Public Services News

August 2016

**The United Kingdom has voted to leave the European Union:
What are the Implications for Public Services?**

Contents:

UK Government abandons budget surplus target

Despite suggesting during the European Union referendum campaign that a vote to leave the European Union would necessitate an emergency budget to reduce expenditure, increase taxation and thereby balance the government's books, George Osborne actually reacted to the vote by announcing that the government will abandon its fiscal rule that requires the public finances to be in surplus by the end of the parliament, saying that he must be 'realistic' about the impact of Brexit.

In a speech in Manchester, the Chancellor said that the referendum result was likely to lead to a 'significant negative shock' for the British economy, and how the country responds to this will determine the impact on people's jobs. He said:

"The Bank of England can support demand… The government must provide fiscal credibility so we will continue to be tough on the deficit but we must be realistic about achieving a surplus by the end of this decade. That's exactly what our fiscal rules are designed for."

A pledge to reach a surplus by the end of the decade is the last of the chancellor's fiscal rules to be abandoned. A target to reduce debt as a proportion of gross domestic product year on year has been missed, as has the cap on welfare spending.

The government had announced plans to make additional savings of £3.5billion by 2019/20 in this year's Budget to ensure that the surplus was met, but the Institute for Fiscal Studies concluded he was only on track thanks to some 'fiddling around' with incomings and outgoings of the public purse.

Reaching and maintaining a surplus in the public finances is part of the Charter for Budget Responsibility that was passed by MPs last October. However, this can be suspended if the Office for Budget Responsibility has judged the economy to be facing abnormal pressures or when gross domestic product growth is below 1%.

Until 2008, the UK government based its finances on the principle that the budget would be balanced in the long-term with deficits at times of recession balanced by surpluses during times of growth. If the UK is to avoid bankruptcy it will need to return to this policy eventually. In 2016/17 the UK government is projecting a deficit of £75billion and that total debt will increase to £1.6trillion. According to the International Spectator, the United Kingdom's external debt as a proportion of Gross Domestic Product is now 267%. This compares with 205% in France and 194% in Greece. Looking forward, UK debt is projected to increase and ultimately so will interest rates.

Last week the Bank of England reduced interest rates to a record low of 0.25% and announced a programme of £70billion of quantitative easing. Apparently, further reductions in interest rates are planned. It is also expected that in the autumn the UK government will introduce a budget that will increase public expenditure and reduce taxation at a time when government revenues are already falling. The government was already projecting at the time of the last budget that the 2016/17 deficit would be £75billion and that total debt would increase to £1.6trillion. This appears to me to be the biggest reflationary package using both fiscal and monetary measures that any UK government has ever introduced and underlines the threat to the economy caused by falling investment, exports (despite the fall in the value of sterling) and consumer demand. Whether this approach will be effective remains to be seen. However, it appears to me that it will not be sustainable in the long-term and certainly does not appear to be 'prudent'.

And it is not only the UK government that is reacting in this way. The Scottish Government has also announced a package that will see capital spending on projects to support and create employment accelerated, starting with an additional £100million of funding in 2016/17. A statement said that the capital funding will be used to speed up delivery of health and other infrastructure projects and that 'projects will be assessed for accelerated funding against a range of criteria including how quickly work can start, the number of jobs that will be supported or created, the likely impact on the supply chain and geographic spread'.

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

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

Looking further back I can remember angry scenes at the Labour Party Conference in 1976 when Denis Healey explained that the then Labour Government had no alternative but to reduce public expenditure because it was a condition of the loans that had been agreed with the International Monetary Fund.

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

Impact of Brexit on Regional Development and Regeneration

Following the vote for Britain to leave the European Union the future of regional development and regeneration programmes has been called into question. These programmes total £5.3billion from 2014 to 2020 and are provided mainly through the European Regional Development Fund and European Social Fund. For example, Cornwall County Council (the largest beneficiary) has been seeking clarification of its position and the potential implications for the West Midlands were highlighted by Mark Rogers, Chief Executive of Birmingham City Council as follows:

"We will lose the European Structural and Investment Funds and transnational funding for programmes such as Horizon 2020 and Interreg and for research in our universities. The West Midlands alone is set to receive €255m of European Structural Investment Fund money in the 2014-20 period."

Interreg is a programme that helps regions of Europe to share knowledge and transfer experience to improve regional policy.

