

April 2012

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## Budget 2012 – Implications for Local Government and Housing

On 21st March 2012 the Chancellor George Osborne delivered his Budget for 2012. He stated that Britain was to “earn its way in the world” as there was no other road to recovery. While he pledged to support working families and those looking for work, he also acknowledged that his statement to the House “unashamedly” backed business. “It is on the side of aspiration,” he said. “*Those who want to do better for themselves and for their families.*”

Although there are clearly initiatives that will benefit business such as an extra one penny cut in Corporation Tax, Mr Osborne is facing questions on how he will pay for this and for the cutting of the 50p tax rate. It is clear that pensioners will lose out with a freezing of age-related pension allowance increases and the eventual phasing out of these measures that were introduced by Winston Churchill in 1925. The measures have been called a “tax grab on grannies.”



*The Copeland Council Centre at Whitehaven – a PFI scheme where Adrian Waite wrote the outline business case*

### Local Authority Housing

With the introduction of self-financing in the Housing Revenue Account just over a week away, the budget report stated that:

*“The Government is also implementing reform of the Housing Revenue Account subsidy system to give local authorities responsibility for managing their own council housing businesses. The Office for Budgetary Responsibility currently forecasts that this reform will increase public borrowing more than originally estimated. These estimates are very uncertain but if they do not change then the Government will take action to address the increase in public debt.”*

Adam Waite is the editor and the author of all articles unless otherwise stated

This comment followed a report from the Office for Budgetary Responsibility that stated that:

*“Our latest assessment is that the reforms to the HRA announced in the 2010 Spending Review are likely to increase local authority capital spending on housing by an additional £0.5 to £0.9 billion, although these estimates are highly uncertain.”*

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Grainia Long, chief executive of the Chartered Institute of Housing said:

*“This will be an upsetting scenario for councils who have made plans that start next week based on borrowing limits the government has previously promised. Ministers stated during the passage of the Localism Bill that once set these caps wouldn’t be changed. The statement made in the budget may mean this promise is set to be broken and if so will severely disrupt council plans.”*

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However, this should not really come as a surprise. AWICS has been saying for the last three years that the government’s offer on self-financing was too good to be true, and that if something appears too good to be true it probably is not. Since the idea of the debt cap was first mooted we have suggested that it could be reduced as a way of making housing revenue accounts contribute to the government’s deficit reduction plans.

We still see self-financing as a massive step forward but perhaps the time has come for us to become less naive and more realistic and critical.

### **Local Government**

The Budget 2012 also included plans for a reduction in the Public Works Loan Board interest rate on loans for councils that provide ‘improved information and transparency’ on ‘borrowing and associated capital spending plans’.

The rate will be reduced by 20 basis points from the current rate of 1% above central government’s own borrowing to 0.8% above gilts from 2012/13, a Treasury source said. This would apply to counties, London boroughs, districts and metropolitan and unitary authorities.

The planned reduction comes as the Local Government Association examines plans to create a municipal bonds agency to borrow from the market and then lend to councils.

The ‘groundbreaking’ city deal struck with Greater Manchester will support £1.2billion of infrastructure investment across the city region, Osborne said. This will include an ‘earn-back model’ where an element of tax revenues raised – either as corporation tax from firms working on construction or from new businesses paying business rates – would be retuned for further investment.

The Department for Communities and Local Government said that the thirty year deal would return a maximum of £30m annually to the city once revenues pass a certain threshold.

Neil McInroy, chief executive of the Centre for Local Economic Strategies, said the Manchester deal was an ‘interesting’ agreement and ‘the first example of something that needs to be extended to other areas and other cities’.

However, Local Government Association chair Sir Merrick Cockell said that the announcement of £150million of earmarked Transport Infrastructure funding for the core cities would only ‘help get a very small number of projects off the ground... [and] could be limited to -helping just one’.

### Public Sector Pay

Mr Osborne said the Treasury would look further at the case for regional public sector pay. This is likely to affect Wales and the North of England most severely, areas that have a higher ratio of public sector employment.

