

Overview and Scrutiny Management Board

11 October 2013

Cabinet

11 September 2013

Implications for Durham County Council of the Government's policy programme



Report of Corporate Management Team Lorraine O'Donnell, Assistant Chief Executive Councillor Simon Henig, Leader of the Council

Purpose of the Report

- 1 On 5 June 2013, Cabinet considered the most recent report on the implications of the Coalition Government's policy programme. This report provides Cabinet with an update on the major policy developments and announcements since then and analyses the implications for the council and County Durham.

Executive Summary

- 2 Since the last report, the government has maintained its focus on driving forward on the delivery of its major policy projects, with the emphasis in policy announcements shifting from policy development to the implementation and delivery of policy reforms outlined in the first half of this parliament.
- 3 The most significant announcements since the last report to Members relate to the following, outlined in more detail below:
 - Spending Review
 - Local government finance settlement consultation
 - Investing in Britain's Future
 - The Future of High Streets
 - Transport funding
 - Regional Growth Fund
 - European funding
 - NHS reform
 - Care and support reform
 - Integration of health and social care
 - Anti-Social Behaviour, Crime and Policing Bill
 - Children and Families Bill
 - National Curriculum Review
 - Primary education reform
 - Education qualifications reform

- WRAP funding review
 - Public services reform
 - Transparency
 - Local government pensions reform
 - Employment tribunals and Judicial review
- 4 Although the common themes of government policy around transparency, choice, community empowerment, localism and more diverse patterns of public service provision are still evident, there is evidence to suggest that they are being pursued to varying degrees in actual implementation.
 - 5 In response to the continuing slow rate of economic growth, the government has confirmed its intention to continue with its deficit reduction strategy to re-balance the economy and has placed more emphasis on stimulating growth.
 - 6 In the Spending Review, the Chancellor outlined how the government intends to reduce public sector spending by a further £11.5 billion in 2015/16, extending the deficit reduction programme into the next parliament.
 - 7 He also confirmed that public sector spending reductions would continue to be the major element of his strategy and that he did not envisage having to increase taxes to help alleviate the deficit beyond 2015/16.
 - 8 While the headline figure in the Spending Review was as 10 per cent reduction in funding for local government, the more recent technical consultation on the financial settlement for 2014/15 and 2015/16 points towards a much higher 15 per cent reduction in the Settlement Funding Assessment, which provides the basic funding allocation for all authorities.
 - 9 Clearly, the various policy changes will have major implications for the council and the steps it is taking to develop an 'altogether better Durham'.
 - 10 The council and its partners are continuing to analyse the impact that government policy will have on local communities and on our ability to deliver the sustainable community strategy and are responding accordingly. Wherever possible, the council and its partners are working together to respond proactively to the government's policy changes.
 - 11 Members are recommended to note the contents of this report and the actions taken to anticipate and respond to the government's reforms.

Background

- 12 Cabinet has considered a number of periodic reports on government policy since the general election in 2010, the most recent report being on 5 June 2013. Where necessary, Cabinet has also received further policy reports on specific topics, such as changes to the NHS, health and social care and welfare reform. This report builds upon these previous briefings.

Update

13 The most significant policy announcements since the last report to Members in June 2013, relate to the following, which are outlined in more detail below:

- Spending Review
- Local government finance settlement consultation
- Investing in Britain's Future
- The Future of High Streets
- Transport funding
- Regional Growth Fund
- European funding
- NHS reform
- Care and support reform
- Integration of health and social care
- Anti-Social Behaviour, Crime and Policing Bill
- Children and Families Bill
- National Curriculum Review
- Primary education reform
- Education qualifications reform
- WRAP funding review
- Public services reform
- Transparency
- Local government pensions reform
- Employment tribunals and Judicial review

14 A more detailed report on recent policy announcements in relation to welfare reform is also included for consideration at this meeting of Cabinet.

Spending Review

15 On 26 June 2013, the government published its spending review, which outlined departmental spending targets for 2015/16. Overall, the government expects to spend £745 billion in 2015/16, which is £120 billion less than it would have been prior to the introduction of the deficit reduction strategy. In order to meet this target, a further £11.5 billion of savings are required in 2015/16, which in effect will extend deficit reduction beyond the Chancellor's initial timeframe of 2014/15 and into the next parliament.

16 In addition, it should be noted that the government has set a fiscal assumption that total managed expenditure (TME) will fall in real terms until 2017/18 at the same rate as over the 2010 Comprehensive Spending Review period (2011/12 to 2014/15).

17 Public sector pay awards will be limited to an average of up to one per cent in 2015/16, which is expected to save at least £1.3 billion. Government departments will also put in place plans to end automatic time-served progression pay in the civil service by 2015/16, to complement substantial reforms to progression pay which will be taken forward or are already underway for teachers, the health service, prisons and the police.

- 18 In order to meet the £11.5 billion savings required in 2015/16, departmental budgets will be reduced as follows:

Department	Reduction
Communities and Local Government (local government)	10%
Communities and Local Government (civil service)	10%
Environment, Food and Rural Affairs	10%
Justice	10%
Cabinet Office	10%
Scotland, Northern Ireland and Wales (national offices)	10%
Scotland, Northern Ireland and Wales (devolved administrations)	2%
Work and Pensions	9.5%
Transport	9%
Energy	8%
Foreign Office	8%
Culture, Media and Sport	7%
Business, Innovation and Skills	6%
Home Office	6%
Home Office (policing)	Less than 6%
Home Office (counter-terrorism)	0%
Defence	Protected
Health	Protected
Education	Protected
International aid	Protected

- 19 In terms of core council funding, the government confirmed a 10 per cent reduction in funding for local government in 2015/16, however this does not take into account expenditure for schools and social care.
- 20 Funding will be made available for local authorities which choose to freeze their council tax in 2014/15 and 2015/16 and the government has subsequently confirmed that the value of the council tax freeze grant will be equivalent to a one per cent increase in both years. The 2014/15 grant will be paid in 2015/16 but there is no guarantee of either sum being paid in 2016/17.

- 21 In line with government controls on council tax increases, the government indicated that any local authority planning to increase council tax by two per cent or more in either of the years in question, would be required to hold a council tax increase referendum.
- 22 With regards to health and social care, the government intends to put £3.8 billion in a single pooled budget to encourage health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities.
- 23 The shared pot includes an additional £1.9 billion from the NHS and builds on the existing contribution of around £1 billion in 2014/15, with the aim of delivering better, more joined-up services to older and disabled people, to keep them out of hospital and to avoid long hospital stays. It is expected that payment of £1 billion of the £1.9 billion will be performance related.
- 24 To ensure that closer integration between health and social care can start immediately, the NHS will make an extra £200 million available in 2014/15 as an upfront investment in new systems and ways of working that will benefit both.
- 25 The government will also provide £100 million to help local authorities to cover the initial costs of working with each other, such as new IT.
- 26 £335 million is to be made available to local authorities in 2015/16 so that they can prepare for reforms to the system of social care funding, including the introduction of a cap on care costs from April 2016 and a universal offer of deferred payment agreements from April 2015. This will mean that no one will face unlimited care costs and no one will be forced to sell their home in their lifetime to pay for residential care.
- 27 With regards to education and children's services funding, the government is to consult on how best to introduce a fair national funding formula for schools in 2015/16 – supporting schools reform and addressing the historic differences in funding between schools in different local authorities.
- 28 In line with the changing nature of the schools system, the government will reduce central education support by reducing the Education Services Grant by around £200 million in 2015/16. The Department will consult in the autumn on the detail of how the reductions will be implemented through realising efficiencies and enabling local authorities to focus on their core role on schools.
- 29 A more detailed report on welfare reform was considered by Cabinet at its meeting on 11 September 2013, but in summary, in the Spending Review the government announced that for the first time, it will introduce a cap on the country's welfare spending to improve spending control, support fiscal consolidation and ensure that welfare remains affordable. The cap will apply to over £100 billion of welfare spending. All other social security and tax credits expenditure will be included, however the basic and additional state pension will be excluded as will Jobseeker's Allowance (JSA) and any passported expenditure. Over the coming months, the government will consider whether it is appropriate to include other elements of Annually Managed Expenditure (AME) in the cap.