In his speech in Manchester, George Osborne admitted that there was a need to be realistic that the North of England will be affected by any negative shock. However, he said he wanted to reassure businesses and said that the best response would be to redouble efforts with the 'Northern Powerhouse' that includes devolution proposals for councils and combined authorities.

The Local Government Association has therefore been lobbying the government to guarantee that existing regeneration programmes will continue to be funded. In a statement issued a week after the referendum they said that:

"Communities in England have been allocated £5.3billion of European Union regeneration funding up to 2020. It is important for the Government to guarantee it will protect this vital

funding to avoid essential growth-boosting projects stalling and local economies across England being stifled."

The European Union had allocated the funding up to 2020, distributed between the forty Local Enterprise Partnerships across England, but following the vote to leave the European Union the Local Government Association wants the government to confirm the funding will still be delivered.

Cornwall is set to receive the largest European Union funding allocation at £500million. The council recently called on the government to replace the funding it could lose. London, Wales and Northumberland are also significant beneficiaries.

The Local Government Association has already called for councils to be given a seat at the negotiating table when it comes to deciding the terms of the United Kingdom's exit from the European Union. The Local Government Association argues that Councils should be given a say in how to improve services and save money as well as what future devolution deals should look like. Councillor Gary Porter (Conservative), Chair of the Local Government Association, said:

"Now that the British people have voted to part company with the European Union, it is vital that we avoid powers or funding which affect local government getting swallowed up in Whitehall. Over the last year, more powers and funding have been given to local areas. The referendum result and the political uncertainty that has followed must not see that process stall or go backwards.

"Communities also need assurances from the government that they will still receive billions of pounds' worth of European Union funding to create jobs, build infrastructure projects and boost growth. As part of the immediate task to stabilise the national economy, this is essential to avoid the strength of local economies being put at risk."

The Local Government Association also said that:

"There cannot be an assumption that power over these services is simply transferred from Brussels to Westminster… Decades of centralised control over funding and services has distanced our residents from the decisions that affect their everyday lives. With greater control in our areas we can improve services and save money."

The Department for Communities and Local Government said it was 'important to understand that there will be no immediate changes' following the vote and that:

"We must now prepare for a negotiation to exit the European Union that will ensure the interests of all parts of the United Kingdom are protected and advanced."

David Davis MP (Conservative) who supported the 'Brexit' campaign has been appointed Secretary of State for exiting the European Union. He has stated that the £19billion a year the United Kingdom currently pays into the European Union would be available to the United Kingdom to allocate as it wishes once it leaves the European Union, rather than relying on what it currently gets back in grants and funding. He said he was 'more than happy' to work with the Welsh government to ensure that Wales did not lose any funding.

However, I am not confident that central government will be willing to provide the guarantees that local authorities are looking for, for two reasons:

First, while economic regeneration is central to the objectives of the European Union it has never been considered so important by the UK government. I remember working in the Western Isles and being told that it had been the European Union that had funded all the infrastructure including roads and electricity and that this would never have been funded by a UK government. I also remember working on the European programmes in the West Midlands and West Cumbria in the 1990s when it was the European Union that wanted to regenerate those areas while the UK government placed bureaucratic obstacles in the way. During the referendum the 'Leave' campaign proposed that all funding for regional development and regeneration programmes should be diverted to the National Health Service. If regional development and regeneration is to continue after Britain leaves the European Union, there will need to be a significant cultural shift in the UK government.

Second, despite the UK government abandoning its target of balancing the budget in 2020 it is clear that there will now be even more austerity and 'shrinking of the state' than had previously been envisaged as outlined above.

Ministers have suggested that, as the UK will now have to shift the focus of its trade away from developed countries in Europe towards developing countries like China and India, there is a need for UK businesses to become 'more competitive'. This means lower wages and lower taxes.

We are therefore facing a 'perfect storm' for the public finances in the long-term with a need to reduce the deficit, reduce taxation and pay more in capital financing costs.

As Lord Shipley, the former leader of Newcastle-on-Tyne City Council, wrote in the 'Local Government Chronicle':

"The impact of Brexit on local government is difficult to forecast. However, one thing is certain, there will be less money around overall."

The UK government has already suspended £3billion of payments under the European Regional Development Fund indefinitely.

In these circumstances I would be surprised if the UK government would be willing to guarantee the existing regional development and regeneration programmes; let alone introduce any meaningful programmes after 2020. The Local Government Association will have to be very persuasive if anything significant is to be salvaged.