Chancellor George Osborne confirmed that he wanted to make public sector pay more “responsive” to what local people are paid. He stated that the idea was first introduced into the HM Court Service by the previous Labour government. Civil servants are already paid more to work in London, and the Opposition had proposed the “interesting idea” of regional benefit rates, He said:

*“So we should see what we can do to make our public services more responsive, and help our private sector to grow and create jobs in all parts of the country... Some departments will have the option of moving to more local pay for those civil servants whose pay freezes end this year.”*

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Figures published by the Treasury show that in some areas public sector workers are paid 18% more than people doing the same job for private firms. In the South East of England this “private sector premium” is just 0.5%. Some Government departments will start talks about local pay next month, with more following next year.

The plans will initially affect 160,000 civil servants working in Job Centres, the Driver and Vehicle Licensing Agency and border guards at ports and airports across the country. Mr Osborne would like to roll out the plans to all six million public sector workers – including teachers and hospital staff from next year.

Unions immediately attacked the announcement, warning it would drive down wages in the poorest areas of the country. Trades Union Congress general secretary Brendan Barber said:

*“Pay rates for teachers and nurses should be based on their skills and the jobs that they do, not on the areas in which they happen to live and work... Picking the pockets of public servants outside London and the South East by localising pay will simply widen the North-South divide, and cause more businesses to fail by taking even more money out of local economies, at a time when they need all the help they can get.”*

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Dai Hudd, deputy general secretary of the Prospect union, added:

*“This ill-thought through policy advocates holding down pay in certain areas of the country, based on the flawed economic logic that it will encourage local enterprise... The Cabinet Office should be ashamed to have produced such poor quality evidence in support of a policy that has devastating implications for large parts of the UK and their local economies.”*

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Full briefing paper and analysis is freely available from [here](#).

## European Citizenship – More Than Merely Financial Integration

Is European Citizenship merely a mechanism for a deepening financial integration of the European Union? Or is there a deeper meaning and a deeper reasoning for the development of the concept of European Union Citizenship into an all-encompassing philosophy that gives rights and stretches into all areas of life for member state citizens?

Firstly we will examine the concept and the evolution of European Union Citizenship as both a theory and as a reality for the nationals of member states. Although the concept of citizenship within the European Union has been part of the landscape of Europe for many decades as Williams tells us; *'it is still a struggle to obtain a comprehensible outline of what it means and how it is designed to develop'*<sup>1</sup> it was not formally introduced and added to the European Community Treaty until the Treaty on European Union in 1992 where under Article 20(1) TFEU the principle of 'Citizenship of the Union' was established and Art. 21(1) Treaty on the Functioning of the European Union where it is stated that; 'every citizen of the Union shall have the right to move and reside freely within the territory of the member states, subject to the limitations and conditions laid down in the Treaty'. These provisions listed specifically in Art. 20(2) Treaty on the Functioning of the European Union a number of rights which European Union Citizens can enjoy such as political rights including voting rights and rights to see European Union documentation, rights to free movement and to reside and rights to consular protection outside the country of their nationality. This has as Barnard tells us; *'started a lengthy and on-going debate about the nature of European Union citizenship'*<sup>2</sup> that has raged on ever since.

One of the many academic debates on this issue is the idea of whether Union Citizenship should be based on a policy of inclusion or exclusion. The type of thinking that citizens of the European Union should enjoy the benefit of a wide range of political, civil, economic and social rights could be described as *'social citizenship'*<sup>3</sup>. It is true in this that due to the introduction of Citizenship of the Union member states are no longer free to exclude others and the power to discriminate is now very limited within a member state to such things as national elections and certain sensitive occupations, as Chalmers, Davies and Monti tell us; *'National citizenship may still exist, but it confers very few special rights. It is, therefore diminished and constrained'*<sup>4</sup>. Furthermore, Kostakopoulou states that; *'the reduction of European citizenship to a transnational citizenship downplays both the resourcefulness of Union citizenship and the supranational character of EU law...Above all, it conceals the extent to which European Union citizenship penetrates and subverts national citizenship'*<sup>5</sup>

As we can see citizenship within the European Union is a convoluted area and is attempting to limit the extent to which a member state can exercise a power to discriminate and exclude other member state nationals. This concept of limiting the power of Member States to discriminate against nationals of other Member States and to further the powers of the EU through citizen's right has formed the bedrock of the case law surrounding Citizenship of the Union.

