.

⁸ However, neighbourhood planning cannot be used as a barrier to development projects. Neighbourhood plans need to conform to the local authority's local planning policies, which usually define a certain annual house development requirement. Neighbourhood plans also have to conform to the policy guidelines in the National Planning Policy Framework.

Given the continued rounds of funding cuts, a report by the Local Government Association from June 2014, pointed to the novel approaches taken by local authorities around the United Kingdom in response to decreasing funding but increasing demand for public services locally. According to the report, local government has actively seized the opportunities provided by digital technologies to deliver increased value for money in local service provision and organise services more efficiently while increasing service quality, and generally responding to the trends of the time.

The Local Government Association report points out a number of important points as to the role of digital technologies for local government. The report lists the following benefits from increased use of digital technologies:

- Reduced cost of customer contact by shifting to online-based approaches of completing transactions between citizens and the local authority. The report notes that in 2012, two thirds of the 600million interactions between citizens and local government now occur over the internet.
- Novel approaches for resource sharing such as via the Public Services Network or the Government Cloud. The Public Services Network initiative seeks to address the cases where databases have traditionally been hosted in duplicated across different agencies or public bodies and where the same information has been collated in different ways.
- Managing demand of public services in a better way by facilitating access to public services online and by facilitating citizen-to-citizen self-help, for example, on social media, or by sponsoring a government-approved local service on which various agencies and / or individuals can contribute resources on a paid or unpaid basis

The many examples provided by the report indicate the option where local services increasingly becoming part of a strategy to complement the localism agenda with matching processes and approaches that support local service delivery. Many technologies, such as analytics of large datasets (big data), the operation of digital services via the internet (cloud computing), and the widespread adoption of Internet-enabled devices, provide a new environment in which digital technologies seamlessly embed into citizen-focusing operations. Here the Local Government Association report concludes:

“Overall, then, trends in technology and digital are supporting the localism agenda and the thrust of the 2011 Localism Act, the aim of which was to devolve more decision-making powers to communities and to give local government new freedoms and flexibilities. Councils can now choose from a growing array of technologies how best to meet the needs of their citizens, businesses and communities.”

Peter Fleming, the Chair of the Local Government Association’s Improvement and Innovation Board, welcomed the extended remit of the Government Digital Service:

“Councils are on the frontline of public services and help residents navigate and access a range of vital public services. Any commitment to greater digital collaboration to enable the public sector to join up more effectively around residents will help our communities. Councils are best placed to work with residents in shaping and designing digital solutions appropriate to local circumstances, so it is absolutely vital that we all work together and share our expertise and understanding of our customers. The Local Government Association has long been supporting local government to deliver digital services and, with a wealth of knowledge and experience, central government needs to work with us on this project.

"Councils understand and work closely with their residents and use digital technologies to find local solutions to different needs, from reporting potholes to looking after the elderly. To do this effectively, central government partners must be willing to share data with councils. This is increasingly important as we work to integrate health and social care and support communities to deal with changes to welfare reform. We need to work across the public sector to implement and share technology so we can support our residents and businesses more effectively and efficiently."

Social Care Reform

In April this year, the new Care Act took effect. It is widely seen as one of the largest reforms to adult social care since the introduction of social care in the late 1940s. It comes at a time of public spending cuts combined with a growing demand for adult social care from an ageing demographic with increasingly multiple health and social care needs.

Under the social care reforms, clients (such as chronically ill and others who are making use of several services at the same time) will obtain a personal budget and greater choice over their care provision. The act defines:

- Rights for those receiving care assessment (which is extended to those caring for a relative) and implementing standards for service provision.
- A cap of £72,000 on the total cost of social care that individual service users would have to self-fund before government subsidies kick in (the cap is due to be implemented in April 2016). Councils will have to offer affordable loan schemes which would be repaid based on estate sales.
- A national minimum threshold to be eligible for social care (previously local authorities set their own thresholds and due to budget cuts the thresholds have successively increased over the years)
- Measures for personalisation of the financial support that is received.

Since health and social care is a devolved matter in Scotland⁹, Northern Ireland, and Wales, the new measures will apply to English local authorities.

President David Pearson of the Association of Directors of Adult Social Services (ADASS) hailed the act as one of the most significant changes to adult social care and care for the elderly since the "implementation of the Beveridge Report in 1948¹⁰", that defined the provision of social care in England for many years, since the Care Act supports a "strategic shift from welfare services to services organised around wellbeing and personalisation".

⁹ We have recently discussed the Public Bodies (Joint Working) Act, that provided means for HNS and local councils in Scotland to work much closer together and practice resource sharing of funding, staff, and buildings.