The reaction of the Chartered Institute of Public Finance & Accountancy to Brexit

Following the announcement of the result of the referendum on Britain's membership of the European Union, the following statement was issued by Rob Whiteman. The Chief Executive of the Chartered Institute of Public Finance & Accountancy:

"Dear member,

"As you are no doubt already aware the UK has voted to leave the European Union. Although an unprecedented and seismic decision, it is as important for finance professionals, as it is for the Government, to avoid knee-jerk reactions that may do more harm than good.

"In the immediate aftermath of the referendum we expect high-levels of uncertainty as politicians seek to grapple with the reality they now face. However, it is in everyone's interest that a clear and achievable transition is agreed promptly. It is expected that the transition will take place over a two-year period allowing at least some time to plan for the major changes that will follow.

"As your professional Institute, CIPFA is committed to keeping you up to date with the situation as it unfolds and is available to advise on any concerns you might have.

"Furthermore, CIPFA will work to make sure your views are reflected in the negotiations to separate the UK from the EU. While research we conducted before the referendum suggested that EU membership was overall beneficial to public services, a number of problems were raised that we now have the opportunity to tackle.

"A priority will be to seek assurance that public bodies that receive European Structural and Investment funding in particular see this maintained. Further to this however, we will be working to simplify the funding regulations that members have consistently told us are unnecessarily onerous.

"There are many issues that will need consideration but the uncertainty will pass and UK public services will continue to work closely with EU neighbours."

Further to this, the Chartered Institute of Public Finance & Accountancy (CIPFA) has recommended six priorities to the new Prime Minister, Theresa May. Rob Whiteman, the Chief Executive, said:

"I warmly welcome the Rt. Hon Theresa May MP as the new Prime Minister. As I know from my own direct experience, she is a politician of sound judgement, great integrity and has the foresight needed for the many challenges she faces.

"On behalf of the public finance profession, CIPFA proposes six priorities to use public money to boost economic growth and improve the lives of millions of people.

"Boost National Health Service (NHS) funding whilst also tackling its inefficiencies – CIPFA analysis suggests the NHS will have a £10billion black hole by 2020. NHS efficiency must be systematically improved too, but this cannot happen while the service accounts for a lower share of Gross Domestic Product than comparable developed countries.

"Reform HM Treasury – Make HM Treasury a ministry of finance as much as it is one for economics. This should be linked to reforms of the civil service, transparency and accountability so that the public has greater access to the financial options ministers considered. The Treasury needs greater focus on medium term financial planning and sweating public assets.

"Accelerate devolution – Give new regional mayors wider taxation and borrowing powers to drive innovation and local prioritisation. This will build on Police and Crime Commissioners and reform of blue-light services. As with the devolved administrations within the UK, English regional devolution should give mayors new powers to reorganise local government linked to less policy and spend reserved for Westminster.

"Allow councils to build homes – Free up councils to build hundreds of thousands of new homes against future rent receipts through prudential borrowing; and taking advantage of unprecedentedly low interest rates to lift borrowing limits for the next decade. This would get construction moving and support more thriving communities.

"Invest in disadvantaged communities – Secure the future of the most disadvantaged communities and free up their potential by switching a prescribed amount of public resources to prevention and early intervention. Ultimately, this will improve societal productivity and reduce the costly consequences of Britain's fractured society.

"Maintain British commitment to international development – Maintain Britain's international influence and support poorer countries to support themselves by maintaining our proud record of development funding. This will reduce pressures on migration whilst government seeks to strengthen own borders."

While these are all good suggestions from the point of view of the health, housing and local government sectors I am surprised that CIPFA has nothing to say about the fragile state of the UK's public finances or the need for prudent and effective financial management. As outlined above in the article on the government abandoning the target of achieving a budget surplus by 2020 the level of public debt is already £1.6trillion and the annual government deficit is already in excess of £75billion. In these circumstances I would have thought that CIPFA would have combined its calls for more expenditure on the NHS, Housing and Local Government; with a call for prudent financial management including a long-term plan to eliminate the government deficit through reductions in expenditure and increases in taxation.

Social Care Budgets are still under Pressure

The UK government allowed local authorities to increase Council Tax in 2016/17 by 2% to fund increases in social care budgets. Councils will raise £382million from this increased council tax to fund adult social care, but spending will only rise by £308million, according to data published by the government.

