

# **HARD TIMES, NEW DIRECTIONS?**

## **THE IMPACT OF THE LOCAL GOVERNMENT SPENDING CUTS IN LONDON**

### **INTERIM REPORT**

Amanda Fitzgerald, Ruth Lupton, Ronan Smyth, Polly Vizard

Chapter 1: Introduction .....	1
The Local Government Funding Cuts .....	1
Our Approach .....	2
Chapter 2 : The London-wide Picture .....	4
Overall Reductions in Local Authority Funding Across London 2009/10 to 2013/4 .....	4
Differences Between London Boroughs .....	6
Local Authority Responses.....	10
Three Case Studies.....	15
Chapter 3: Brent Council Response to the Cuts.....	18
Brent’s Characteristics .....	18
The Size of the Cut .....	19
The Overall Response .....	20
Under-Fives Services.....	23
Youth Services.....	24
Older People’s Services.....	26
Summary.....	28
Chapter 4: Camden Council Response to the Cuts .....	30
Camden’s Characteristics.....	30
The Size of the Cut .....	31
The Overall Response .....	32
Under-Fives Services.....	36
Youth Services.....	38
Older People’s Services.....	40
Summary.....	43
Chapter 5: Redbridge Council response to the cuts .....	44
Redbridge’s Characteristics .....	44
The Size of the Cut .....	45
The Overall Response .....	46
Under-Fives Services.....	50
Youth Services.....	51
Older People’s Services.....	53
Summary.....	55
Chapter 6: Summary, Discussion and Conclusion.....	57
Classifying the Cuts .....	57
Short-Term Impacts on Service Users.....	64
Longer Term Implications for Service Delivery .....	67
Wider Reflections .....	69
Conclusion .....	71

References .....	72
Appendix 1: Methodology for Defining Cuts to Local Authority Funding .....	73
Appendix 2: Trends in Total Service Expenditure 2009/10 to 2013/14 (Less Education) .....	76
Appendix 3: Reported Reductions in Specific Services Areas 2009/10 to 2013/14 .....	84
Appendix 4: Levels of Unallocated Financial Reserves .....	85

Figure 1: Percentage Change in Central Government Funding for Services 2009/10 to 2013/14, Real Terms 2012/13 prices. ....	4
Figure 2: Change in Estimated Spending Power Per Capita, London Boroughs, 2010/11 to 2013/14 ..	6
Figure 3: Real Terms Cut in Spending Power 2010/11 to 2013/14 by percentage of income raised from Council Tax 2009/10.....	8
Figure 4: Real Terms Cut in Spending Power 2010/11 to 2013/14 by Rank on Indices of Multiple Deprivation .....	9
Figure 5: Real Terms Cut in Spending Power 2010/11 to 2013/14 by Spend per Capita 2009/10 .....	9
Figure 6: Share of Total London Local Authority Expenditure (less education) made up by Different Service Areas 2009/10 .....	13
Figure 7: Percentage Reductions (Real Terms) in Total London Borough Service Expenditure 2009/10 to 2013/14, and Their Contribution to Overall Reductions. ....	13
Figure 8: Total levels of Unallocated Financial Reserves (real terms 2012/13 prices), 2009-2013, all London Boroughs.....	14
Figure 9: Total Income from Sales, Fees and Charges 2009/10 to 2011/12, All Boroughs .....	15
Figure 10: Sales, Fees and Charges, Brent 2009/10 to 2011/12 .....	22
Figure 11: Sales, Fees and Charges, Camden 2009/10 to 2011/12.....	34
Figure 12: Sales, Fees and Charges, Redbridge 2009/10 to 2011/12 .....	49

## Chapter 1: Introduction

### The Local Government Funding Cuts

At the 2010 Spending Review, plans were announced to reduce the funding of local authorities by 26 per cent (£7.6 billion) in real terms, between April 2011 and March 2015 (excluding schools, police and fire).<sup>1</sup>

Concern about the impact of these budget reductions on local communities is widespread. At a time of economic stagnation, many might expect more rather than less help from local government. Yet support and services are being cut at the same time as household incomes are falling, reflecting not just economic hard-times, but also the impact of recent welfare reforms. In general terms one would expect to see negative impacts for residents from these large scale budget cutbacks, and also locally variable impacts as different Councils make different decisions about which services and which groups of users can be more or less protected.

