



Centre for Local
Economic Strategies

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***A SUMMARY OF AUSTERITY IN THE NORTH EAST AND A CASE STUDY OF REDCAR
AND CLEVELAND BOROUGH COUNCIL***

Final report prepared by

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1 INTRODUCTION

This paper is part of a wider report called 'Austerity Uncovered', developed by the Centre for Local Economic Strategies for the TUC, which highlights some of the key trends and impacts of austerity measures, implemented by the Coalition Government, across the country. The main report goes into detail on how austerity is impacting upon public services and jobs, and how this affects particular population cohorts, many of whom are amongst the most vulnerable in society. Supplementing this are nine summary papers – one for each of the English regions – which outline the effects of austerity measures spatially across the UK. A number of impacts are of course similar across the regions, although there are particular nuances and challenges specific to regions which are outlined within these papers. The summaries are set out as follows:

- ❑ A brief overview of the structure of the socio-economic challenges facing policy practitioners within the region;
- ❑ A summary of some the key austerity impacts within the region, particularly in terms of public services and jobs.

Following the regional summary, a case study of a local authority area within the region is provided. These include:

- ❑ London: Islington Council;
- ❑ South East: Reading Borough Council;
- ❑ East: Bedford Borough Council;
- ❑ South West: Devon County Council;
- ❑ West Midlands: Dudley Metropolitan Borough Council;
- ❑ East Midlands: Derby City Council;
- ❑ North West: Blackpool Council;
- ❑ North East: Redcar and Cleveland Borough Council;
- ❑ Yorkshire and Humber: City of Bradford Metropolitan District Council.

The case studies are derived from reviewing local secondary data sources such as academic research, local government and cabinet reports, and union documents. In addition they have included interviews with individuals such as Councillors, those delivering services, local union staff, and members of the voluntary and community sector. The precise mix of respondents depended upon availability and accessibility, therefore this varied across the case studies. It drills down into some of the key impacts austerity measures are having on local authorities and communities, with a particular focus on Children's Services and Adult Social Care. Where identified, the case studies also assess where local government has worked innovatively to protect services and jobs, and advance approaches to deliver economic and social gain within their localities.

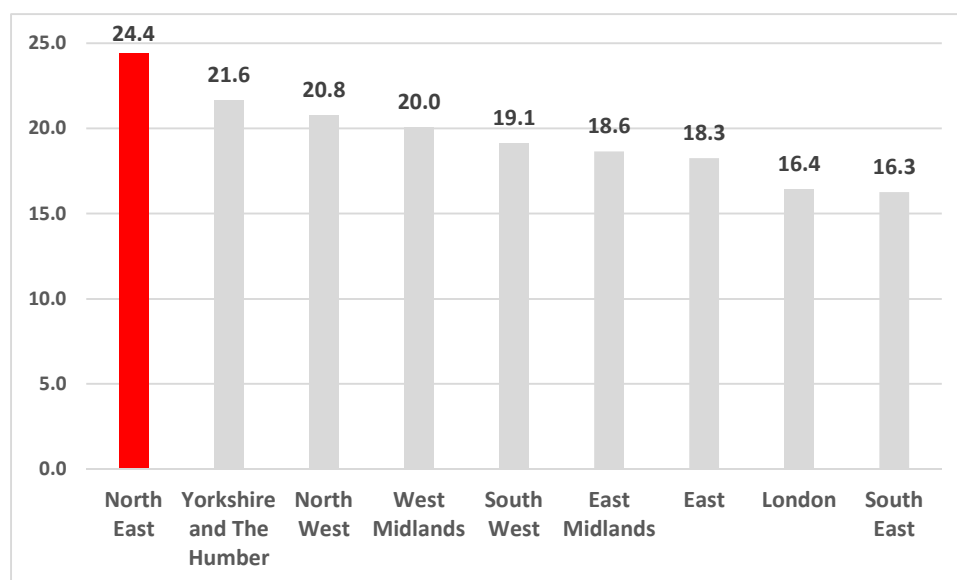
It is important to note that this is not intended as direct criticism of the local authorities, rather highlighting the difficult circumstances that they find themselves in as a result of central government's austerity programme.

2 THE NORTH EAST

The North East has experienced considerable economic restructuring over recent decades,¹ as changes to the national and global economy resulted in the rise of service industries, together with decline of manufacturing within the region. This severely impacted the North East and many of its residents, resulting in long term unemployment and health inequalities which still affect the region today, despite the development and renaissance of niche manufacturing activities. The economy has suffered from decades of low investment compared to other areas of the country and as a result is characterised by a predominance of low wage, lower value industries and jobs. The median weekly wage in the region is £472.30, compared with the England level of £520.70.² This outlines some the challenges the North East faces in terms of developing a competitive and balanced economy.

Public sector employment, in part, filled the void that industrial restructuring created within the North East. Figure 1 below shows that public employment is higher in the North East than any other region, at 24.4%. This makes the impacts of public spending cuts particularly pronounced given local multiplier effects within the economy, and is compounded by an underdeveloped private sector. The region still suffers from a shortage of private sector jobs to provide a balanced and sustainable economy.

Figure 1: Percentage of public sector employment by region, 2013³

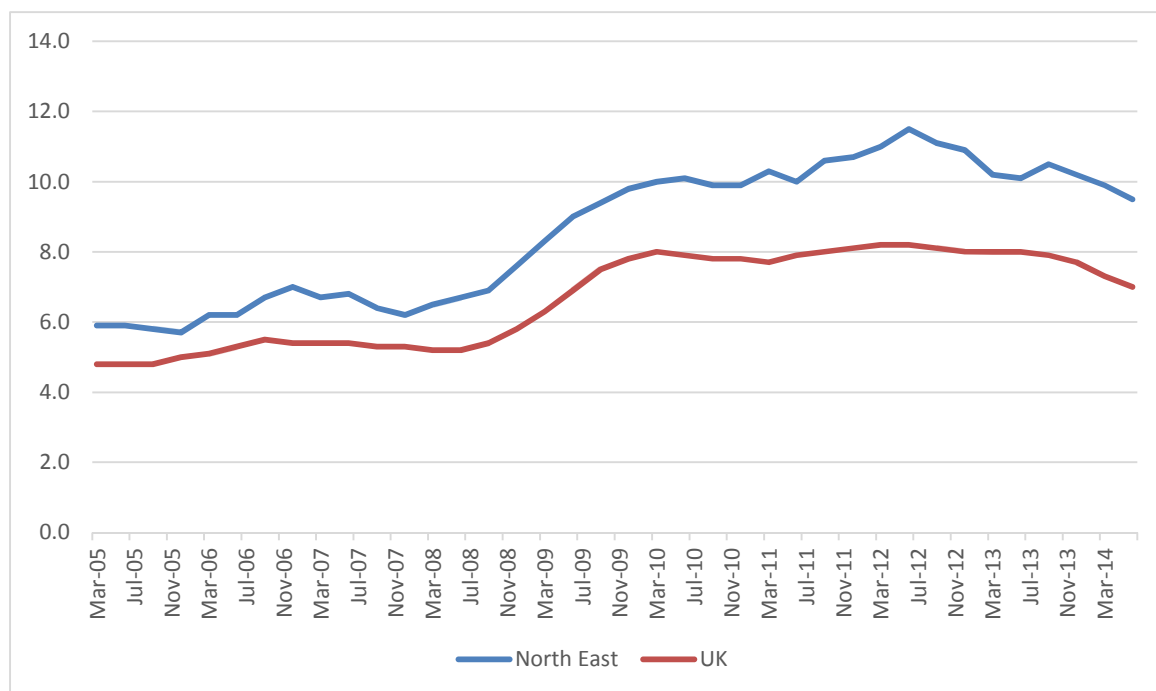


The effects of a restructured economy have, of course, directly impacted on the regional labour market. Figure 2 below shows that, despite recent upswings, unemployment in the North East area remains high in comparison to other areas of the country (at 9.5% the North East has the highest unemployment rate of all the regions, and is notably higher than the UK rate of 7.0%). Unemployment was heavily impacted by the recession, and is still significantly higher than prior to the recession which illustrates both the relatively under developed private sector and the impacts of austerity measures as public sector jobs are lost. There are comparatively few jobs per 10,000 adults within the region – just 4,701 compared to the England average of 5,230. Cumulatively, this holds back both economic growth and reduces economic and social inclusion.

