

Public Services News

June 2018



The Moot Hall in Appleby has been used continuously as a local authority meeting place since the sixteenth century. It is due to be repaired as a Heritage Action Zone project.

Contents:

Local Government Finance	1
Local Authority Budgets in Cumbria	4
Public Services and 'Brexit'	6
Heritage Lottery Fund – Strategic Funding Framework 2019-24	7
Heritage Action Zones	9
National Planning Policy Framework	9
Budget 2017 – The Implications for Public Services	10
Scottish Budget 2018/19 – The Implications for Public Services	11
Social Care and Supporting People in Wales	13
General Data Protection Regulations	14
AWICS surveys, Editorial Note	15
Developments in Local Authority Housing Finance	16
Other Seminars, About AWICS	17
Advertisement – Infobase Cymru	18

Local Government Finance

The finances of local government in England continue to cause concern, especially around the funding of adult social care and children's services.

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FlntLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

The 'Local Government Chronicle' has recently reported on a peer review of Somerset County Council by the Local Government Association. The review found that the Council is forecast to over-spend by £14.5million in its children's social care services this year, following over-spends of £4.5million in 2015/16 and £3.7million in 2016/17. General Fund reserves are estimated at £11.3million at the end of 2017/18. The report also found that the Council has succeeded in delivering only 65% of agreed savings over the last two years. The peer review team didn't have to perform any complex mathematical calculations to conclude that:

"If the level of over-spending seen in 2017/18 continues in 2018/19 (the Council) will only have sufficient resources to balance its budget for one more year."

The Chartered Institute of Public Finance & Accountancy publishes a 'Performance Tracker'. It shows that spending on adult social care fell by almost 10% in real terms between 2009/10 and 2014/15 despite the significant increase in need caused mainly by an 18% increase in the population aged over 65. Since then it has increased, funded by the Better Care Fund and the additional £2billion allocated in the March 2017 budget, but expenditure is still 5% below 2009/10 levels in real terms. Real terms expenditure therefore fell by 28% between 2009/10 and 2014/15, and the increases since then have not kept pace with the 4% annual increase in the population aged over 65. The 'Performance Tracker' found some significant regional variations with authorities with higher deprivation levels and larger elderly populations struggling more.

The 'Performance Tracker' also found that from 2009/10 to 2015/16, local authority spending on neighbourhood services has reduced significantly. Expenditure on trading standards fell by 33%, libraries by 31%, food safety by 22% and waste collection by 19%.

Dr. Frances Ryan wrote an interesting piece in the 'New European' recently entitled 'Speeding up the clock on a social care time bomb' in which she said that:

"Experts are warning that the care sector is 'in crisis' due to staff shortages, with low pay, zero-hour contracts, overworked conditions and outsourcing leaving councils and care homes struggling to hire and retain qualified carers. And it is predominantly European migrants who are coming to the rescue. The number of non-British European Union nationals working in the UK's social care system has increased rapidly in recent years, shooting up by more than 40% between 2014 and 2017. In total, European workers make up 7% of a social care workforce of 1.34million... Analysis by the Institute for Public Policy Research shows the UK will need to attract and train an estimated 1.6million health and social care workers up to 2022."

The need to bring health and social care services closer together has long been recognised but progress has always been very slow. I was therefore pleased to hear that health and care services in North Cumbria are to be included in a national pilot scheme to bring the two sectors closer together. This will be based on work that is already being done in Alston where health and care staff work with local communities in 'co-production'. Partners include Cumbria County Council, NHS England, North Cumbria University Hospitals NHS Trust, Cumbria Partnership NHS Foundation Trust and NHS North Cumbria Clinical Commissioning Group. Councillor Peter Thornton (Liberal-Democrat), Cabinet Member for Health and Care at Cumbria County Council, told the 'Cumberland & Westmorland Herald' that:

"We are all working towards a health and care system which is easy to use and based around keeping people in good health rather than just fixing things when they go wrong."

The 'Local Government Chronicle' reports that since 2010 there has been a 5% increase in the number of central government employees and a 26% reduction in the number of local government employees; and that during the last two years there has been a reduction of 9% in the number of local government staff and an 18% increase in the number of staff at the Ministry of Housing, Communities & Local Government. Nick Golding, the Editor of the 'Local Government Chronicle' writes that:

"Whitehall departments have been given an excuse note allowing them to bunk off austerity."

Lord Gary Porter (Conservative), the Leader of the Local Government Association and of South Holland District Council is quoted as saying that:

"From the taxpayers' point of view, local government staff add value to the lives of the people we work for. I would be interested to see if someone would like to say the same thing about central government staff... Worse than double standards... Rolling back the state obviously doesn't mean that."

The local government funding settlement (announced in December 2017 by the Department for Housing, Communities & Local Government), included provision for councils to increase their Council Tax without holding a referendum, by up to 3% in 2018. However, this measure only allows councils to increase Council Tax in line with inflation and the Local Government Association has calculated that it still leaves a £5.8billion 'black hole' in local authority finances. The County Councils' Network has calculated that the additional Council Tax would only raise an extra £105million for County Councils over the next two years.