- 30 In addition, it announced that the period before a claimant is able to apply and eligible for support under the Job Seekers Allowance is to be extended from three to seven days.
- 31 Alongside the spending reductions, the government also announced a series of investments to stimulate economic growth and progress its wider public services reforms. These included:
- a) £100 billion of infrastructure investment over the next parliament, the details of which were announced in *Investing in Britain's Future*, covered below;
 - b) £9.5 billion of investment in the UK's transport network in 2015/16;
 - c) the creation of a Single Local Growth Fund in 2015/16, pooling departmental spending on enterprise, skills and training into a single pot worth £2 billion a year;
 - d) a 5.5 per cent real terms increase in capital provision for critical transport infrastructure;
 - e) a significant package of capital spending on housing, including £3.3 billion for 165,000 new affordable homes from 2015/16 to 2017/18, £160 million in 2015/16 for Decent Homes and £300 million in 2015/16 through the Build for Rent Fund to stimulate more private rented housing. In addition, the government is providing certainty that social rents will increase by Consumer Price Index plus one per cent a year from 2015/16 to 2024/25;
 - f) £430 million for the Renewable Heat Incentive, with proposed new tariffs and a higher budget cap to encourage increased take up;
 - g) funding to provide up to 180 new free schools, 20 studio schools and 20 university technical colleges a year;
 - h) £200 million to extend the Troubled Families programme and change the way that local authorities, health, education and criminal justice services work with a further 400,000 vulnerable families;
 - i) A drive to release more public sector assets to the value of £15 billion between 2015 to 2020 to stimulate economic growth and reduce public sector debt. The move includes the introduction of a new 'right to contest' where industry and local authorities can challenge government departments to release potentially surplus property where it can be put to better use and a new 'strategic land review' to identify where further public sector land can be made surplus and sold to support construction and local growth.
- 32 In addition, in July, the Department of Education announced the allocations for the extended rights to free school travel fund. Councils were originally due to receive the £50m funding in April 2013, for use in the 2013-14 financial year. Following the three month delay, the July announcement indicated that the fund is now going to be £62m over the next two years – a cut of 34% from

its £47m value in 2012-13, if the £62m two-year funding is counted as £31m per year.

- 33 As reported to Cabinet on 17 July 2013, the council is considering the implications of the spending review for the next iteration of its Medium Term Financial Plan, which will be the subject of a further report to Members on 9 October 2013.

Local government finance settlement consultation

- 34 On 25 July 2013, the government published *Local Government Finance Settlement 2014-15 and 2015-16: Technical Consultation* to seek views on a number of technical matters relating to the next two year financial settlement for local authorities.
- 35 As outlined above, the spending review confirmed a 10 per cent reduction in overall funding for local government. However, the consultation document identifies that £1 billion has been set aside from the settlement for allocation outside the main business rates retention system to some authorities but not to others.
- 36 While the headline reduction announced in the spending review is 10 per cent, the government proposes to reduce the Settlement Funding Assessment (the basic allocation affecting all authorities comprising business rates and Revenue Support Grant) by 15 per cent. Authorities which do not receive any of the allocation set aside, will experience funding reductions of this scale.
- 37 In part, this is due to much of the 'new funding' for local government announced in the spending review, being contained within the Local Government Departmental Expenditure Limit, resulting in a reduction in Revenue Support Grant income, which in effect means that the government is funding a number of the new initiatives by top slicing local authorities' Revenue Support Grant. The government is also withholding an increased amount of funding for the New Homes Bonus to fund the Single Local Growth Fund and business rates retention safety nets.
- 38 Local authorities have until 2 October 2013 to respond to the consultation.

Investing in Britain's future

- 39 Alongside the spending review, the government published *Investing in Britain's Future*, which summarises the next stage of its infrastructure plan from 2015 onwards. This was an update to the National Infrastructure Plan 2010 and includes details of road, rail, energy, housing, broadband, and science programmes that were outlined in the spending review. The programmes in the North East include:
- a) New InterCity Express rolling stock (Hitachi);
 - b) Rebuilding 31 schools in poor condition as part of the Priority School Building Programme (including Durham Trinity School and Sports College, King James I Academy Bishop Auckland, Seaham School of

Technology, St Joseph's Roman Catholic Voluntary Aided Primary School, West Cornforth Primary School)

- c) A19 Testos flyover construction;
- d) A19/A1058 Coast Road near Newcastle improving access to Port of Tyne and major employment sites;
- e) A1 upgrade works at Lobley Hill;
- f) Increased rail capacity on East Coast Mainline and Newcastle.

The Future of High Streets

- 40 In July, the government published a summary of progress since the Portas Review, entitled *The Future of High Streets*. In total, 27 Portas pilots were granted a share of £2.3m of government investment to improve their local areas, attract more customers, tackle parking issues, and provide business rates support. Over the next six months, the government has committed to:
- a) launch a loan fund for towns wishing to establish a Business Improvement District (BID) and implementing regulations to allow BIDs to operate across a wider area or led by property owners;
 - b) consult on the relaxation of planning regulations to support the conversion of properties from retail to residential uses and to explore ways to improve the use of flats above shops;
 - c) investigate ways to support local areas to introduce flexible approaches to parking provision and enforcement.
- 41 Although several towns in County Durham submitted bids, none were selected as Portas pilots. However, the government has set up a website (www.townteams.org/) with free resources to help communities and businesses to understand the transition that town centres are in as well as sourcing support for establishing town centre management teams.

Transport funding

- 42 On 31 May 2013, the government announced its second tranche of funding from the £190 million Local Pinch Point Fund. Durham was awarded over £2.2 million to ensure congestion relief from A167 in Chester-le-Street between the junction with Park Road and Junction 63 of the A1(M). The award follows detailed discussions with the Highways Agency with regard to the County Durham Plan, after the Highways Agency identified improving Junction 63 as being a priority for successfully implementing the County Durham Plan. Work is scheduled to take place between January 2014 and November 2014 at a total cost of £3.1 million.
- 43 On 16 July 2013, the Department for Transport (DFT) announced the confirmed Local Major Transport funding allocations, with the North East Local Enterprise Partnership (LEP) being allocated £31.1 million. This is a third less than the indicative allocation announced in January 2013, as the

government has chosen to redirect funding through the competitive Single Local Growth Fund bidding process.