The figures published by the Department for Communities and Local Government show that during the first year of the adult social care precept, it would raise the equivalent of 2.7% of adult social care expenditure. However, funding for services is only set to rise by 2.2% compared to 2015/16.

The 'Local Authority Revenue Expenditure and Financing: 2016/17 Budget report' for England found that the total revenue expenditure by local authorities in England is budgeted at £94.1billion in 2016/17, a 1.4% reduction from the £95.4billion budgeted in 2015/16.

As well as social care, other service areas with a planned increase in spending are children's and families' social care services (£136million), police services (£143million) and public health services (£175million).

The former Secretary of State for Communities & Local Government, Greg Clark had said that the increase in social care spending would help to deliver high-quality services as follows:

"Councils will have almost £200billion to spend on services over the lifetime of this parliament and I'm pleased the vast majority are also making use of new flexibilities to prioritise the services people really care about."

In addition to the increased council tax revenue, a further £1.5billion is available to councils to work with the National Health Service to ensure that care is available for older and vulnerable people, including following hospital treatment through the Better Care Fund.

However, Revitalise, a national disabled persons' charity has claimed that the Care Act has failed after revealing that council spending on support for disabled people and carers fell in the first year after implementation.

The research from Revitalise found that in the year since the legislation came into effect in April 2015, over half (55%) of England's local authorities had spent less overall on services for people with disabilities and carers. Funding is down by an estimated £397million, according to freedom of information requests by the charity. This is despite the act – the biggest shake up to the system in decades – entitling all disabled people and carers to an assessment of their support needs alongside a minimum eligibility threshold for care.

Revitalise also found that local authorities gave fewer needs assessments for disabled people during the first year of the Care Act than in the year before it, and half (48%) had carried out an average of 22% fewer carer assessments during the same period.

Revitalise chief executive Chris Simmonds said that despite its laudable intentions, until local authorities got behind the principles of the Care Act – and are provided with enough funding to do so – disabled people and carers would struggle to achieve the most basic quality of life. He said that:

"For the first time in sixty years, a piece of legislation has come along which purports to enshrine and protect the rights, dignity and independence of disabled people and carers, but it has become abundantly clear from our own research that the Care Act has failed to make any meaningful impact on the quality of life of the people it sets out to support – and in many respects their situation appears to have got worse. This is a tragedy."

The charity urged local authorities to approach all disabled people and carers in their area to offer carer or needs assessments, and also called for more funding from central government to enable local authorities to meet the duties in the legislation.

Responding to this report, Local Government Association community wellbeing spokeswoman Councillor Izzi Seccombe (Conservative, Warwickshire County Council) agreed that the legislation had the potential to radically improve the lives of older people, people with disabilities and their carers, and said that councils had done everything they could to implement the reforms but she added:

"However, the continuing underfunding of adult social care by government has limited councils' ability to provide support to vulnerable people and their carers… Less than a third of councils say they are confident there is enough money to meet growing levels of need this year and beyond.

"The government's social care precept has enabled councils to raise council tax by 2% to meet the rising costs of social care. While this extra income will help, it will in many cases have to be spent on additional cost pressures such as inflation and increased demand for care from an ageing population, and the recent introduction of the national living wage that will increase care costs."

As noted by Izzi Seccombe, Councils are warning that the introduction of the national living wage will push social care services towards 'breaking point'. The Local Government Association has said that, while it supports the living wage, the move could destabilise the care provider market and add significant cots into the system.

An earlier estimate by the Local Government Association put the cost of the national living wage to social care that came into effect in April 2016, at £330million in 2016/17, but it is warning that the actual cost is likely to be much higher. The Local Government Association is therefore calling on ministers to bring forward additional funding of £700million from the Better Care Fund to this year in order to ease the pressure on providers and protect services.

Izzy Seccombe said that:

"There is a real risk that councils will struggle to cover the increased contract costs to care providers as a result of the national living wage… A lack of funding is already leading to providers pulling out of the publicly funded care market and shifting their attention towards people who are able to fully fund their own care. We know that care home and domiciliary care providers cannot be squeezed much further and we will be organising an urgent summit with them to unite our concerns that a care home crisis is creeping closer to reality and behind calls for urgent additional funding."

For a three-year period from April 2016, local authorities are able to spend any revenues they generate from selling surplus assets – like property or shares and bonds – to fund the costs of improvements to essential services. The Communities & Local Government Department's report found that councils are planning to raise over £80million in this way to invest in service reforms.