The Institute for Fiscal Studies has published an interesting report entitled: 'Spending Needs, Tax Revenue Capacity and the Business Rates Retention Scheme' that considers the government's proposals to allow local authorities in England to retain all the proceeds of business rates. It concludes that if 100% retention were applied generally councils that saw the highest increases in revenues would not necessarily be those with the greatest increase in their relative spending needs, and that the scheme:

"Risks growing divergences between the funding available to different councils... This implies that central and local government face a difficult trade off when moving to 75% or 100% rates retention... More frequent and fuller periodic redistributions of revenues could limit the scale of funding divergences... But they would also dampen the incentives for councils to grow revenues and tackle spending needs."

In other words, business rates retention is likely to result in a redistribution of resources away from poorer areas and towards richer areas.

The news that Northamptonshire County Council is in financial difficulties and has issued a section 114 notice hit the headlines in February 2018. However, they are not alone in facing financial difficulties with Rob Whiteman, Chief Executive of the Chartered Institute of Public Finance & Accountancy warning in the 'Local Government Chronicle' that another half dozen councils could follow:

"What you see at the more alarming end of the spectrum is councils that have already used up their reserves and are not delivering savings to prevent the need in later years."

It appears that a combination of 'austerity' and 'financial mismanagement' is responsible.

All local authorities are facing challenges in delivering services at a time when needs are increasing, and funding is being reduced by central government. It is to be hoped that the Treasury will provide an appropriate level of funding to local government following the 'Fair Funding Review' that is now in progress and the Comprehensive Spending Review that will be completed next year. In the meantime, the Local Government Association's peer review scheme is providing Councils with valuable support.

Local Authority Budgets in Cumbria

Cumbria County Council went out to consultation on its draft budget for 2018/19. The deadline for responses was 8th January 2018. As I live in Cumbria I wrote a response. I also prepared a web page that looks at the budget consultation.

The principal points that I made in my response were as follows:

- The financial management of Adult Social Care should be reviewed as it is likely that the potential for savings may have been exhausted. There is a need to ensure that the Adult Social care services that the Council provides are protected as much as possible.
- The financial management of Children's services should be reviewed as it is likely that the potential for savings may have been exhausted. There is a need to ensure that the Children's services that the Council provides are protected as much as possible.
- It is possible that the Council's central budgets contain what accountants call 'padding', 'budget slack' or 'over budgeting'. There may be a missed opportunity to allocate resources to front-line services I therefore suggested that central budgets are reviewed to ensure that they are set at an appropriate level in future.
- The timeliness of budget monitoring reports should be considered including the possibility of making reports within a month of the quarter end so that if any decisions are required they can be taken promptly.
- It is stated that a programme of service reviews will be planned on a rolling basis throughout the Council and this would appear to me to be a good approach. This approach was adopted successfully by Impact Housing Association when I was Chair. I suggested that the approach to this should be to focus all resources on delivery of services to service-users, to adopt a 'bottom-up' rather than a 'top-down' approach and to reduce layers of management.
- It may be worthwhile considering whether it would be appropriate to make further reductions in earmarked reserves in 2018/19.
- Aspects of the Capital Programme that should be reviewed include project management, government grants and other contributions, prudential borrowing, capital receipts and asset management.
- Aspects of Risk Management that should be considered include inflation and Treasury Management.
- Following the announcement of the Local Government Finance settlement for 2018/19 in December 2017, the Council should take advantage of the opportunity to increase Council Tax by 3% rather than 2% without holding a referendum.
- The Council should also consider holding a referendum on the option of increasing Council Tax to the level that would be required to fund Adult Social Care, Children's services and other services adequately. I said that I would vote in favour of such a proposal.
- The Council has received adverse local government finance settlements in recent years and it is therefore important that the Council engages fully with the Fair Funding Review when appropriate to ensure that its outcome is at best beneficial for the Council and at worst no more adverse than the current position.

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FlntLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

- The Council should prioritise the devolution issue and should aspire to the level of devolution that has been achieved by the Scottish Government, as this is the most comprehensive model of devolution that has yet to be achieved in the United Kingdom.

To view the web page, please click here: <https://awics.co.uk/cumbria-county-council-budget-consultation-2018>

To view or download a copy of my submission, please click here: https://awics.co.uk/files/module_document_pdfs/cumbria_county_council_budget_consultation_2018-19_-_response_of_adrian_waite_awics.pdf

After my response went online I was contacted by Cumbria County Councillors whose comments included:

- Thank you, Adrian, that is most helpful
- Thanks, some good points here especially on Adult Social Care

I also responded to Eden District Council's public consultation on its budget for 2018/19.

My analysis showed that the Council did not appear to have taken every opportunity that it could have done to pursue its stated objectives; that the Council was being insufficiently ambitious in this budget and that there appeared to be scope to improve financial management. I suggested that the Council consider:

- A more significant capital programme to address especially the economic development and housing objectives that it has identified, funded through surplus reserves, prudential borrowing and more effective asset management; and perhaps delivered through 'Heart of Cumbria'.
- Providing greater clarity and transparency about the objectives and activities of 'Heart of Cumbria' (the Council's arms' length housing and development company).
- Improvements to the project management of the capital programme.
- Approving revenue budgets that do not contain 'budget slack', that aim to reduce reserves to an appropriate level and that focus resources on direct services.
- Increasing Council Tax by 3% in 2018/19.