- 44 On 17 July 2012, the North East Local Transport Body (NELTB) announced which projects had been shortlisted for the devolved Local Major Transport funding for the period 2015-19. A new rail station at Horden Sea View was shortlisted and will now progress for further business case assessment and approval. Unfortunately, the two other schemes from the county submitted – the Durham City Western Relief Road and the Durham City Bus Station and urban traffic control – were unsuccessful in the short listing process.
- 45 On 18 July 2013, the DfT confirmed a £1.2 billion follow-on order for further trains and rolling stock for the Intercity Express Programme. The announcement will benefit the Hitachi Rail Europe plant being developed at Newton Aycliffe, which won the order to build the 270 further trains, to enter service on the East Coast Mail Line from 2019. The order is in addition to the contract won by Hitachi for 596 trains last year.

Regional Growth Fund

- 46 Following the spending review, a further allocation of £600 million to the Regional Growth Fund was announced, with an expectation that there will be a further round of grant applications this autumn.
- 47 On 11 July 2013, the government announced awards totalling £506 million made under the latest round. In relation to the county, Thomas Swan and Co in Consett and carbon capture business Net Power Europe have received funding, while Sunderland City Council, subject to approval of the City Deal has been allocated funding to improve roads at key points around the A19, which will have a knock-on benefit for County Durham.
- 48 In addition, the North East LEP was awarded a £7.5 million to extend the resources available to support small and medium sized companies through loan and equity finance.

European funding

- 49 Following the spending review, the government announced the allocations to LEPs under the new decentralised EU Growth Programme, which will distribute €6.2 billion of European funding from the European Social Fund, the European Regional Development Fund, and part of the European Agricultural Fund for Rural Development (EAFRD). The allocations are under a seven year programme running from 2014 to 2020.
- 50 The North Eastern LEP was awarded €539.6 million, which is equivalent to £239 per capita. The award was the third largest award by this measure, and although the exact split of funding has yet to be determined, the total amount owes much to Durham's status as a Transition Region.

NHS reform

- 51 Members received a comprehensive briefing on progress with NHS reforms at the meeting of Cabinet on 17 July 2013. Key national developments include:

- a) government focus on the integration of health and social care including:
- a government commitment to make joined-up and coordinated health and care the norm by 2018 – with projects in every part of the country by 2015;
 - new “pioneer” areas around the country appointed by September 2013 – the projects will be selected by a panel of experts, who will be looking for the innovative, practical approaches needed to achieve change as quickly as possible. County Durham Health and Wellbeing Board supported an expression of interest for a pioneer project relating to intermediate care provision in County Durham. Intermediate care includes a range of short term treatment of rehabilitative services designed to promote independence, reduce the length of stay and to help avoid unnecessary hospital admissions.
- b) NHS safeguarding framework to promote partnership working to safeguard children, young people and adults at risk of abuse, at both strategic and operational levels.

Care and support reform

- 52 Following the publication of the draft Care and Support Bill in 2012 and a pre-legislative scrutiny process, a Care Bill was placed before Parliament in May 2013.
- 53 The reform of care covers themes such as:
- a) personalisation - one of the key principles driving the Care Bill is the delivery of greater personalisation of services. The Bill will require all eligible people to have a personal budget by April 2015, which will be part of their care plan;
 - b) integration - integrated care and support should mean person-centred coordinated and continuous care and support, tailored to the needs and preferences of the individual, their carer and family. It requires a whole system approach that includes primary care, community health, social care, the acute sector and wider partners such as the voluntary sector and housing providers;
 - c) prevention - the Care Bill includes a clause requiring local authorities to take steps to prevent, delay and reduce needs for care and support.
- 54 The Care Bill is currently going through Committee Stage of the House of Lords scrutiny process. In July 2013, the Government published a consultation seeking views on how changes to the funding system should be organised locally. It will inform the development of detailed policy, and subject to the successful passage of the Care Bill, regulations and guidance.
- 55 Views are being sought on policy design and technical implementation of deferred payment agreements and the new charging rules from April 2015 and suggestions sought regarding the cap on care costs and extended access

to financial support from April 2016. These are described alongside other relevant measures in the Care Bill.

Integration of Health and Social Care

- 56 The King's Fund has asked the Commission on the Future of Health and Social Care in England to consider whether the boundary between health and social care should be redrawn by revisiting the post-war settlement and asking fundamental questions about whether it is still fit for purpose. This includes examining how the NHS and social care are funded and organised, and what the alternatives might be to current arrangements. The Commission will also consider the different entitlements to these services, and whether now is the time for these to be changed.
- 57 An interim report will be produced by the Commission in early 2014 and a final report by September 2014. This will be in time to influence the thinking of political parties in the run-up to the 2015 election.
- 58 In the spending round, the government stated that to improve outcomes for the public, provide better value for money and be more sustainable, health and social care services must work together to meet individuals' needs. A £3.8 billion pooled budget will be introduced for health and social care services, shared between the NHS and local authorities, to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people.
- 59 The NHS will make available a further £200 million in 2014/15 to accelerate this transformation. From 2015/16 the shared pool will include existing NHS funding for social care and the additional £2 billion set out above, alongside further funds for carers and people leaving hospital who need support to regain their independence. It also includes £350 million of capital funding which will be available for projects to improve integration locally, including IT funding to facilitate secure sharing of patient data between the NHS and local authorities, and to improve facilities for disabled people.
- 60 Precise implications and further detail on funding in terms of both new and existing arrangements have yet to be clarified.

Anti-social Behaviour, Crime and Policing Bill

- 61 On 9 May 2013, the government published the Anti- social Behaviour, Crime and Policing Bill, which subject to parliamentary progress, is expected to receive Royal Assent in spring 2014.

- 62 The Bill contains a variety of measures to tackle serious harm, including antisocial behaviour, forced marriage, dangerous dogs and illegal firearms used by gangs and in organised crime. It also includes changes to improve the provision of services to victims and witnesses. In addition, the Bill will take forward further police reform, to enhance the public's confidence in police integrity and continue modernising police pay and conditions, as well as improving the efficiency of the criminal justice system.
- 63 The key provisions in the Bill include:
- a) giving landlords powers to deal swiftly with the most serious anti-social behaviour committed by their tenants and giving victims the power to ensure that action is taken to deal with persistent anti-social behaviour through the new community trigger, and a greater say in what form of sanction an offender receives out of court through the new community remedy;
 - b) strengthened powers to tackle irresponsible dog ownership by extending to private places the offence of owning or being in charge of a dog that is dangerously out of control in a public place. It also provides that a dog attack on an assistance dog constitutes an aggravated offence and will enable the courts to take account of the character of the owner of the dog, as well as of the dog, when assessing whether a dog should be destroyed on the grounds that it is a risk to the public;
 - c) making forced marriage a criminal offence and criminalising the breach of a forced marriage protection order;
 - d) conferring on Police and Crime Commissioners responsibility for commissioning victims services;
 - e) providing for the independent inspection of the Serious Fraud Office by Her Majesty's Crown Prosecution Service Inspectorate;
 - f) establishing in law a test of "clear innocence" for the purpose of determining eligibility for compensation for miscarriages of justice;
 - g) improving the speed and efficiency of the justice system's response to low-level offending by enabling the police to prosecute uncontested minor offences of shoplifting;
 - h) extending the scope of the statutory witness protection scheme to cover other vulnerable individuals;
 - i) ensuring that offenders sentenced to custody contribute to the costs of supporting victims by removing the power of magistrates' courts to add additional days to a sentence of imprisonment in lieu of the Victims Surcharge.