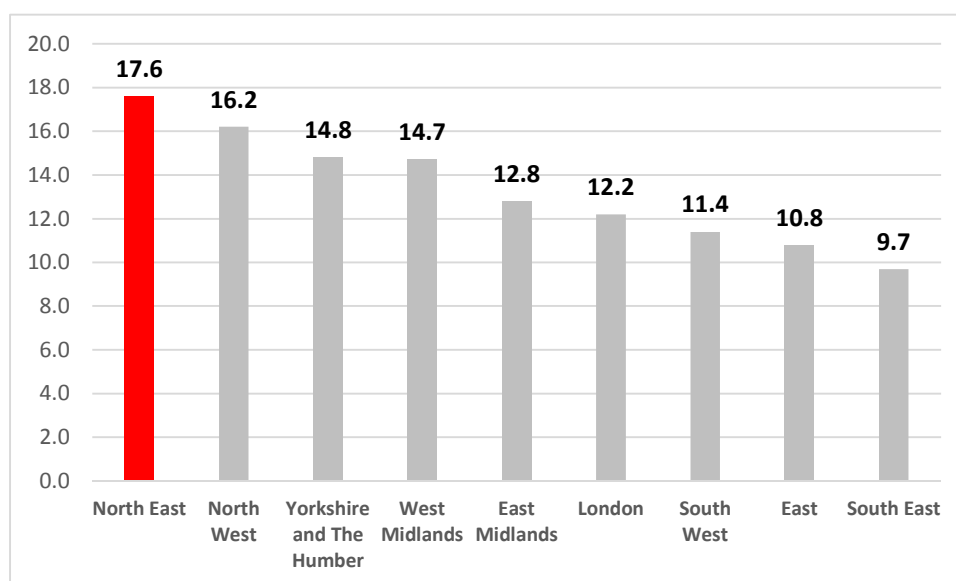
¹ Source: Government Office for the North East, ERDF Operational Programme Document, 2007-2013

² Source: ONS, Annual Survey of Hours and Earnings, 2013

³ Source: ONS, Business Register and Employment Survey, 2012

Figure 2: Unemployment rate of the working age population in the North East and UK⁴

Industrial restructuring, long term lack of investment, and a weak labour market, has led to significant levels of in and out of work poverty for the region to contend with. 221,000 people are paid below the Living Wage, equating to 23% of the working age population,⁵ and the region has the highest percentage of residents who are claiming in and out of work benefits (17.6%), as shown in Figure 3 below. Many of these residents are claiming health and disability related benefits (nearly half of the total). These health issues in the region are reflected in Figure 4, which shows the percentage of households with at least one person of working age who has a long term health problem or disability. Again, the North East has the highest proportion for this indicator, and it illustrates the acute social and health issues that parts of the region experience.

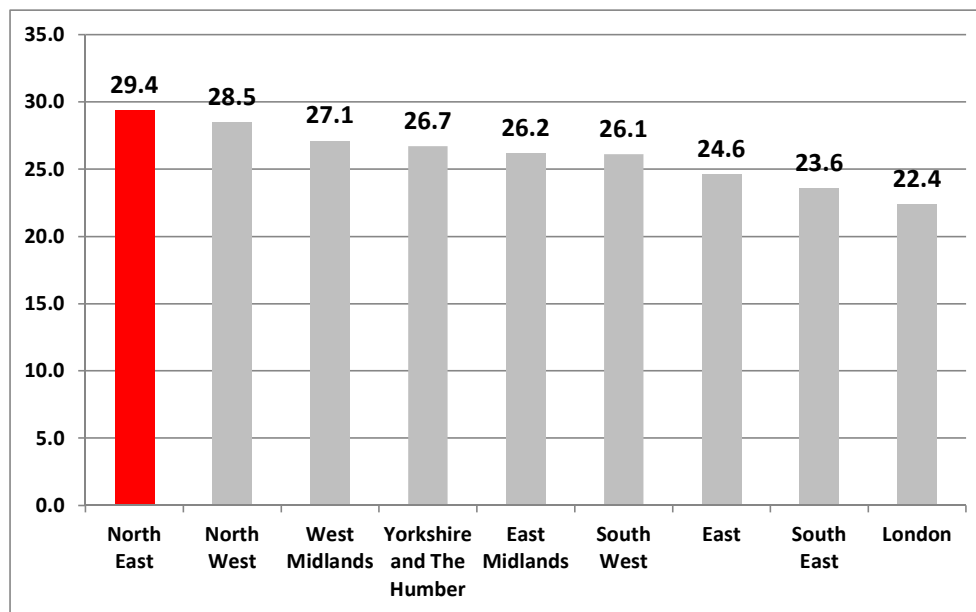
Figure 3: Percentage of the working age population claiming in and out of work benefits, May 2014⁶

⁴ Source: ONS, Annual Population Survey, 2014

⁵ Markit (2013) Living Wage Research for KPMG

⁶ Source: ONS, DWP Benefit Data, May 2014. This is defined by DWP as those claiming: Carers Allowance, Disability Living Allowance, Employment Support Allowance, Income Support, Pension Credit, Job Seekers Allowance, Severe Disablement Allowance, Widows Benefit. Tax credits are not included in this analysis.

Figure 4: Percentage of households where at least one person has a long term health problem or disability⁷



Bringing all of the above factors together, the North East has an economy with a weak business base, and has experienced decades of under-investment. It has a weak labour market, where the public sector now constitutes a quarter of employment. This has made the North East more susceptible than other regions to the range of negative impacts caused by austerity, including:

- ❑ The relative scale of job losses within the public sector (at 16% between Quarter 2 2010 and Quarter 2 2014, this is the highest of all the regions);⁸
- ❑ The difficulties that the region has in re-balancing the economy from the public to private sector due to an under-developed business base;
- ❑ The grant funding lost for local government in particular, which relied upon area based grants due to acute socio-economic pressures;
- ❑ The challenge of funding core services such as Adult and Social Care and Children's Services, where demand is consistently high due to the levels of deprivation across the region.

⁷ Source: ONS, Census 2011

⁸ Source: ONS, Public Sector Employment Bulletin, Quarter 2 2014

3 THE IMPACTS OF AUSTERITY IN THE NORTH EAST

The above section outlines the social and economic context for the North East, and how this has made it particularly vulnerable to the effects of austerity measures. This section outlines some of the key impacts.

3.1 Being able to provide services to vulnerable people

The Association for North East Councils (ANEC) highlights that people receiving care services in the region are living longer but have more complex needs, which exacerbate pressures. For instance:

- ❑ 17.1% of the North East's population is 65 years old and above compared with 16.1% for England, and it is also increasing at a faster rate compared to other regions as younger people leave the region to access employment opportunities elsewhere.⁹
- ❑ The population aged 65-79 is predicted to increase by 35% (from 321,000 to 432,000) by 2029. The population aged 80+ is predicted to rise over the same period by 82%, from 107,100 to 194,000.¹⁰
- ❑ Therefore there is a higher age-dependency ratio. These projections have implications for the demands on social care services. However Adult Social Care Services across the region were cut by £49m in 2012–13, and will be cut further up to 2018.¹¹
- ❑ In the North East, the history of deprivation, unemployment and long-term conditions has led to higher numbers of people accessing social care than in other regions. In terms of services provided per 100,000 of the population the North East is above the national average – it is 29% above the national average for home care, 41% above for day care and 100% above for short-term residential care.¹²
- ❑ There is also the impact of austerity on children within the North East, where over one in four children already live in poverty.¹³ As Figure 5 shows, the North East's councils have relatively higher numbers of 'Looked After Children', and this is higher in many cases than the national average. It has the second highest regional proportion of Looked After Children in the country.¹⁴ The pressures are particularly concentrated in larger urban areas such as Middlesbrough, South Tyneside and Newcastle. Despite this grant funding for children's services will have been cut significantly by 2015/16 in a number of North East councils.¹⁵
- ❑ Research suggests that Children's Services directors in the region are very conscious of the need for early intervention and prevention to ensure fewer children enter the Looked After Children and Child Protection system, yet meeting statutory obligations with limited budgets will almost certainly result in a reduction in early intervention.¹⁶

⁹ Source: ONS Sub-National Population Projections, 2013

¹⁰ Source: ONS Sub-National Population Projections, 2013

¹¹ Source: Durham University Policy Research Group (2014) Challenging Times: Prospects for Local Government in North East England

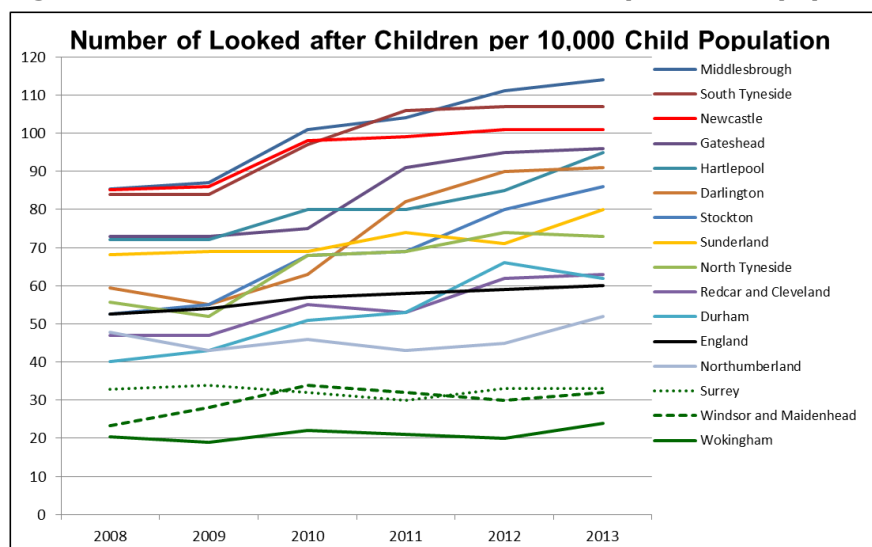
¹² Source: Durham University Policy Research Group (2014) Challenging Times: Prospects for Local Government in North East England