My response was acknowledged by Robin Hooper, the Chief Executive of Eden District Council, who e-mailed me to say:

"Thank you for your response to the budget which as always is interesting to read, and I know members will appreciate the opportunity to consider its content."

My web page that considers the budget can be viewed here: <https://awics.co.uk/eden-district-council-budget-consultation-2018-19>

A copy of my response can be viewed or downloaded from here: https://awics.co.uk/files/module_document_pdfs/eden_district_council_budget_consultation_2018-19_-_adrian_waite_awics.pdf

I received a response from Clive Howey, the Director of Finance at Eden District Council. A copy of this can be viewed or downloaded from here: https://awics.co.uk/files/module_document_pdfs/letter_from_clive_howey_of_eden_dc.pdf

Public Services and 'Brexit'

While 'Brexit' is very much in the news, its implications for public services are rarely covered. However, in this month's 'Public Finance' magazine it is reported that:

"The public sector looks less than combat ready for what may be coming down the tracks. Senior council finance officers say they are worried about the budgetary implications of Brexit. Recent surveys indicate two thirds feel 'pessimistic' about its impact on local financial sustainability, notably in some heavily Brexit-supporting areas such as the Northeast."

According to the government's own analysis, a standard free trade agreement with the European Union could cost the exchequer up to £60 billion a year. This would obviously have implications for public budgets. There are also concerns about recruitment of staff if the free movement of labour comes to an end, and whether the existing European Union programmes of regional aid will be replaced with adequate United Kingdom programmes.

And Rob Whiteman, Chief Executive of the Chartered Institute of Public Finance & Accountancy, has said that:

"We have a government that is obviously very tied up in Brexit... As a result, local government is in an uncertain place for the next ten years."

The May edition of 'Public Finance' identifies the threat that Britain leaving the European Union poses for health and social care services as European Union citizens begin to leave the United Kingdom. 62,000 of the National Health Service workforce in England are from other European Union countries (5.6% of the total) and 95,000 of the social care workforce in England are from other European Union countries (7% of the total). According to the Nursing & Midwifery Council, a survey of people who left the register during 2017 showed that 47% of people from the European Economic Area cited 'Brexit' as the reason for leaving. Education services are even more dependent on workers from other European Union countries who comprise 149,000 (5.9%) of the education workforce and 25,000 (15%) of the university workforce. Julia Goldsworthy, Chair of the Brexit Advisory Commission was quoted as saying that:

"Even though we haven't yet left the European Union, there has already been a negative impact upon the health and social care workforce."

David Miliband, the former Labour Foreign Secretary wrote an interesting article in the 'New European' about 'Brexit' in January 2018. In it, he makes a few points that are relevant to public services as follows:

"In the European Union, we... assure for employees their rights at work and for the environment, protection from damage... Outside the European Union... the pressure will be to diminish social, environmental and consumer protection... The pressure is to lower taxes and cut regulation, not tackle inequality."

"Britain's capacity to fund removal of the 'bedroom tax', never mind restore its public services and provide an alternative to austerity, depends on a social and economic model that 'Brexit' fundamentally undermines... International co-operation is core to the protection of social and environmental standards."

"The single market and the customs union... are indeed bulwarks against a race to the bottom. Freedom from their constraints will not be freedom to boost social and environmental standards. It will be licence to import chlorinated chicken and reduce employee rights."

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FlntLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

Heritage Lottery Fund – Strategic Funding Framework 2019-24

The Heritage Lottery Fund is developing their Strategic Funding Framework 2019-2024 and, as part of this, held a consultation event with stakeholders at Carlisle on 13th February 2018 that I attended.

In early 2019 the Heritage Lottery Fund will begin a new, five-year Strategic Funding Framework that sets out how they will distribute National Lottery good causes money to the heritage sector.

The United Kingdom Government has recently published its Tailored Review of the Heritage Lottery Fund's performance and the Mendoza Review of Museums in England. Both recommend new ways of working, including simplifying the grant giving processes and operating even more efficiently, getting the most value from National Lottery funding.

As the Heritage Lottery Fund plans these changes and adapts to a reduction in their National Lottery income, the Board has agreed that the next financial year 2018/19 – when they expect to distribute a substantial budget of £190million - should be a transitional year, with some changes to their grant making. This is intended to help them to rebase themselves to ensure that income, commitments and resources are aligned.

The Heritage Lottery Fund is also taking the opportunity to simplify the complexity of the grant programmes ahead of the new Strategic Funding Framework. The following changes to grant-making will take immediate effect (and run until the new funding framework opens in January 2019):

- There will be no new rounds of targeted programmes (i.e. Landscape Partnerships, Parks for People or Townscape Heritage) in 2018.
- They will still be funding landscapes, parks and historic town centres in 2018, accepting grant applications via the open programmes, including Our Heritage and Heritage Grants.
- They will fund Heritage Grants over £5million (major grants) in 2018, with decisions planned in April 2018 as usual (based on applications already submitted).
- They will not fund new 'major grants' (Heritage Grants over £5million) in 2019, so there will be no application deadline in 2018.
- During the final quarter of the financial year - January to March 2019 - they will only be making Round Two awards; and Round One grants of up to £100,000. This will give time to prepare applications under the new Strategic Funding Framework arrangements.

