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***A SUMMARY OF AUSTERITY IN THE EAST MIDLANDS AND A CASE STUDY OF
DERBY CITY COUNCIL***

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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 the case studies are 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 CONTEXT: AN IMPROVING ECONOMY BUT NOT FOR ALL

The East Midlands has no dominant conurbation and comprises 36 local authority districts or boroughs, with five county councils and four unitary authorities. It includes the cities of Nottingham, Leicester and Derby, and the counties of Nottinghamshire, Leicestershire, Lincolnshire, Derbyshire and Northamptonshire.

The East Midlands is one of the smaller English regions, however, its population growth is predicted to be higher over the next 25 years than that of any other region, particularly in the elderly cohort.¹ In turn, this will add pressure to infrastructure, housing, jobs and other services. The regional economy has faced re-structuring in the last few decades. However there has been a more positive story recently emerging from the region, with its economy expanding by 4% in the last 12 months, and it is one of only four regions where the economy has returned to pre-recession levels.² More growth has meant more jobs, with large falls in unemployment over the past year. Success stories, such as Bombardier's £1bn Derby plant's contract to deliver Crossrail, have been welcome boosts for the economy. Indeed despite job losses in manufacturing it still has a greater percentage of manufacturing jobs than other regions, at 16.5%, providing the basis for export potential.³

Despite the return to more positive economic conditions, not all are benefiting and deprivation is still entrenched, as it has been for some time, in many areas of the region. Overall, the East Midlands has a relatively low level of deprivation, but there are certain areas with persistent sub-regional levels of much higher deprivation. This tends to be concentrated in central urban areas together with some sparsely distributed rural locations, and along the Lincolnshire coast.⁴ In particular, Derby, Leicester and Nottingham all have relatively high concentrations of economic, social and physical deprivation within their inner areas and in some outer housing estates. The pressures upon services and interventions within these places therefore remains high, and is more difficult to service in an era of austerity where public agency budgets are being cut so drastically.

The differing levels of need across the region are also illustrated by unemployment. There is considerable regional variation in unemployment, with Lincoln experiencing the highest unemployment rate in the region at 10.3%, and South Northamptonshire the lowest at 3.7%.⁵ The median weekly wage in the region is relatively low at £483.40, compared with the England level of £520.70 and London which is £613.13.⁶ Gross disposable household income (GDHI) for East Midlands' residents was £14,600 per head in 2012, which was 14% below the UK average.⁷ Therefore despite growth within the regional economy, this evidence suggests a predominance of lower paid employment - indeed much of the recent growth has been fuelled by services and retail.⁸ This means that issues such as in-work poverty could be a significant issue and approximately a quarter of working age residents are estimated to be paid below the Living Wage.⁹ East Midlands' workers are experiencing a major squeeze on their incomes.

There are ambitious plans across the region to reduce the impacts of austerity, increase regional economic growth and reduce unemployment levels. This is mainly based around major infrastructure programmes currently in place or planned over the next few years. These current and planned projects include: a Nottingham tram extension; road improvement schemes on the A453, A43, A46, A38 and M1; a new electrified passenger and freight corridor linking Yorkshire and the Midlands with ports in the south of England; a MIRA Technology Park - Automotive research centre; 'Super-Connected' (Wifi) city scheme in Derby; the re-building of 28 schools as part of the Priority Schools Building Programme; and, a major railway station redevelopment in Nottingham.¹⁰ These are important and progressive projects but they must connect with those disadvantaged communities and provide opportunities in terms of decent employment and linking to social and economic opportunity – if they do not then the same pockets of deprivation will become further entrenched, widening inequalities and therefore resulting in higher demand for public services.

¹ Source: ONS, Portrait of the East Midlands file:///C:/Users/adriannolan/Downloads/RT41-Article4_tcm77-108651.pdf

² Source: BBC, 20th August 2014 <http://www.bbc.co.uk/news/uk-england-28863450>

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

⁴ Source: Gleeds, Regional Focus: East Midlands. 2013.

⁵ Source: Gleeds *ibid*

⁶ Source: ONS, Annual Survey of Hours and Earnings, 2013

⁷ Source: ONS, Regional Profile, 2013.

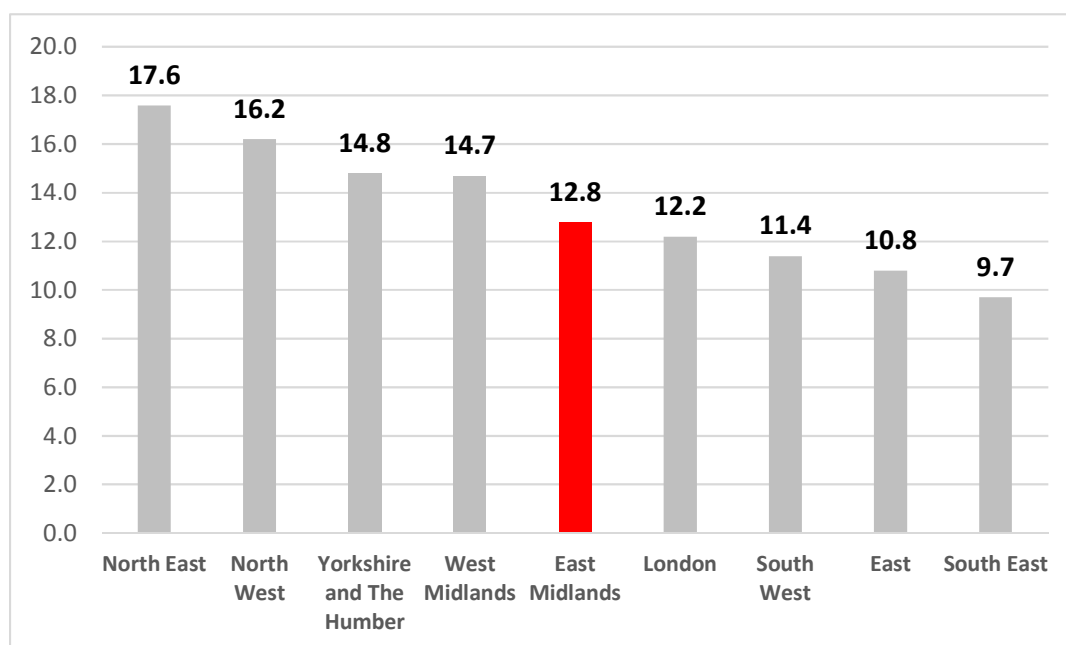
⁸ Source: BBC, *ibid*

⁹ Source: Markit (2013 Living Wage Research for KPMG)

