

Changing Times:

A briefing note (November 2010)

INTRODUCTION

This briefing note has been prepared for delegates attending the West Cheshire Together LSP Network event on Thursday 18th November 2010. Its purpose is to provide delegates with an understanding of some of the key changes in national policy and locally which are impacting on partnership activity. It will be assumed that you have read this before attending the event so that we all have a basic starting point. Links are also provided for you to find further information if you so wish.

A. COMPREHENSIVE SPENDING REVIEW (CSR)

The Chancellor of the Exchequer, George Osborne delivered the report of the 2010 Spending Review to Parliament on 20th October 2010 (http://www.hm-treasury.gov.uk/spend_index.htm). The report covers the four-year Spending Review (SR) period of 2011/12, 2012/13, 2013/14 and 2014/15.

The Spending Review sets out departmental spending plans for each of the four years and further savings and reforms to welfare, environmental levies and public service pensions. For the first time the Spending Review covers key areas of Annually Managed Expenditure (AME) in addition to Departmental Expenditure Limits (DELs) for each Government Department.

The overall implication for local authorities is that their overall funding will be reduced by an average of 7.25% each year, in real terms, over the four years, excluding schools, Fire & Rescue, and Police. Capital funding from all departments to councils will decrease by 45% (by 74% from CLG). Further details have been released by Communities and Local Government:

<http://www.communities.gov.uk/publications/localgovernment/srlettersoscouncilladers>

The implications of the SR for all partners were discussed at the last West Cheshire Together Steering Group meeting on 28th October 2010. Whilst the full impacts have yet to be understood, the key message was that for most partners the cuts were not as severe as feared. Cheshire West & Chester Council is felt to be well placed to deal with the reduction of 7.25% of local authority funding each year over the 4 years of the Spending Review period due to savings already made and planned through restructuring activity. The Council is committed to minimising the impact on service delivery and voluntary/community sector funding. Other partners, such as Fire & Rescue, have similarly been preparing for reduced settlements and are well placed. On the other hand, organisations such as Connexions have faced dramatic cuts already and are concerned about further impacts on the ability to keep offices open. Some partners are looking at the opportunities to refocus their activities, with for example the colleges looking at offering courses for which there may be new funding. A number of organisations were concerned about the overall impact of the cuts and the current economic climate on our communities; in particular, whilst NHS budgets have been retained, the accelerating costs of treatments combined with growing health issues in our communities paints a bleak picture. Partners were encouraged to consider and suggest opportunities for collaborative working, such as co-location of their activities, to generate efficiencies and reduce the impacts of the cuts.

B. LOCAL ENTERPRISE PARTNERSHIPS (LEPs)

In June, businesses and Councils were invited to come together to form Local Enterprise Partnerships whose geography reflected natural economic areas in England. By September, the Government had received 62 submissions.

Cheshire West and Chester made a joint submission with business partners and local authorities covering the administrative areas of Cheshire (East and West) and Warrington. Along with another 23 bids, Cheshire and Warrington has now been asked to progress its proposal to the next stage and to establish a Board.

A new White Paper:

<http://www.bis.gov.uk/assets/biscore/regional/docs/l/cm7961-local-growth-white-paper.pdf>

proposes that Local Enterprise Partnerships will be able to consider a diverse range of roles, reflecting the differing local priorities including:

- investment and transport;
- co-ordinating investment bids for the Regional Growth Fund;
- supporting high growth businesses; and
- strategic housing delivery etc.

Local authorities are identified as being uniquely placed, via politically accountable leadership, to bring stakeholders together from across all sectors and having a key role in using land assets to leverage private funding to support growth; influence investment decisions; support local infrastructure; providing high quality services and leading efforts to support and improve the health and well-being of the local population.

Regional Development Agency (RDA) functions covering business advice, innovation, low carbon schemes, inward investment, tourism, skills and regeneration will transfer to the most appropriate level of delivery. Some of these functions may fall on the emerging LEPs to take a lead role. The regional based assets and liabilities held by the RDA's will be transferred to Government Departments (BIS, CLG and HM Treasury).

The Regional Growth Fund (RGF) has been increased from the £1.1 billion announced at the emergency budget to £1.4 billion over the next three years (April 2011 – April 2014). This will be split with £580m capital and £840m resource funding. Ministers have also confirmed the opening for bidding to the first round of submissions to the Regional Growth Fund (**to close 21st January 2011**). The fund aims to support the creation of private sector jobs particularly in communities currently dependent on the public sector, helping them to make the transition to private sector led growth and prosperity.

Local Enterprise Partnerships can submit bids to the RGF, but they will not receive preferential treatment against bids from other private sector or public-private partnerships. An independent Advisory Panel, led by Lord Heseltine, will recommend projects to Ministers, all bids to be considered on their individual merits. Successful bids are expected to be those that demonstrate a compelling contribution to delivery of sustainable increases in private sector employment and economic growth.