¹⁰ According to Wikipedia, the Beveridge Report (1948), chaired by the economist William Beveridge, "identified five 'Giant Evils' in society: squalor, ignorance, want, idleness, and disease, and went on to propose widespread reform to the system of social welfare to address these"

It therefore responds to the growing complexity in healthcare needs. Although there remain funding gaps, that have to be closed until the end of the gap, Pearson said:

“Ongoing discussions about (funding) issues should not detract from the importance of the 2014 Act, the significant changes it will cause in our services, and the important benefits it will bring older people and adults with disabilities in the coming years and decades. There are real opportunities ahead of us to realise the full ambitions of the Care Act and to continue to transform services and support to put the individual at the centre. The proper funding of adult social care is critical in this and ADASS looks forward to working with the Local Government Association (Local Government Association) to help inform this important national debate.”

During the financial year 2014/15, councils already diverted some £900million to fund the growing cost of adult social care in their areas. Currently, the cost of social care provision accounts for 30% of council tax receipts, but the Local Government Association has warned that adult social care could consume over half of the council tax receipts (if social care for children is figured in) by the end of the decade. Councils could face a gap of £4.3billion in adult social care funding until then caused by the reduction in central government funding and expected increases in demand for social care.

The Ministry of Health has confirmed to us that funding for the Care Act is not ring-fenced and it is therefore up to local authorities to determine budgets and to respond to the challenges:

“Like the majority of funding for adult social care, Care Act funding is not ring-fenced. It is up to local authorities to prioritise their budgets based on the priorities of local people in their area.

“The total amount of Care Act funding nationally is £470million, which consists of £285million revenue funding from the Department for Communities and Local Government (the Department for Communities & Local Government); £135million revenue funding from the Better Care Fund (BCF); and £50million capital funding from the Social Care Capital Grant.

“The Department for Communities & Local Government funding is paid in monthly instalments. It is not part of the revenue support grant. The Social Care Capital Grant is also part of the Better Care Fund. It is expected to be paid direct to local authorities in mid-July, and has been earmarked for the capital costs associated with transition to the capped cost system.”

Since 2010, the flows of government funding to local authorities have decreased by 40%. The Social Care Fund that started in April this year helped to prevent social care from collapsing, but much more needs to be done to successfully integrate social care and health care given the challenges of an ageing demographic, the resulting increase in adult social care, and the continued austerity measures.

Councils have warned that the reforms to adult social care may be difficult to implement under the current financial strain. Councillor David Sparks, former Chair of the Local Government Association points to the growing risk that the government is:

“Knowingly backing councils into a corner where they have to make impossible decisions about cutting other important services just to continue to manage caring and supporting our most vulnerable.

“New figures are further proof that we need to stop vital adult social care services spiralling into a black hole. We must act now to both improve quality of life for people in their older years and steer England’s social care system away from the road to financial ruin.

“It’s not right that councils are taking the biggest hit in the pocket when we compare funding for delivering health and care services. We should all be working together to increase the ambition for a future of integrated health and social care that will deliver the best possible care to those who need it.”

Dave Prentis, the Unison¹¹ general secretary commented on the recent changes:

“Such is the extent of the spending cuts in local government that many services are close to disappearing... The savage cuts (the government) propose could well mean the end of many services. Many local authorities would struggle to run statutory services like social care and child protection.”

Sir Steve Houghton, Leader of Barnsley Borough Council, encouraged more equitable budget cuts across councils by appreciating the local requirements:

“Not only must the... government... protect local government funding but it must also recognise that there should be a fairer distribution of resources based on need to ensure that all authorities have the resources they require to provide statutory services.”

It is clear that the implementation of the Care Act will pose a challenge to local authorities. The continued budget cuts call for tough choices, savings and organisational reforms to find a response to the additional social care responsibilities. At the same time, the reforms could be seen as an opportunity to respond to the unavoidable trends in demographic change in the United Kingdom. More and more individuals require complex social and health care. It will require better coordination amongst different health care providers. In this context organising social and health care around patient’s needs could also mean enabling service users to do more for themselves.

Museums, Archaeology and the Historic Environment

The Council for British Archaeology has become concerned that during the last five years the provision of public services in archaeology and the wider historic environment in local authorities has substantially declined across the country.

In particular, they are concerned that cuts to public budgets have in some places caused the system of archaeological protection to be pushed to the very brink of collapse. They find that very few places have emerged unscathed; and fear that in the new Parliament more challenges await.

An examination of the Conservative Party manifesto for 2015 reveals the following commitments relevant to heritage:

- Keep major national museums and galleries free to enter (although there is no similar commitment to local museums and galleries).
- Build a tunnel on the A303 under the Stonehenge World Heritage site
- Enable cultural institutions to benefit from greater financial autonomy.
- Support a ‘Great Exhibition’ in the North.
- Continue to support essential roof repairs for Cathedrals, Churches and other places of worship.
- Ensure that more local people have control over planning and protect the ‘green belt’ – prioritising ‘brownfield’ development.

¹¹ Unison is the UK’s biggest trade union.