¹⁰ Source: Gleeds *ibid*

Figure 1 below shows that the number of people claiming in or out of work benefits in the East Midlands is 12.8%. Although the East Midlands is a relatively more prosperous region than the northern regions of England, these claimant levels are substantially higher in the large pockets of poverty where major sub-regional inequalities persist, most notably areas of Nottingham, Mansfield, Leicester and Chesterfield for example, where rates exceed 16% and are as high as 19%. In these communities people suffer greater levels of ill health, are less likely to enjoy the economic and social benefits afforded to a prosperous society and ultimately die at a younger age than other members of society.¹¹ Similarly Figure 2 shows the percentage of households with at least one person of working age who has a long term health problem or disability in the East Midlands is 26.2%. This is similar to the England average of 25.7%, however, the levels of smoking in pregnancy, breast feeding initiation and infant deaths are all worse. There are inequalities in health within the East Midlands which are closely associated with deprivation. For example, the health of people in Harborough, Rushcliffe and South Northamptonshire is generally better than both the England average and the East Midlands average, while the health of people in Nottingham, Mansfield and Derby is generally worse.¹²

Figure 1: Percentage of the working age population claiming in and out of work benefits, May 2014¹³

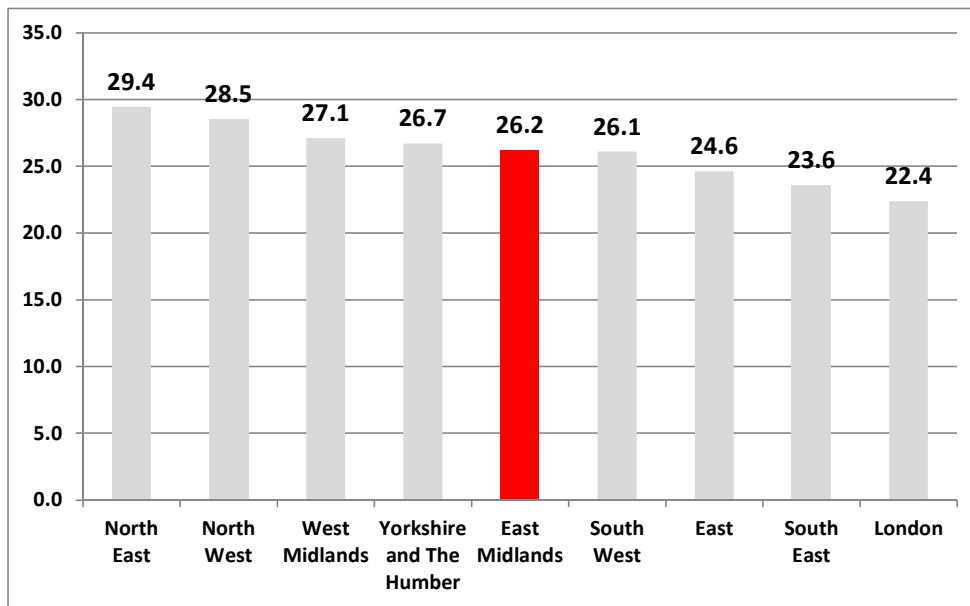


¹¹ Source: NHS, Health Profile: East Midlands, 2010

¹² Source: NHS, Health Profile: East Midlands, 2010

¹³ 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 2: Percentage of households where at least one person has a long term health problem or disability¹⁴



The overall picture therefore for the East Midlands is one of significant disparities. On the one hand it is showing signs of economic growth, but across the region many people are not benefiting from this and are experiencing in-work poverty, with approximately a quarter paid less than the Living Wage¹⁵. There are also major concentrations of deprivation in a number of urban areas, resulting in significant health, social and economic inclusion challenges. It is these urban areas where many local authorities are experiencing the highest levels of cuts. The high and increasing demand for a range of services as a result, in addition to the disproportionate pressures of one of England's highest growing elderly populations, is going to put even greater pressure upon councils and partner organisations who are already struggling to deliver.

¹⁴ Source: ONS, Census, 2011

¹⁵ Source: Markit (2013 Living Wage Research for KPMG)

3 THE IMPACTS OF AUSTERITY IN THE EAST MIDLANDS

The previous section outlines the social and economic context for the East Midlands. This section outlines the nature of some of the key impacts of the austerity measures.

3.1 Impacts on public services

The full impact of the cuts in public spending across the East Midlands are still not known, but the region is suffering. For instance in 2014 local authorities in the East Midlands are having to make a further 4.1% spending cuts, the biggest cuts of any English region except from the North East.¹⁶ The average real terms cut to the Settlement Funding Assessment, between 2013/14 and 2015/16 is in excess of 25%, compared to 23.8% for England as a whole.¹⁷

The case study on Derby City Council focuses upon some of the impacts on services in more detail. However, there is evidence from across the region as to how the cuts are impacting upon the population. For instance, within Derbyshire, the County Council is planning to cut 2,000 jobs in the next three years, on top of the 1,600 announced last year. This also means severe cuts in service budgets, estimated by the Council as up to a third.¹⁸ The impacts will be felt across a range of cohorts. One example is the budget for direct care which will be cut by 25%. This important service includes care provided by social care workers to hundreds of people across residential homes, as well as day care and extra support services. The Council has also decided to raise the threshold for access to adult care services from "higher moderate" to "substantial". This means 2,700 people out of 8,500 receiving council-funded care and support will no longer be eligible. 23 children's centres could be closed which will impact on social capital and crucial early year's experiences for children, and the countryside services budget (which includes services such as local events, public transport, countryside volunteering support and running local countryside centres) could be cut by a third. Given the rural nature of large swathes of the East Midlands, such cuts to countryside services could have devastating consequences, particularly for deprived and elderly residents, who rely on public services as a lifeline – this could have knock on effects of increasing dependency and increase the impacts of isolation.