The Heritage Lottery Fund is also planning new strategic funding to support innovation and new ways of working. They expect these initiatives to include a strong focus on urban parks and landscapes, with further details to follow in the Spring.

Applications under the new Framework will be open from January 2019.

As well as reducing the complexity of the funding offer, this transition period will allow them to manage a lower budget that they anticipate being in the region of £190million, considering reduced National Lottery income and the need to align grant commitments with reserves. With continued strong demand for funding, they will be looking for best quality and applicants should expect competition for grants at every stage of the grant application process. They are optimistic that Camelot's recent strategic review that includes many far-reaching proposals – will ensure the National Lottery is in good health for many years to come.

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FlntLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

Despite financial pressures, the Heritage Lottery Fund still wants to support a broad range of heritage across the whole of the United Kingdom. To help achieve this, they intend to increase the proportion of the budget that goes to smaller grants that are awarded by locally based teams and committees. They envisage that around 80% of their awards will continue to be decided locally.

While National Lottery income is lower, they have developed a balance that they consider protects their existing investment as well as providing the opportunity for fresh investment to come on stream in the next few years.

The Heritage Lottery Fund is planning their strategic funding framework for National Lottery funding for 2019-2024. Last year they started by talking to National Lottery players. Through a series of workshops across the United Kingdom they looked at what the participants valued as heritage, how heritage projects might improve their communities, and what their priorities would be for how Heritage Lottery Fund funds projects.

This year they have had conversations and workshop sessions with a range of stakeholders - people from a range of sectors who work with heritage. They have been asking what people see as the main opportunities for heritage over the next few years and how the Heritage Lottery Fund can best support them to achieve their ambitions.

Workshops with these stakeholders also informed the Tailored Review, along with other Government reviews announced in the 2016 Culture White Paper: the museums review and the churches sustainability review.

These findings have helped them to frame their approach to consultation in 2018. They are now consulting on how they should use National Lottery Good Causes income for the period from 2019 to 2024 and what their priorities should be across the United Kingdom.

At the Heritage Lottery Fund (Northwest) consultation meeting on their Strategic Funding Framework 2019-2024 there appeared to be consensus that heritage is important in creating a sense of 'place' that is important in 'well-being' and economic development. This was certainly the view that we took at Copeland Borough Council when I was Finance Director and then Strategic Director in the 1990s during which time we improved the historic harbour and town centre of Whitehaven and built the Beacon Heritage Centre.

The discussion on 'outcomes' struck a chord with work that I have done with housing associations in 'shaping places'. Many housing associations have found that building new homes and improving homes to the 'decent homes standard' are only part of what is required to promote 'well-being' in a community and have therefore engaged with 'place shaping' – working with other agencies to promote 'well-being'. Similarly, heritage projects such as preserving historic buildings, archaeological investigations and heritage projects could also be activities that are part of broader initiatives involving partnership with other agencies.

During the discussion on 'priorities for people' I was surprised that no one mentioned the potential of using the Internet and social networking. When I raised this, it became apparent that the organisations represented in the group made very little use of the Internet or social networking. I would have thought that the scope for the Heritage Lottery Fund and heritage organisations generally to use the Internet and social media was considerable, especially in engaging with people in younger age groups.

I have written a briefing paper that summarises the proposals for the new Strategic Funding Framework and the discussion that took place at the consultation event and that provides some commentary. A copy can be viewed or downloaded from: https://awics.co.uk/files/module_document_pdfs/heritage_lottery_fund_strategic_funding_framework_-_briefing_paper.pdf

Heritage Action Zones

In March, I became a member of the Appleby Heritage Action Zone committee. This is made up of local people with an interest in heritage. The conservation area in Appleby has been chosen as one of the country's first Heritage Action Zones - the only one in Northwest England. Historic England is the driving force behind this nationwide initiative, that will breathe new life into areas that are rich in uncelebrated heritage. The objective is to use heritage to improve well-being and generate economic development. Other heritage action zones are in Coventry, Elsecar, Hull, King's Lynn, Nottingham, Ramsgate, Sunderland, Sutton and Weston-Super-Mare.

Through the Heritage Action Zone initiative, Historic England is working to unleash the power in England's historic environment to create economic growth and improve quality of life in villages, towns and cities. Working with local people and partners, including local authorities, Historic England is helping to breathe new life into old places that are rich in heritage and full of promise - unlocking their potential and making them more attractive to residents, businesses, tourists and investors. They are doing this through joint-working, grant funding and sharing their skills.

Historic buildings that have deteriorated through decades of neglect will be restored and put back into use; conservation areas improved to kick-start regeneration and renewal; and unsung places will be recognised and celebrated for their unique character and heritage, helping instil a sense of local pride wherever there's a Heritage Action Zone.