Although large strides have been made to improve the rights of nationals of Member States these rights as Craig and De Burca tell us; *'not superseded or overshadowed the existing status categories under EU law'*<sup>6</sup> leaving the rights citizens enjoy to be thin and still to have a strong economic focus. It can be seen though that the positive growth of rights that are expanding for EU citizens at a steady and regular pace and are moving further and further from purely economic designs.

Full briefing paper and analysis is freely available [here](#).

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<sup>1</sup> A Williams, *The Ethos Of Europe – Values, Laws & Justice In The EU* (1<sup>st</sup> edn, Cambridge University Press, 2010) 225

<sup>2</sup> C Barnard, *The Substantive Law Of The EU; The Four Freedoms* (3<sup>rd</sup> edn, OUP, 2010) 418

<sup>3</sup> M Dougan, 'Free Movement: The Workseeker As Citizen' (2001) 4 CYELS 93, 103

<sup>4</sup> D Chalmers, G Davies, G Monti, *European Union Law* (2<sup>nd</sup> edn, Cambridge University Press, 2010) 446

<sup>5</sup> D Kostakopoulou, 'European Union Citizenship: Writing The Future' (2007) 13(5) *European Law Journal* 623

<sup>6</sup> P Craig, G De Burca, *EU Law; Text, Cases and Materials* (5<sup>th</sup> edn, OUP, 2011) 847

## Judicial Reviews of Adult Social Care

### Birmingham City Council

On 21st April 2011, the families of four disabled residents from Birmingham won a landmark legal challenge against the City Council after a court ruled the authority's plans to cut its adult social care budget were unlawful. Final Judgment was given on 19th May 2011.

The disabled residents were told earlier in the year by the Council that as from 1st April 2011, any needs that were not considered 'critical' would no longer be paid for, leaving them concerned that many of their essential care and support needs would be unmet.

Solicitors Irwin Mitchell and Public Law Solicitors acted for the claimants and engaged Doughty Street Chambers as barristers and Adrian Waite of 'AWICS' to act as an expert witness on finance.

In his Judgment Mr Justice Walker declared that Birmingham City Council's budget was unlawful in respect of adult social care. He declared that the Council needed to review the setting of its adult social care budget.

Polly Sweeney, Solicitor at the Birmingham office of Irwin Mitchell who acted on behalf of one of the claimants, a 65 year old lady with severe learning disabilities, said:

*"We are delighted with the court's decision and very relieved. These individuals and families rely heavily on this care and it would have represented a huge backward step if the funding was removed."*

*"This case has national significance. Proposals to cut mandatory duties and tighten eligibility for social care are the major issues in the social care sector. This is about saving front line services for vulnerable and disabled people. It is a very significant outcome and with Birmingham City Council being the United Kingdom's largest local authority; it's very likely that the result will set a precedent for other cases. Other councils up and down the country seeking to target vulnerable groups through cost-cutting drives may be legally challenged."*

Birmingham City Council had launched a consultation exercise as part of city-wide plans aimed at reducing the amount of money it spends on adult social care. The consultation ended on 2nd March 2011 and the plans were approved by the Council at two separate meetings on 1st and 14th March 2011. The Conservative led local authority had proposed the cuts as part of a plan to save £212million across the City. £51million was to have come from adult social care and a substantial part of this was to have come from restricting eligibility for care.

It was thought that up to 5,000 disabled people in Birmingham would have been denied all or part of their social care packages currently provided by the Council under the plans. The case was brought on the grounds that the Council's proposals did not promote equality under the Disability Discrimination Act 1995. It was also argued that the consultation process failed to meet legal requirements in a number of areas – particularly its lack of clarity in relation to which groups would be affected, and what the options for those people who would have their care package removed would be.

A full briefing paper and case analysis is freely available from [here](#).

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*Disabled residents from Birmingham won a landmark legal challenge against the City Council*

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## Judicial Reviews of Adult Social Care

### Isle of Wight Council

In the case of R v Isle of Wight Adrian Waite, Managing Director of AWICS, was asked by Irwin Mitchell to assist as an expert witness by answering certain questions in connection with the case. The Claimant's challenge related to the Local Authorities consultation and decision to restrict eligibility for adult social care to those with 'critical' needs and those with 'substantial needs that place people at greatest risk of not being able to remain at home and be safe' with the intention of making savings from its Adult Social Care budget. The Claimants contended that the consequence of this would be that the needs of the Claimants (in part) and other severely disabled people who fall within the 'substantial' eligibility band would no longer be met.