However, relatively little is yet known about actual impacts and evidence to date is somewhat conflicting. Local qualitative research by the new economics foundation (nef) (Slay and Penny 2013) in Haringey and Birmingham reported that many services were being 'cut completely' with closures of youth centres, day centres and luncheon clubs and wider closures and cutbacks to parks, allotments, libraries, neighbourhood management, customer walk-in centres, and leisure centres, despite rising demand for services. Nef argued that loss or reduction of these services, and 'turmoil' in the voluntary sector, were leaving people isolated and without support in the face of insecure employment, falling wages and debt. A recent survey of London Councillors suggested that 91 per cent thought services had been affected by budget cuts and 30 per cent thought that they had been drastically affected (London Communications Agency 2013). On the other hand, a 2013 survey by IPSOS MORI found that two thirds of people surveyed had not really noticed any changes to the services provided by their local Council.<sup>2</sup> A survey by PwC, covering this same issue, roughly corroborates that observation (PwC 2013).<sup>3</sup>

This report is the first of two in which we seek to explore the impact of the local authority cuts in London, complementing similar research being undertaken for the Joseph Rowntree Foundation on non-London local authorities in England and Scotland.<sup>4</sup> Although London boroughs have much in common with other local authorities in the scale of budget

---

<sup>1</sup> Schools are excluded because the rapid acceleration of the Academies programme, shifting funding from local authorities to Academies, obscures analysis of real changes in levels of funding in other services; police and fire are technically 'local government' but are not under the control of local councils, which are our focus here.

<sup>2</sup> <http://www.ipsos-mori.com/researchpublications/researcharchive/3123/Public-concerned-about-cuts-to-council-services-but-councils-arent-necessarily-to-blame.aspx>

<sup>3</sup> A figure somewhat lower than that of the IPSOS MORI survey is presented but, at almost half of all people, the figure is still high given the scale of the cuts.

<sup>4</sup> Hastings et al. 2013 at the Universities of Glasgow and Heriot-Watt.

reductions, they face a particular set of conditions and pressures: a highly qualified labour force and growing economy; rapid population growth; ethnic diversity; high rents and living costs; and the need to support and invest in infrastructure and services to support the functions of a capital city (London Councils 2013; Wilson & Taylor 2013). London was the only region in England to see no dip in economic output during the recession and its economy returned to growth more quickly and more strongly than other parts of the country. Yet inequality rose in London in the years immediately following the financial crash as the poorest Londoners saw their earnings and incomes harder hit than those who were already better off (Lupton et al. 2013).

London's local government is also somewhat distinctive. The fragmented nature of governance in the city, with thirty-three separate councils covering areas as different from one another as Richmond and Tower Hamlets, makes for a particularly complex picture. As different local authorities respond differently both to their new powers and opportunities presented by the localism agenda and to the constraints presented by budget cuts, the potential clearly exists for similar residents in different parts of the capital to experience highly varying impacts of these changes. London's councils have historically had relatively high expenditure per capita (mainly because of their high deprivation), high capital spend, and a greater than average reliance on central government funding (DCLG 2013). Their Council Tax at Band D has tended to be lower than elsewhere in England, although their average Council Tax is higher, because of the higher proportion of high valued properties (Adam, Emmerson, and Kenley 2007). They typically have a stronger asset base than many other authorities, and a slightly higher level of reserves as a proportion of revenue expenditure (DCLG 2013). Thus they may be both more and less able to cope with funding constraints and reforms than authorities outside the capital - and of course there is substantial variation between London authorities as well as variation between London and the rest of the country. All of this makes looking at London an important complement to wider work investigating the impact of the spending cuts in other areas of the country.

## Our Approach

We take a two-stage approach to understanding the impact of the cuts. In this report, we examine the scale and distribution of the cuts in London, comparing them to the situation outside the capital. We then hone in on three local authorities facing different contexts and demand pressures and with different political orientation: Brent, Camden and Redbridge.<sup>5</sup>

In '50 ways to save: Examples of sensible savings in local government' (DCLG 2012), Eric Pickles instructed local councils to "*focus on cutting waste and making sensible savings to protect frontline services and keep council tax down.*" This statement is accompanied by a list of fifty ways a Council could save money, ranging from cancelling 'away days in posh hotels and glitzy award ceremonies' to 'scrapping the chief executive post entirely'. Through the three case studies, drawing on senior-level interviews and policy and budget documents, we examine how London boroughs have, in practice, actually gone about making savings. How have they balanced their budgets? What have been the drivers,

---

<sup>5</sup> See Chapter 1 for more detail of why these Boroughs were selected.

strategies and levers underlying their decisions? How are they managing and mitigating impacts on residents – in particular in three groups: families with children aged under five, young people (16-24) and older people (65+) with care needs?