¹³ Source: The Journal (31st July 2014) <http://www.thejournal.co.uk/news/north-east-news/charity-leader-calls-living-wage-7535138>

¹⁴ Source: Durham University Policy Research Group (2014) *ibid*

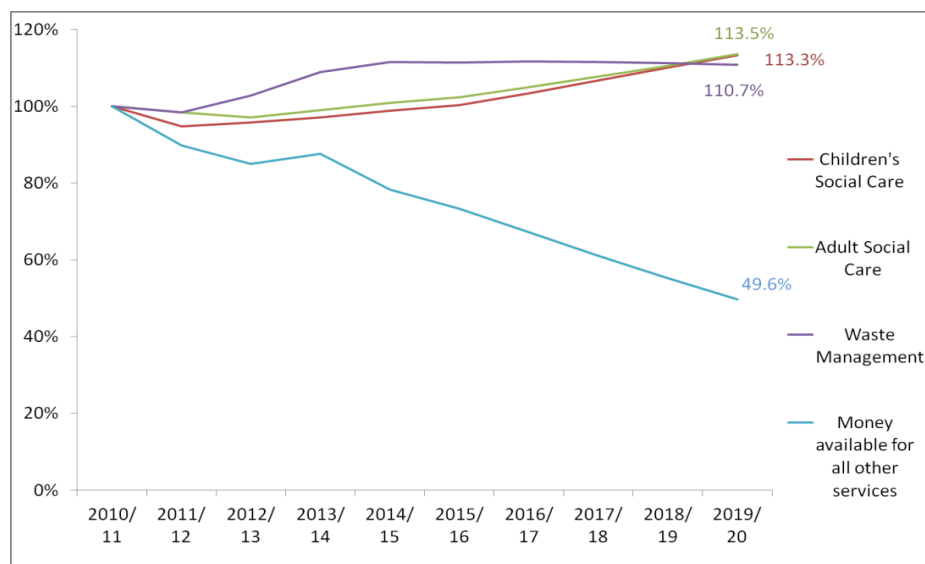
¹⁵ Source: Durham University Policy Research Group (2014) *ibid*

¹⁶ Source: Durham University Policy Research Group (2014) Challenging Times: Prospects for Local Government in North East England

Figure 5: The number of looked after children per 10,000 population¹⁷

Overall, the situation in the North East is pressing. Local authorities across the region state that further spending cuts will hit key services. It is leaving many councils increasingly vulnerable and facing real and immediate financial pressures. The need to prevent financial failure is clear and this requires central government recognition that some regions and councils are being impacted more than others.

The position of ANEC is that there is now little room for manoeuvre and that further erosion of their budgets will ultimately leave them unable to do more than provide statutory services, focusing on the most vulnerable with other, non-statutory universal services falling by the wayside.¹⁸ This is illustrated in Figure 6 below, showing the forecasted changes in income from 2010/11 to 2019/20 where money available for the other services that councils provide may fall drastically, by almost 50%. The overall picture of revenue falling whilst demand increases, is a familiar one across the country, but is particularly pronounced in the North East.

Figure 6: Changes in income by type of service in the North East, 2010/11 to 2019/20¹⁹

¹⁷ Source: Association for North East Councils (ANEC) (2013): Counting the cost of further cuts: the local government finance settlement 2014/15 – Key issues for North East Councils

¹⁸ Source: Source: Association for North East Councils (ANEC) (2013): ibid

¹⁹ Source: ANEC *Financial challenges facing LAs*, 2013

3.2 Impacts of welfare reform

Welfare reform will have major implications for the population of the North East, more-so than in most other regions, according to research by the Universities of Durham, Northumbria and Teesside.²⁰ They suggest that around £380m will be lost to the North East as a result of the introduction of the benefit cap and the combined changes to disabled people's benefits, council tax benefit, and housing benefit in the social sector. The report notes that research undertaken on a national basis suggests that if other changes are also taken into account (such as those affecting Child Benefit and Child Tax Credits), the cumulative loss to the North East region in 2014/15 could be as high as £940m. This is mostly due to the impacts of changes on the disabled population. The universities estimate that over 70,000 people in the North East will be affected by the time-limiting of contribution-based Employment and Support Allowance (ESA) and the stricter eligibility criteria being applied to it. This will represent a cost to the regional economy of more than £175m. They state that the estimated loss to the region for the transition from Disabled Living Allowance to Personal Independence Payments is over £128m, affecting nearly 33,000 people. In addition to the above, the report says that the North East has the highest proportion of people who will be affected by the under occupancy charge, commonly known as the Bedroom Tax (up to 50,000 households). The social implications of such a policy on this scale within the region could be substantial.

There are also clear knock-on effects of welfare reform. Interview evidence indicated that benefit advice services within councils (providing advice on all benefits to residents) are experiencing increasing pressures and an already strained voluntary and community sector anticipates that welfare reform will impact on the poorest places hardest, exacerbating growing demands on services.

Finally, a key element of welfare reform is to encourage people back into work. However in the North East the relative weakness of labour and housing markets makes this much more difficult to achieve at scale. The region therefore faces the prospect of substantial financial loss to its local economies.

3.3 Reduction in spending power

The North East is disproportionately impacted by the cuts in terms of local authorities spending power being eroded. The average real terms cut to the Settlement Funding Assessment, between 2013/14 and 2015/16 is nearly 26%, compared to 23.8% for England as a whole.²¹ In order to achieve growth, councils need to be in a position to work on creating the conditions for businesses to thrive; and they need sufficient resources for delivering quality services to both its most vulnerable groups and universal services for all residents. Analysis from the Association for North East Councils (ANEC)²² showed that:

- ❑ 11 out of 12 councils in the North East will have higher than the English average reductions in spending power for 2014/15 and 2015/16. The latest local government settlement for funding shows that government grants to local authorities were reduced by an average of 2.9% in 2014/15, but in the North East councils face, on average, a reduction of 3.9%, increasing to a reduction of 4.7% for some councils (North and South Tyneside).
- ❑ The cumulative impact of these spending power reductions is a loss of over £109 million in 2014/15 which equates to a reduction per dwelling of £91.93 for the North East (the English average reduction in spending power equates to £71.58 per dwelling).
- ❑ Examples of the divergences in spending power are striking. Council funding will fall by £114.70 per dwelling in Newcastle upon Tyne in the 2015-16 financial year, £101.15 in South Tyneside, and £90.45 in Middlesbrough;

²⁰ Universities of Durham (Institute for Local Governance), Northumbria and Teesside (2013) The impact of Welfare Reform in the North East

²¹ Source: London Councils (2014) Local Government Finance Settlement 2014/15: Response by London Councils

²² Source: Association for North East Councils (ANEC) (2013): Counting the cost of further cuts: the local government finance settlement 2014/15 – Key issues for North East Councils

It is not just local government which has outlined concerns in the region for falling spending. ANEC report that businesses in the North East are also concerned about the challenges of the spending cuts, focusing on four key areas:²³

- ❑ The reduction of spending power in the economy as a whole through the impact on jobs and wages.
- ❑ The effect on local authorities as customers of North East businesses, both reducing their level of custom and pushing them in some cases towards more short-term approaches to procurement.
- ❑ The flexibility to tailor policies to the needs of the region, with local government facing greater reductions than many parts of central Government.
- ❑ The impact of services most directly affecting businesses, such as planning which has been targeted for a disproportionate share of cuts.

It is increasingly likely that councils in the North East will continue to be strongly affected by cuts. The lack of ability of many North East councils to leverage their own income and become self financing will mean that it will be increasingly difficult to provide quality services and also to provide and build an environment for support for the private sector.

3.4 The impact upon public sector jobs

One of the main areas of savings made by public sector institutions has been in reducing the workforce. This has both personal impacts and implications for the regional labour market and the local economy. It is more pronounced in places which have both a high proportion of public sector jobs, and have experienced some of the highest levels of cuts. The North East is a particular case in point. Table 1 shows that over 44,000 public sector jobs were lost (16% of the total) in the North East between 2010 and 2014, proportionally much higher than the national average (11%). In the same period, there was a gain of 53,000 jobs in the private sector. With a net gain of only 9,000 jobs in four years, it is clear that the region is struggling to rebalance at a time of substantial cuts to public sector employment. With a quarter of all jobs in the region being in the public sector, this will have a profound effect on people and places.