National Curriculum Review

- 64 Following a public consultation on the draft National Curriculum, which closed on 16 April 2013, the government announced plans in the Queen's Speech in May 2013 to take forward a new National Curriculum, incorporating the following:
- a) The new curriculum for all subjects will contain the essential knowledge that all children should learn, but will not dictate the majority of teaching time. It will be introduced in 2014.
 - b) Detailed programmes of study will be developed for primary English, mathematics and science, specifying the core knowledge which provides the foundations for all further learning.
 - c) Programmes of study in other subjects will be slimmed down by focusing only on the essential knowledge to be taught to give teachers more space and flexibility to design their lessons.
 - d) Languages will be made compulsory at key stage 2 to enable schools to be more ambitious about teaching languages in secondary school.
 - e) The discredited ICT curriculum will be replaced by a new, ambitious computing curriculum.
 - f) Aspects of the existing national curriculum will be disapplied for a limited period from September 2013, to give schools greater flexibility to prepare to teach the new National Curriculum.
 - g) From 2013 there will be no externally marked test of English writing. Pupils' ability in the composition element of writing will be subject to teacher assessment only. The new grammar, punctuation and spelling test will assess pupils' ability in these skills.
 - h) The first statutory phonics screening check for all year 1 pupils took place in June 2012. From 2013, pupils who have not reached the required standard at the end of year 1 should receive extra support from their school so their phonic decoding skills can improve. They will then retake the screening check in year 2.
- 65 In July 2013, the government published updated versions of the national curriculum framework, including the programmes of study for all national curriculum subjects at key stages 1 to 3 and for citizenship, computing and PE at key stage 4 and is now seeking feedback on the draft legislative order - Education (National Curriculum) (Attainment Targets and Programmes of Study) (England) Order 2014 - required to bring the changes into effect.

- 66 A formal consultation on the national curriculum for key stage 4 English, mathematics and science will follow in the autumn 2013 in line with the reform of GCSEs in these subjects.

Primary education reform

- 67 On 18 July 2013, the Deputy Prime Minister launched a consultation on a range of changes to primary school education. The aim is to improve the way in which schools are held to account and raise standards.
- 68 The consultation document has proposals for:
- a) higher floor standards. These would still be based on a combination of pupil attainment and progress. It is proposed that the attainment element is set considerably higher – with at least 85 per cent of a school’s pupils (except those with particular special needs) expected to reach a good level of attainment. However, progress will be a key element to reflect the challenging intakes of some schools, and schools will need to be below both measures to be below the floor standard;
 - b) updated tests for 11-year-olds, in line with the higher expectations of the new national curriculum. The tests would be in maths; reading; and spelling, punctuation and grammar. The science test for a sample of pupils would also remain;
 - c) higher expectations of what pupils should achieve. There would be a new “scaled score”, which would be the same for all tests and remain the same over years. It would be set at the level at which 11-year-olds would be considered “secondary ready”. The old system of levels – with level 4 the expected level – will be removed and will not be replaced;
 - d) new school-led systems of assessing pupil performance. Schools will be given the freedom to design their own systems of measuring pupil performance, and reporting this to parents, such as through clearer school reports;
 - e) a new reporting method which would see each pupil compared against their peers nationally. Each pupil would be placed in 10 per cent bands, or deciles. Pupils’ positions will only be made available to parents and schools;
 - f) a new benchmark. A baseline assessment is needed to measure the progress that has been made by 11-year-olds. The consultation makes no recommendations on this point, and invites suggestions from interested parties on when to take a baseline.
- 69 To help achieve these goals, the Deputy Prime Minister also announced an increase in the pupil premium for primary schools. The proposal is that the premium will be increased to £1,300 per disadvantaged primary school pupil in 2014/15, up from £900 per child this year.

Education qualification reforms

- 70 The process of reviewing and developing proposals for Key Stage 4 testing has been very high profile and controversial. Initially the Department for Education proposed the introduction of a new English Baccalaureate Certificate. However, on 7 February 2013, the Minister for Education announced that due to concerns raised by the exam regulator Ofqual about the risks involved that the proposed changes would not go ahead. Instead, the government is introducing revisions to existing GCSEs to make them more robust. The changes proposed include:
- a) reduction in course work with more assessments at the end of the course;
 - b) greater testing of writing in English and History;
 - c) greater focus on quantitative problem solving;
 - d) removal of higher and foundation tiers;
 - e) new GCSEs in the core academic subjects of English, maths, the sciences, history and geography ready for teaching in 2015.
- 71 The intention to carry through these amendments was confirmed in the Queen's Speech in May 2013. On 14 June 2013, the Department for Education launched a consultation asking for views on proposed subject content and assessment objectives for the new GCSEs. Specifically the document asks questions on the proposed content for English language, English literature, mathematics, science, history, geography, modern languages and ancient language. Alongside this consultation, Ofqual has launched a consultation on the regulatory aspects of proposed changes to GCSEs such as whether the reformed GCSEs should be tiered, and whether the default position should be that the reformed GCSEs are assessed by way of externally set and marked examinations.
- 72 'A' level reform, in line with the changes to GCSEs, will be linear with all assessment at the end of two years. January exams for AS and 'A' levels will be abolished from September 2013. AS levels will be a standalone qualification. Universities will be more involved in advising on 'A' level content, focusing on those subjects, which are most commonly required for entry to leading universities. The first 'A' levels in the facilitating subjects and some other high volume subjects will be developed for first teaching in September 2015.

- 73 Alongside the changes at Key Stage 4, the government introduced in April 2013 a new TechBacc for post 16 education. The TechBacc will be a performance measure, marking achievement by young people aged 16 to 19 in three areas:
- a) a specified level 3 vocational qualification;
 - b) a level 3 'core maths' qualification, including AS level maths;
 - c) an extended project.

Funding for Waste and Resources Action Programme

- 74 Between 3 and 24 May 2013, the Department for Environment, Food and Rural Affairs (DEFRA) consulted on the future funding of the Waste and Resources Action Programme (WRAP) in England.
- 75 WRAP is an independent not for profit company limited by guarantee, which operates at arm's length from government. The organisation receives approximately half of its funding from DEFRA and in effect acts as the department's principal delivery body for the provision of advice and technical and financial support on waste reduction and resource efficiency in England.
- 76 DEFRA's funding to WRAP has reduced from £56 million in 2009/10 to £26 million in 2013/14 and it is anticipated that this will be reduced further as the government makes further spending reductions.
- 77 The review aims to identify whether the WRAP delivery model continues to be the most appropriate way to deliver policy interventions in support of waste reduction and resource efficiency in England and to secure best value for public money.
- 78 The outcome of the consultation is awaited, now that the spending review has been published.