The story is similar elsewhere. In Nottinghamshire the County Council is closing three day centres and its welfare assistance fund, which is seen as a safety net for those who need financial help, has now ceased. There has been consultation on the closure of seven children's centres, and youth centres are being closed. The current Labour administration has warned that the future is 'bleak' for the Council.¹⁹ In Leicestershire, the scope for further savings is said to now be very limited and the Council fears it is close to a tipping point where it can no longer deliver its statutory services.²⁰ Social care placements for children are being cut and it is Adults and Children's Services which are bearing the brunt of the cuts. In Lincolnshire the County Council has cut over 1,000 jobs in recent years, with the potential for 500 job losses in the next round of cuts.²¹

This just provides a brief overview of some of the major changes taking place at the county level within the East Midlands. There are also significant impacts at city and unitary authority level, as highlighted in the case study. This provides a snapshot of the bleak future that many councils are facing in the East Midlands, as with many other areas of the country. The impacts, particularly for the most vulnerable, could be severe.

¹⁶ Source: CIPFA, Revenue Accounts and Budget Estimates, 2014.

¹⁷ Source: London Councils (2014) Local Government Finance Settlement 2014/15: Response by London Councils

¹⁸ Source: Derbyshire County Council http://www.derbyshire.gov.uk/council/news_events/news-updates/2014/july/budget_cuts.asp

¹⁹ Source: Nottingham Post, February 28th 2014 <http://www.nottinghampost.com/hour-war-words-pound-83m-axe-fall/story-20724933-detail/story.html>

²⁰ Source: Leicestershire County Council <http://www.leics.gov.uk/future.htm> and Leicestershire Mercury 11th September 2011 <http://www.leicesterm Mercury.co.uk/Leicestershire-County-Council-announces-extra-40/story-22912495-detail/story.html>

²¹ BBC 1st July 2014 <http://www.bbc.co.uk/news/uk-england-lincolnshire-28115298>

3.2 Impacts on the voluntary and community sector

The public spending cuts in the East Midlands region affect a wide spectrum of projects across all sectors. The loss of grants has had a major impact on the third sector in the East Midlands. The East Midlands Regional Equality and Diversity Partnership²² highlighted a number of public services, either provided directly by the public sector or indirectly via the third sector, that are being cut including:

- Youth offending teams;
- Refugee advice centres;
- Sure Start services;
- Domestic violence centres;
- HIV-prevention schemes;
- Lollipop wardens;
- Help for women with postnatal depression;
- Debt advice services.

One example from an interview respondent comes from Northamptonshire, which cut its youth service and asked the voluntary sector to bid for parts of it. There is likely to now be a reduced service in the county. The respondent commented that contracts now being provided for the sector as a whole reflect other areas of the country, in that they are poor quality and do not cover the cost of overheads, facilities, and travel, for instance. Quite simply there is not the funding to pay for the work of the sector, and vulnerable groups, such as young people, children, and those struggling through debt issues, are being impacted.

3.3 Welfare reform

Like other regions across the country, the East Midlands is experiencing significant impacts of welfare reform. The 2013 Budget indicated that a further £11.5bn of savings will need to be made nationally from 2015, and an overall cap to the welfare budget was announced, which will include housing benefit and tax credits but exclude JSA and state pension.²³ Further changes introduced included a seven day wait before claiming, increasing hardship and debt for those on low incomes lacking the capacity to build any household reserves. The East Midlands has seen the third largest rise in the country (110%) in working people claiming housing benefit since 2009 and therefore the impacts on those claiming are likely to be considerable. Adding to the strain for people in the East Midlands, the region is predicted to see the second largest rise in private rents by 2020 – up 45% – while house prices are expected to increase by 25%.²⁴

Other benefit changes are also having a major impact. The Disability Living Allowance (DLA) for people of working age changed to Personal Independence Payments from April 2013 for new claimants, with a reduction in the levels of allowances to address the additional costs of care and mobility that disabled people experience. Government anticipates that the changes will deliver a reduction in the caseload by 2015-16 of 500,000 claimants with a saving to government of £2,240m.²⁵ It is estimated that 230,000 severely disabled people without another adult to help them will lose up to £3,000 a year. With over a quarter of households with at least one person in the East Midlands having a long term health condition or disability (as shown in Figure 2), this is likely to have a significant regional impact.

3.4 Impact on public sector job losses

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. Local government has been most affected by cuts to jobs, and Table 1 shows the distribution of this across the regions since the Coalition Government came into office up to the end of last year.

²² Regional Equality and Diversity Partnership (2012) <http://redpartnership.blogspot.co.uk/>

²³ HM Treasury (2013) Budget: <https://www.gov.uk/government/publications/budget-2013-documents>

²⁴ National Housing Federation, 2013.

²⁵ House of Commons Library (2013) Draft Social Security (Personal Independence Payment) Regulations 2013

Table 1 shows that 35,000 public sector jobs were lost in the East Midlands between 2010 and 2014. Although the region has seen an increase of 136,000 jobs in the private sector during the same period, this does not necessarily mean that the private sector jobs created are as well paid or skilled as the lost public sector jobs. It is unclear if this net gain of 101,000 jobs partly represents growth in self-employment, or if the jobs created are low paying with poorer terms and conditions. However, research from the TUC²⁶ 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. Certainly within the retail and service sectors (outlined above as key growth sectors in the region) around a quarter of the working age population earn below the Living Wage. This directly correlates with skills. The East Midlands workforce has comparatively low skills levels, and it is clear that in-work poverty increases significantly in those families employed in unskilled occupations.²⁷ The public policy options to upskill people are being significantly reduced as a result of public expenditure cuts, and as a consequence there is an in-work poverty trap for the low skilled.²⁸ This is particularly true for single parent and single earner households, which also depend on other public services to support them.²⁹

Table 1: Private sector job growth and falling public sector employment across the - regions, between Quarter 2 2010 and Quarter 2 2014^{30,31}

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

²⁶ Source: <http://www.tuc.org.uk/economic-issues/labour-market/four-five-jobs-created-june-2010-have-been-low-paid-industries>

²⁷ The National Voice for Lifelong Learning (2014) How education and skills can tackle poverty and low pay

<http://www.niace.org.uk/news/how-education-and-skills-can-tackle-poverty-and-low-pay>

²⁸ For instance, as highlighted in the national report, recent national cuts to the sector include over £460 million from the Adult Skills Budget, forcing colleges and training providers to make difficult decisions about reducing provision which means cutting jobs and courses.

