

POLICY BRIEFING

May 2019

Welcome to our NLGN Policy Briefing, exclusively for our members. This briefing collates the most interesting reports that we have come across over the last month.

In our new series of briefings, we're asking NLGN members about the research and publications that they have found useful in their work. This month's issue features reading recommendations from Donna Hall, Chair at NLGN and former Chief Executive at Wigan Council. Our Policy Briefing now also features a Community Paradigm 'Read of the Month'. This report or article will highlight how and where power is being transferred to communities, and how this is enabling a more preventative approach to public service delivery. If you'd like to contribute to next month's briefing, we would love to hear from you. Please contact Sarah Lawson at slawson@nlgn.org.uk.

Our briefing covers reports across the following topics:

- Community Paradigm Read of the Month (p2)
- Devolution, Growth and Industrial Strategy (p2)
- Public Service Reform (p4)
- Digital Technology (p7)
- Finance (p8)
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Meet our Chair

NLGN: Donna Hall, Chair

What publications would you recommend for inspiring councils to overcome the range of challenges they face?

NLGN's *Community Paradigm* (of course!) by Dr Adam Lent and Jessica Studdert is a fantastic overview of the history of UK public services. The report is compellingly simple and innovative in its approach and also provides practical examples of great practice in the sector. The fundamental mindset shift towards community power structures and away from top down state interventions is much needed. Communities taking back control are highlighted for us all to learn from.

Hope Behind the Headlines: Shifting Culture in Health and Social Care is a new publication from the Health Foundation. It is a wonderful book which addresses the most pressing challenge facing western societies – improving health and social care. It is full of very human stories from hospital wards, communities and care homes. It also describes how hard it is to shift entrenched cultures and provides some practical support.

The Power of Vulnerability by Brene Brown is an old but brilliant read. She is such a brave and brilliant social researcher who teaches us the power of our own vulnerability as leaders in order to truly connect. Her Ted Talks are equally amazing. I also love the way she applies the Theodore Roosevelt "man in the arena" speech and applies it to today's leadership and the critics on the side lines who have never and will never deliver change. She is truly inspiring.

■ COMMUNITY PARADIGM READ OF THE MONTH

Camden Conversations: Our family-led child protection enquiry

Camden Council, Royal Holloway University, and Surviving Safeguarding

The participatory Camden Conversations approach involves families with experience of the child protection system with other families and professionals. This report includes a detailed methodology of how this approach was developed and implemented. It highlights the many shared goals between family members and professionals in Camden and the possibilities for building on this innovative project to break down barriers and promote helpful conversations that value the expertise of families with experience of the system. The report's recommendations cover a range of areas, including:

- Advocacy, including independent peer advocacy as a preventative tool.
- Improving Family Group Conferences and Child Protection Conferences.
- Innovative ways of providing feedback.

■ DEVOLUTION, GROWTH AND INDUSTRIAL STRATEGY

The Future of Seaside Towns

House of Lords: Select Committee on Regenerating Seaside Towns and Communities

Seaside towns, by which we principally mean coastal settlements that emerged as leisure and pleasure resorts in the nineteenth century, have been neglected for too long. They should once again be celebrated as places that can provide attractive environments for residents and visitors alike. The Select Committee believes that if their recommendations are pursued, many more struggling places can be set on a trajectory to regeneration. Key recommendations include:

- That Government continues to provide a dedicated source of funding for coastal communities.
- That Government takes a more strategic approach to the co-ordination of coastal communities' policy at official-level across different government departments.
- That new Enterprise Zones be created in coastal locations. The support offered should be tailored to meet the specific needs of seaside towns, including (but not limited to): tax relief on capital investment in property and the public realm; investment in digital infrastructure; and fiscal incentives to attract business investment.

