



REPORT OF:	LEADER OF THE COUNCIL
TO:	POLICY COUNCIL
ON:	THURSDAY 1st DECEMBER 2011
TITLE:	CHALLENGES AND OPPORTUNITIES FOR CHANGE

1. PURPOSE OF THE REPORT

A report from the Leader of the Council outlining key national and local policy challenges and anticipated impacts in Blackburn with Darwen.

2. RECOMMENDATIONS

Policy Council is invited to debate key issues around national policy decisions, national legislation, local context and local financial issues.

Policy Council is also asked to consider proposals from the Leader regarding the Council's positioning for the future, including implementing a series of transformational initiatives to respond to the challenges being faced. (Pages)

3. BACKGROUND

For a number of years, the Council's priorities (as defined at Policy Council in December of each year) have been derived from some local and contextual analysis.

The Council is now operating in a different context with a more challenging socio-economic, legislative and policy environment.

It is timely and necessary, therefore, to reflect on the national and local policy context, and particularly to consider those issues that have the potential to have negative consequences for the Council and residents. Policy Council's views on such issues provide an important backdrop for its decisions around Council vision and priorities. In addition, there is an opportunity for Policy Council to provide a clear mandate for the Council's transformation programme; positioning the Council for the future and sponsoring a series of transformational initiatives to respond to the challenges faced.

4. RATIONALE

The challenges, anticipated impacts and linked potential strategies for Blackburn with Darwen are broken down into four sections; national policy; national legislation; local context; and local finances.

National context, Government policy decisions

Key issues	<ul style="list-style-type: none"> • Localisation of council tax and business rates • Benefit reforms – housing benefit and introduction of universal credit • New Homes Bonus • Local enterprise partnerships; enterprise zones and regional growth fund • Voluntary and community sector – growing the civil society in light of public sector grant reductions • Problem families – Prime Minister’s commitment to turn around 120,000 problem families by 2015 • Munro review – significant changes relating to social work practice and addresses safeguarding and child protection. • Withdrawal of cold weather payments and the impact for families/individuals on low income • Local Government Resource Review – Community budget pilots. • Future Social Care White Paper - integration and future funding. • Personalisation - 100% with personal budgets by 2013 – policy direction set by previous government.
Impact in BwD	<ul style="list-style-type: none"> • Welfare reforms likely to impact on our most vulnerable families, the aging population and households and therefore further demand on council services • Fuel poverty – national policy agendas combined with local housing condition means we have a “double impact – and homelessness likely to be experienced by residents. • Concerns around readiness of employment market to provide routes for those who are re-assessed as fit to work. • Changes in the administration of council tax and business rates could lead to further demands being placed on the Council’s resources. • Significant reduction in funding for the Council in relation to housing renewal will have a knock-on effect on the housing conditions of residents.
Potential Strategies and / or Interventions	<ul style="list-style-type: none"> • Concerted growth strategy for BwD, ‘open for business’ campaign and priority focus on ‘prosperity’ theme and initiatives through the Local Strategic Partnership. • Continued engagement with partnerships to promote BwD’s interests within wider economic footprints, attract investment and make effective use of Council assets and powers to drive growth. • Test feasibility of a Council / public-sector-backed business innovation fund for fast-tracking support to high growth companies. • Review of local procurement and supply chain management by the BwD public sector (‘social value’). • Consider a special vehicle (and new funding model) for investment in housing and transport infrastructure.

National context, legislative requirements

Key issues	<ul style="list-style-type: none"> • Localism Act – general power of competence / community rights to challenge and buy / planning reform / housing reform. • Open Public Services White Paper – ‘default’ competition, mixed market models and reliance on commissioning frameworks for public services / choice and personalisation / transparency / social
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	<p>enterprise and mutualisation.</p> <ul style="list-style-type: none"> • Open Data / New Audit regime – demise of Audit commission / gradual emergence of a new peer-led improvement model / costs and risks around transparency. • NHS and Public Health reform – Local Government integration, Public Health transition and new Commissioning Consortia roles and support frameworks. • Police Commissioners and changing accountabilities in community safety. • Radical changes to the educational system with free schools / academies and different points of emphasis in the curriculum (e.g. Wolfe review). • Family Justice review - setting out new guidance on how the Council works within justice arena and impact on cases going to court. • Law Commission review of Adult Social Care and Dilnot report on funding • EU Energy Efficiency Directive and ‘Planning our electric future: White Paper’ – setting challenging targets for energy efficiency and escalating ‘carbon price floor’ costs.
Impact in BwD	<ul style="list-style-type: none"> • Increased costs to Council around support for new planning processes. • Neighbourhood planning could lead to different communities designing very different neighbourhoods – implications for cohesion and could increase inequalities. • Radical governance changes in the public service system is a reality, with the Council needing to adapt and influence directed elected police commissioners and clinical commissioning consortia. • Increasingly complex educational system, with implications for Council support services, changing role for the Council in terms of school improvement across the borough and potential concerns around future inequalities in educational outcomes. • Council costs associated with the proposed ‘carbon price floor’ could double by 2020 and double again by 2030. Implications for landfill avoidance, waste reduction and community action.
Potential Strategies and / or Interventions	<ul style="list-style-type: none"> • Taking advantage of increased local flexibilities and data-sharing to re-enforce focus on preventative services and family-led early interventions. • Engage in Community Budget pilot activity to secure efficiencies across the public sector and local residents’ shaping of services.