The Appleby Heritage Action Zone is being managed by Eden District Council. Its focus is on boosting tourism to help to grow the local economy. This includes regenerating some key buildings in the town, and providing and enhancing things for visitors to see and do. It also covers the management of Appleby's historic environment to ensure it is best maintained for future generations. Projects include grants for heritage at risk, planning and managing, boosting tourism, community engagement and listing.

Further information can be found on the Historic England website at <https://historicengland.org.uk/services-skills/heritage-action-zones/appleby/>

National Planning Policy Framework

Theresa May, the Prime Minister, used the opportunity of a speech to the National Planning Conference in March 2018 to announce that the National Planning Policy Framework will be overhauled. She recognises that insufficient new homes are being built in England and has concluded that this is principally because of delays in the planning system.

The main announcements were that:

- 10% of homes on major sites will be available for affordable home ownership
- Builders will be more open about affordable housing commitments at planning stage

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FlntLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

- Councils will have to adopt a new nationwide standard showing housing need in their areas
- Infrastructure needs will be considered at pre-planning stage
- Councils will consider revoking planning permission after two years if building has not started
- Ancient Woodland and aged trees will get specific protection

A separate review, due to be concluded later this year, will look at creating a new automatic right for homeowners to extend upwards and to make it easier to develop agricultural land for housing.

The Local Government Association has said it is wrong to blame local authorities as they were approving nine out of ten proposed developments and yet more than 420,000 homes with permission were still waiting to be built. Lord Gary Porter (Conservative), Leader of the Local Government Association and Leader of South Holland District Council, said that:

"No-one can live in a planning permission... Developers need to get on with building affordable homes with the needed infrastructure and councils need greater powers to act where house-building has stalled."

The Ministry for Housing, Communities & Local Government, launched its consultation on the National Planning Policy Framework following the announcement. I have been contacted by Keith Mitchell, who is the Housing Enabling & Strategy Officer at South Norfolk District Council, who writes as follows:

"As I interpret the draft wording, Annex 2, Glossary, Affordable Housing, para d (page 62) says that shared ownership will no longer be affordable in perpetuity or have a recycling obligation unless there is public grant funding. As there is no public subsidy is S106 homes, the subsidy value provided through the S106 agreement will be lost when staircasing occurs. Correct? If so, a clear matter for consultees to raise."

The consultation paper can be viewed or downloaded from here: https://awics.co.uk/files/module_document_pdfs/nppf_consultation.pdf

Budget 2017 – The Implications for Public Services

Philip Hammond, the Chancellor of the Exchequer, unveiled his latest budget on Wednesday 22nd November 2017.

The underlying position of the United Kingdom economy is weak. This leaves the Chancellor wanting to increase expenditure to stimulate demand at a time when public debt is high, there is already a deficit, productivity is low, 'Brexit' is causing 'uncertainty' and projected growth in revenues is low.

As expected, housing was the focus of the budget with an additional £44billion for housing investment being announced. However, few details were announced and the objective of building 300,000 new homes a year has been deferred until the 2020s. Furthermore, with increasing constraints on the ability of the private sector to deliver new homes it is possible that increased funding for home ownership schemes will simply inflate house prices further.

There is also a limited scheme under which councils can apply to have the 'borrowing cap' raised to enable borrowing to fund new build that starts in 2019/20.

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FlntLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

Some additional resources were made available for welfare with £1.5billion allocated to addressing some of the problems that have been identified with Universal Credit. However, no plans were announced to relax the 'benefits freeze' despite the increase in inflation.

The additional funding for the National Health Service is modest and falls short of the amount that has been requested by National Health Service managers.

The Budget Report identifies the fiscal implications as follows:

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Total spending policy decisions	-150	-4,460	-7,190	-3,625	-1,450	-1,105
Total tax policy decisions	-80	-1,585	-2,725	+310	-1,510	-1,415
Total policy decisions	-230	-6,045	-9,915	-3,315	-2,960	-2,520

Public expenditure is budgeted to increase from £795billion in 2017/18 to £809billion in 2018/19, £827billion in 2019/20, £850billion in 2020/21, £872billion in 2021/22 and £897billion in 2022/23.

This is clearly a reflationary budget with increases in expenditure and reductions in taxation putting an additional £6.0billion into the economy in 2018/19 and £9.9billion in 2019/20; and with public expenditure budgeted to increase year on year. However, despite this the budgets of the Department for Communities & Local Government for both local government and housing services are being reduced year on year.