Rural Economic Bulletin

Department for Environment, Food & Rural Affairs

The quarterly rural economic bulletin is a 'dashboard' of indicators designed to provide evidence on the rural economy. The most current data includes statistics such as:

- In England, 9.5 million people (17 per cent of the population) live in rural areas; 46.2 million (83 per cent) live in urban areas.
- The average house sale price increased by 3.2 per cent in rural areas and 3.1 per cent in urban areas excluding London between year ending Q3 2017 and year ending Q3 2018.
- Unemployment (as a percentage of those aged 16 and over) increased by 0.5 percentage points in rural areas and was 1.3 percentage points below urban areas in Q4 2018.

The Future of Audit: 19th report of session 2017-19

House of Commons Business, Energy and Industrial Strategy Committee

Concerns about the audit industry arose during Committee inquiries into Carillion and BHS and have deepened through a series of further high-profile audit failures. Questions around competition, resilience, conflicts of interest, regulatory weakness and the nature of audit itself have contributed to a crisis of trust in the industry. None of these problems are new; but previous attempts at reform have not delivered necessary improvements.

The Government has commissioned two independent reviews to look at regulation and the effectiveness of audit while the Competition and Markets Authority (CMA) has looked primarily at competition and resilience. Recommendations indicate how reforms can be implemented in a coherent and timely manner.

Trade and Investment Core Statistics Book

Department for International Trade

The most up to date snapshot of the UK's trade and investment position, the Statistics Book summarises trade statistics produced by Office for National Statistics, HM Revenue and Customs, Department for International Trade, and others. The compendium brings together these statistics in a user-friendly publication with the aim of helping users to quickly find the most relevant and up to date trade and investment statistics. Key statistics include:

- The value of total UK imports was £665.0 billion in 2018, up 37.9 per cent on 2010 and up 3.7 per cent on 2017.
- The value of UK exports was £634.1 billion in 2018, up 2.7 per cent on 2017.
- Almost half (47 per cent) of all UK businesses expected the total value of UK exports to increase over the next five years.

UK Services 2008 to 2018

Office for National Statistics

This release looks at the performance of the UK Services sector over the decade from 2008 to 2018 and looks at common themes between the services industries that have performed well and those that have not over the period. The differences between public sector-dominated sections and the rest of the sector, and the individual sections of the services sector, are analysed in depth. Main points include:

- The services sector fell during the 2008 recession, down 4.4 per cent on its Quarter 1 (Jan to Mar) 2008 level in Quarter 2 (Apr to June) 2009; however, the sector has grown steadily since the start of 2010, with an average quarter-on-quarter growth of 0.5 per cent from Quarter 1 (Jan to Mar) 2010 to Quarter 4 (Oct to Dec) 2018.
- There were large rises in 6 of the 14 sections; the largest contributors were the scientific, professional and technical services section, which added 4.1 percentage points, and the real estate section, which added 3.7 percentage points.
- Public sector-dominated industries helped to ease the recession but have been growing slower than the services average since 2010.

NLGN Leadership Index April 2019

New Local Government Network

NLGN's Leadership Index is a quarterly survey sent to all chief executives, leaders, and council mayors in the UK. It provides insight into the level of confidence on key issues affecting local government. One year on from the implementation of the Homelessness Reduction Act (HRA), NLGN Leadership Index April 2019 sheds light on the growing homelessness crisis facing the UK. Key findings include:

- 65 per cent of respondents agree or strongly agree that Universal Credit has led to an increase in homelessness in their council's area.
- 28 per cent of Conservative leaders and council mayors who responded to our survey report the negative impact of their Party's own policy.
- 67 per cent of respondents disagree or strongly disagree that they have sufficient funding to fulfil the new statutory duty included in the HRA.