By the end of this decade councils will be self-sufficient – funded from council tax, business rates and other revenues they raise locally, rather than central government grants.

But it is not clear that these reforms will enable local authorities to fund social care services adequately.

Greg Clark at the Local Government Association conference

The government launched its consultation on business rates retention in July 2016. The consultation closes on 26th September 2016 and outlines how 100% business rates retention will work. It was launched by the then communities' secretary Greg Clark MP. The document is 'deliberately broad and open', Greg Clark told attendees at the Local Government Association conference in Bournemouth. Greg Clark has also launched the first steps in a Fair Funding Review of distribution between councils with a call for evidence.

In his speech to the Local Government Association conference Greg Clark called for local government and the sector to play a bigger role in the delivery of services once Britain leaves the European Union. He urged the sector to challenge the candidates vying to become the next prime minister on their commitments to local government. He said he wanted to go further to transform the way councils and the NHS work together.

On the implications of referendum result, Greg Clark said that:

"There was a critique that was made of the European Union – whether we think it was accurate or not. Too remote. Too unaccountable. Too bureaucratic. Trying to be too uniform. Run by people that don't know what it's like for me, where I am. Travelling around the country, talking to people during the campaign, I sensed that some of those charges were levelled at the way the country is run too. So among the answers to the challenge that the referendum result poses has to be a much bigger role for the local in our national life."

"The response to leaving the European Union has to be a radically expanded role for local government. (English councils will be a) part of the negotiations on the terms of our exit… When we are transferring powers from the European Union to Britain I think it is essential that Whitehall is not the default destination for them.

"For years we have been urging subsidiarity – the principle that power is held as close to the people as possible – on the European Union. We now must apply it at home and ask first whether powers and funds can be transferred to local government. I also think it is essential that we confirm, as soon as possible, that the continued availability of the structural funds which co-fund many important investments in infrastructure and economic development, including in the North, the Midlands and the South West. The programme runs from 2014 to 2020 and it would be madness to put at risk major job-generating projects when they are already underway and much-needed."

On Health & Social Care, Greg Clark said that there was

"A major opportunity arising from a major challenge to transform the way in which the National Health Service and local councils work together to care for our elderly and vulnerable… At its best, local National Health Service bodies work efficiently with local councils to ensure that hospital patients and elderly residents – who are one and the same people – are helped to get the best care they need in the most appropriate setting. But too often this is the exception rather than the rule, and the genuine full-hearted collaboration that is necessary has too often been lacking. That that must change – culturally, as much as structurally. I will redouble efforts to work with the Health Secretary to support any area that brings forward new ways of working that can improve social care. I will help ensure that you are not held back because it hasn't been done before, or because budgets held by health providers have proved elusive to local government."

Draft European Union budget prioritises security and growth

Security, the refugee crisis and growth are the key priorities of the European Commission's €134.9billion draft budget for 2017, presented to the European Parliament.

The commission said the budget aimed to tackle the bloc's two main challenges: the sluggish economic recovery and the security and humanitarian crises. Commission vice president Kristalina Georgieva, in charge of budget and human resources, underscored the importance of a successful budget as the region faces massive challenges' saying that:

"In these difficult times, a focused and effective European Union budget is not a luxury but a necessity. It helps buffer against shocks, providing a boost to our economy and helping to deal with issues like the refugee crisis."

The budget includes €74.6billion committed to boost jobs, growth and investment next year – a €4.2bn increase on last year. This budget has been increased to counter the economic shock of Brexit and the need to convince member states that access to the single market can deliver economic success. The funds will support research and innovation through the Horizon 2020 research programme, small- and medium-sized enterprises and trans-European infrastructure. It will also bolster efforts to remove obstacles to investment and foster convergence between member states.

The draft budget is split into two amounts. Figures classed as 'payments' will be delivered in 2017, while 'commitments', like the €74.6billion referred to above, can be postponed until later.

The budget also proposes spending €5.2billion to reinforce the European Union's external borders, prevent migrant smuggling and address the long-term drivers of migration in countries of origin.

Proposed funds are earmarked for a review of the union's asylum system, including a reform of the Dublin mechanism that stipulates that refugees must seek asylum in the first European Union country in which they arrive, and the establishment of an European Union agency for asylum.

The draft budget allocates significant resources for security, with €111.7million earmarked for Europol, €61.8million dedicated to enhancing the security of European Union institutions and another €16million for unspecified security measures. The commission stated that:

"In line with the increasing importance of stronger European defence cooperation, the commission is proposing a preparatory action for research in the defence area with €25million in 2017."