²⁹ Source: Orton, M. et. al. (2010). The 're-discovery' of in-work poverty: empirical insights and policy Implications. WISERD.

³⁰ Source: ONS, Public Sector Employment, Statistical Bulletin, Q2 2014

³¹ 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: DERBY CITY COUNCIL

Derby's economy was traditionally based upon manufacturing up until the 1980's and 1990's. But in recent decades it has developed a more mixed economy with significant employment in the service sector and a large public sector presence. To an extent the city's economy has been restructured as service industries have become more prominent, however, the presence of Bombardier and Rolls Royce has meant that it still has a strong advanced manufacturing core. However, Derby is perceived as suffering from an over reliance on advanced manufacturing and a few very large employers, in particular Rolls Royce. In the last few decades employment levels in the city have followed national trends with overall numbers of jobs increasing significantly, but this has mainly been attributable to the rapid expansion in public sector employment, which has made it vulnerable to austerity measures.³²

Derby does experience significant economic and social exclusion issues, as illustrated by wages. Wage levels of people working in Derby are amongst the highest of any city outside London and the South East.³³ These higher than average wage levels are partly attributable to the extent of high skilled employment in the advanced manufacturing and engineering sectors. However, wage levels of residents within Derby are not as strong, suggesting that many of the high end jobs are taken up by people living outside the city. This is indicated further by the fact that Gross Disposable Household Income in Derby is below the national average (£11,338 compared with £14,600 for the UK in 2011)³⁴ and has increased at a slow rate in recent years. Indeed a high proportion of residents suffer from skills deficiencies and there are pockets of long-standing deprivation. More than a quarter of Derby' population have qualifications at NVQ Level 4 or above, yet 18% have no qualifications.³⁵

The low wages and low skills levels relate directly to deprivation and worklessness. Inter-generational worklessness is a major problem in the deprived wards and contributes to continued lack of aspiration and low self-esteem.³⁶ These factors can prevent people from getting a job and engaging with the local economy. Parts of Derby suffer from very high levels of deprivation with areas in the top 5% most deprived nationally. According to the 2010 Indices of Deprivation,³⁷ Derby has 41 Lower Super Output Areas (LSOA) – 27.9% of the city's total – in the most deprived quintile in England.

In addition to this and related to issues of disadvantage, there are weaknesses within the labour market. The unemployment rate for Derby (8.2%) is higher than both the average of the East Midlands region (7.1%) and Great Britain (7.9%).³⁸ Furthermore, the number of Derby residents claiming out of work benefits stood at 19,500 (as of March 2014) or 12.2% of the working age population. This is higher than both the regional (10%) and Great Britain (10.6%) averages³⁹. This has implications for the demand for services provided by the local authority and other stakeholders and is likely to be a particular challenge given the ongoing reform of the welfare system.

The above therefore paints a picture of some economic success but where there are significant cohorts of the resident population who are not benefiting from this. There is considerable disadvantage - nearly a quarter of children in Derby live in poverty.⁴⁰ This creates further pressures for public services and interventions from across public agencies at a time of decreasing resource, which directly impacts on multiple service areas, such as public health and parts of Adults and Children's Services.

³² Source: Derby Local Economic Assessment, 2011

³³ Source: Derby Local Economic Assessment, 2011

³⁴ Source: ONS, Regional Profile of the East Midlands Economy, 2013 http://www.ons.gov.uk/ons/dcp171780_314403.pdf

³⁵ Source: ONS, Annual Population Survey, December 2013

³⁶ Source: Derby Local Economic Assessment, 2011

³⁷ Source: DCLG: Indices of Deprivation, 2010

³⁸ Source: ONS, Annual Population Survey, March 2014

³⁹ Source: ONS, DWP Benefits, May 2014

⁴⁰ Source: The Derby Telegraph, June 2012

4.1 Demographics

Derby's population is rising. There is expected to be a 9% increase in children aged 0-15 in the next decade up to 2025 - the same rate of increase for Derby's population as a whole. However, the number of people aged 70 and older is expected to increase by over twice that figure, up by 27% in the same period.⁴¹ This will present a key challenge to Derby City Council and other stakeholders around the provision of services for both these demographics.

4.2 The challenge of ongoing austerity measures

The challenge of austerity for Derby City Council is laid out in its Revenue and Capital Budget proposals for 2014/15 to 2016/17⁴². The scale of the challenge in relation to budget savings has increased since the onset of austerity measures. Estimated savings of £77m for the next three years forecast in September 2013 have increased in latest projections to £81m over the period 2014 to 2017. Specific savings required to balance the budget are:

- ❑ £29million in 2014/15;
- ❑ £31million in 2015/16;
- ❑ £21million on 2016/17.

Derby City Council has vociferously challenged the scale of the book balancing required and the nature of the challenges facing the City and its residents. There is a particular concern that Derby has suffered unfairly as a result of the Government's funding distribution formula, hence a campaign titled 'a Fair Deal for Derby'. The budget savings outlined in Derby City Council's consultation document for 2014 to 2017 are broadly based around four themes. First, they are seeking to make efficiencies in health-related services through reducing demand. Second, they are seeking to make savings in back office services. Third, they are reviewing the delivery models of services. And fourth, they are encouraging income generation across Directorates. The budget savings are also designed to be reflective of the core priorities of the Council plan.