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*The claimants argued that the local authority had acted unlawfully*

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The case was brought to determine whether the Isle of Wight Council when deciding to restrict eligibility criteria for access to adult social care, had acted in breach of statutory guidance and whether it had also failed to conduct the rigorous analysis and consideration that was required to satisfy the "due regard" duty under the Disability Discrimination Act 1995 s49A.

The claimants were two severely disabled adults.

The local authority had decided that the eligibility criteria for access to adult care services should be changed from 1st April 2011 so that it would continue to meet fully the needs of all people who had been assessed as "critical" while for those who were assessed as having needs defined as substantial" it would only meet those areas of need that placed them at greatest risk of not being able to remain at home and of not being safe.

The claimants argued that the local authority had acted unlawfully by (1) failing to comply with the requirements of the statutory guidance, namely "Prioritising Need in the context of Putting People First: A whole system approach for eligibility for social care", that governed the provision of adult social care; (2) failing to comply with the public sector equality duty in the [Disability Discrimination Act 1995 s.49A](#)

The Court agreed with the claimants and ruled that the Council had acted unlawfully in restricting eligibility for adult social care without proper consultation.

A full briefing paper and analysis of the case is freely available [here](#).

## Upper Norwood Joint Library

An AWICS report commissioned in June 2011 by the Upper Norwood Library Campaign, shows that the Upper Norwood Joint Library is value for money.

The Upper Norwood Joint Library does not form part of any other library service. Although jointly funded by Croydon and Lambeth Borough Councils it is governed as a separate entity with its own management committee.

The Upper Norwood Joint Library pays for every aspect of the provision, operation, support, development and management of its services on a self-contained 'stand alone' and self-supporting basis. The only exceptions are the provision of secretarial services and financial support and advice, together with payroll and payments reconciliation service that are provided on a non-paid for / gratis basis by Croydon Council. These services are valued at just over £20,000 a year.

The catchment area for the Joint Library includes 31,444 Lambeth and Croydon residents (about 19,000 are in Croydon and 12,000 in Lambeth).

AWICS had been commissioned by the Upper Norwood Library Campaign to produce an independent, comparative assessment and analysis of the pro-rata costs and value for money of:

- The separate and independent Upper Norwood Joint Library Authority and
- Those of the conventional library authorities of Lambeth and Croydon Councils

The analysis was on the basis of examining the costs, performance and value for money of two whole library authorities (Lambeth and Croydon) in proportionate comparison with a whole smaller library authority (the Upper Norwood Joint Library).

The analysis used 'neutral' and standard measures of value for money, such as inclusive, average cost per library site, inclusive cost per 1,000 residents served, inclusive cost per library visit and inclusive cost per library issue.

The inclusive aspect of the study meant that all inputs (including overheads, service level agreements, recharges and support service expenditure) were factored into the comparison so that the full costs of providing the (larger) borough library authority services could be compared proportionately to those of providing the separate (smaller) and 'stand-alone' Upper Norwood Joint Library. This was also the case with the evaluation of outputs, performance and value for money.

The report concluded as follows:

***“Based on the information provided to me, the costs and value for money offered by the Upper Norwood Joint Library and the library services of Croydon Borough Council and Lambeth Borough Council are as follows:***

|   | Upper Northwood | Croydon | Lambeth |
|---|-----------------|---------|---------|
| <b>Expenditure per 1,000 population</b> | £14,001         | £26,166 | £28,237 |
| <b>Expenditure per issue</b>            | £3.28           | £6.16   | £9.53   |
| <b>Expenditure per visit</b>            | £2.53           | £4.15   | £6.00   |

***“This analysis suggests that the Upper Norwood Joint Library Authority operates at lower costs and offers better value for money than either Croydon Borough Council or Lambeth Borough Council.”***

A copy of the report can be freely downloaded from [here](#).

The Upper Norwood Library Campaign website is: <http://www.unlc.org.uk/>

## How comfortably are you sitting?

We are operating in very tough and demanding times. The challenges and risks facing organisations across the civil society as we enter 2012 have never been greater and there is little sign of that changing over the next 5 years. Many may struggle for their own survival. There is the increasing pressure on income streams and funding as 'cuts' continue to bite and organisations become rivals in securing money, along with what seems an increasing demand and need for the services being provided across many areas of the sector.