Further, because of the lower levels of skills and wages within the North East, there is the question as to how many of the new jobs signify quality employment. It is unclear if the net gain partly represents growth in self-employment, if there is still underemployment, or if the jobs created are low paying with poorer terms and conditions. However, research from the TUC²⁴ suggests this is the case across much of the country, stating that nationally 4 in 5 jobs created since 2010 are in low paying sectors. The growth sectors from 2010 to 2013 suggest a significant proportion of relatively low wage employment, with over a fifth of jobs within 'Accommodation and Food Service Activities', and a further 13% in 'Arts and Entertainment'. Over half of the employment growth is within the health sector and social work. This could include a wide range of both lower and higher paid activity.

²³ Source: Source: Association for North East Councils (ANEC) (2013): ibid

²⁴ Source: <http://www.tuc.org.uk/economic-issues/labour-market/four-five-jobs-created-june-2010-have-been-low-paid-industries>

Table 1: Private sector job growth and falling public sector employment across the - regions, between Quarter 2 2010 and Quarter 2 2014^{25,26}

Region	Change in public sector employment, Q2 2010 - Q2 2014	Change in private sector employment Q2 2010 - Q2 14	Net job growth, Q2 2010 - Q2 2014
East	-42,000	213,000	171,000
London	-77,000	537,000	460,000
North East	-44,000	53,000	9,000
North West	-88,000	132,000	44,000
Yorkshire and The Humber	-73,000	221,000	148,000
South East	-58,000	250,000	192,000
South West	-78,000	165,000	87,000
West Midlands	-54,000	100,000	46,000
East Midlands	-35,000	136,000	101,000
England	-549,000	1,807,000	1,258,000

²⁵ Source: ONS, Public Sector Employment, Statistical Bulletin, Q2 2014

²⁶ Note that for analysis purposes, as developed by ONS employment in further education colleges and sixth form college corporations in England are excluded from the public sector estimates, and included in the private sector estimates. Further education colleges and sixth form college corporations in England were classified to public sector from 1993 to 31 March 2012 and to private sector from 1 April 2012.

4 CASE STUDY: REDCAR AND CLEVELAND BOROUGH COUNCIL

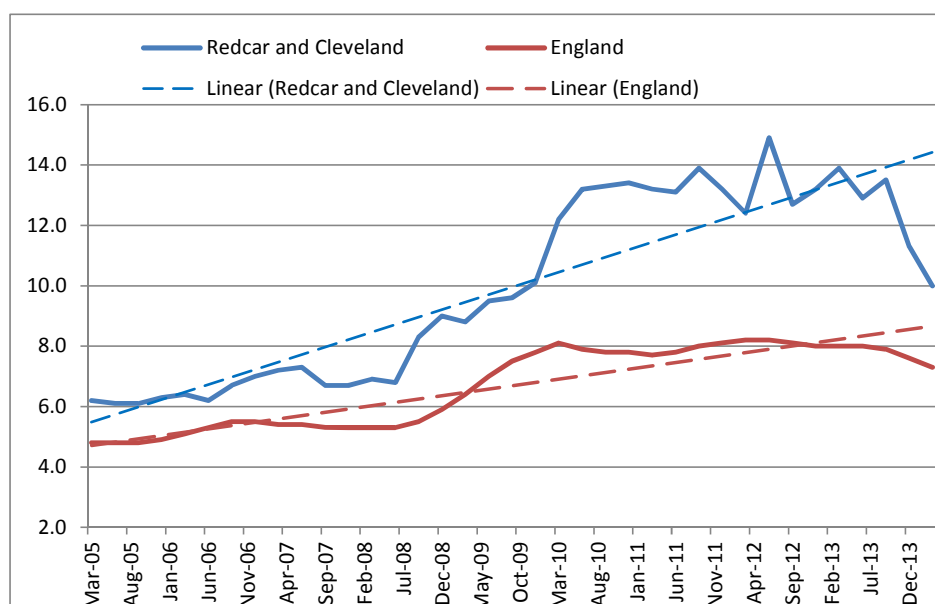
4.1 Context

Redcar and Cleveland, in common with other areas of the North East, has been adversely affected by the recession and through public spending cuts, which are impacting upon communities across the borough, several of which have entrenched levels of deprivation and strong demand for public services (the Borough was the 52nd most deprived out of 326 in England in 2010).²⁷ The communities in the Borough are diverse. Many neighbourhoods are relatively prosperous, contrasting sharply with other areas experiencing high levels of deprivation, low housing demand, high levels of crime, unemployment, poor health and low educational attainment.²⁸ These areas are predominantly within the urban neighbourhoods of Redcar and Greater Eston but pockets of deprivation also exist within the rural communities of East Cleveland.

The traditional employment base of Redcar and Cleveland has been manufacturing based on steel, chemicals and heavy engineering. However, over recent years, there has been a decline in these industries which has impacted upon many communities in the borough and the region, resulting in areas of urban deprivation and a declining population. In contrast to many other former industrial areas where new employment in financial services, business, retail and distribution grew and replaced lost jobs, in Redcar and Cleveland such employment has remained static. This has left the borough with a weak service sector and limited business base in which to rebalance away from public sector employment.²⁹ There are still highly skilled jobs in Redcar & Cleveland, however many of these are taken by people commuting into the borough and the resident labour force compares badly in regional and national terms.³⁰ A combination of recession and austerity has impacted on both employment trends and in reinforcing long term deprivation.

Figure 7 below shows the unemployment rate for the Borough over time. This has consistently been high, but the current rate, at 10.0%, marks a considerable fall (although it is still above the pre-recession rate). This has been primarily due to employment growth in manufacturing and services such as recreation and hospitality.³¹ Relatively high unemployment, coupled with long standing deprivation and worklessness, means a much greater demand on local services at a time when budgets for Redcar and Cleveland are under enormous pressure.

Figure 7: Unemployment rate in Redcar and Cleveland, 2005 to March 2014³²



²⁷ Source: Redcar and Cleveland Borough Council (2012) Regeneration Masterplan [http://www.redcar-cleveland.gov.uk/rcbcweb.nsf/B6A92D59D974642380257A4D004D7339/\\$FILE/Regeneration%20Masterplan%202012%202017.pdf](http://www.redcar-cleveland.gov.uk/rcbcweb.nsf/B6A92D59D974642380257A4D004D7339/$FILE/Regeneration%20Masterplan%202012%202017.pdf)

²⁸ Source: Redcar and Cleveland Borough Council (2012) *ibid*

²⁹ Source: Redcar and Cleveland Borough Council (2012) *ibid*

³⁰ Source: Redcar and Cleveland Borough Council (2012) *ibid*

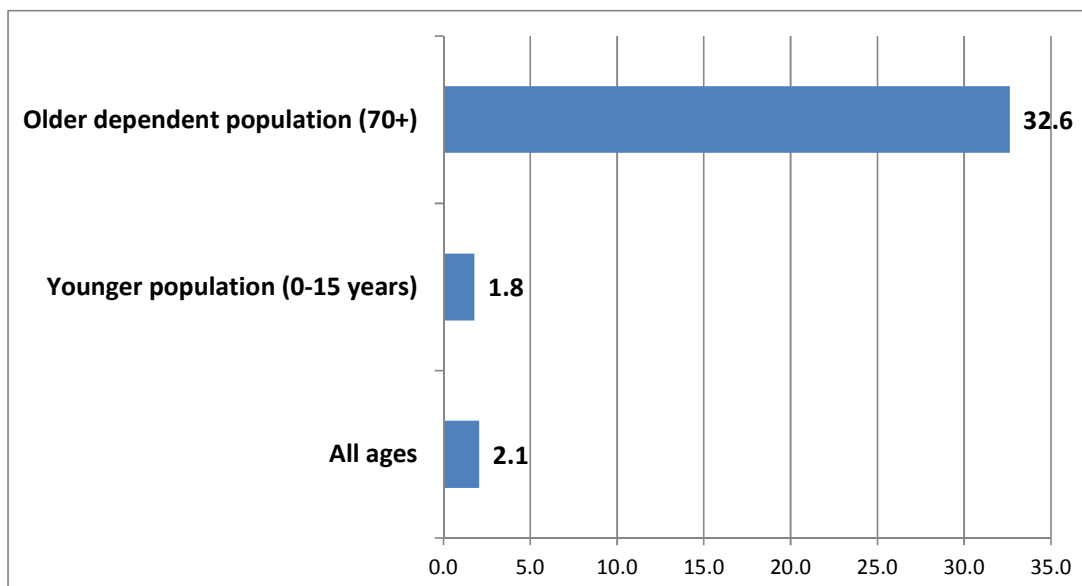
³¹ Source: ONS, Business Register and Employment Survey, 2013

³² Source: ONS, Annual Population Survey, 2014

4.2 Demographics – a growing population

Redcar and Cleveland, in common with other places across the North East, has a rapidly changing population. The demographic challenges for the future are starkly illustrated in Figure 8, showing that the older, dependent population of 70 years and above is likely to grow by a third in the next decade, up to 2025. With significantly less resource but statutory requirements staying the same, with increasing demand, there are huge challenges ahead for local public agencies in providing quality care, even with the development of policies to reduce the number of elderly adults who depend on care.