Local context, demography and disadvantage

Key issues	<ul style="list-style-type: none"> • Percentage of people in employment is at its lowest for at least six years • Considerable ‘churn’ of disadvantaged families in our most deprived wards • Highest proportion of young people in the country • Importance of community cohesion during times of recession and demographic change. • Reduced business activity and growth during time of recession. • Increasing older people’s population and growth in number of
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	adults with more complex needs
Impact in BwD	<ul style="list-style-type: none"> • 2010 Index of Multiple Deprivation shows an unimproved position in relation to the disadvantages our residents face • High and increasing demand on front-line services, e.g. children's social care – particular emphasis for the Children and Young People's Trust. • Employment rates could continue to decrease as long as recession continues • Further un-employment will have a knock on impact on demand for services and health and well-being • Reduced Council income due to reduction in business rates and wider leisure activity.
Potential Strategies and / or Interventions	<ul style="list-style-type: none"> • Review of career pathways for BwD young people – linking skills development to employment opportunities – and local graduate retention. • Integrated Strategic Needs Assessment to provide a consistent evidence base for the public sector and 'one plan' approach to planning and priorities. • High profile engagement and 'Your Call' behaviour change campaign. • Joined up approach to empowering service users.

Local context, financial situation

Key issues	<ul style="list-style-type: none"> • Radical reduction in public sector finances • Anticipation of 2013 Budget and 2015 Comprehensive Spending Review • Workforce implications of radical reduction in resources • New financial mechanisms – e.g. invest to save principles, payment by results and community budgets • Key issues from Medium Term Financial Strategy to be incorporated when drafted
Impact in BwD	<ul style="list-style-type: none"> • BwD is disproportionately impacted as a result of cuts, and there is also inequity of cuts across different agencies within public sector – placing increased strain on partnership working and joint planning / resourcing. • Some disengagement within the workforce, traditional career pathways no longer apparent or in existence.
Potential Strategies and / or Interventions	<ul style="list-style-type: none"> • Integrated approach to financial and business planning and consideration of 'invest to save' programmes. • Revisiting service reviews in the context of business process improvement and a wider review of statutory / non-statutory responsibilities. • A strategic workforce development initiative across the Council and wider public sector (apprenticeships, growth of the employment agency and collaborative approaches to graduate and masters-level development).

Priority Strategies and / or Interventions

In order to respond to this challenging context, it is therefore proposed that the Council continue or initiate the following priority strategies and / or interventions as part of a Transformation Programme in 2012-13: -

- Concerted growth strategy for BwD, 'open for business' campaign and priority focus on 'prosperity' theme and initiatives through the Local Strategic Partnership.
- Continued engagement with partnerships to promote BwD's interests within wider economic footprints, attract investment and make effective use of Council assets and powers to drive growth.
- Test feasibility of a Council / public-sector-backed business innovation fund for fast-tracking support to high growth companies.
- Review of local procurement and supply chain management by the BwD public sector ('social value').
- Consider a special vehicle (and new funding model) for investment in housing and transport infrastructure.
- Taking advantage of increased local flexibilities and data-sharing to re-enforce focus on preventative services and family-led early interventions.
- Engage in Community Budget pilot activity to secure efficiencies across the public sector and local residents' shaping of services.
- Review of career pathways for BwD young people – linking skills development to employment opportunities – and local graduate retention.
- Integrated Strategic Needs Assessment to provide a consistent evidence base for the public sector and 'one plan' approach to planning and priorities.
- High profile engagement and 'Your Call' behaviour change campaign.
- Joined up approach to empowering service users.
- Integrated approach to financial and business planning and consideration of 'invest to save' programmes.
- Revisiting service reviews in the context of business process improvement and a wider review of statutory / non-statutory responsibilities.
- A strategic workforce development initiative across the Council and wider public sector (apprenticeships, growth of the employment agency and collaborative approaches to graduate and masters-level development).

5. POLICY IMPLICATIONS

This report provides a contextual overview and back-drop for the policy direction of the Council in 2012-13.

6. FINANCIAL IMPLICATIONS

The local financial drivers are briefly outlined in section 4. Any direct financial implications of the proposed priority strategies and / or interventions will be considered by the Council's Transformation Board and agreed with the Executive Member for Resources prior to implementation.

7. LEGAL IMPLICATIONS

N/A

8. RESOURCE IMPLICATIONS

Any resource implications of the proposed priority strategies and / or interventions will be considered by the Council's Transformation Board and agreed with the Executive Member for Resources prior to implementation.

9. CONSULTATIONS

Extensive consultation has taken place throughout October and November 2011 regarding the national and local policy context in order to develop the content of this report. Partners have been consulted via the Local Public Service Board, Executive Members via portfolio briefings and cross-party members via the Policy and Corporate Resources Committee with a Leader's presentation and follow-up consultation.

The Chair and Vice-Chair of the Policy and Corporate Resources Committee emphasise the following challenges: -

- Longer-term (2013-15 and beyond) impacts of welfare reform changes, and the need to engage the Government and private sector partners to drive growth and retain investment.
- Pressures felt by advice services and other key customer-facing parts of the voluntary sector, and the need to support the VCS in accessing other funding routes.
- The lack of clarity around aspects of new planning legislation and guidance; particularly regarding development of green-belt land and capacity issues (in the Council and in local community groups) around the development of neighbourhood plans.
- The impact of free schools and academies on the capacity of the Council's core support function for wider educational support services, and concerns around the sustainability of new free schools (and potential future liabilities for the Council in this regard.)
- Recognition of the challenges continuing to be faced by residents and groups in our disadvantaged areas, and the need for a long-term, focussed growth and investment strategy in such areas.
- Continued emphasis, despite the challenging financial context, around securing funding for ward forum or VCS determination at the local level, with appropriate political oversight.

Chief Officer

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Date: 17.11.11