Universal Credit and Its Impact on Household Incomes: The long and the short of it Institute for Fiscal Studies

Universal Credit (UC) is expected to be fully rolled out by mid-2024. This briefing note provides up-to-date analysis of the impact of UC on families' incomes, using data that follows the same people for multiple years. This allows measurement of UC on longer-run measures of people's incomes. Key findings include:

- Those in the lowest-income, 10 percent of the population, on average, lose the most from UC – a 1.9 per cent fall in their income, equivalent to £150 per year per adult.
- Averages mask the fact that many people win and lose from UC – some quite substantially. 76 per cent of people entitled to means tested benefits – and 84 per cent of those in working households – see a change in their entitlement of at least £100 per annum (p.a.). 17 per cent see a loss of at least £1,000 p.a., while 14 per cent see a gain of at least that much.
- Losses resulting from some of the specific features of UC are often temporary, with their effect on individuals' average incomes over eight years being considerably smaller. Nevertheless, as an overall cut to benefits, UC hits the persistently poor harder than those with higher longer-term incomes.

Universal Credit: Childcare: Government response to the Committee's twenty-second report House of Commons Work and Pensions Committee

The Work and Pensions Committee have taken the unusual step of producing a report on the Government's response to its report on support for childcare as a barrier to work under Universal Credit. The Committee argues that the Government's response was inadequate and that it must offer a more substantive response to their recommendations. In particular, the Committee recommends that the Government explains:

- In the absence of plans to introduce direct payments, how it intends to address the serious difficulties that both parents and childcare providers are experiencing with the current system.

- Details concerning the pilots being run by DWP to trial a more flexible approach to the provision of receipts for childcare costs.
- Why it is so difficult to publish information about the use of the Flexible Support Fund, what analysis it has done of the additional administrative work that would be created, and if it will be published in full.
- Its view on the Work and Pension Committee's recommendation that it should divert funding from the schemes aimed at wealthier parents (Tax Free Childcare and the 30 hours free childcare) towards Universal Credit childcare to help more people into work.

Tackling Intergenerational Unfairness: Report of session 2017-19

House of Lords: Select Committee on Intergenerational Fairness and Provision

Intergenerational fairness is an increasingly pressing concern for both policy makers and the public. It is exacerbated by an ageing population, the global financial crisis, and successive government policies that have failed to consider generational issues. The Select Committee on Intergenerational Fairness and Provision believe the issue of intergenerational fairness needs to be addressed.

Many in younger generations are struggling to find secure, well-paid jobs and affordable housing, while many in older generations risk not receiving the support they need because government after government has failed to plan for a long-term generational timescale. This report reaches six key conclusions on issues ranging from data on generational differences in income and wealth to issues concerning affordable housing.

Early Access to Mental Health Support

Children's Commissioner for England

This report illustrates the findings of a data collection exercise to understand spending on low-level mental health services across England. Low-level support encompasses preventative and early intervention services for issues such as anxiety, depression and eating disorders. According to this analysis, around £226 million was reported as planned spending on low-level mental health services in the financial year 2018/19, which equates to around £14 per child.

The Commissioner recommends that the government increase its focus on local spending on early access support for children with mental health problems, and that it repeat this data gathering exercise to monitor what progress has been made. The report also encourages closer working between local authorities and the NHS.

Children's Future Food Inquiry

Food Foundation

2.5 million children live in food insecure households. The Children's Future Food Inquiry is the first attempt to directly and systematically seek the views of children and young people living in poverty across the UK. It has spent 12 months investigating children's food insecurity in each of the four UK nations, and the project's final report pulls together direct input from hundreds of young people, front line staff, academics and experts. The report includes the Children's #Right2Food Charter, which calls for a new, independent Children's Food Watchdog to lead the charge on tackling children's food insecurity in the UK.

Fair Access to Schools? The impact of the appeals and waiting list system

Education Policy Institute

This report argues that the system of appeals and waiting lists for secondary school places perpetuates educational inequalities. The likelihood of getting into a first-choice school through the appeals and waiting lists system varies considerably by family background, ethnicity, and pupil attainment at primary school. For example, for pupils in the least deprived areas, the odds of securing a first-choice school through the appeals and waiting lists system are twice as high as those living in the most deprived areas. Recommendations to address this gap include:

- The government must undertake a review of the school admissions system.
- Parents should have better information to navigate the complex admissions and appeals process.
- More granular data should be collected and published on the number and proportions of appeals lodged, heard and upheld in parents' favour – including by pupils' demographic characteristics.