Figure 8: Projections of cohorts of Redcar and Cleveland's population, 2014 to 2025³³



4.3 The challenge of ongoing austerity measures

Redcar and Cleveland Council has attempted to mitigate the worst impacts of austerity through a shared approach to decision making, for example through incorporating union input and representation into its strategic management process. This has been important during a difficult period, however, the council has continued to be affected severely in terms of what can be delivered.³⁴

- ❑ Between 2014/15 and 2017/18 the Council is experiencing cuts of £19.4m, equating to a 30.6% budget reduction.
- ❑ By 2020 the Council will have had to make total cuts of £33.8m;
- ❑ As a deprived local authority, the formula grant funding that the council particularly relied upon has been eroded away. This included for instance, area based grants which could be used by partners to address local priorities and need, which is more prevalent in deprived areas where demand for services is higher.

Therefore the continuing strain and pressure on services will be severe. The council is attempting to address the severe cuts in the budget through re-shaping and reviewing key service areas. This programme of reviews, called 'Shaping Our Future' seeks to reshape the Council as a whole, reducing expenditure by the required £19.4m over the next three years, whilst ensuring that clear outcomes are achieved. By remaining focussed on specific priorities, the programme aims to protect the vulnerable in its communities, concentrate on the delivery of frontline services and minimise job losses. Through this approach, the local authority, is attempting to prioritise services based on identified need across different departments and avoid spending cuts based on short-term savings alone. Nevertheless the changes will still present major challenges and have impacts for many people across the borough, as explored later.

³³ Source: ONS, Sub-national Population Projections, 2013

³⁴ Source: Redcar and Cleveland Borough Council (March 2014) Budget Setting Papers

4.4 The impacts upon Children's and Adult Social Services

Although both of these directorates have been relatively protected up to now (there have been no front line job cuts as yet and indeed new social workers have been recruited), they will come under increasing pressure over the next four years as the next round of spending cuts are implemented. In December 2013 Outcome Based Reviews were developed across both directorates, highlighting the scale of the challenge and proposals for changes.

4.4.1 Children's services

The directorate must cut £3m from its budget between 2013/14 and 2016/17, representing nearly a 10% cut.

Key challenges

As with other service areas, the directorate is in the process of developing a plan for cuts up to 2018. This is a deliberative process and the issue of meeting need within the borough is always at the forefront of decision making. This is particularly important to the council as one quarter of children living in Redcar and Cleveland live in poverty.³⁵

Population projections show that up to 2020 there is likely to be a modest decrease in numbers of children in the borough,³⁶ with a slight increase in the numbers of children under 10, and a reduction in older children and young people. This does not however mean that demand for services is likely to decrease. Poverty and social inequality can have a profound effect on outcomes for children and young people, and this can reverberate throughout the life course into late adulthood. Unless there is a significant improvement in the local economy, and changes are not made in the way services are delivered, then demand for services will continue to grow. Related to and in addition to the large proportion of children living in poverty, there are a number of other serious challenges facing the borough as highlighted in the Outcome Based Review for the directorate:³⁷

- ❑ **Many children and families are facing persistent challenges:** in April 2013, 154 children and young people had Child Protection Plans in place. The Number of Children in Need per 10,000 population in Redcar and Cleveland is 482. This is lower than in the Tees Valley (506), but higher than the national number of 326. However, referral and re-referral rates to social care are higher than regional and national averages.
- ❑ **Health issues:** children and young people are not as healthy as they should be, with higher levels of hospital admissions, obesity, mothers smoking, and rates of self-harm being double the national average.
- ❑ **Issues affecting young people:** there are higher levels of alcohol and drug misuse for young people within Redcar and Cleveland, with higher rates of related hospital admissions than the national average. This links directly to mental health and criminal behaviours later in life. The rate of first time entrants to the criminal justice system, whilst reducing, is high compared to the national average. While the borough has the lowest rate of absence in primary schools in the northeast at 4.4% (against a national average of 5.7%), 7.9% of children and young people at secondary school are 'persistent absentees.' Teenage pregnancies have reduced since 1999 from 58.2 to 46.2 per 1,000 females aged 15-17, but is still substantially higher than the national average of 35.4.
- ❑ **Inequalities within education:** Children from poorer backgrounds are less likely to achieve good GCSEs, with the gap in attainment widening as a child progresses through school. In 2012, the gap in attainment at Key Stage 2 between pupils eligible for Free School Meals and their peers was 13 percentage points. At Key Stage 4, (achievement of 5 or more GCSE grade A*-C including English and Maths) the gap in attainment more than doubled to 31 percentage points.

³⁵ Source: Redcar and Cleveland Borough Council (December 2013) Best Start in Life, Outcome Based Review

³⁶ Source: Redcar and Cleveland Borough Council (December 2013) Best Start in Life, Outcome Based Review

³⁷ Source: Redcar and Cleveland Borough Council (December 2013) Best Start in Life, Outcome Based Review

Therefore although resources will be cut, the challenges, inherently linked to the socio-economic conditions in Redcar and Cleveland, remain acute. The Council are looking to address these challenges through a new package of early help that is designed to prevent many of the issues in the first place. A 'whole family' approach will be developed to help those families in greatest need. The objectives are to ensure that the right services are accessed at the right time, and to help families to learn to do things themselves, rather than create dependency.

But what does this mean in terms of the impact upon services? The inference is that they become much more highly targeted than before, and we begin to erode the importance of universalism. Targeted eligibility criteria may mean that more children who require services, to whatever extent, may not receive the attention they need. In essence the new approach could mean fewer services for all those who need them.

Key changes and impacts

There will be much more targeting of services at areas of greatest need than before, through the development of 'early help zones',³⁸ which could be streets, towns or villages. The purpose of Early Help Zones will be to target and configure services to ensure children are getting the right support in every aspect of their life. This could mean engaging them in universal services, or assigning them a key worker to provide more intensive support to the family. Again, there is an understandable logic to this in ensuring that the most vulnerable children are targeted. But the language of targeting means that others may miss out on receiving the services they need. There is a danger of the whole approach becoming too narrow and focused on a relatively small group.

For children's social work however, there will be no key changes to the service provision, as safeguarding is considered as the biggest priority for the Council.

The Council's approach to making savings in the long run is clear – early help should reduce demand but this is not clear cut and is recognised by Council.

The key impacts that changes are likely to have include the following:³⁹

- ❑ **Less services available for young people with special educational needs or learning disabilities:** as they are supported to become more independent there may be less service provision available than previously, with less intensive interventions aimed at the most acute cases.
- ❑ **More children in residential care being moved further out of the borough:** more looked after children are now having to be moved long distances away from their communities, and the further away from home children in care live, the less likely it is that their health and education needs will be met, not to mention the impacts on their wellbeing. The most common reason for children to live out of their home area was a shortage of carers closer to home. The Council would like to house more children themselves but the resources are not there and now increasingly have to use expensive private agencies.
- ❑ **Facilities for young people such as youth clubs will be closed, with services targeted on the main areas of need:** although voluntary and community groups may run some of the facilities in future, there will be a lack of universal provision with focus on those most at risk of poorer outcomes.

*'We don't have any money for the youth set ups now. We are looking for more parents and communities to run them, but there are issues such as safeguarding that need to be addressed. It's not that easy to simply hand everything over to the community.'*⁴⁰

Where youth clubs are decommissioned, and there are problems that emerge, the Council indicates that it would be flexible and respond appropriately. But with such limited resource, most of which is highly targeted in the poorest areas, it is difficult to perceive how effective this response could be. The targeted approach and reduction in the universal offer may also mean that there is increasing stigmatisation of services with lower take up from people and families who need them, although this is something that interview respondent commented

³⁸ Source: Redcar and Cleveland Borough Council (December 2013) Best Start in Life, Outcome Based Review

³⁹ Sources for the below are from interview evidence and the above reference from the Outcome Based Review

⁴⁰ Quote from interview respondent

that the Council recognises. Such changes could result in storing up problems for when young people reach adulthood, which will impact on public service pressures.