The commission said it hopes for the budget to be 'flexible and focused', providing the means to press ahead in priority areas while reducing spending for less urgent activities. Commissioner Georgieva said that:

"As always, we continue to focus our budget on results, making sure that every euro from the EU budget is well spent."

The European Council and European Parliament will now consider the proposed budget, reaching decisions in the summer and autumn respectively.

Oldham Council is supporting business growth through a co-operative approach

A big part of our regeneration agenda in Oldham is supporting the local business community.

We regularly review our business and investment strategy, looking at how we support business growth and investment, and keeping the Council and the borough business and investment friendly.

This is backed by a positive relationship with the local and the Greater Manchester chambers of commerce. There is a good local infrastructure representing businesses' voices, which is central to getting our investment strategy right.

We have approximately 5,500 businesses in the borough, employing close to 80,000 people. Most are small to medium sized and there is good sector diversity. Our priorities for the ext five to ten years are businesses in health and social care, engineering and manufacturing, construction and logistics. These sectors are central to our future economic success.

Supporting business growth in Oldham is part of the Council's co-operative agenda. This is a strategic and pragmatic approach to nurturing business growth, which supports businesses in the sectors we want and need to grow. With a predominantly SME business base, the co-operative approach means having a close and at times intense relationship with businesses.

A good example is the success that the Council has had in Oldham's town centre independent quarter where we have combined acquisitions and capital grants with high intensity engagement to deliver a vibrant, unique area of retail, leisure and hospitality in close collaboration with the business community.

I recently had the pleasure of attending our annual business awards. This is a major gala charity dinner, exceptionally well attended by a highly engaged local and Greater Manchester business community. The variety of winners – from bakeries to TV set designers to tunnelling engineers – gives a flavour of some of the great things happening in the business community.

We had a great representation of some of our key growth sectors as well as a positive array of talent providing entrepreneurship role models for the business people pf the future. It was also a good reflection of the diversity of our business base in sectors and in scale.

What better way to show how local government is getting down to business?

Tom Stannard, Director of Enterprise and Skills, Oldham Metropolitan Borough Council.

This article first appeared in the Local Government Chronicle and can be viewed at: http://www.lgcplus.com/7005569.article

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Partnerships with Colleges

I have been working extremely hard over the last few years to get colleagues in local government as excited each year about the skills funding settlement as we tend to get about the local government settlement.

As you might imagine, this has met with mixed success.

Councils have seen several years of austerity. Annual budget reduction forecasting and transformation programmes are now the norm.

Much the same is true of further education and sixth form colleges, as well as private training providers, whose allocations from the funding agencies have been reduced each year.

But there is a sense this may now have reached a plateau. Before Christmas, the government announced a stabilisation of skills funding following successive years of funding pressures on the adult skills budget.

With skills now playing a major part in many devolution deals, the headlines from the March 2016 settlement are worth a recap:

- a 19% increase for 19+ apprenticeships allocations
- a 3% increase for 16-18 apprenticeship allocations
- a 24% for SFA-funded 16-18 traineeship allocations, and
- a 29% increase in advanced learner loan facilities.

Increase after increase? Surely not, I hear you say. Colleagues may be right to be sceptical, as these are increased allocations following many years of considerable reductions.

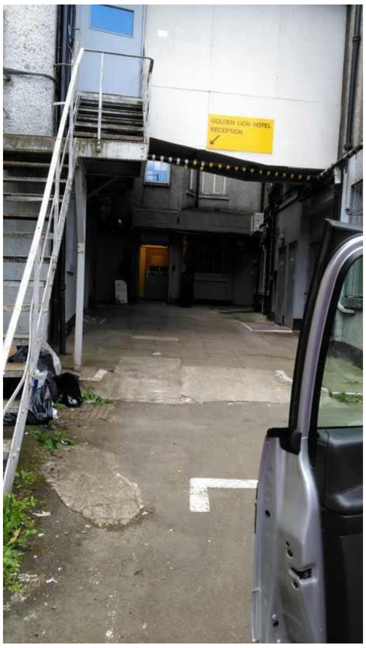
But they also signal new dynamics in the skills funding with which councils now need to grapple in their place-shaping roles together with local colleges.

Tom Stannard, Director of Enterprise and Skills, Oldham Metropolitan Borough Council.