School Funding and the Pupil Premium

Sutton Trust

The Sutton Trust's annual polling of teachers looks at issues around school funding, budget pressures, use of Pupil Premium funding and the application of research evidence in schools. Key findings include:

- 69 per cent of secondary senior leaders have reported having to make cuts to teaching staff for financial reasons.
- 27 per cent of secondary school leaders report that their pupil premium funding is being used to plug gaps elsewhere in their budget.
- 55 per cent of school leaders feel that their pupil premium funding is helping to close attainment gaps in their school.

Requires Improvement: A new role for Ofsted and school inspections

EDSK

This report considers whether Ofsted inspections measure the right things in schools; if parents can trust Ofsted grades; the impact Ofsted has on school staff; and if the inspections lead to better schools. EDSK recommend a new role for Ofsted, moving away from the notion of 'grading' schools and towards empowering parents with better information. Recommendations include:

- Ofsted should not provide an overall rating or grade for schools due to a lack of reliability and validity in their judgements.
- Ofsted inspections should be entirely focused on observable aspects of school life that are not captured by performance data.
- A new one-page School Information Card (SIC) should be published on an annual basis for every school.

Fixing the Care Crisis

Centre for Policy Studies

The issue of how to provide social care for older people has troubled governments of all parties for nearly two decades. So far, political difficulties have prevented the emergence of any solution that looks stable in the long term. Commissions and reports have come and gone, Select Committees

have investigated and made recommendations, and we are no closer to a political consensus on how to proceed.

The system proposed in the report could guarantee a fair Universal Care Entitlement for all with a system that has significantly more public funding. It would inject more money through the Care Supplement for those who want to top this up, and do so in a way that relieves the stress and worry that is currently built into the system. Finally, it would ensure that there is an increase in the supply and quality of care homes and retirement housing, reducing the cost of social care to both the state and individuals.

■ DIGITAL TECHNOLOGY

Tech for Social Good in the UK

Tech Nation

Many organisations are driving social impact through digital technology. This report seeks to chart the landscape of companies working in this way. There exists great diversity across sectors and regions of the UK in how companies are using digital technology to drive social impact – it is not a ‘sector’ in of itself, but a mobilising framework that focuses on outcomes and puts people at the heart of a firm. For tech that is oriented towards social good to continue thriving companies will need to benefit from long term, patient capital.

Going forward, diversity and inclusion, particularly around gender and ethnicity, must improve. Also, social good organisations will need to increase their digital skills to increase their capacity to benefit from digital technology.

Digital Healthcare Technology Report 2019

DAC Beachcroft

Technology is revolutionising NHS care. At the forefront of this revolution are apps and data platforms that promote seamless data sharing, and digital first care powered by artificial intelligence (AI). Alongside this, the use of wearables is engaging patients in the management of their care and provides opportunity for better data analysis. A fresh ‘digital charge’ is being led by an enthused Health and Social Care Secretary, who has banned the purchase of fax machines, committed to ‘purging the pager’ and told staff to communicate digitally to promote information sharing. This report finds that technology is improving patient care. A number of conclusions are set out, including:

- A coherent strategy is required, transcending organisational boundaries, to implement technological advancement. The funding and expertise to implement the strategy and commission the tech is also needed. Otherwise, the fragmented health and social care landscape might slow down adoption.
- It will be the clinicians implementing the technology, rather than the technology on its own, that will cause transformative change.
- Regulation will often play catch up to transformative technology. It is important to ensure that proper risk assessment takes place with regard to the technology being implemented, to ensure patient safety.