- **The Council has resisted, up to now, the closure of children's centres,** understanding their importance as community hubs and in delivering crucial services to families. The centres have been rated as 'outstanding' by OFSTED and are clearly a key element of the Children's Services offer. They are bringing in income through hiring for meetings and using them as multi-functional centres, but resourcing them in future is likely to become more difficult. The coverage of the service will be affected by budget cuts, although support will still reach all communities and families will continue to have access to professionals.

However increasingly there has been a reliance upon volunteers, and the Council has indicated that strong levels of volunteering are required to sustain open access and outreach services, to free up time for practitioners to focus on those families who need support the most. This suggests two levels of services – intensive for the most vulnerable families, but an increasingly reduced service for others, based around volunteers. Many families face complex issues and have multiple needs – there is no simple 'black and white' across an area – as illustrated in the national report and other case studies, parents right across the social spectrum can be just as at risk and have complex needs, and it is important to appreciate that volunteers cannot replace the professional expertise of practitioners.

4.4.2 Adult and Social Care

Adult Social Services has not yet been deeply affected by austerity measures on its frontline services, and the 'Shaping Our Future' consultation ensured that no frontline staff have been lost. However the department is now facing significant challenges as funding will be cut substantially over the next few years. Between 2013/14 and 2016/17 Adult and Social Care is expected to experience a decrease in budget of £4.4m, representing an 11.2% fall.⁴¹

Like with many other local authorities, there is a key focus on prevention and developing more integrated services and commissioning structures, through different working models. The aim is for service provision that effectively meets need and will assist people to make the right lifestyle choices, thereby enabling them to remain independent.

Key challenges

The population is ageing with the number of people over the age of 65 living in the borough expected to increase by 8% by 2016 and the numbers of people aged over 80 expected to increase by 27% by 2020.⁴² This rise will also be reflected in the proportions of older people in the borough with a learning disability, which is expected to rise by 11% by 2020. The levels of dementia, heart attack and stroke are predicted to rise by 24%, 14% and 16% respectively by 2020.⁴³ All of these conditions require a high level of health and social care intervention.

Key changes and impacts

There are a number of key changes and impacts as a result of cuts to the budget, twinned with increased demand:⁴⁴

- **Reduction in locality teams and merging learning disabilities services between children and adults:** the number of locality teams will reduce from three to two, and the support offered to clients with learning disabilities will be delivered through a Special Educational Needs and Disabilities Service (SEND) based in Children's Services and providing learning disability support for the whole lifespan. The Council suggest that this will provide a transition-free service for residents, and will ensure that clients are in receipt of consistent, appropriate support throughout their lives. But one of the concerns may be whether it will take in account effectively enough, the differential needs of young people and adults. Two day centres for people with learning disabilities closed last year, although it should be caveated that this was partly in response to falling demand and the need for more flexible provision. It may be a sign though that the foundation for bespoke and specialist support is being pulled away.

⁴¹ Source: Redcar and Cleveland Borough Council (December 2013) Reablement and Independence, Outcome Based Review

⁴² Source: Redcar and Cleveland Borough Council (December 2013) *ibid*

⁴³ Source: Redcar and Cleveland Borough Council (December 2013) *ibid*

⁴⁴ Sources for the below are from interview evidence and the above reference from the Outcome Based Review

- ❑ **Reducing levels of residential care:** the language used by the Council suggests a reduced service, as described below.
 - There will be a drive to reduce admissions to permanent residential care, enabling people to remain independent for as long as practical;
 - The Council states that this will be achieved through increased use of extra care facilities and a drive to increase the availability of this and other forms of supported living in the borough;
 - The Council envisages that home care support packages can also be used more innovatively and effectively as a means to limit residential care admissions;
 - Further, specific high cost residential care placements will be reviewed to ensure they are cost effective. In some instances this may lead to residential care being provided at a different facility in order to make the placement as cost effective as possible.

This signifies a reduced service, which may lead to negative outcomes for service users. Using home care support packages in what is termed a more 'innovative and effective' way could in reality mean a significantly slimmed down service, which may not necessarily reflect what service users actually want or need. Many may feel that residential placements would suit their needs better and also help reduce isolation. Further, it is difficult to envisage how the review of high cost placements and being transferred to different facilities will be something that service users will welcome. It could cause significant stress, upheaval and affect their wellbeing.

One of the other issues around residential care has been high fees. An interviewee commented that since the local authority outsourced delivery it has had some of the highest fees in the North East – these were eventually negotiated down but there is a concern that this could have an impact upon wage levels for staff working in homes. Interview respondents commented that this could in the long term impact upon the standard of care, with staff who are lower paid and not as well trained. It presents a problem for the Council, in that it wants to promote the Living Wage and promote training so there is a qualified care workforce that can deliver the best possible service. Interviewees stated that this is more difficult to achieve through contracting out. Indeed one of the respondents commented that some care homes in the area have gone through 'serious concern protocol' as care was not of sufficient quality.

- ❑ **Non Residential Care:**
 - The Council states that there will be a focus upon improved and increased re-ablement services, care at home solutions and meeting need in a more cost effective way. There is a vagueness about what this actually means in terms of potential impact on services. It is difficult to avoid the conclusion that there will be a more focused service for fewer people - those with greatest need, and therefore negatively impacting upon other service users.
 - For those who are not eligible for services, the Council also intends there to be a focus on better signposting to help those with non-eligible needs to access support to prevent or mitigate a decline to the point where their needs become eligible. Only those who are classified as 'substantial' or 'critical' will qualify for support. Signposting could help to an extent, but it is unlikely to fill the gap in terms of fewer available services.
 - One interviewee commented that there may increasingly be a trend for charging for domiciliary services. This could adversely affect people and erode their quality of life. An existing example in Redcar and Cleveland is described below:

'Many users have previously had personalised jobs done for them such as ironing and shopping that they could not do on their own. It was paid for out of the [Adult Social Care] budget, but now they often have to use their benefits to pay for such a service. It just takes that little bit more out of their pockets to have to pay for these everyday essentials, meaning they have very little to use for discretionary things that will help sustain their quality of life. What are they really going to have left?'⁴⁵

⁴⁵ Quote from an interview respondent

- **Consideration of cost effectiveness a major priority:** as a result of increased demand and marked cuts to budgets, the Council's key aim is cost effectiveness:

'The service offer will help our money to go further. It will provide clearer pathways to informal support and guidance and empower people to remain free of formal social care, seeking to prevent crises from occurring in the first place. We will provide the right support at the right time, in the most efficient way possible and ensure a choice of effective service options are available. We will build formal support around informal family and community networks of support'

This focus on cost effectiveness may actually reflect a narrowing of provision and targeting on a smaller cohort of those most in need. This is, to an extent, a rational development but it does illustrate the difficult situation that the Council (as with many others) find themselves – fewer resources to cater for a limited number of vulnerable people. This will mean a new reality for service users in that they are now receiving a more limited service.

*'People now can't always get what they feel they need and we cannot always provide for them, especially now. This perception is very difficult to shift and managing expectations, as demand is rising, is so hard to do.'*⁴⁶

Further, will all people who need and are eligible for intensive services continue to receive them at the level they require? As the Council state themselves, all social care services are demand-led and high cost, representing the largest proportion of the Council's revenue expenditure (approximately 35%). Many cases have extremely high costs and in some areas it is difficult to forecast the required level of service provision with a high degree of accuracy. If the actual costs due to increasing demand are indeed higher, then the impact on service users will be even more marked.

- **The impact on staff:** the effect of changes on staff could impact on service delivery. Interview evidence suggested that there is increasing stress on frontline workers with less staff available, and there has been a large thinning out of management, which impacts on frontline workers. There has also been a removal of workforce entitlements, such as in car use benefits, essential for frontline workers, particularly in Redcar and Cleveland which is partly rural and driving is even more expensive. Combined, these impacts, as in many other areas, could ultimately impact on the service quality.
- **New delivery models:** the budget cuts are, of course, creating an increasingly challenging environment. But there are examples of instances where different delivery models have been developed which may help people achieve better outcomes. This was highlighted during the interviews. For instance, in Redcar and Cleveland there was a facility for mental health day services and supported employment. This was a service which responded well to need but it got to a point where the Council could no longer afford to run it. The service was disbanded and but then was set up as a social enterprise by the staff who had previously run it. It was relocated to the centre of Redcar, and therefore was in a better position to work with local shops where service users were able to work with and in local shops through a range of work experience activities. The social enterprise is now expanding and opening a café which will provide further opportunities for local people with mental health issues, with revenues being reinvested back into the delivery of services. The perception is that this is a better service than previously, as it provides more 'hands on' opportunities for people and creates a social environment for users.