This article first appeared in the Local Government Chronicle and can be viewed at: www.lgcplus.com/7004191.article.

Disabled Access

Unfortunately, disabled access to places like public buildings and hotels is still an issue. I recently went to a hotel with a disabled person who uses a wheel-chair. The hotel claimed that it had disabled access but when we arrived we found that the access was inadequate and that it was impossible for a wheel-chair user to enter the building. The photographs below illustrate the problem with steep slopes to navigate and a lift with a door that was too narrow for a wheel-chair to enter.



The fact that the disabled access was through a car park and cellar was also in contrast to the front door entrance offered to able bodied visitors by this three-star city centre hotel that charges about £80 a night for its rooms.

I will not name the hotel because my intention is not to embarrass them but to point out what appears to me to be a widespread misunderstanding about the access needs of disabled people. I have never come across a person who does not want to help disabled people but I often come across a lack of understanding of their needs.

Perhaps the government or a disabled persons' charity should come up with a disabled access standard. There could either be a voluntary scheme where organisations could apply for a certificate that they met the standard or it could be made compulsory for certain buildings to meet the standard. At least disabled people would then know if they were told that a building had disabled access what standard they could expect.

Before we organise a seminar at a hotel or a conference centre we always check that the disabled access is adequate.

Funding Local Archaeology

The Council for British Archaeology has expressed concern about spending cuts in local archaeology services despite the better than expected settlement for heritage budgets contained in the spending review of November 2015.

Budget reductions have already been announced by local authorities with Lancashire County Council leading a line of proposals that would see archaeology planning services and museums affected across the United Kingdom. Other councils that have attracted 'headlines' include Berkshire County Council, Norfolk County Council, Northamptonshire County Council, Suffolk County Council, and Swansea City Council.

The situation in Northwest England is particularly illustrative of the extreme nature of these budget reductions. Lancashire County Council is proposing to close five museums and the planning advice service that provides advice to the thirteen district councils in the county and Cumbria County Council as well as Lancashire County Council itself.

This will leave the thirteen Lancashire and six Cumbrian district planning authorities with the responsibility for delivering planning obligations for archaeological advice that is set out in the National Planning Policy Framework. The Council for British Archaeology has expressed concern about this as follows:

"With little time to prepare new methods of delivery, and a proportional rise in cost necessary to put new proposals in place, this system is likely to be deficient in quality compared to the existing service – and it remains to be seen whether some district planning authorities may fail to provide any system and become effective 'black holes' for archaeology."

Furthermore, almost the entirety of the archaeological advice services in Northwest England (the only exception appears to be the Lake District National Park) appears to be in a state of flux or decline. Staff reductions are proposed in the Greater Manchester archaeological advisory service. Cheshire West and Cheshire Council have consulted in budget reductions. And there are proposals to outsource the service in Merseyside.

The Council for British Archaeology sees some opportunities, saying that:

"Whilst this is a symptom of a desperate situation, it also provides an opportunity for innovative and positive change. It is possible that instead of passing the problems for service delivery downwards to districts, a solution could be negotiated for a regional archaeology service to operate over a large proportion of the northwest. The Council for British Archaeology will be working with partner bodies to assist local authorities to develop these potentials… We will also be providing advice and support to districts to ensure that interim protections are in place and that archaeology will not be unduly threatened as proposals advance."

The Council for British Archaeology is asking for public support. Further information can be found on their website at: http://new.archaeologyuk.org/local-heritage-engagement-network

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Editorial Note

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

AWICS Survey

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

AWICS Seminars

Our next seminars are as follows:

All You Want to know about Service Charges in Social Housing

- Cardiff - 6th September 2016
- London - 13th September 2016
- Leeds – 8th November 2016

Service charges are an integral part of landlords' work in financing value for money services and sustaining customer satisfaction. They have always been relatively complex but with increased financial challenges and legal and financial complexity there is an increased need to understand how service charging works. This seminar gives an introduction and overview to this important subject and is fully up to date with all developments. The session in Cardiff will focus on the issues that are important in Wales.

For more information, please click here: http://www.awics.co.uk/schs2016.asp

Developments in Local Authority Housing Finance

- London - 4th October 2016
- Leeds - 11th October 2016

We are holding seminars on 'Developments in Local Authority Housing Finance in England' in London and Leeds during October 2016. This seminar is designed to look in depth at current developments in local authority housing finance in England – especially the implications of the policies of the new government, the implementation of the Housing & Planning Act 2016, the vote for Britain to leave the European Union, the public finances, welfare reform, rent reductions, sale of high value properties to fund the extension of 'right to buy' to housing associations, 'pay to stay' 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!