Commissioners are demanding more for less, seeking greater personalisation in services, and looking for more imaginative and holistic service delivery solutions, in order to deliver the socio-economic outcomes and benefits called for, including encouraging greater partnership working. We are facing high levels of youth unemployment, welfare reform, and increasing levels of hardship and community problems. Civil society organisations are coming under greater scrutiny and regulation, and the demands and expectations being placed on both board members (both executives and trustees/non-executives) and all staff are increasing. There are indeed unprecedented times.

But beyond this there are many opportunities for civil society organisations and we must look to organisations becoming more robust. The old order is changing, and now is the time to look to the future - your competitors, your strategy, your priorities, your services, your business model, the way you work, how you make decisions and gain assurance, and make necessary changes to put your organisation on a firm footing for longer term sustainability and success.

What has your Board and the Trustees/non-executives done so far? Have they taken themselves away and really looked towards the future and undertaken some strategic business planning? Have they considered the risks and opportunities, strengths and weaknesses, external influences, competitors, service trends, joint working and sharing of skills and processes? Not to mention sustainability, the financials and future skills needed. The list of issues is a long one, and increasingly boards and trustees need plans to tackle the longer-term as well as the current or next year.

The board (which is ultimately responsible for the overall direction and success of the organisation and ensuring that the organisation is doing the right things, in the right way, at the right time), must continually provide the necessary steers as it moves forward. It must satisfy itself that milestones and targets are being met – in terms of service development and delivery responsibilities, and in managing the business – financials, employee responsibilities, health and safety, regulatory compliance, equality and diversity, disability – another long list.

But what information is the Board getting to help it make decisions? What assurance does it have that the organisation is meeting its responsibilities? Is the right information being provided in the right format, rather than tables of unqualified data each month taking a long time to understand, and where the messages contained may be less than clear? Have you recently reviewed what information you really need to help you understand the organisation's performance and assure you that all is in order? Where there are challenges and risks are you confident that appropriate and timely action is being taken?

The good news is that there are many techniques and tools to help boards address these issues. The essential requirement is that time is made available to think and speak about them openly, and for the board to work together to agree the next steps and actions. And finally to make sure staff are engaged as necessary.

**Grenville Page**  
**Associate Consultant**

## Open Public Services

In January 2011, the Prime Minister, David Cameron, said that he wanted 'one of the greatest achievements of this government to be the complete modernisation of our public services.' At the launch of the Open Public Services white paper in July 2011, he reiterated this vision, arguing that the coalition remains as committed to public service reform 'as it has ever been'.

The Coalition government published its White Paper on Open Public Services in July 2011. Deputy Prime Minister Nick Clegg and Prime Minister David Cameron both stated that there is an overwhelming imperative – an urgent moral purpose – that drives the desire to reform public services within the Coalition. They have also stated that – 'We want to make opportunity more equal'.

The paper comes amid concern that our society is blighted by the persistent failure to extend equal opportunity, dignity and worth to all. Inequalities in access to good schools, decent healthcare, safe places to play, culture, sporting opportunities, good nutrition and so much more leave our society less free, less fair and less united. The Coalition government feel that the forces that restrict opportunity for some inflict an injury on all.

The government believe that the failure to educate every child to the maximum of their abilities is not just a moral failure to accord every person equal worth, it is a piece of economic myopia that leaves us all poorer. It is said that in a world rendered so much more competitive by globalisation, the United Kingdom can no longer afford to leave talents neglected. Every pair of idle hands, every mind left uncultivated, is a burden on all society as well as a weight on the nation's conscience.

The government have stated that as with education, so with housing, healthcare, civic space and sport - chances must be created. Denying fellow citizens fair access to these goods and services weakens the bonds that keep our nation together, infringes the basic dignity of the United Kingdom citizens, and holds United Kingdom back in the global race to excellence.

The government has said that to ensure that every citizen is given the opportunities they deserve; they have already moved to lower taxes for the poorest, reformed welfare and made work pay. The government want economic opportunity to be more widespread than ever before and believe their White Paper will bring this about.

But, they say that these reforms that will help to generate more wealth, and see it spread more fairly, are only part of a continued mission to make opportunity more equal. Public services must be reformed we are told. It is only by tackling the unfairness and inefficiencies that still exist in the public sector that all can 'play fair' the government tells us.