4.2.1 How decisions have been made

A number of key principles have framed the development of Derby City Council's budget for 2014 to 2017. These have all been applied and explored during the budget development phase prior to consultation (they are detailed in the consultation document⁴³):

- ❑ Intending to raise council tax by up to 2% in order to protect, as far as possible, services for the most vulnerable;
- ❑ Reviewing at what level statutory services are provided;
- ❑ Exploring all service delivery models;
- ❑ Taking steps to manage demand, identify need and stop services as necessary;
- ❑ Determining the broad capital strategy for the Council to support the delivery of core priorities;
- ❑ Working with partners to determine the appropriate customer pathways across partner organisations and establish financial savings across the public sector.

4.3 The overarching impacts of budget cuts

Through interviews with union representatives, service directors, and voluntary and community sector organisations we can identify a range of overarching emerging impacts from national austerity measures and from budget savings undertaken by Derby City Council. These impacts can be broadly reflected in the following themes.

⁴¹ ONS Population Estimates, 2013

⁴² Derby City Council (2014) Revenue and Capital Budget Proposals (2014/15 to 2016/17)

⁴³ Derby City Council (2014) Revenue and Capital Budget Proposals (2014/15 to 2016/17)

4.3.1 Reduction in Council assets

The budget pressures have seen Derby City Council streamline their asset base. In particular sub-offices have been closed down completely and the Council moved to a central base. This has a number of impacts for the places in which sub-offices are based. For example, it has an impact on local neighbourhood economies across the City as workers will not be spending in local shops or on local services.

'Local businesses are being adversely affected as spend of local authority workers is being channelled into one area of the City as opposed to across it.'

It also has an impact on the look of localities as vacancy leads to potential dereliction. This is a particular issue in district centres which rely upon local authority assets as providers of vibrancy.⁴⁴

4.3.2 Workforce challenges

The austerity measures and budget savings have led to a range of challenges around Derby City Council's workforce.⁴⁵ In Spring 2014, the authority completed a process of Single Status Review. This, in line with national changes around pay, has led to less favourable terms and conditions for the workforce in terms of wages, pensions and other benefits; and notably significant reductions in enhancements including overtime and weekend working. This has been particularly evident in service areas where weekend working enhancements have previously applied. So, this is prevalent in Children's and Adult Social Services functions.

'The enhancements which have been removed around weekend working have affected our lowest paid staff and those which live in the most deprived communities in the City.'

There have also been changes to competency based rates of pay and the staggering of pay protection from a three year base down to a single year. In terms of numbers of jobs lost across the authority as a result of budget pressures, it is estimated that 1,000 jobs have been or will be removed in the period 2012 to 2015 (this represents over 10% of all jobs at the Council). The rationale has been to seek to save services. The Council state that they have:

'Tried to make cuts in areas that will do the least harm to the city of Derby and the services that people expect the city to deliver and feel we have come up with a reasonable proposal. Unfortunately that means looking at what services we can cut and what we can still offer and also means cuts to our dedicated workforce.'

4.3.3 Challenges for the voluntary and community sector

The budget pressures have led to a range of challenges for the voluntary and community sector in Derby. The Council has traditionally supported the sector through grant funding. This has included a £1million single pot for adult social care outcomes; over £500,000 for Children's services activities such as youth services and summer clubs; a small grant pot distributed to 17 neighbourhood level community boards across the city; and around £1.2million of arts funding.⁴⁶ The Adult Social Care and Children's services impacts are discussed in the section below; however, the arts grant is being wound down due to the Council's investment in a museum, and there are challenges around the coordination of the community grants, with particular worries about the vested interests of members and concerns over the duplication of mainstream provision.

'There is not a proper comprehension of the impact of these cuts on the arts sector. It is impacting upon key events that draw together the community including the Feste.'

⁴⁴ Association for Public Service Excellence and Centre for Local Economic Strategies (2014) *The role and value of local authority assets*. APSE, Manchester

⁴⁵ Information sourced from discussion with UNISON representative

⁴⁶ Information sourced from discussion with voluntary and community sector representatives

4.4 The impacts upon Children's and Adult Social Services

4.4.1 Children's Services

The Children and Young People's (CYP) Directorate is described by Derby City Council as a significant and complex service area. In 2013/14 it had a gross budget in excess of £230million and services included the provision of education and learning in Derby schools, specialist support, and safeguarding. This gross budget is, however, dominated by £192million of Dedicated Schools Grant which is ring-fenced. This means that the net budget of the CYP Directorate in 2013/14 was £41million. The Directorate is expected to make nearly £3.5million of savings in 2014/15, representing 8.4% of the net budget⁴⁷.

Whilst maintaining its commitment to three themes of improving educational attainment; safeguarding vulnerable children and young people; and narrowing the gap; the CYP Directorate is utilising the following principles to manage budget pressures:

- ❑ Protection of statutory services for the most vulnerable;
- ❑ Integration of services within the Council and with others to achieve economies of scale;
- ❑ A continued focus on early intervention and prevention in order to support children and families earlier and to reduce the requirement for more expensive crisis or specialist services;
- ❑ Changing the way services are provided through a transformation programme;
- ❑ Reviewing decision-making to promote independence.

The impacts of budget pressures on the CYP function can be broken down into the following themes:

More adversity as cuts mature

Interview respondents felt that the impacts of budget pressures have not yet fully materialised for the CYP function. There are a number of ongoing restructures in the Directorate taking place to both jobs and services, most notably around the running of youth centres across the City. This means that the impacts of budget pressures are likely to be felt at a later date with potential knock on consequences for other agendas and spending such as employment support, health and crime. There have however been some key cutbacks. Research undertaken by charity Young Minds has found that 34 out of 51 councils providing data have cut funding for child and adolescent mental health services in recent years.⁴⁸ In Derby, the cut in spending has been 41% since 2010. There is concern as to how an already underfunded service is going to impact on service users, with many who do not receive the necessary treatment for mental health issues being adversely affected for life, effecting their future social development and career prospects.

'This could jeopardise the aims of the government's mental health strategy that promotes early intervention in childhood and teenagers.'

Other cutbacks have occurred in relation to the 34 youth clubs based in the City. Whilst funding has continued for 23 of these, 11 of them which are City Council run have been shut down.⁴⁹ This negates the positive work these centres have been undertaking in the communities over the last few years, and has a number of potential knock-on consequences around anti-social behaviour, for example, and in the erosion of social capital within neighbourhoods.