How Safe Is Your Data? Cyber-security in higher education

Higher Education Policy Institute

This briefing outlines the current cyber-security landscape and draws attention to the risks faced by higher education institutions, as state-sponsored and criminal cyber-attacks have been levied against these institutions. In 2018 more than 1000 'Distributed Denial of Service' attacks – designed to bring down a network – were detected against 241 education and research institutions in the UK.

The note outlines that there is a divergence in institutional approaches to cyber-security across the sector and some providers may not be providing students and staff with the robust and secure protection they should expect. It is imperative that those in higher education continually assess and improve their security due to the growing threat of cyber-attack.

FINANCE

Dragging People into Higher Rates of Tax

The Institute for Fiscal Studies

Saturday 6th April marked the start of a new tax year. Unlike many other countries, the UK routinely – and sensibly – uprates the cash values of most tax thresholds and benefit rates each year in line with inflation, in order to maintain their real value. In a number of cases, however, this routine uprating has now been cancelled for extended periods:

- The inheritance tax threshold has been fixed at £325,000 since 2009–10.
- Fuel duties have not increased in cash terms since April 2010.
- Most working-age benefits have been frozen in cash terms since 2015–16.

Some of these policies raise revenue; others give money away. But in neither case is it sensible policymaking. This report explores what this means for the UK taxpayer today.

Town Hall Rich List 2019

TaxPayers' Alliance

The TaxPayers' Alliance presents the Twelfth Town Hall Rich List, the only comprehensive list of its kind, with council-by-council breakdown. Praised in the past by politicians from across different political parties, it is the go-to guide for local government executive pay deals. It details the full remuneration and many of the names of all local council employees whose remuneration exceeds £100,000. In 2017/18:

- There were at least 2,441 council employees who received total remuneration in excess of £100,000. That's 135 more than in 2016-17.
- 607 council employees earned over £150,000.
- A total of 28 local authority employees receive remuneration in excess of a quarter of a million pounds in 2017-18.

Closing the Gap: Addressing the Gender Pay Gap

The Investment Association

The Investment Association seeks to understand the factors that may contribute to the gender pay gap and how this impacts the asset management industry. It also focuses on how the industry is addressing the issue through the proactive actions that its member firms are taking. This report is

based on the analysis of publicly available reports on the gender pay gap, insights from interviews with IA members, and an online survey of IA member firms. The results reflect the state of the industry as of 5 April 2018 and are based on responses from 39 member firms with 58 per cent of the £7.7 trillion of IA members' UK managed assets. With regard to industry initiatives for change, key findings from the report include:

- The asset management industry is already responding to the emerging gender pay gap figures, and starting to tackle some of the core issues directly.
- Internal initiatives reflect changes that IA members have introduced in the way they manage their employees. These focus on attraction and recruitment, retention, and advancement. Overlaying processes for monitoring and targets also help delivery of results.
- There are also an increasing variety of external initiatives organised and run by third parties to which IA members have signed up in order to increase gender (and sometimes broader) diversity and support women in the workplace.

Quarterly Economic Survey

British Chambers of Commerce

The British Chambers of Commerce (BCC) Quarterly Economic Survey – Britain's largest and most authoritative private sector business survey – based on more than 7,000 responses from firms across the UK – finds that key indicators of UK economic health weakened considerably in the first quarter of 2019.

These indicators are some of the weakest figures seen in nearly a decade, which is no coincidence. The prospect of a messy and disorderly exit from the EU is weighing heavily on the UK economy, and must still be avoided. The unwanted prospect of a disorderly 'no deal' exit, and the serious damage and dislocation it would bring, is still just days away unless Parliament acts to avoid it.