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*the United Kingdom can no  
longer afford to leave  
talents neglected*

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The government tells us that:

*“All of us rely on good public services to lead civilised lives in a cohesive nation. The National Health Service is a universal service, and must always remain so. The promise of care based on need not ability to pay is inviolable. The state of our immediate environment profoundly influences the quality of all our lives”.*

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But while we all have a shared interest in the best possible public services, it is known that the poorer we – or our neighbours – are, the more we rely on the state and its agencies. Those who live in our most disadvantaged communities rely most critically on the National Health Service and need most urgently to see public health improve.

Our poorest children depend most powerfully on high-quality childcare, good pre-school provision and excellent teaching to flourish in later life. Those in our most economically impoverished neighbourhoods rely most on decent provision of sporting facilities, parks and greenery close at hand to lead fuller lives. And unfortunately - at the moment they are often let down, this is something the Coalition government intends to correct in their new plans.

So reform of public services is a key progressive pledge in the Coalition cause. It is clear that the better our public services, the more those most in need will receive the help they need. The Coalition tells us that it is why those who resist reform, put the producer interest before the citizens’ needs, and object to publishing information about how services perform are conspire to keep our society less free, less fair and less united.

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*it is only by publishing data on how public services do their jobs that the government can wrest power out of the hands of highly paid officials and give it back to the people*

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Throughout the White Paper, it is explained just how the reforms proposed give power to those who have been overlooked and underserved. The paper also demonstrates that it is only by publishing data on how public services do their jobs that the government can wrest power out of the hands of highly paid officials and give it back to the people. The reforms we are told will mean that the poorest will be at the front of the queue.

Full briefing paper and analysis is freely available [here](#).

## Draft National Planning Policy Framework

Ministers would like to reduce England's planning law from a 1,000 page rule book to just 52 in an effort to promote 'sustainable development' including the construction of new housing and the development of businesses. National Parks and Areas of Outstanding Natural Beauty would continue to be protected but there are fears that the policy could lead to uncontrolled development in other green belt and rural areas. The Coalition government has in its new National Planning Policy Framework stated that for the planning system to work properly and fairly, it is important for there to be national policies with community interest at heart.

In the Coalition Agreement, the Government committed to turning the many existing planning documents into a clearer, simpler, more coherent framework, easier to understand and easier to put in practice. Strict rules compelling house builders to include affordable homes in private developments will be scrapped under the government's controversial changes to the planning system. This has raised questions about the proposals that ministers claim are vital for tackling the housing crisis. They have also been criticised by conservation groups that fear they will lead to an increase in building on Greenfield sites.

The National Planning Policy Framework removes a threshold under what are known as section 106 agreements, requiring that private developments of 15 properties or more contain an element of affordable housing. It also abandons stipulations that councils set a target for the number of affordable properties they intend to be built in their area and, on larger sites, to establish the proportion of private and affordable housing needed.

Instead, the new framework says only that planning authorities should "use an evidence base to ensure that their local plan (in which a local authority sets out its housing strategy) meets the full requirements for market and affordable housing in the housing market area".

In July 2011, the Coalition Government launched for consultation the draft National Planning Policy Framework. The new framework is said to streamline national planning policy into a consolidated set of priorities to consider when planning for and deciding on new development. It is intended that these important principles will help communities enjoy a better quality of life, both now and in the future.

The draft Framework sets national priorities and rules only where it is necessary to do so. It will look to help ensure that planning decisions reflect genuine national objectives -such as the need to safeguard the natural environment, combat climate change, and to support sustainable local growth - while allowing for local authorities and communities to produce their own plans, reflecting the distinctive needs and priorities of different parts of the country.

The media summary of the draft Framework states that:

***"The principle of sustainable development permeates the draft of the new Framework; that the actions we take to meet our needs today must not compromise the ability of future generations to meet their own. And that planning decisions should not only protect, but, wherever possible, enhance biodiversity and improve people's access to our natural heritage"***

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The final National Planning policy framework was published in March 2012.

Full briefing paper and analysis is freely available [here](#).