Another example is the closure of three day centres for adults with learning disabilities. This was not simply a decision based entirely on cutting costs, rather it followed extensive consultation on what would be the best way of helping this cohort. Following the closure of the day centres, service users were provided with a personal package of support that would help them become active participants within the community. As part of this an apprenticeship scheme was developed for people with learning disabilities which involved placements across the Council. Volunteer mentors who are existing staff were trained up to be able to work with

⁴⁶ Quote from an interview respondent

the apprentices, and the feedback has been very positive, highlighting how personalisation can provide positive outcomes for people. More apprenticeships are planned.

4.4.3 Wider concerns about future financial sustainability

Beyond the specific elements of service delivery in Redcar and Cleveland, there are wider ranging concerns about the longer term finances, reflecting the wider position of the North East. The funding formulas are not focussing enough upon need, and this may result in further disproportionate cuts in the coming years. The concern is that due to extra demand the Council will increasingly not be able to provide discretionary services such as leisure centres and libraries (which have been kept open until now), together with further hard choices in statutory services. Redcar and Cleveland is similar to other local authorities in the North East in that it is more exposed – a low tax base (council tax and business rates) means that the ability to achieve extra income is limited. There are also a lack of reserves for many councils in the North East to utilise on plugging the widening gaps in budgets. Then there is the option of selling assets, however values are limited in areas such as Redcar and Cleveland. These negatives all taken together result in a very difficult position for the Council (and indeed other local authorities across the region).

4.5 Public sector employment

4.5.1 Changes to employment within the Council

Between 2011 and the end of the 2013, approximately 600 posts had been cut from the Council, with a further 150 projected by 2020.⁴⁷ Interviewees commented that the Council has worked to ensure that few of these have been through compulsory redundancy. Most of these have been voluntary partly due to an ageing workforce within the Council with many taking early retirement. At all stages up to now, the Council has looked to minimise the impacts of cuts upon jobs and services. In addition, in the summer of 2013, a senior management re-organisation was conducted, reducing the senior management of the Council by almost 25%.

4.5.2 Impacts of austerity on public sector jobs

Figures 9 and 10 show the changes in public and private sector employment between 2009 and 2013, and the number of jobs each year during this period.⁴⁸ In terms of public sector employment, Figure 9 illustrates the continuing decline in jobs since the Coalition Government entered office. In total, the number of public sector jobs fell by approximately 1,900 between 2010 and 2013.

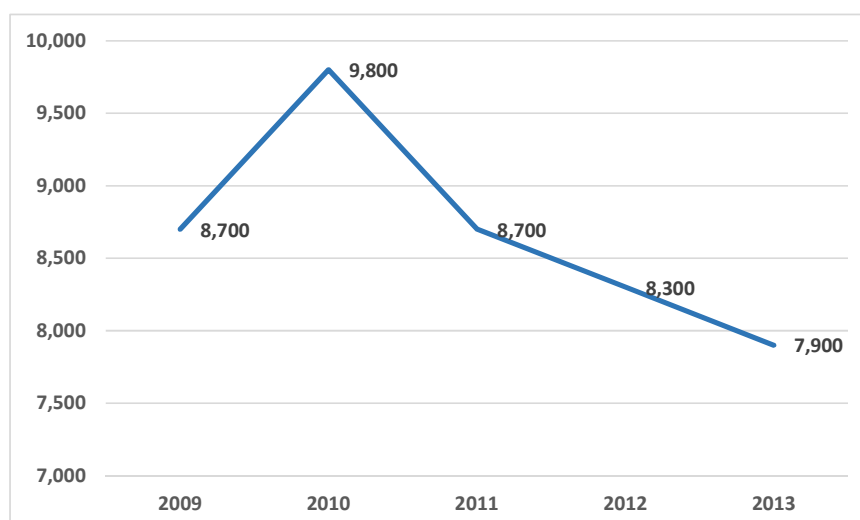
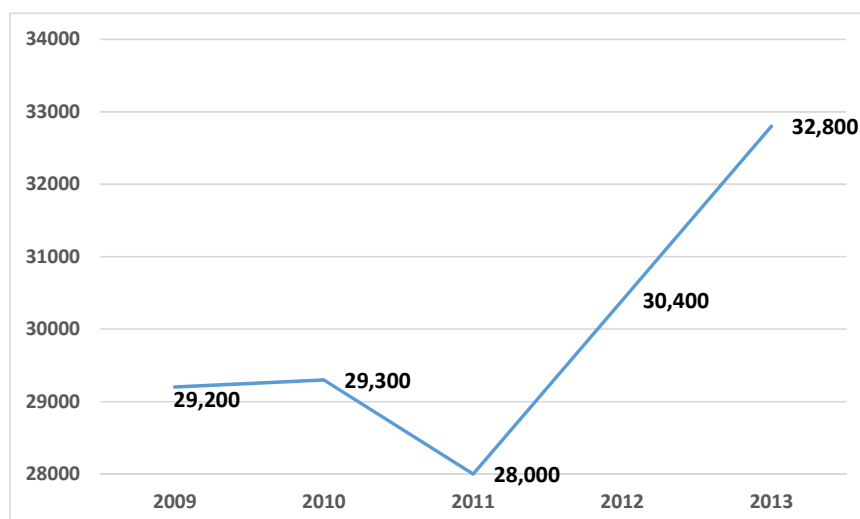
However, the private sector experienced some growth in employment between 2011 and 2013, gaining approximately 3,500 jobs (12%) which were spread across a number of sectors, with particular growth in manufacturing, construction and logistics. Overall, there was a net increase of approximately 1,600 jobs in Redcar and Cleveland between 2010 and 2013, but it is unclear to what extent this represents low or high paying jobs. The information cited in section 3.4, pointing out that nationally 4 in 5 jobs created since 2010 are in low paying sectors, should be noted.⁴⁹

Although private sector employment has increased somewhat in recent years, the effects of public sector austerity measures have meant that improvements in total employment has been held back.

⁴⁷ Source: UNISON (2014) <http://www.northernunison.org.uk/?p=673>

⁴⁸ It should be noted that more current data, as used in Table 1, assessing regional employment in the public and private sector, is not available at a geography lower than the regional level. Data for county and district public/private sector employment extends from 2009 to 2013, via the annual Business Register and Employment Survey. It should also be noted that changes in the classification of public and private sector employment came into effect during 2012, with further education and sixth form functions transferred to the private sector. For Table 1, ONS provide this data from the beginning of the time series which aids analysis, but that is not available here. Therefore, although the figures of the changes involved would be much lower than at the regional level, this should be kept in consideration during analysis.

⁴⁹ Source: <http://www.tuc.org.uk/economic-issues/labour-market/four-five-jobs-created-june-2010-have-been-low-paid-industries>

Figure 9: Public sector employment change in Redcar and Cleveland, 2009 to 2013⁵⁰**Figure 10: Private sector employment change in Redcar and Cleveland, 2009 to 2013⁵¹**

⁵⁰ Source: ONS, Business Register and Employment Survey, public/private sector data, 2009 to 2013

⁵¹ Source: ONS, Business Register and Employment Survey, public/private sector data, 2009 to 2013

5 LOCAL RECOMMENDATIONS

From the analysis, it is possible to derive some key high level messages/recommendations that could be considered.

5.1 Central government needs to consider the disproportionate impacts of the cuts

This concerns both Redcar and Cleveland and other local authorities more widely within the North East. There are significant concerns over longer term finances, and with the ability to bring in extra income due to a low tax base, it makes it hard for them to mitigate what are already particularly disproportionate impacts. It puts the Council and others in the region in a very difficult position. Significant impacts due to welfare reform combined with major cuts to core budgets, will result in greater health, economic and social inequalities both within the district, region and between the North East and other parts of the country. Central government must develop a much firmer appreciation of these impacts and provide the sufficient funding settlements which will address these issues. The region needs a larger portion of the resource in order to address its needs.

5.2 Ensure universal provision remains as much as possible

It is a logical approach to take, when resources are cut, that the Council is ensuring that statutory services remain for the most vulnerable residents, in particular around Children's Services. However there still needs to be a sufficient universal service provided. Without this certain services will become stigmatised as being aimed only at 'problem families' when in fact, many rely on services such as children's centres and they have a positive effect for building social capital and community relations. There should therefore be an emphasis on maintaining and protecting quality universal services (particularly around early years provision and for youth services where possible) that clearly articulates the proportionate universalism approach.

5.3 Provide support to businesses to bring in extra revenue that can be reinvested back into services

There is a relatively low tax base within both Redcar and Cleveland and the wider North East. However there are actions that the Council can take around procurement processes and strengthening local supply chains that can ensure that money is retained within the local economy with accompanying social and economic benefits.⁵² This can help in developing a stronger local economy which impacts on service demand down the line, and bringing in more revenue to re-invest. In times of economic change and fiscal restraint, the power of procurement becomes even more important.