However, the manifesto also committed the government to further significant reductions in public expenditure without being specific about the exact services that would be affected. However, given the government's priorities, the reductions are certain to include reductions in the budgets of the Department for Culture, Media & Sport and local government expenditure.

It is reported that the areas principally affected by reductions in expenditure since 2010 include the roles of specialist archaeological and conservation advisers within local authorities, wider heritage services to the public and local museums. This has led to a decline in opportunities to learn about and get involved with archaeology and heritage, a decline in the capacity to assess adequately planning applications, a tendency to undervalue heritage in the process of local plan making and a regression in terms of political attitudes that enable heritage to contribute to wider social, cultural, environmental and economic aims of local authorities.

Gail Boyle, Chair of the Society for Museum Archaeology, wrote in 'British Archaeology' that:

"Museums are being hit especially hard by cuts to public services. The vast majority of institutions that collect and curate archaeological material are non-statutory services provided by local authorities. There are now whole areas of the country where there are few (if any) curators with archaeological expertise; in some cases there is no curatorial expertise at all. Many such jobs are being 'deleted' begin closed doors, following internal reviews and re-structuring."

Dr. Mike Heyworth, Director of the Council for British Archaeology wrote in their newsletter that:

"The Council for British Archaeology will be working with our sector partners to minimise the negative impact of further public sector spending cuts on the heritage sector. We will also be encouraging the Government to sustain the protection of the historic environment on the land and at sea, at home and abroad. In particular we will continue to engage with the All Party Parliamentary Archaeology Group."

The Council for British Archaeology has also established the Local Heritage Engagement Network to enable local groups and individuals to influence local decisions. Further information about the Local Heritage Engagement Network can be found on their website at: <http://new.archaeologyuk.org/local-heritage-engagement-network/>

Adrian Waite

The Public Services News is published by 'AWICS'. Articles are written by Sebastian Weise unless otherwise stated. Other views that are expressed in this newsletter do not necessarily reflect the views of Adrian Waite or 'AWICS'.

AWICS Seminars – autumn 2015

The AWICS seminars during the autumn of 2015 will be as follows:

All You Want to Know about Scottish Social Housing Finance

- Falkirk – 15th September.

This is our regular introduction and overview of Scottish social housing finance. If you would like more information or to make a booking, please visit: <http://www.awics.co.uk/scotfin15.asp>

Extension of Right to Buy: Financial Implications for Housing Associations and Local Authorities

- London – 22nd September.
- Oldham - 30th September.

This session will look in detail at the financial implications for housing associations and local authorities of the government's proposals to extend the 'right to buy' to tenants of housing associations in England. If you would like more information or to make a booking please contact enquiries@awics.co.uk

All You Want to Know about Housing Association Finance

- Oldham – 29th September 2015

This is our regular introduction and overview of housing association finance in England. If you would like more information or to make a booking please visit: <http://www.awics.co.uk/hafin15.asp>

Welfare Reform: Implications for Local Authorities and Housing Associations

- London – 20th October.
- Oldham – 3rd November.

This session will look in detail at the financial implications for local authorities and housing associations of the government's welfare reforms including those initiated in the Welfare Reform Act 2012 but focusing on the new proposals to save an additional £12billion by reducing welfare entitlements. If you would like more information or to make a booking please contact enquiries@awics.co.uk

Devolution in England: the Financial Implications

- Oldham – 4th November.
- London – 11th November.

This session will look in detail at the financial implications for local authorities of the government's proposals for devolution in England including the 'Northern Powerhouse' and the 'DevoManc' arrangements. If you would like more information or to make a booking please contact enquiries@awics.co.uk

All You Want to Know about Local Authority Housing Finance

- London – 10th November.

This is our regular introduction and overview of local authority housing finance in England. If you would like more information or to make a booking please visit: <http://www.awics.co.uk/lahfin15.asp>

Local Authority New Build: The Financial Implications

- London – 1st December.
- Oldham – 8th December.

This session will look in detail at the financial implications for local authorities in England of building new council housing. If you would like more information or to make a booking please contact enquiries@awics.co.uk

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 us and our services please visit our website at www.awics.co.uk or contact me at Adrian.waite@awics.co.uk.

Services that are available from 'AWICS' include:

- Regional Seminars - <http://www.awics.co.uk/seminars2014.asp>
- In-House Training – <http://www.awics.co.uk/inHouseCourses.asp>
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- Interim Management – <http://www.awics.co.uk/interimmanagement.asp>
- Independent Residents' Advice – <http://www.awics.co.uk/IndependentTenantAdvice.asp>
- Publications – <http://www.awics.co.uk/TechnicalBooks.asp>
- Information (including free newsletters and briefing papers) - <http://www.awics.co.uk/information-service.asp>

I have a blog at <http://www.awics.co.uk/Blog.asp> and a Twitter feed at [@AdrianWaite](https://twitter.com/AdrianWaite)