Public services reform

- 79 On 16 May 2013, the government published its second annual progress report on opening up public services, in line with the *Open Public Services* white paper published on 1 July 2011.
- 80 The most significant announcement was the publication of a 'choice charter', which sets out a number of principles people can expect when accessing and receiving public services. Initially, the government proposed introducing new legislation to enshrine an over-arching right to choice on individual services. However, following mixed consultation responses in which several respondents expressed the view that additional legislation was unnecessary, the government decided to introduce a choice charter under which all public services should operate. The key principles in the charter are:

- a) you can have a say in how a public service is provided to you;
- b) you will be given the opportunity to take up and exercise the choices available;
- c) you will be given clear, accessible and high-quality information and advice to inform your choices;
- d) you have clear avenues to complain if you do not receive the choices you are entitled to.

81 Alongside the choice charter, the government has published choice frameworks to outline and raise awareness of the choices available in a number of individual public services. The frameworks are intended to:

- a) set out what choices should be available to people as described in current policy or legislation;
- b) set out who will be responsible for providing this choice;
- c) set out (or signpost to) relevant quality standards, inspections and licensing requirements;
- d) signpost to sources of information to help people make informed decisions; and
- e) explain how people can make a complaint if they are unable to exercise their right to choose as set out in the frameworks.

82 So far, choice frameworks have been launched in NHS care, social housing, schools, funded early education and adult social care.

83 In addition, the government published its response to David Boyle's independent review into the barriers to choice in public services, especially for the disadvantaged. The government accepted virtually all of Mr Boyle's findings and his key recommendations relating to local government included:

- Make sure that plans for a national website of registered social care providers, currently under construction, will make it searchable by postcode. Such a national website should include:
 - a) comparable information about the quality of individual providers, according to measures that are meaningful to service users;
 - b) opportunities to leave user feedback on provider profiles;
 - c) access to online decision aids;
 - d) transparent information about pricing and navigation to other sources of information, local and national.
 - e) signposting to local information sources.

- Replace the current entitlement to an ‘assessment of needs for care and support’ with an entitlement to an asset-based assessment.
- Develop a more diverse social care market, by:
 - a) phasing out the use of preferred provider lists for buying social care services, and in the meantime making sure that they – and virtual marketplaces – are open to new entrants and are not used as the only menu of options in support planning;
 - b) giving local authorities a duty to signpost social care users to where they can access independent advice and support so that they can spend their personal budget to best meet agreed outcomes.
- Devise and publish a parallel ‘opportunity transformation’ league table, comparing the performance of schools in achieving the best outcomes for free school meal children and narrowing the attainment gap.
- Increase the diversity of schools, by:
 - a) trialling an annual online ‘Friends and Family’ test for schools, asking parents if they would recommend the school and why, with data collated by Ofsted, and made available, paid for by less frequent inspections of the more successful schools;
 - b) giving pupils a right to ask to study subjects which curriculum arrangements currently make difficult, with a responsibility for schools to comply or respond with good reasons if they are unable to.
- Pilot training for volunteers and mentors in ten existing peer support programmes, mainly but not exclusively in health settings.
- Pilot the idea of giving health and social care users the formal Choice to Switch providers, in extremis, and to go to another provider with capacity, using existing data, to the same position in the queue.
- Appoint an advisor to the Prime Minister on broader choice in public services.

84 In line with its drive to diversify the provision of public services, on 15 May 2013, the government published proposals to allow local authorities to delegate work for looked-after children to external social work providers. Following consultation in January 2013, the government will now allow local authorities to delegate some decision making and tasks around children in care and care leavers to external social work providers. The government plans to use existing legislation to let local authorities who are already using external providers to continue to do so, which will give local authorities greater flexibility around how to look after children in their care.

- 85 The government also intends to amend legislation so that social work providers do not need to register with and be inspected separately by Ofsted. Instead, Ofsted will consider the experiences of children receiving services under delegated arrangements as part of their new inspection framework. The government intends to make this change through a legislative reform order.
- 86 On 21 May 2013, the government published its response to the consultation on protecting the independent press from unfair competition. This proposed putting compliance with the Recommended Code of Practice on Local Authority Publicity onto a statutory basis by providing the Secretary of State with a power to make a direction requiring compliance with some or all of the Code's recommendations.
- 87 This would enable the Secretary of State to intervene and prevent local authorities, considered to be in breach of the code, from issuing publicity including council newspapers and publications.
- 88 In spite of objections from many consultees, including the Local Government Association, the government has decided to press ahead with the move and included the necessary provisions in the Local Audit and Accountability Bill, which is currently before parliament.
- 89 Cabinet may wish to note that an amendment to no longer require the publication of statutory notices in local newspapers, has been introduced during the Lords' consideration of the bill.
- 90 On 21 March 2013, the government invited local authorities to express an interest in establishing a network to spread learning from the four 'whole-place' community budget pilots. Nine areas have been selected, including Bath and North East Somerset, Bournemouth, Poole and Dorset, Hampshire, Lewisham, Lambeth and Southwark, Sheffield, Surrey, Swindon, the West London Alliance (Barnet, Brent, Ealing, Harrow, Hillingdon and Hounslow) and the Wirral. Three expressions of interest were submitted from consortia of local authorities in the North East including the county council but were unsuccessful.
- 91 Alongside the network, on 27 March 2013, the government launched the Transformation Challenge Award to support local authorities that are at the cutting edge for service transformation, re-engineering service delivery and achieving efficiency savings. £9 million is available in total for several 'major multi-authority awards' and up to 30 'authority awards'.
- 92 In line with the report to Cabinet on 24 June 2013, the council submitted a joint bid with Sunderland City Council in respect of the proposed joint ICT service. In addition, a bid for an authority award was submitted for the council's adult care transformation programme.

Transparency

- 93 In line with its transparency agenda, on 25 April 2013, the government launched a new care comparison website via NHS Choices. The site publishes care profiles which bring together information from a variety of

sources, including official information from the Care Quality Commission inspection reports on care services, information from care providers on the specialist services and facilities they offer, comments from the public, service users, residents and their families on their own experiences of the care provider, including links to other comment sites.

- 94 In due course, the public will be able to give services star ratings, which will sit alongside official Ofsted-style ratings for care services, when they are introduced.
- 95 On 15 May 2013, Stephen Shakespeare, the chair of government's Data Strategy Board and chief executive of YouGov, published his independent review of public sector information, which focused on the growth opportunities arising from widening access to information held by the public sector. The review made nine recommendations to government, around the themes of:
- a) defining the principles of ownership: it all belongs to the citizen, not to the government;
 - b) creating a national data strategy for maximising opportunity - a plan that is recognisable outside government, actionable, and auditable;
 - c) accelerating implementation so that delivery is broader and more reliable, and that data is utilized in commerce and public administration
 - d) strategic focusing of support for the new infrastructure (including strategic investment in basic data science);
 - e) ensuring trust in the system: confidentiality must be strengthened by fully deploying the available technology of data security, and imposing higher penalties for infractions.
- 96 Key recommendations include:
- a) adopting a twin-track policy for data-release, publishing data early even if imperfect, while committing to improving data quality to develop a 'high quality core';
 - b) developing a clear pragmatic policy on privacy and confidentiality that increases protections for citizens while also increasing the availability of data to external users;
 - c) investing in building skill-sets in basic data science through academic institutions, covering both genuinely unfettered 'basic research' and research of 'practical immediate value' to the national data strategy;
 - d) exploring new ways to gather evidence of the economic and social value of opening up PSI and government data, and how it can be further developed taking into account the latest innovations in technology;

- e) formally embedding the systematic and transparent use of administrative data and other types of PSI in the formulation, implementation, monitoring and adaptation of government policy and service delivery;
- f) developing a model of a 'mixed economy' of public data so that everyone can benefit from some forms of two-way sharing between the public and the commercial sectors;
- g) increasing transparency, where there is a clear public interest in wide access to privately generated data (for example in publishing all trials of new medicines and encouraging companies working with government in public-private partnerships to adopt open data policies, akin to the Freedom of Information Act).