Detailed information about the budget is available on the government's website at: <https://www.gov.uk/government/topical-events/autumn-budget-2017>

Phillip Hammond delivered his spring statement in the House of Commons in March 2018. Its main implications for public services appear to be:

- There 'may be' an increase in public expenditure in the autumn budget, especially on the National Health Service
- Revaluation of business rates is to be brought forward to 2021
- There will be an additional £1.7billion to deliver 26,000 affordable homes in London

I have written a briefing paper that summarises the budget with reference to its implications for public services and that provides some commentary. A copy can be viewed or downloaded from: https://awics.co.uk/files/module_document_pdfs/budget_2017_-_the_implications_for_public_services_-_briefing_paper.pdf

Scottish Budget 2018/19 – The Implications for Public Services

The Scottish Government's Budget for 2018/19 was announced by Derek Mackay, Finance Secretary in December 2017. It included proposals to:

- Increase spending on the National Health Service by over £400million - £200million more than inflation.
- Provide £120million - over and above core education funding - direct to head teachers to help ensure all young people can fulfil their potential
- Lift the 1% public sector pay cap and provide for up to a 3% pay rise for National Health Service staff, police, teachers and others earning up to £30,000
- Invest £243million towards the expansion of free nursery education and childcare
- Protect funding for Police and Fire services including retaining VAT refunds in full
- Deliver a local government finance settlement worth more than £10.5billion

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
 Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FlntLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

- Contribute £756million towards investment of more than £3billion by 2021 to deliver 50,000 affordable homes
- Allocate over £4billion of funding for infrastructure
- Deliver £600million to ensure every home and business will have access to superfast broadband by 2021
- Deliver the first £70million of a new £150million Building Scotland Fund
- Set aside £340million for initial capitalisation of the Scottish National Investment Bank
- Invest nearly £2.4billion in colleges, universities, enterprise and skills bodies – including a real term increase for both college and Higher Education budgets

In introducing the budget, Derek Mackay said that:

“This is a budget for a stronger economy and a fairer society, with increased funding for the National Health Service and protection for low and middle income earners.

“We are investing in our public services and supporting business to develop and thrive. This budget mitigates against the United Kingdom Government’s cuts to our block grant.

“It delivers an additional £400million to the health service, it invests in expanding childcare, delivering broadband, building 50,000 new homes and supporting our police and fire services.

“It provides the investment we need to meet the challenges and seize the opportunities of tomorrow.”

This year, the announcement of the Scottish budget has been put back until three weeks after the United Kingdom budget that was announced on 22nd November 2017. Welcoming the recommendations of the Budget Process Review Group before announcing the budget, Derek Mackay agreed that publishing the Scottish Budget prior to the United Kingdom Budget would have been ‘counter-productive’ due to the levels of economic and fiscal uncertainty. Derek Mackay has therefore secured agreement that the Scottish Budget be published three working weeks after the Chancellor delivers the United Kingdom Autumn Budget. Derek Mackay said that:

“The Budget Process Review Group has been a positive example of Parliament, Government and Civic Scotland working together in the interests of the people of Scotland, and I welcome the recommendations they’ve put forward. The report confirms it would be counter-productive to publish the Scottish Budget ahead of the United Kingdom Autumn Budget, due to the impact that it may have on Scotland’s public finances. (So) I have written to Finance Committee to agree a timetable for our 2018/19 Draft Budget and begin implementing the review group recommendations. I propose setting out our Budget plans on 14 December – three weeks after the Chancellor is due to deliver the Autumn Budget – which is in keeping with previous years.

“I look forward to working with the Finance Committee and the wider Parliament as we seek to secure a Budget that will deliver for all of Scotland.”

In keeping with last year’s process, the Budget Bill timetable has been amended to provide additional time for Parliament to scrutinise the budget proposals. Derek Mackay MSP said that this demonstrates good governance and partnership working.

This Scottish Budget is significant for several reasons:

- It is part of an evolving budgetary process that has seen the date of the budget shifted this year and that will see the introduction of a new annual budgetary process for 2019/20.

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FInstLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

- It is the first time that the Scottish Government has used its tax varying powers and it has used them to introduce a more progressive system of direct taxation and to increase its revenue.
- The use of tax varying powers has created a direct link for the first time between the tax that people pay and the expenditure of the Scottish Government.
- While the Scottish Government has 'headlined' its intention to protect National Health Service budgets, in practice the increased provision for the National Health Service may prove to be modest when compared with increased needs and service pressures.
- Increases in funding for Local Government are below the level of inflation giving rise to concern that local authorities may not be able to continue to deliver and protect good quality local government services.
- Increases in funding for housing are significant.
- Increases in funding for welfare are significant in relation to existing budgets but not in relation to the total amount claimed in Scotland.

Details are available on the Scottish Government's website at: <https://beta.gov.scot/budget/>

An interesting article by Peter Hetherington about the Scottish Government appeared in 'The New European' in March 2018. In it, he writes that:

"Scotland is refashioning state provision in the UK. Already it provides free personal home care for the elderly alongside free NHS prescriptions for all. With local councils and housing associations, it has begun building 30,000 social homes over a five-year period and, unlike England, it has abolished the sale of council houses to tenants. Its... government has pledged to lift the public sector pay cap. And all that is before the impact of a modest income tax rise for the better off is factored in to fill a gap left by a falling block grant from Westminster."

The increasing divergence between public policy in England, Northern Ireland, Scotland and Wales is interesting to follow.