For further information or to make a booking please click here: http://www.awics.co.uk/devts16.asp

All You Want to Know about Local Authority Housing Finance

- London - 1st November 2016

This series of seminars is designed to give an introduction and overview to this important subject and is fully up to date with all developments. It explains how the housing revenue account, housing general fund and housing capital programme works and considers the threats and opportunities facing local authority housing especially in view of the government's recent policy initiatives.

For further information or to make a booking please click here: http://www.awics.co.uk/lahfin16.asp

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AWICS Webinars

Details of all our webinars can be found on our website at: http://www.awics.co.uk/webinars.asp

The next webinars are as follows:

Service Charges in Social Housing

This webinar provides an introduction and overview of service charges for leaseholders and tenants in local authorities and housing associations including how to calculate them and their eligibility for benefits. Date: 2pm on Thursday 11th August 2016

Right to Buy for Housing Association tenants

This webinar considers the United Kingdom government's proposal to extend the 'right to buy' to housing association tenants in England. Date: 2pm on Thursday 18th August 2016.

Management Accounting: An Introduction

This webinar provides an introduction to Management Accounting. It is suitable for students of accountancy or non-financial managers. It considers management information, budgets and budgetary control, costing and decision making. Date: 2pm on Thursday 25th August 2016.

Sale of High Value Council Homes

This webinar considers the United Kingdom government's proposal to oblige local authorities to sell high value council homes to fund the extension of the 'right to buy' to housing association tenants. Date: 2pm on Thursday 8th September 2016.

Business Planning in the Housing Revenue Account

This webinar considers how to produce a high quality, fit for purpose housing revenue account business plan. It covers developing the strategy and 'crunching the numbers' in the context of recent changes in government policy. Date: 2pm on Thursday 15th September 2016.

Introduction to the Housing Revenue Account

This webinar provides a comprehensive introduction and overview of the housing revenue account in English local authorities. Date: 2pm on Thursday 29th September 2016.

Welfare Reform and Work Act

This webinar considers the Welfare Reform and Work Act and its implications for housing and local government in England, Scotland and Wales in the context of the United Kingdom government's overall approach to welfare reform. Date: 2.00pm on Tuesday 6th October 2016.

CONTRACTS

AWICS Website

We are looking to make some improvements to our website and are inviting quotes for this.

The scope of the work includes:

- Website **www.awics.co.uk**
- Bulk emailing system and database
- Online transactions
- Website **www.aw-history.co.uk**

To download a copy of our specification, please click here: http://www.awics.co.uk/contracts.asp

Should you have any enquiries, please submit them IN WRITING to **Adrian.waite@awics.co.uk** Please DO NOT telephone. We will contact you if we think a telephone conversation is appropriate.

The closing date for submitting responses is 19th August 2016.

VACANCIES

Eden District Council

Vacancy	Salary/pay	Closing date	Interview date
Housing Technical Officer	£20,456 rising to £22,434 Plus an Essential Car User Allowance of up to £963 per annum	10am on Tuesday 30 August 2016	It is anticipated that interviews will take place week commencing 12 September 2016.
Senior HR Adviser	£27,394 - £28,203	10am Tuesday 6 September 2016	TBC
Economic Development Officer	£28,203 - £29,854 Pro Rata	10am on Wednesday 7 September 2016	Monday 19 September 2016
Customer Services Officers	£15,507 - £16,191 progressing to £16,481 - £17,457 (pro-rata)	10am on Tuesday 30 August 2016	The week commencing 12 September 2016

For further information please visit the Eden District Council website at: http://www.eden.gov.uk/your-council/job-vacancies/

About 'AWICS'

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

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

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

- Management Consultancy – http://www.awics.co.uk/ManagementConsultancy.asp
- Interim Management – http://www.awics.co.uk/interimmanagement.asp
- Regional Seminars - http://www.awics.co.uk/seminars2016.asp
- In-House Training - http://www.awics.co.uk/inHouseCourses.asp
- Webinars - http://www.awics.co.uk/webinars.asp
- Independent Residents' Advice – http://www.awics.co.uk/IndependentTenantAdvice.asp
- Technical Books - http://www.awics.co.uk/publications.asp
- Information Service - http://www.awics.co.uk/aboutUs.asp