'Kids started to get a bad reputation with the police, but since the youth clubs became more popular, there's been less trouble. It keeps them safe and there's always someone for them to speak to.'

⁴⁷ Derby City Council (2014) Revenue and Capital Budget Proposals (2014/15 to 2016/17)

⁴⁸ <http://www.bbc.co.uk/news/health-27942416>

⁴⁹ Information sourced from discussion with UNISON representative

Key impacts on voluntary and community sector

The grant funding available for Children's Services to the voluntary and community sector has reduced considerably. This has gone from a £550k pot to £400k and will further decrease, according to interview evidence. Historically, this pot has supported youth services, disabled children day services, summer clubs, and projects for care leavers. The majority of organisations previously in receipt of the grant have *'sucked it up'* with only two or three closing. By this we mean they have either provided the service for no charge or sought alternative funding to keep the service running. However, many are open for less hours, and spending less time with beneficiaries.

One of the organisations hit by the cuts in voluntary and community sector grants has been Children First Derby⁵⁰. This has left a number of activities in jeopardy including a befriending service, a community youth bus, and an active dads play session, with potential knock on consequences for more expensive forms of provision such as care services.

'Children First Derby deal with vulnerable families and to tell them that the support could end – well they feel quite apprehensive because they are making inroads into improving their lives.'

Scale is also an issue for the voluntary and community sector in relation to budget pressures. It was recognised that small voluntary groups are likely to survive as they *'just do what they want to do for the benefit of their communities'*. This recognises that large levels of resources are not necessarily required to deliver activities. The challenge in Derby will come for medium sized voluntary and community sector groups, where there will be increased emphasis on competition to provide commissioned services and a greater need for groups to work in consortia.

One of the key areas of concern around Children's Services has been proposals to cut funding for organisations dealing with child exploitation, to re-commission a new delivery model. This is recognised by the voluntary and community sector as a service which requires a very bespoke approach. The danger of this cut is perceived as severe, not just for the organisations providing the service; but also individual lives, the community and other stakeholders such as the Police.

'It's difficult for the children and families that police and other groups work with to go public, to show their faces. They go to school, live and work in the city and need to be sure they're not identified, judged, or that they can be tracked by perpetrators. But this means they become invisible and cannot protest against the cuts.'

Private sector contractors delivering less

Private companies such as SERCO have large contracts to deliver Children's Centres services in Derby. As budgets have reduced, these organisations are perceived by interviewees to be moving people on quickly to other providers and in some cases failing to deliver adequately. The outsourcing of these services has meant that the local knowledge base around such services has gone. However, interviewees commented that smaller organisations are beginning to pick up some of the slack (often on a voluntary basis) as a result of their ethos to challenge the impacts of austerity for communities.

'Small and local organisations are beginning to have to pick up users and services as the core private sector organisations and large charities are failing to deliver.'

'The reality is that they will seek volunteers to run council services such as libraries and children's centres.'

Job losses

In 2014/15, it is projected that 28.5 full time equivalent jobs will be removed from the CYP Directorate.⁵¹ These will largely come from Directorate wide existing savings and efficiencies in Public Health staffing and a review of services jointly provided with Public Health for the Integrated Disabled Children's Service.⁵² There is, however, a proposed 3.0 full time equivalent job reduction in services around youth offending as a result of a change in the service model. The biggest area of reduction in the CYP Directorate aside from staffing and efficiency savings is around voluntary sector grants (discussed in more detail above).

⁵⁰ <http://www.derbytelegraph.co.uk/Cuts-spell-end-Children-Derby-charity/story-20167160-detail/story.html>

⁵¹ <http://www.derby.gov.uk/council-and-democracy/council-departments/departments/>

⁵² Derby City Council (2014) Revenue and Capital Budget Proposals (2014/15 to 2016/17)

4.4.2 Adult Social Care

The Adult Social Care (ASC) function at Derby City Council sits within the Adults, Health and Housing (AHH) Directorate. It has the second largest spend after schools. ASC offers support services to vulnerable adults, as well as information and advice about social care to the general public more broadly and to people who fund their own support. The largest demographic for services provided by the ASC function is older people (85 plus) (amounting to over 75% of the adult social care budget); and also adults of working age with physical, mental health and learning disability support needs. In 2013/14, the budget of the Directorate was over £77million; with the Directorate expected to make a saving of over £9million in 2014/15 alone (representing 12% of the net budget).⁵³

The process of managing budget cuts across the AHH Directorate with all services adhering to three themes including the ASC function.⁵⁴ Firstly, Derby City Council is continuing to invest in prevention, early intervention and enablement. This includes continued support for Derby Advice to help combat the adverse impact of welfare reform; and more work undertaken to increase the use of assistive technologies. Secondly, Derby City Council states that it is seeking to sustain service levels by changing models of service delivery. This includes directing its own support through personal budgets and seeking to increase the take-up of direct payments. Thirdly, Derby City Council says it is seeking to use more effective procurement to make savings in community care expenditure while still delivering the same level of service.

The AHH Directorate has made a conscious effort to protect services for the most vulnerable people within communities and is proposing to fund £3.8million across AHH in 2014/15; most notably around older people's services⁵⁵.

The impacts of budget pressures on the ASC function can be broken down into the following themes:

New but not necessarily more effective models of delivery

Budget cuts in ASC and the wider AHH Directorate has led to new and often not localised forms of service delivery. Generally, whilst some social enterprise models have been created to run some services; others have been transferred out to large private sector organisations. From the perspective of interview respondents, this means less personable services and an emphasis upon making efficiencies as opposed to the effectiveness of provision for Derby residents.

'It also means less benefits for Derby residents as money for service delivery leaks out of the local economy to shareholders in large multi-national corporations.'

Derby City Council is also changing the focus of what it is wanting from service providers. They are seeking to directly support early intervention and prevention, help prevent deterioration and assist people to be as independent as possible. This is having consequences for existing services around Adult Social Care which provide supportive activities. For example, Padley, which provides day activities for people with complex needs and learning disabilities, with a drop-in centre for disabled people, faces a budget cut of around 44%⁵⁶.