I have written a briefing paper that summarises the implications for public services in Scotland of the budget and the response of the sector and to provide some commentary. A copy can be viewed or downloaded from: https://awics.co.uk/files/module_document_pdfs/scottish_budget_2018-19_-_the_implications_for_public_services_-_briefing_paper.pdf

Social Care and Supporting People in Wales

The Welsh Government is continuing to invest in and prioritise social care in Wales, according to Huw Irranca-Davies, the Welsh Minister for Children, Older People and Social Care. Speaking at the British Association of Social Workers' National Conference and Annual General Meeting in Cardiff in June 2018, the Minister said that the Welsh Government's vision for the future is that of an integrated health and social care system that provides seamless services for those who need them. Earlier in the month, the Welsh Government unveiled 'A Healthier Wales, a long-term plan for health and social care in Wales' – that is the first national plan in the United Kingdom that integrates health and social care.

The Minister told the audience of social workers from across the United Kingdom about the four distinctive features of the Welsh Government's approach: continuing investment in social care, prioritising prevention, developing and supporting the social care workforce and co-production with service users.

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FlntLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

He said that:

“In Wales, we have prioritised social care as a sector of national importance and despite significant cuts to the Welsh Government’s Budget, we have continued to invest in social services. This is in stark contrast to the situation in England, where we know social services have suffered due to large cuts in funding over the last six years. However, whilst additional funding helps to combat current pressures, sustaining a level of funding to meet the increasing demand for social care remains challenging. I know there are many views about how to address the funding of social care in the long term and raising additional public funds via a social care levy for Wales is one option we will be exploring over the coming months.”

The Minister also set out the Welsh Government’s approach to reforming social care – with the introduction of the Social Services and Well-being Act 2014 and the Regulation and Inspection of Social Care Act 2016. He said that:

“Together these two Acts have radically changed the face of social care, paving the way for a person-centred, outcome focussed approach to the delivery of care and support. One which concentrates on individuals, their families and carers and the outcomes they want to achieve. We took a collaborative approach to the development of this legislation and continue to do so in its implementation. As a result, we are beginning to establish a culture of real improvement. The need for care and support services is growing and there is pressure to do more and to do it differently - that is difficult. Our long-term plan for health and social care was published this week, having been developed through a co-productive process. The plan responds to some of the challenges we face. It sets out a vision for the future based on an integrated health and social care system which provides seamless services for those who need them.”

The Welsh Government is also proposing to introduce an ‘Early Intervention, Prevention and Support Grant’ to replace ‘Supporting People Grant’ and other anti-poverty schemes. However, the proposal has been criticised by a cross-party group of Welsh Assembly members who consider it is confusing and fear it will lead to reduced funding for housing support for vulnerable and elderly people. The Supporting People Grant in Wales is currently a £125million a year ring-fenced scheme.

General Data Protection Regulations

Data protection rules are changing tomorrow with the implementation of the General Data Protection Regulation (GDPR) on 25th May 2018. This gives people more control over how their personal information is used and makes it quicker and easier for them to check and update the information that is held about them. It is a change that I welcome.

We maintain an e-mailing list for updates from our information service. This keeps people up to date with information about our newsletters, briefing papers, training opportunities, publications and much more. Being a member of our information service is free of charge and places users under no obligation. The information that we hold includes names and email addresses. It is used only to provide the information service. We would never pass an email address to a third party without permission.

For further details about our information service please click here: <https://awics.co.uk/aboutus>

If you would like to join or leave our information service, please contact me at Adrian.waite@awics.co.uk

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FlntLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

We have updated our Privacy Policy that describes how we handle personal data. A copy can be viewed or downloaded from here: https://awics.co.uk/files/module_document_pdfs/awics_customer_privacy_policy.pdf

If you have any questions about GDPR or how we use personal data, you can contact me at Adrian.waite@awics.co.uk

AWICS Surveys

At AWICS we value feedback from our clients and from users of our website. This is for two reasons:

- We actively seek feedback from clients so that we can evaluate what we are doing now and use the information to improve our services in future.
- We like to have a dialogue with clients and users of our website so that we can understand their developing needs and provide services to meet them as part of a long-term commercial relationship.

We have therefore developed a series of surveys and questionnaires that can be found at: <http://awics.co.uk/questionnaires-and-feedback>

These include a survey about our seminars. Whether or not you have attended one of our seminars recently, I would be grateful if you could assist us by completing our short survey. It can be found at: <https://form.jotformeu.com/71926426584364>

There is also a similar survey on webinars. Whether or not you have attended one of our webinars recently, I would be grateful if you could assist us by completing our short survey. It can be found at: <https://form.jotformeu.com/73325960384360>

Editorial Note

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

Developments in Local Authority Housing Finance – Seminar

We are holding seminars on ‘Developments in Local Authority Housing Finance’ during July 2018. This seminar looks in depth at current developments in local authority housing finance in England – especially the implications of the policies of the government, the public finances, rent policy, welfare reform including universal credit, issues around the reinvigorated ‘right to buy’, changes to the funding of supported housing including the proposed sheltered housing rent and locally administered budgets for short-term accommodation, the implementation of the homelessness reduction act, the flexible homelessness reduction grant, the affordable housing programme, local housing companies (what they can offer, how to establish them and how to set one up) and new development. If you want to be up to date with the world of local authority housing finance, this is the seminar for you!