97 On 14 June 2013, the government published guidance on *Your council's cabinet: going to its meetings, seeing how it works*. The guidance which is aimed at local people and gives practical information about the public attending meetings of a council's executive and obtaining council documents. It also includes advice on filming and tweeting from council meetings and suggests that councils should consider adopting a policy on the filming of meetings and be clear with people about what facilities can be provided for citizen journalists.

Local government pensions reform

98 A commitment was made in the Coalition's programme for government to review the long term affordability and sustainability of public service pension schemes. On 20 June 2013, a number of consultation documents were released looking at changes to governance arrangements, changes to scheme administration such as membership, contributions and benefits, removing the eligibility of councillors to the scheme. On 21 June 2013, a call for evidence was published to look into ways of reducing the costs of the Local Government Pension Scheme by increasing fund co-operation, transparency and accountability to taxpayers.

Employment tribunals and judicial reviews

99 On 14 March 2013, the government published new rules aimed at streamlining the employment tribunal process, to make tribunals easier to understand, more efficient and to help weed out what the government considers to be weak claims, including instances where claimants have little prospect of success and may be using judicial review as a delaying tactic.

100 The proposals the government have accepted include:

- a) new strike out powers to ensure that weak cases that should not proceed to full hearing are halted at the earliest possible opportunity;

- b) guidance from the Employment Tribunal Presidents to help ensure that judges deal with hearings in a consistent manner which ensures parties know what to expect;
- c) making it easier to withdraw and dismiss claims by cutting the amount of paper work required; and
- d) a new procedure for preliminary hearings that combines separate pre-hearing reviews and case management discussions. This will reduce the overall number of hearings and lead to a quicker disposal of cases saving time and costs for all parties.

101 In 2011, the Chancellor announced plans to introduced fees for employment tribunal hearings. The fees came into effect on 29 July 2013, from which point, claimants will now be charged £120 to lodge a claim for cases such as discrimination or unfair dismissal and £950 if the case goes ahead. If someone wishes to appeal against a decision, it costs £400 to lodge an appeal and £1,200 for a full hearing. Lower fees apply for other cases such as payment disputes and claimants who are unable to pay tribunal fees can apply to have them waived or reduced. Although the fees have now come into effect, the trade union Unison has been granted leave for a judicial review of decision to introduce them.

102 On 23 April 2013, the government confirmed proposals to reform the judicial review process. The changes aim to tackle delays and reduce the burden of Judicial Review by filtering out weak, frivolous and unmeritorious cases at an early stage, while ensuring that arguable claims can proceed to a conclusion without delay.

103 In announcing the measures, the government cited cases of attempts to block immigration decisions or to hold up development.

104 The measures include:

- a) introducing a £215 court fee for anyone seeking a hearing in person after their initial written judicial review application has been turned down;
- b) banning people from seeking a hearing in person if their initial written application has been ruled as totally without merit;
- c) halving the time limit for applying for a judicial review of a planning decision from three months to six weeks;
- d) reducing the time limit for applying for a judicial review of a procurement decision from three months to four weeks.

105 Alongside the new rules, the government is currently considering increasing the fee for a Judicial Review application from £60 to £235.

Consultations

- 106 Since the last report to Cabinet, the council has opened 71 consultations and calls for evidence.
- 107 The following consultations and calls for evidence are currently open (as at 5 August 2013):
- a) Consultation on the draft Electricity Market Reform Delivery (closing date 25 September 2013);
 - b) Supporting the employee-ownership sector (closing date 26 September 2013);
 - c) Refreshing the NHS Mandate (closing date 27 September 2013);
 - d) Childcare regulation (closing date 30 September 2013);
 - e) Caring for our future: implementing funding reform (closing date 25 October 2013);
 - f) New national curriculum: primary assessment and accountability (closing date 11 November 2013).
 - g) Tax free childcare: seeking views on the government's plans to introduce Tax-Free Childcare for working families and additional assistance with childcare for parents through Universal Credit (closing date 14 October 2013);
 - h) Assisted Areas Map 2104 to 2020: consultation on LEP economic priorities and disadvantaged local areas (closing date 30 September 2013);
 - i) DWP commissioning strategy 2013: consultation on commissioning strategy for welfare-to-work outcomes and services (closing date 27 September 2013);
 - j) Updated national waste planning policy: planning for sustainable waste management (closing date 23 September 2013);
 - k) Business rates retention scheme: pooling prospectus: invitation to local councils to come forward with pooling proposals (closing date 31 October 2013);
 - l) Proposals for the use of capital receipts from asset sales to invest in reforming services: consultation on allowing local authorities some flexibility to use their receipts from asset sales to pay for the one-off revenue costs of service reforms (closing date 24 September 2013);

- m) New Homes Bonus and the Local Growth Fund: consultation on the suggested mechanisms for the pooling of £400 million of New Homes Bonus through local enterprise partnerships to support strategic housing and other local economic growth priorities (closing date 19 September 2013);
- n) Local Government Finance Settlement 2014-15 and 2015-16: technical consultation on a range of detailed and technical issues concerning the 2014-15 and 2015-16 Local Government Finance Settlements (closing date on 2 October 2013);
- o) Apprenticeship funding reform in England: consultation on government's response to Doug Richard's independent review of apprenticeships (closing date 1 October 2013);
- p) Draft noise action plan: consultation on the second round of noise action plans covering roads, railways and large urban areas (closing date 29 October 2013).

Implications

108 The government's policy proposals have many implications for the county and the council, its role and function and the way it works with and relates to local communities and strategic partners. Below, we provide a commentary against the strategic themes of the Council Plan and County Durham Sustainable Community Strategy.

Altogether better council

109 While the spending review outlined the government's headline spending targets, the council is still waiting for the detailed impact on individual spending streams.

110 The headline figure in the spending review was a 10 per cent reduction in funding for local government, however the more recent technical consultation on the financial settlement for 2014/15 and 2015/16 points towards a much higher 15 per cent reduction in the Settlement Funding Assessment (SFA), which provides the basic funding allocation or all authorities.

111 It is also evident that a significant proportion of the 'new funding' identified for local government is in fact coming from existing local government funding streams and expenditure limits.

112 Our initial estimate is that a reduction in SFA of this order is likely to lead to a further reduction in funding to the council of £16 million by 2015/16 in addition to the £23 million previously forecast. The council will need to await the outcome of the consultation and the publication of the financial settlement before we learn the final figure. It is expected that this is unlikely to be before Christmas this year.