'If they cut our budget from the drop-in then it will affect how many people we can provide the service for. We would have to cut employee hours or opening times. It feels like we are being hit from all sides.'

One of the biggest casualties of changing models of delivery have been day care centres for the elderly, with the last remaining one shutting in 2013. These centres offered support for people who needed looking after in the day time, including specialist care for dementia sufferers. The reasoning for this was that the service could be switched to residential care homes. This, however, limits the independence of older people, and some of the specialist care provided to the users is cut back.

Other day care centres that were shut have included those for adults with learning disabilities. Interviews highlighted that although this is a part of a drive towards personal budgets and prevention in the long term, the Council needs to realise this approach will not work for everyone. Many of those with learning disabilities have enjoyed going to the day care centres, and it had

⁵³ Derby City Council (2014) Revenue and Capital Budget Proposals (2014/15 to 2016/17)

⁵⁴ Derby City Council (2014) Revenue and Capital Budget Proposals (2014/15 to 2016/17)

⁵⁵ Derby City Council (2014) Revenue and Capital Budget Proposals (2014/15 to 2016/17)

⁵⁶ <http://www.bbc.co.uk/news/uk-england-derbyshire-24036210>

become part of their routine. When one centre has closed and the users have had to move to another (or had a personal budget instead), it has caused significant upheaval and meant difficult periods for families, where the centres are often a *'way of life and a place where they feel safe.'*

'The personal budgets often don't even cover what would be worth a week's stay at a day care centre – so that is in effect a cut to the service...then there are the social factors. The users don't want centres to close because they miss their friends, something that is very important to them personally and overlooked.'

'It means the one-to-one care is being replaced with something less effective. How is the family now meant to know if their relative is being looked after properly? It is the dedicated staff that make the service.'

A threat to Derby Advice and the wider network of voluntary services

Derby Advice has historically provided a range of support services to communities in Derby around debt, employment, legal, and welfare benefit advice (amongst other issues). Whilst it has less money than it used to the biggest impact of the budget pressures on Derby Advice has been dwindling relationships with partner organisations as they have either ceased to exist or have started to operate in silos to keep hold of resource. This has meant less time spent with beneficiaries and less opportunity for signposting onto other support. Often this referral support relates to a range of core services including Children's and Adult's Services and those groups providing support in these areas.

'Voluntary sector organisations have never needed to be so outward facing, but this is becoming more and more difficult.'

'The hardest thing for organisations at the centre of a network, like the CAB, to deal with, is reductions in staff levels. This makes continuity and relationship building difficult. It means that we have to look further inwards as we deal with more operational and every day services – this results in the organisations becoming more closed off and inward facing, not good for spreading and connecting good joined up working with others.'

The biggest challenge is yet to come

With a growing older people's population in Derby, stakeholders recognised that the biggest challenges around Adult Social Care services are probably yet to come. This is reflective of the projection that by 2020 the number of older people aged 85 and over in Derby will have increased by 40%.⁵⁷

'There is scope that lots of older people will become isolated as the support mechanisms will simply not be there.'

There will be key reductions in resources for activities in relation to: healthwatch; the b-You healthy lifestyle change programme; and drug and alcohol services. There will be increases in charges for Carelink services and care home charges. The latter two would specifically impact on older people in the community. Carelink is important because if people are on their own, it is a link to the outside world and they know they can get help if they need it. The concerns are whether the majority of people will be able to afford this service in future, and that they are not prevented from doing this due to cost. In terms of the increase in care home charges, this is a national trend, and across the East Midlands fees increased by 2% last year.⁵⁸ The concern may be that many will simply decide that they cannot afford care support and struggle on alone with major consequences. This could lead to more elderly people ending up in hospitals and care homes, which is a poor outcome for them and will result in public money being used inefficiently.

There are certain service areas and funding pots which have already been significantly affected by cuts; most notably around Supporting People budgets. This was cut by over £6.5million in 2013-14 from 9.3million (70%) affecting a range of vulnerable people particularly the homeless or those at risk of homelessness. Areas where homelessness services have been long established in adult social care departments, like in Derby, have had time to develop the complex relationship between the two services. They know where they can work well together and where their individual strengths lie. This

⁵⁷ Derby City Council (2014) Revenue and Capital Budget Proposals (2014/15 to 2016/17)

⁵⁸ Daily Telegraph, 7th August 2014 <http://www.telegraph.co.uk/health/elderhealth/11015851/Rise-in-care-home-fees-outstrips-earnings-by-54-per-cent.html>

only benefits the people who use services. Social care is used as part of the support package, helping people in their transition to independence. The cuts to Supporting People has affected user outcomes considerably, and in Derby, estimated rough sleeping numbers have nearly doubled according to interview respondents.

'With the combination of caps to benefits and then the increase in unemployment, there are more people who are at risk of losing their homes and of needing this support.'

There have also been cuts to services run by charities and voluntary and community sector organisations which is affecting the users of services and also carers. For example, the interviews highlighted a service called Derby Carers Connect, provided by Age UK, which trains hospital and GP surgery staff to spot carers who may need help.

'GPs will very rapidly forget about this (spotting carers) if they are not being supported and encouraged to do so because they are very busy and have a lot of different priorities to balance.'

Job losses

In 2014/15, it is projected that 95.5 full time equivalent jobs will be removed from the AHH Directorate⁵⁹ (around 10% of the existing workforce using April 2013 figures).⁶⁰ These will largely come from Directorate wide existing savings. There is however a proposed 16.4 full time equivalent job reduction in services around tenancy support to people with learning difficulties, as a result of a change in the service model.

4.4.3 Impacts of austerity on public sector jobs

Figures 3 and 4 below show the changes in public and private sector employment between 2009 and 2013, showing the number of jobs each year during this period.⁶¹ In terms of public sector employment, it shows the continuing decline in jobs since the Coalition Government entered office, but with a notable increase between 2012 and 2013. This is due to growth in public administration jobs. The private sector has experienced a recovery in employment since 2010. In 2013 the level of private sector employment was significantly higher than the 2009 level.