Capital 500: London quarterly economic survey Q1 2019

London Chamber of Commerce and Industry

For over a decade London Chamber of Commerce and Industry (LCCI) has conducted a Quarterly Economic Survey (QES) of members to gauge business performance and general confidence levels across the capital. This is part of the biggest and longest running national private business survey, conducted by regional chambers of commerce across the UK every quarter. In this release, it was found that both domestic and export sales declined during the first quarter of 2019 as Brexit uncertainty hit London's businesses. Headline figures for Q1 also show:

- Increasing wage pressures and increased investment in training.
- Cashflow levels falling to a record low, at -14 per cent.
- Decreased investment in plant and equipment (the fixed assets that are used to produce the goods and services that a firm sells to its customers).

Briefing Paper on Gender Pay Gap Reporting Measures: 2019 update

Institute of Economic Affairs

Now into the second year of mandated gender pay gap reporting for large organisations, it has become increasingly clear that the influx of data fails to provide any meaningful insight into equal or fair pay for men and women in the workplace. The requirement to measure pay gaps across entire organisations (rather than between comparable roles within organisations), as well as the omission of necessary data, renders the majority of the findings meaningless.

Examples in this briefing, including data from KPMG, EasyJet, Npower, Thomas Cook and the National Health Service, illustrate how the crude figures that have been released create a misleading picture, especially for companies that have hired large numbers of female staff into roles in lower pay quartiles. It concludes by saying that the government's pay gap reporting measures fail to provide any meaningful insight into equal or fair pay for men and women in the workplace. This is because the measures fail to take account of the type of work being done by men and women within a company and thus cannot reveal sex discrimination.

Health and Wellbeing at Work

Chartered Institute of Personnel and Development, in partnership with Simplyhealth

CIPD's nineteenth survey explores issues of health, well-being and absence in UK workplaces. It was conducted in partnership with Simplyhealth. The analysis is based on replies from 1,078 organisations across the UK in reference to 3.2 million employees.

Overall, the findings reflect employers' growing recognition of their critical role in improving the health of the working-age population. There are some indications that employee well-being is receiving increased attention compared with last year, which is cause for optimism. For example, it is encouraging that mental health is a stronger focus of organisations' well-being activity. The evidence also suggests a tentative trend towards a more holistic approach, with most organisations reporting that their activity is designed to promote good work, collective and social relationships, physical health and supportive values/principles.

More Than a Job's Worth: Making careers education age-appropriate

LKMco and Founders4Schools

Founders4Schools commissioned research on careers education because while there is compelling evidence outlining the benefits good careers education and guidance has for children and young people, much less is understood about when different sorts of careers-focused interventions should take place. This report sets out what children and young people's careers education should entail and when, drawing on the literature and input of a wide range of education and careers practitioners, experts, and employers. Recommendations include:

- Schools and colleges should begin age-appropriate, careers-related learning early, as soon as children and young people join the setting.
- Government and other organisations support careers education in schools should provide funding for transport costs to help pupils in rural areas or areas lacking transport infrastructure to access opportunities to work with employers.

■ ORGANISATIONAL DEVELOPMENT

How Academia Can Work with Government

Institute for Government

Universities, research councils, and funding councils should improve the way they support policy engagement. The report makes a number of recommendations on how academia can do this, including:

- Universities should support work to create a matchmaking tool for policy makers and academics.
- UK Research and Innovation (UKRI), together with research and funding councils, should create a dedicated funding stream to support secondments at all career levels and across different disciplines.

Negotiating Brexit: Preparing for Talks on the UK's Future Relationship with the EU

Institute for Government

To be ready for the UK's departure from the European Union (EU), the Government needs to take into account the different context of the next phase of negotiations. These negotiations will be much more complex than those on the UK's withdrawal from the EU, and have the potential not just to determine the UK's relationship with the EU for decades to come, but also to set the context for the UK's relationship with other countries. As a result, many more departments across government will be involved; and the views of a much wider range of external groups will need to be considered before and during the negotiations. Recommendations include:

- Before negotiations begin, the Government should publish a mandate that sets out its ambition for the future relationship.
- The Government should engage Parliament and the devolved administrations early and be much more receptive to outside input into its plans.