- 113 The council will need to consider carefully the proposal to freeze council tax in 2014/15 and 2015/16. The existing medium term financial plan is based on a modest two per cent a year increase, whereas the government has now confirmed that the value of the council tax freeze grant will be equivalent to an increase of one per cent based upon an adjusted tax base. The grant received would be £2 million, which would be a £1.2 million shortfall compared to the £3.2 million income received from a two per cent council tax increase.
- 114 The council also needs to be mindful of the impact of efficiency savings in other government departments, which may impact on local authorities. For example, the Department for Work and Pensions has to make substantial efficiency savings of £420 million which may impact on the Housing Benefit Administration Grant, which is currently worth £4.5 million to the council. More generally, the council needs to monitor the trend of government departments transferring responsibilities and functions to local government in order to make efficiency savings.
- 115 Substantial funding is being made available to encourage health and social care to work more closely together. While the amount of funding is significant - £3.8 billion in a single pooled budget in total – the detail on how the funding will be administered is awaited and confirmation of whether this will be new or existing funding.
- 116 £200 million is being invested to extend the Troubled Families programme and change the way that local authorities, health, education and criminal justice services work with a further 400,000 vulnerable families.
- 117 The proposal to consult on how best to introduce a new national funding formula for schools in 2015/16 is a key issue as schools in the county currently benefit from recognition of the high levels of deprivation in the county. The government wants to ensure that school funding is based on a fair and rational assessment of the needs of a school's pupils, including how many are deprived, as opposed to historic differences in funding between schools in different local authorities.
- 118 Within this regard, it is welcome that the government is protecting the Pupil Premium, which provides extra funding for disadvantaged pupils.
- 119 However, the decision to reduce central education support by reducing the Education Services Grant by around £200 million in 2015/16 will have a significant impact on the council as we currently receive £7.6 million a year from this grant. We therefore need to pay particular attention to the government's proposals for how the reductions will be implemented when it consults in the autumn.
- 120 The establishment of a Single Local Growth Fund to support economic growth and regeneration at a local/regional level is welcome, however, £2 billion a year falls well short of the recommendation in Lord Heseltine's original report.

- 121 While the government has celebrated the progress it has made in opening up public services to more choice, community influence and diversity of provision, the Institute for Government has called into question the progress made and the impact that this is having on service provision.
- 122 In its report, *Making public service markets work: professionalising government's approach to commissioning and market stewardship*, which focused on employment services, secondary education, care for older people and probation services, the Institute concluded that while the government had achieved some successes, there were significant weaknesses in the way departments and local commissioners approach the design and oversight of markets in public service provision.
- 123 In particular, the Institute highlighted that the design of contracts promoted 'gaming', where providers sometimes responded in undesirable ways to the reward structures created by commissioners and regulators. Such 'gaming' behaviours included excessive 'parking' of service users with complex needs and 'creaming' of users who are easier to support, and therefore more profitable to serve.
- 124 In addition, concern was expressed about the ability to tackle the performance of poorly run companies, because of a 'lack of confidence' in managing a switch to a new provider.
- 125 The decision to give the Recommended Code of Practice on Local Authority Publicity statutory force is at odds with the government's commitment to decentralisation and the presumption of a general power of competence by local government. The Local Government Association and others have also argued that the decision is based on a false premise as council newspapers pose little or no threat to local newspapers, the decline of which has more to do with the proliferation of online media and marketing. With regard to the council, its publicity is guided by the code, with checks and balances provided by the monitoring officer and we do not envisage any instances where the Secretary of State could reasonably call into question what we do.
- 126 The amendment concerning statutory advertising introduced during the Lords' consideration of the Local Audit and Accountability Bill is interesting as the council spends in the region of £130,000 a year on statutory advertising in local newspapers.
- 127 Although the government is yet to respond to the Shakespeare review on public sector information, it reinforces existing government policy presumptions in favour of accelerating transparency and prompt disclosure of data and information.
- 128 The recommendation that private companies funded to deliver public services should have open data policies is echoed in David Boyles' report on the barriers to increasing choice and the Institute of Government's review of private sector contracting of public services. If followed through, the council may have to amend its procurement and commissioning policy and

procedures to take into account the open data policies of potential contractors.

- 129 Close attention will need to be given to the changes to pensions which are due to be made under the Public Services Pensions Act, 2013. The impacts will be wide ranging, and will need to be taken on board as part of the management of the current local authority scheme, as well as ensuring that the changes are effectively communicated to employees.

Altogether wealthier

- 130 The challenges for local authorities set out by the spending review are extensive and the council will need to continue to think innovatively and use what funding is available to its absolute maximum benefit.
- 131 With this in mind, it is encouraging that the notional EU funding allocation to the North Eastern Local Enterprise Partnership (NELEP) for the 2014-2020 programme (€539.6million) is greater than had been expected, £239 per capita represents the third biggest award of the 39 LEPs bettered only by Tees Valley Local Enterprise Partnership and Cornwall and the Isles of Scilly. EU funding will play a crucial role in the council's investment planning process and the council is currently engaged with partners internally to determine and prioritise future funding opportunities and will work closely with NELEP to develop a European Structural and Investment Funds Strategy for the 2014-2020 programme. The strategy will outline the overall ambition for the LEP area in the next programme and will set the framework for the projects taken forward within the context of UK and EU objectives. Durham will feature heavily with Transition Region status and will possess dedicated resources above and beyond the rest of the LEP area.
- 132 The *Investing in Britain's Future* announcements made alongside the spending review highlight how the government intends to stimulate economic growth over the period of the next parliament.
- 133 The creation of a Single Local Growth Fund is welcome, though, the £2 billion a year set out by the Chancellor is significantly lower than the £8 billion a year called for by Lord Heseltine in his *No Stone Unturned* report.
- 134 It should also be noted that the fund is mainly made up of funding that local government already had via the Local Authority Transport Major projects fund, the Integrated Transport Block, Further Education capital, ESF skills match funding, the New Homes Bonus and the Local Sustainable Transport Fund.
- 135 In addition, a significant proportion of the single pot is made up of capital funding which in theory cannot easily be moved to fund revenue projects. Government guidance is therefore awaited on how the single pot will operate given that it is supposed to be an un-ringfenced fund.
- 136 To access funding, local areas need to produce strategic economic plans which will form the basis of sub-regional funding agreements with

government. The government has set the strength of governance arrangements as one of the key criteria it will take into account in making funding awards, which is encouraging given the recent progress made by the seven local authorities in the North East towards the establishment of a combined authority, which will be called the North East Leadership Board (Combined Authority).

- 137 The pooling of £3.8 billion of funding to enable the NHS and local authorities to work together and to support the delivery of more integrated services represents a significant opportunity. Though the funding must be used to support adult social care services in each local authority, which also has a health benefit, beyond this broad condition, the Department of Health wants to provide flexibility for local areas to determine how this investment in social care services is best used. This will be of great interest to our supported housing and registered social housing providers.
- 138 Of the announced changes to welfare benefits within the spending review, of significant note is the change to the three day waiting period which is currently applied to JSA claimants, before eligibility for benefits begins being extended to seven days. The extended waiting period will not be applied to those on contributory JSA and ESA, although it is likely to place additional strain on Hardship Funds and potentially lead to an increase in arrears among social and private sector tenants.