The private sector experienced some growth in employment between 2010 and 2013, gaining 6,800 jobs (7.5%). This resulted in a net increase of 3,800 jobs in Derby City between 2010 and 2013. Although there has been some growth in employment, there needs to be consideration of how many jobs are taken up by residents as opposed to commuters. The resident skills profile is limited in Derby, as highlighted at the beginning of the case study, and with over half of the growth in jobs being in manufacturing, professional and technical occupations, and in education,⁶² (many of which will be higher wage jobs although there is a mix of higher and lower wage activities in all sectors) it may suggest that a sizeable proportion of the local population may not be fully benefiting. The other main areas of growth are in the accommodation and hospitality sectors, which are more likely to be characterised by lower wages.

⁵⁹ Derby City Council (2014) Revenue and Capital Budget Proposals (2014/15 to 2016/17)

⁶⁰ <http://www.derby.gov.uk/council-and-democracy/council-departments/departments/>

⁶¹ 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.

⁶² ONS, Business Employment Register and Survey, 2013

Figure 3: Public sector employment change in Derby, 2009 to 2013⁶³

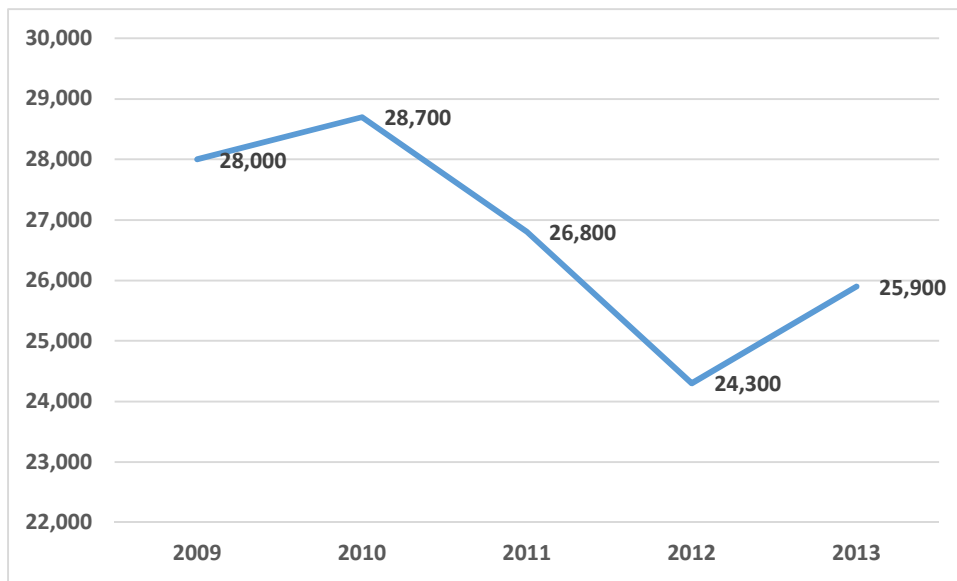
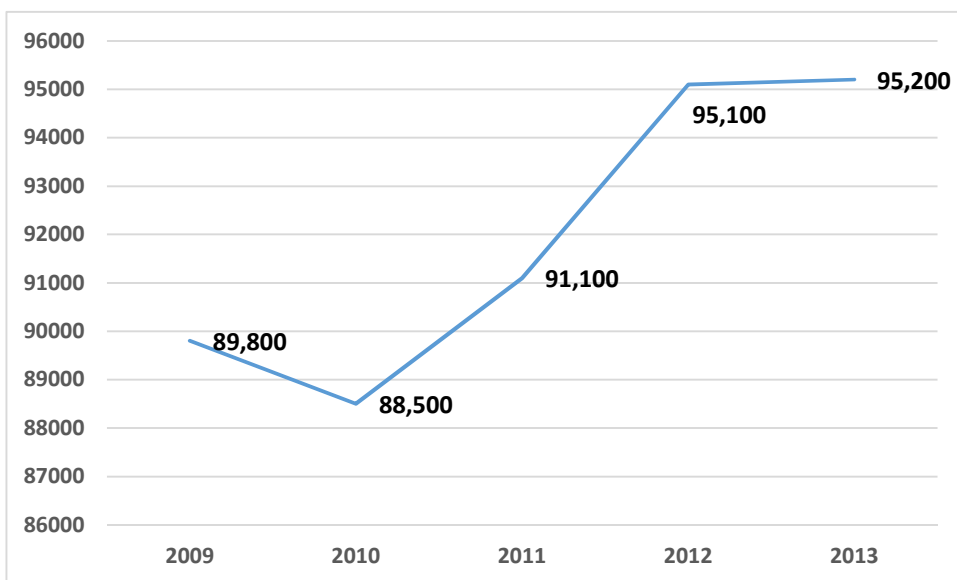


Figure 4: Private sector employment change in Derby, 2009 to 2013⁶⁴



⁶³ Source: ONS, Business Register and Employment Survey, public/private sector data, 2009 to 2013

⁶⁴ 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 Ensure universal provision remains as much as possible

The Council is rightly 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 universal integrated neighbourhood support for early child development, with a central role for health visitors and children's centres that clearly articulates the proportionate universalism approach.

5.2 Ensure that statutory services are still delivered to the fullest possible extent

One of the key elements of the decision making process in Derby has been reviewing at what level statutory services are provided. Clearly there are very difficult choices ahead but if the level is lowered considerably, then this could have long term consequences in terms of vulnerable people not getting the support they require now, and then becoming more substantial cases at a later stage. This requires foresight and determining need first when deciding how specific services will be affected.

5.3 Support for the voluntary and community sector

The support for the VCS across both Children's Services and Adult and Social Care is being cut back drastically. It is important that public agencies provide other means of support, such as helping organisations in terms of governance and operational processes, if grant funding is being cut back. This is important in helping the organisations become more independent and self-sufficient within a new operating environment. Without appropriate support their ability to deliver will be reduced and local networks will be eroded - and this at a time when they are being relied upon more than ever.

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.⁶⁵

- 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,⁶⁶ 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.

⁶⁵ 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

⁶⁶ 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.'⁶⁷

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.⁶⁸ 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.

⁶⁷ 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>

⁶⁸ 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.