The seminar will address the following questions:

- What is the Political, Economic, Social and Technical Context?
- What are the implications for local authority housing finance of the government’s policies on housing and welfare?
- How can councils address the housing crisis by developing new homes?
- How can councils develop effective self-financed business plans?

Who should attend?

All those with an interest in developments in local authority housing finance in England, including Managers in Local Authorities and Arm’s Length Management Organisations, Elected Members, ALMO Board Members, Housing Accountants and Tenant Representatives. The session will assume a basic knowledge of local authority housing finance but will not assume that delegates are experts.

The session is accompanied by a very useful book entitled: **“Developments in Local Authority Housing Finance 2018”**

Prices:

- The cost of this seminar in London is £250 plus VAT making a total of £300. **However, there is a £20 discount for people who book a month or more in advance making the cost £230 plus VAT making a total of £276.**
- The cost of this seminar in Leeds is £195 plus VAT making a total of £239. **However, there is a £20 discount for people who book a month or more in advance making the cost £175 plus VAT making a total of £210.**

Venues and Dates:

- **North:** Novotel Hotel, Leeds – Tuesday 10th July 2018
- **London:** Novotel Hotel, Waterloo – Tuesday 17th July 2018

For further information or to make a booking, please click here: <https://awics.co.uk/developments-in-local-authority-housing-finance-2018>

Other AWICS Seminars:

Our next seminars are as follows:

- All You Want to Know about Service Charges in Social Housing in England.
- All You Want to Know about Local Authority Housing Finance.

Information about all our seminars can be found at: <http://awics.co.uk/seminars-2018>

About 'AWICS'

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

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

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

- Management Consultancy – <https://awics.co.uk/services>
 - Regional Seminars - <http://www.awics.co.uk/seminars2018.asp>
 - In-House Training - <http://www.awics.co.uk/inHouseCourses.asp>
 - Webinars - <http://www.awics.co.uk/webinars.asp>
 - Technical Books - <http://www.awics.co.uk/publications.asp>
 - Information Service - <http://www.awics.co.uk/aboutUs.asp>
-

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FInstLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.

ADVERTISEMENT

InfoBaseCymru

Data for an intelligent Wales

Do you need to find data about Wales? Do you get confused with all the different sources of data out there?

InfobaseCymru brings together statistics for Wales in an easy to use data website for you!

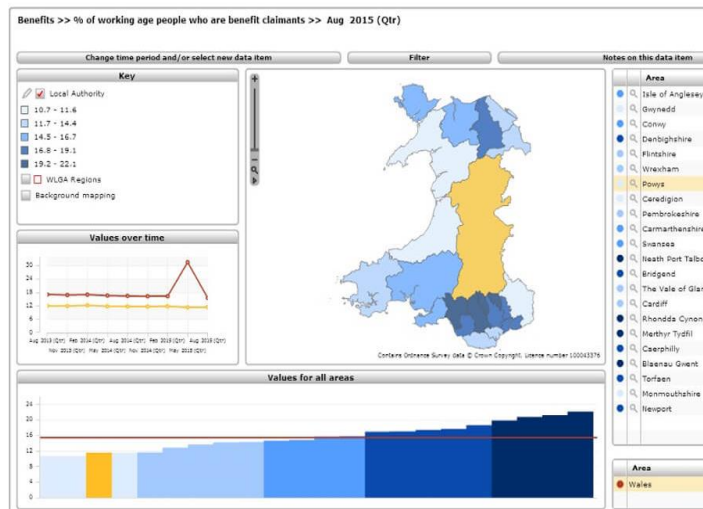
InfoBaseCymru




- is a freely available, national information system displaying publically available data about Wales from local authority level to a local area (lower super output area) level
- provides easy access to a wide range of data for Wales. The data covers a range of themes including: people; employment; business; education; health; housing; environment; transport; and community safety
- presents data in reports, tables and maps which are all easy to export

Extremely useful for providing the data you need for profiling your area, to underpin evidence based policy decisions and for funding bids.

Please contact us and we will do our best to help you find the data you are looking for.

InfoBaseCymru is accessed via the internet for public use, we can provide restricted shared access to specific data sets where necessary.



 www.infobasecymru.net
 InfoBaseCymru@dataunitwales.gov.uk
 @DataUnitWales

IF YOU WOULD LIKE TO PLACE AN ADVERTISEMENT IN THE PUBLIC SERVICES NEWS PLEASE CONTACT Adrian.waite@awics.co.uk

**AWICS Ltd., PO Box 17, Appleby in Westmorland, Cumbria. CA16 6YL. Tel: 017683-51498.
Mobile: 07502-142658. Twitter @AdrianWaite. E-Mail: adrian.waite@awics.co.uk. Web: www.awics.co.uk**

Managing Director: Adrian Waite MA CPFA CIHM FlntLM. Registered office: c/o Butterworths Solicitors, 3 Walker Terrace, Gateshead, Tyne & Wear, NE8 1EB. Company Number: 3713554. VAT Registration Number: 721 9669 13.