Altogether healthier

- 139 The drive to integrate health and social care will have major implications for the county. The Care Bill emphasises a whole system approach that includes primary care, community health, social care, the acute sector and wider partners such as the voluntary sector and housing providers. It places a duty on local authorities to carry out their care and support responsibilities (including carer's support and prevention services) with the aim of joining-up services with those provided by the NHS and other health-related services (for example, housing services). The duty will apply where the local authority considers that integration of services would either promote the wellbeing of adults with care and support needs (including carers), contribute to the prevention or delay of developing care needs, or improve the quality of care in the local authority's area.

Altogether safer

- 140 The Anti-social Behaviour, Crime and Policing Bill if enacted would extend the power of the council to deal serious anti-social behaviour committed by council tenants. It also provides the necessary legislation for the introduction of the community trigger, where local communities can prompt the police and community safety agencies to take action on persistent anti-social behaviour, and the community remedy, where they can have a say on what sanctions should be placed on offenders.

- 141 The trend to extend the responsibilities of directly elected police and crime commissioners (PCCs) continues, with PCCs to become responsible for commissioning local victim support services.

Altogether better for children and young people

- 142 The proposed changes to the examination system at Key stage 4 will have significant impacts for schools and students in County Durham. The current aim is that first group of GCSE subjects to be reformed will be introduced in 2015 with the first awards made in August 2017. Ofqual believes that this programme is ambitious but overall should be achievable. Careful monitoring of the implementation of these changes will be needed to ensure that schools within County Durham are prepared for the changes.
- 143 Similarly, the TechBacc will be introduced for courses beginning in September 2014, and will be reported for the first time in the college and school sixth-form performance tables in January 2017.
- 144 The increase in the Pupil Premium is for primary schools only and will be a benefit to primary schools in the county, however at this early stage it is difficult to assess the impact of the proposed changes to primary education and careful monitoring will be required to ensure that schools in the county are prepared for the proposed changes. It is unclear at this stage if there will be any change for secondary schools.
- 145 The council are managing the in year reductions to the extended rights to free school travel fund. Durham County Council's allocation for 2013/14 is now £1,373,000 and for 2014/15 it is £1,086,000. This funding is non ring fenced however the statutory duties in relation to home to school transport are still in place.
- 146 Ofsted will introduce the single inspection framework for child protection and looked after children, including the inspection of local authority fostering and adoption functions, in September 2013. Until the new framework is implemented, Ofsted will continue to carry out separate inspections of local authority arrangements to protect children, and they will be re-introducing a small number of targeted inspections of services for looked after children, and will continue with the regulatory inspections of local authority adoption and fostering functions.

Altogether greener

- 147 The £430 million identified in the spending review for the Renewable Heat Incentive is welcome as it will provide incentives to the council, households and industry to reduce their energy consumption. The government has recently completed a consultation on proposed changes to non-domestic tariffs and the council will need to await the outcome before being able to fully assess the impact on its energy consumption.

- 148 While all corners of the public sector are subject to review due to the on-going spending reductions, the outcome of the review of funding for WRAP is awaited with interest given that WRAP has been a key partner in working with the council to promote domestic recycling and composting.

Implications for partnership working

- 149 Given the scope, scale and pace of government reforms, it is imperative that the council continues to work with partners to ensure that we work together to achieve the aims of the sustainable community strategy. This is particularly so in relation to stimulating economic growth and job creation, policing and community safety and health and social care, given the significant and profound nature of reforms in these areas and the emergence of new partners, with which the council will want to work.
- 150 The County Durham Partnership is currently in the process of reviewing its priorities as part of a refresh of the sustainable community strategy for the county. The refresh will take account of changing government policy and take on board changing local needs and priorities. A report on the review of the sustainable community strategy is expected to be brought to Cabinet by the end of this year.

Conclusions

- 151 Since the last report, the government has maintained its focus and emphasis on driving forward on the delivery of its major policy projects, with the emphasis in policy announcements shifting from policy development to the implementation and delivery of policy reforms outlined in the first half of this parliament.
- 152 Although the common themes of government policy around transparency, choice, community empowerment, localism and more diverse patterns of public service provision are still evident, there is evidence to suggest that they are being pursued to varying degrees in actual implementation.
- 153 In response to the continuing slow rate of economic growth, the government has confirmed its intention to continue with its deficit reduction strategy to re-balance the economy and has placed more emphasis on stimulating growth.
- 154 In the spending review, the Chancellor outlined how the government intends to reduce public sector spending by a further £11.5 billion in 2015/16, extending the deficit reduction programme into the next parliament.
- 155 He also confirmed that public sector spending reductions would continue to be the major element of his strategy and that he did not envisage having to increase taxes to help alleviate the deficit beyond 2015/16.
- 156 While the headline figure in the Spending Review was as 10 per cent reduction in funding for local government, the more recent technical consultation on the financial settlement for 2014/15 and 2015/16 points towards a much higher 15 per cent reduction in the Settlement Funding Assessment, which provides the basic funding allocation for all authorities.

- 157 Clearly, the various policy changes will have major implications for the council and the steps it is taking to develop an 'altogether better Durham'.
- 158 The council and its partners are continuing to analyse the impact that government policy will have on local communities and on our ability to deliver the sustainable community strategy and are responding accordingly. Wherever possible, the council and its partners are working together to respond proactively to the government's policy changes.

Recommendations

- 159 Members are recommended to note the contents of this report and the actions taken to anticipate and respond to the government's reforms.

Background papers

[Cabinet, 5 June 2013, Implications for Durham County Council of the Government's policy programme](#)

[Cabinet, 13 March 2013, Welfare reform update](#)

Contact: Kevin Edworthy Tel: 03000 268045

Appendix 1: Implications

Finance – The additional 10 per cent reduction in local government spending in 2015/16 confirmed in the spending review increases the financial pressure on the council, considering that it has already made approaching £100 million of savings since the beginning of the austerity programme in 2011/12. The council will need to consider carefully the proposal to freeze council tax in 2014/15 and 2015/16, as our existing medium term financial plan is based on a modest two per cent a year increase, whereas the government has confirmed that the council tax freeze grant will be equivalent to an increase of only one per cent, based on an adjusted tax base.

Staffing – No specific implications have been identified.

Risk – Individual assessments of the risks associated with specific policy proposals are undertaken as a matter of course in council project planning and management.

Equality and Diversity – Equality impact assessments will be undertaken on individual policy proposals the council develops in response to the government's reforms.

Accommodation – No specific implications have been identified.

Crime and Disorder – under the Anti-social Behaviour and Crime and Policing Bill if enacted, the local Police and Crime Commissioner will become responsible for commissioning local victim support.

Human Rights – No specific implications have been identified.

Consultation – No specific implications have been identified.

Procurement – No specific implications have been identified.

Disability Discrimination Act – No specific implications have been identified.

Legal Implications – A number of the government policy changes outlined above, place new statutory duties on the council and change the regulatory framework in which it operates. The council considers the legal implications of all decisions it takes.