## AWICS representations to Eden DC on Economic Development

In October 2011 Eden District Council consulted with local businesses as part of a scrutiny review of the economic development service. What follows is a summary of the AWICS response to the consultation:

“Discussions about economic development in and with local authorities often tends to focus on the Council’s budget for economic development and what services and grants the Council can afford to give. However, in my view the economic development function should be more about facilitating and enabling both internally and externally.

“Internally this involves asking what contribution each of the Council’s functions can make to economic development – being an in-house champion of economic development.

“Externally, this means networking with public, private and voluntary organisations to benefit the local economy. As was said in the meeting there is a perception that Eden District Council and Appleby Town Council both consider that Appleby should become an entirely residential town with no commercial, economic or business functions. This perception has been strengthened by the inaction and silence of both authorities when Appleby lost its major tourist attraction (Appleby Castle) and its major employer (WA Developments). If Eden District Council really wants Appleby to have a vibrant economy they need to be clearer and bolder in seeking to achieve this.

“The economic issues facing the Eden Valley are well documented. While the area is perceived to be generally prosperous and has a relatively low level of unemployment; incomes are relatively low, economic growth is slow, and there is an overdependence on agriculture and tourism that leads to a large proportion of jobs being part-time, casual, low-paid and even insecure. This leads, amongst other things, to housing being less affordable to most people than in most parts of Britain. I believe that there is a need to encourage more high-value-added businesses to Eden that could offer high paid, full-time and secure employment. Such businesses are very poorly represented at present.

“There is an argument that the Council would provide more effective support for local businesses by giving them custom rather than by giving grants! Then there is the question of how all the Council’s services can support the local economy. Examples could include:

- Can the benefits service increase the take-up of housing and council tax benefits (or for that matter benefits that are not administered by the Council) thus putting more money into the local economy especially in the more deprived areas?
- Can the environmental services create an environment that will attract tourists to the area?
- Can the cultural and leisure services help to attract tourists to the area?

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*Eden District Council really wants Appleby to have a vibrant economy they need to be clearer and bolder in seeking to achieve this*

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- Can the planning service facilitate economic development? I know that highway maintenance is a county service. However, the failure of the County Council to keep main access roads between villages and Appleby and the A66 open during bad weather has a damaging effect on local businesses that exceeds what the cost of the winter maintenance would be. Perhaps Eden District Council should use its influence here.

“Appleby Tourist Information Centre was discussed at length in the meeting. This is clearly an important resource in the town that provides benefits to the local economy and community. It appears that a combination of good commercial management and local political support is required

“The Council is better placed than any other organisation to act as a facilitator and enabler bringing together public, private and voluntary bodies to achieve things for communities.

“Areas where the Council could act were discussed in the meeting. For example, Appleby’s tourist potential is inhibited by a lack of things for tourists to do in the town – especially since the closure of the Castle to the public. I am aware of the ‘Appleby Shire Hall Options appraisal’ that was carried out in 2003 (a copy of which is on my desk) and am unconvinced that this correctly identified the costs and potential of a museum or heritage centre in the town. There is probably a role for the Council in bringing together its own museum and tourism services with private businesses that are involved in culture and tourism and voluntary bodies such as the Appleby in Westmorland Society to see how progress could be made.

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*Eden District Council has often stated that developing more affordable housing is an important priority*

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“Eden District Council has often stated that developing more affordable housing is an important priority and its role is clearly to act as the facilitator and enabler rather than the deliverer. This is also an important objective from the point of view of economic development as construction work makes an important contribution to the local economy. However, actual construction, especially of affordable housing, has consistently fallen short of the Council’s targets. I am aware that the Scrutiny Committee is looking at housing as a separate issue.

“As I said above, I believe that there is a need to encourage more high-value-added businesses to Eden that could offer high paid, full-time and secure employment. The quality of the environment should encourage such businesses but there is a need to improve the infrastructure (including broadband and office premises) and to do some ‘marketing’ aimed at encouraging such businesses to be formed or relocated in Eden. Finding appropriate office accommodation is difficult in the Heart of Eden and Upper Eden areas. Perhaps the Council should address this in its planning policies and in reviving the service of providing a database of available office and other commercial premises. Improved public transport, including an evening service on the Leeds-Carlisle railway should also be helpful.”

The full submission is freely available [here](#).

**Adrian Waite**  
**October 2011**

## Seminar - All You Want to Know about Local Authority Finance

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**London:** Novotel Hotel, Waterloo – 4th July 2012

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