5.4 Develop a qualified local care workforce

The implementation of the Living Wage within the borough has been an important development by the Council. It is important that wherever possible this is reflected in the development of a care workforce that is also well trained. This is of course very difficult to achieve considering the terms and conditions of private sector staff are not as competitive as for when delivered directly through the local authority. This has nevertheless been a priority for the Council and this needs to remain the case moving forward. A better paid and trained workforce needs to be reflected across all sectors, and the care sector is central to protecting the most vulnerable and delivering key statutory duties – there needs to be dialogue and working with providers to ensure that workers are well trained and fairly remunerated.

5.5 Supporting the development of innovative delivery models

As a result of the pressures on the budget, there have been instances where services have been cut back, such as day care centres for adults with learning disabilities. The closure of such facilities is of course not a desired outcome, but where this has happened there has been positive local action to develop more individualised support which increases the confidence and employability skills of people with learning disabilities. This has been through action by the Council, private providers and social enterprise. Innovative delivery models such as these need to continue to be encouraged and practically supported by the Council wherever possible, in order to help people achieve positive outcomes. This could be through, for instance, help in acquiring premises, and through operational and administrative support and advice.

⁵²See: <http://www.cles.org.uk/wp-content/uploads/2011/01/The-power-of-procurement.pdf>

6 NATIONAL RECOMMENDATIONS

The report outlines some key high level messages which are aimed at both national and local government, based on different approaches and ways of working at all levels, in order to mitigate the impacts of austerity for people and places. Detailed recommendations can be found in the national report.

6.1 Develop fair funding mechanisms for those places most in need

There needs to be a fairer settlement for places with higher social and economic need, particularly in terms of local government finance. This is about stepping away from a wholesale uniform approach to public spending cuts and future resource allocation, to one that recognises differentiated needs; and limits, as far as possible, the impact of reductions in spending on the most vulnerable in society and on those places heavily dependent on the public sector, whilst recognising the importance of universal access to services.

- ❑ There should be an alternative, needs based approach to local government funding that shows an appreciation that some localities need more support.
- ❑ There should be a place weighting within formulas applying across the public sector, where the objective is to reduce the gap in outcomes between the most affluent and most deprived areas.
- ❑ Additionally there needs to be an urgent review of local authorities' ability to meet their statutory requirements, at minimum, between now and 2018/19.

6.2 Assess the impact of changes in national spending and welfare policies on regional inequalities

Public agencies could make a concerted effort to collect and collate a deeper pool of evidence on the consequences of central government policies, particularly the impact on the most disadvantaged communities. This evidence can then be used to devise ways of ameliorating adverse consequences locally, as well as to inform central government spending choices.

6.3 Implement real devolution of resource and policy levers

There needs to be further devolution of resources and decision making powers. This would sit alongside increased democratic accountability and transparency, and structures for effective representation which would include the voices of citizens, service users, and unions.

- ❑ Incrementally increase the proportion of public expenditure that is gathered and spent locally.
- ❑ Alongside this would be agreements with national government to ensure that devolved funds are used to accelerate social gains and address inequalities.
- ❑ Financial freedoms alongside devolving resources. This means providing more effective mechanisms for local government to access finance.

6.4 Develop more intelligent procurement and commissioning processes

6.4.1 Promoting progressive procurement

When procurement and economic development teams within local authorities work together, public procurement can be planned effectively in order to develop the capacity of local businesses and the voluntary and community sector, to support local skills and employment, promote quality jobs and drive up employment standards. There are a number of considerations to developing more progressive procurement practice which also provides value for money, developed by CLES' significant body of research in the area, which should become standard practice across public sector agencies, both at the national and local level. These are outlined in the report.

6.4.2 Promoting the Living Wage

A key mechanism for promoting the Living Wage, is through commissioning and embedding it within the local supply chain:

- ❑ For service contracts a consideration of social value, preferably linked to an over-arching statement of intent or sustainable procurement strategy, should be carried out in order to identify a clear and transparent commitment to supporting a Living Wage.
- ❑ There is a converse argument that states that having Living Wage compliance as one element of award criteria might be more legally permissible than making it a condition of contracts. This would be an important consideration and something that individual organisations would need to weigh up, whether this would change on a case by case basis.

6.4.3 Reducing the use of zero hours contracts through procurement and commissioning

Taking zero hour contracts out of commissioning is critical. 60% of domiciliary care workers are on such contracts. The situation, a symptom of current commissioning arrangements, requires urgent attention and there are steps that commissioners can take to make a difference, as outlined by the Resolution Foundation.⁵³

- 1) **Promoting outcomes-based commissioning:** Outcomes based commissioning would mean that providers and care beneficiaries can negotiate their own timetables and then providers will be held to account for supporting greater independence and a better quality of life.
- 2) **Develop the workforce:** Improve the required standards of training in housing and social care, to fund this so it is not left to workers to pay for their own essential training.

6.5 Develop a 'rights' based approach for children's welfare

There are a number of high level actions, recently developed by CLES and the University of Liverpool for a review panel on health inequalities,⁵⁴ that could be committed to in order to ensure that children are a central facet within both local and national policy making, and so do not become further disadvantaged because of austerity.

- ❑ Embed a 'rights' based approach to children's welfare at the national level: a high level commitment to children's rights with the aim of improving child wellbeing and reducing inequalities.
- ❑ Local authorities across the country should be making a similar high level commitment, for instance through a Charter or signing up to a Declaration, to pledge to put children's welfare as a central component of what they do, and put this into practice. (for instance through the promotion of the TUC and Children England 'Declaration of Inter-dependence' setting out a new framework of service provision based on collaboration, partnership and the promotion of child-centred services and best employment standards).
- ❑ Act on reducing child poverty through the measures advocated by the Child Poverty Commission.
- ❑ A focus upon early intervention: led at the national level and cascading down to local level, there should be dedication to early intervention and to considering how to make this better and bolder.
- ❑ Provide universal support to families through parenting programmes, children's centres and key workers, delivered to meet social needs.

⁵³ Resolution Foundation (2014) Zeroing In: Balanced protection and flexibility in the reform of zero hours contracts http://www.resolutionfoundation.org/media/media/downloads/Zeroing_In_1.pdf

⁵⁴ See: <http://www.cles.org.uk/news/inquiry-publishes-due-north-report-on-health-equity/>

6.6 Develop a long term plan for increasing resource for Adult Social Care

Inadequate social care has a knock on effect and results in further demands on the NHS. The Better Care Fund could, to an extent, be an opportunity to address this, with £3.8 billion being pooled between local government and NHS to support transformation and integration of health and social care services to ensure local people receive better care. However, there are concerns about the impact on NHS services resulting from the transfer of resources to social care in this way and the efficiency and productivity gains are still open to considerable debate.

Arguably this fund needs to be bigger in order to provide better quality of services and avoid future acute financial problems for Adult Social Care. Either a larger or different fund is required to make a real difference, helping the transformation of Adult Social Care in future together with integration with NHS operations. This has been put forward by the Kings Fund, suggesting a 'genuine health and social care transformation fund with new money to meet the running and transition costs of changing how and where care is provided'.⁵⁵

6.7 Promote in-sourcing within local government and other public agencies

There are a number of lessons and best practice to take forward which should be applied and further promoted across the country. Having early involvement of staff and trade unions is central in returning services in-house. It provides the opportunity to redevelop capacity and reshape expertise, and can help in new smarter working to reduce levels of waste and develop and design more efficient services

6.8 Working with public service unions

Develop partnership working with public service unions to promote engagement and employee voice in the design and delivery of services as well as protecting and promoting the best employment standards through:

- ❑ Supporting the living standards of public service workers, promoting equality and boosting recruitment and retention by lifting the public sector pay cap, promoting collective bargaining and national pay determination and promoting equal pay through the increased use of equality audits and pay reviews.
- ❑ Promoting trade union recognition and partnership through a range of measures including the extension of national and local tri-partite structures such as the NHS Social Partnership Forum, supporting facility time, check off procedures and the use of public procurement to protect against blacklisting and promote adherence to ILO conventions in support of trade union freedoms.
- ❑ Promote mechanisms for the protection of employment standards and collective bargaining through the strengthening of TUPE, the creation of a new Two Tier Code of Practice and the adoption of mechanisms to extend existing sectoral collective agreements to all providers of services.

6.9 Develop a new framework of collaborative work with the voluntary and community sector

There needs to a shift in thinking from public sector agencies in how they deal with the voluntary and community sector, with an approach that ensures appropriate community and voluntary sector partners have a voice in the design and commissioning of services, where appropriate.⁵⁶ This requires an understanding in both national and local government as to the different types of funding models which allow the sector to operate in the most effective way, which shows an appreciation of the strengths of the sector and its diversity.

⁵⁵ Source: The Kings Fund (July 2014) Better Care Fund? Better read the small print <http://www.kingsfund.org.uk/blog/2014/07/better-care-fund-better-read-small-print>

⁵⁶ What we do not call for is mass commissioning of services which are better delivered in-house. There needs to be consideration of which services are being tendered and why.