C. LOCAL INTEGRATED SERVICES (LIS) AND PLACE BASED BUDGETING

The Coalition Government have stated it is committed to encouraging social responsibility and reducing the incursion of the state into the lives of individuals and creating a big society that empowers residents and communities to come together to improve and localise services. See <http://www.communities.gov.uk/news/corporate/1748111> and

http://www.cabinetoffice.gov.uk/newsroom/news_releases/2010/100518-news-big-society-launch.aspx

The aim of the Government is to end bureaucracy, top down control and centralisation – this is the approach Cheshire West & Chester Council wants to adopt in its approach to Locality Working. This will start initially in Ellesmere Port, then rolling out to cover the rest of West Cheshire over a three year period. Our approach to Locality Working is about improving our offer to local residents through actively involving local residents in identifying local priorities, commissioning services and influencing service delivery in their locality. Funding streams must be simplified and pooled within areas and directed towards early intervention programmes, where possible community-led, to deliver significant improvements in public sector outcomes.

The approach in the past has been to consider communities and residents in challenging areas as problems – whereas the principles and the approach the authority and its partners want to adopt is to view residents as ‘assets’ who will, with the right level of support, contribute to improving the economic and social fabric of West Cheshire.

The active involvement of residents and communities working with public agencies to improve their quality of life is crucial to the ability of us being able to achieve an improved service offer and improved outcomes to our local communities. Only by supporting and encouraging residents to exercise their rights and responsibilities and participate actively in the community can we improve local democracy, leadership and community empowerment and achieve our vision of vibrant, sustainable and resilient communities. This approach reflects and embraces the new coalition government’s vision and policy aspirations around the Big Society.

A key element of the releasing potential of residents and communities is to encourage and increase the levels of volunteering in local communities. We will do this by encouraging and supporting individuals to participate in community activities as volunteers, community leaders or members with the Area Partnership Board (APB) acting as the enabler to make it happen.

In order to try to refocus the energies of Council Members, work is underway on the development of a local cabinet consisting of the local ward councillors and providing public accountability for the effective and appropriate use of localised budgets. This model provides a vehicle to support wider regeneration and complement and assist in the delivery of key national objectives, particularly the building of the Big Society, the dismantling of organisational silos to deliver Local Integrated Services and the creation of Single Resource Budgets against which services will be commissioned. It also complements the Government’s desire to link capital investment with wider community benefits and social cohesion.

Communities do not recognise authority or regional boundaries, what they recognise are their own natural neighbourhoods and one of the major issues to be addressed is the

insular nature of some of these communities. It is recognised that we need to start by building confidence in neighbourhoods so a significant amount of time has been spent working with residents and Ward Members to define natural neighbourhood boundaries and within those neighbourhood boundaries what are the common issues residents want addressed. For example, in Ellesmere Port 10 neighbourhoods are now identified and within each of those neighbourhoods will be a local neighbourhood plan, developed by the residents with the authority and resources to make a difference. Over the last six months neighbourhood plans are emerging for two of the 10 neighbourhoods, led by the community, local schools and the Third Sector using the approach of participatory appraisal and budgeting.

D. HEALTH SERVICE CHANGES

The White Paper 'Equity and Excellence: Liberating the NHS' sets out the Government's ambitious plans to reform the NHS during this Parliament and for the long-term. It details how power will be devolved from Whitehall to patients and professionals.

Professionals will be free to focus on improving health outcomes so that these are amongst the best in the world. Improving the quality of care will become the main purpose of the NHS. Patients will get more choice and control, backed by an information revolution, so that services are more responsive to patients and designed around them, rather than patients having to fit around services. The principle will be "no decisions about me without me".

Under the new plans, patients will be able to choose which GP practice they register with, regardless of where they live, and choose between consultant-led teams. More comprehensive and transparent information, such as patients' own ratings, will help them make these choices together with healthcare professionals.

Groups of GPs will be given freedom and responsibility for commissioning care for their local communities. Providers of services will have new freedoms and they will be more accountable. There will be greater competition in the NHS and greater co-operation. Services will be more joined up, supported by a new role for Local Authorities to support integration across health and social care through statutory Health and Wellbeing boards.

As a result of the changes, the NHS will be streamlined with fewer layers of bureaucracy. Strategic Health Authorities and Primary Care Trusts will be phased out. Management costs will be reduced so that as much resource as possible supports frontline services. The reforms build on changes started under the previous Government.

Alongside the White Paper, a series of supporting consultation papers have been released which detail aspects of the proposals. These can be viewed at: <http://www.dh.gov.uk/liberatingthenhs>. The consultation closed on 11th October 2010.