In the second stage of the work, to be published in summer 2014, we will draw on interviews with residents of these boroughs and frontline staff, as well as on secondary data sources, to explore how the different approaches of the three authorities are being experienced at ground level. This work will focus more closely on just one ward within each case study borough, in order to produce a detailed mapping of the actual changes to local services, and the ways in which these changes are being experienced in the context of the wider economic pressures and service changes that are also at work.

We make no claims to comprehensiveness – no doubt greater diversity of approach and impact will be found in the thirty London authorities not sampled than in the three on which we have resources to focus, and between different wards within each borough. However, we hope the work starts to provide some detailed insights into the challenges and opportunities facing local authorities in London, their options and constraints, the strategies they are following in response, the factors that shape these, and the effects of these responses in the lives of some of the people most likely to be affected.

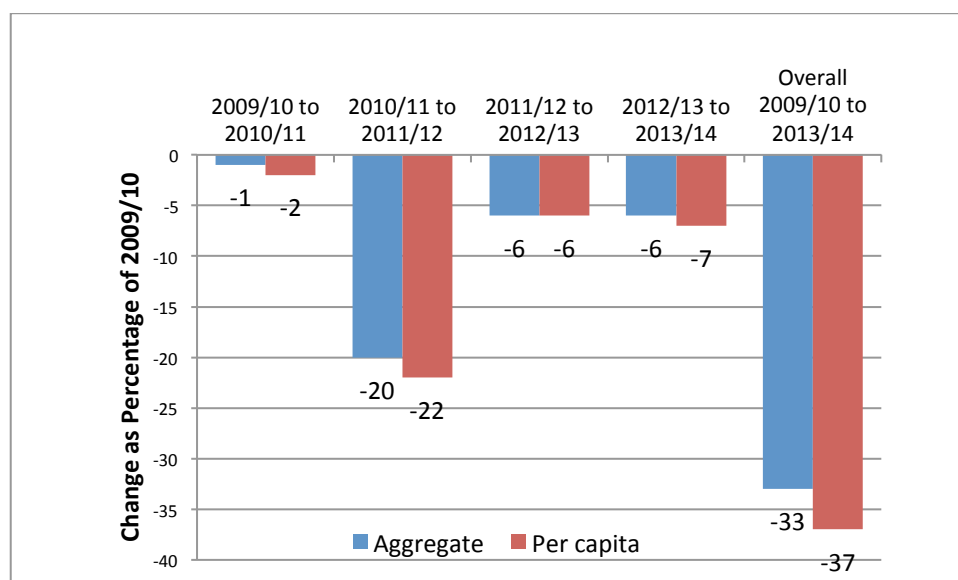
## Chapter 2 : The London-wide Picture

### Overall Reductions in Local Authority Funding Across London 2009/10 to 2013/4

Overall, central government funding for service provision in London's thirty three boroughs fell by £2.7 billion (33 per cent) between 2009/10, the last year of the Labour government, and 2013/14), in real terms, taking account of inflation.<sup>6</sup>

The change from 2009/10 to 2010/11 was small (1 per cent) overall. The major fall (20 per cent of the 2009/10 budget) came between 2010/11 and 2011/12 as the Coalition's first local government financial settlement came into effect. The years 2012/13 and 2013/14 saw continuing but more modest reductions of 6 per cent of the 2009/10 budget respectively (see Figure 1). In per capita terms, the reduction was slightly greater.

**Figure 1: Percentage Change in Central Government Funding for Services 2009/10 to 2013/14, Real Terms 2012/13 prices.**



Sources: Author's calculations of funding amounts based on DCLG outturn data (RS) for 2009/10 to 2011/12 and budget data for 2012/13 and 2013/14. Nominal figures are converted into real terms (2012/13 prices) using HM Treasury GDP Deflators published June 2013. Per capita calculations for 2009/10, 2010/11 and 2011/12 use Office for National Statistics (ONS) mid-year estimates revised following the 2011 Census. For 2012/13 they use the ONS annual mid-year population estimates and for 2013/14 ONS population projections – all for calendar years ascribed to the relevant financial year i.e. mid-2009 population is ascribed to the 2009/10 financial year.

<sup>6</sup> There are numerous ways of calculating 'local government cuts' and therefore the figures that are reported in different sources do differ. We set out our approach in more detail in Appendix 1. In brief, we define 'funding for services' as consisting of local authority formula grant plus special, specific and area-based grants excluding those for schools and sixth forms (because the widespread change to Academies makes comparison over time difficult) and excluding those that cover the cost of housing and Council Tax benefits. We exclude the new public health grant which was paid to local authorities in 2013/14 to finance new responsibilities for public health, in order to show comparable figures for the whole period. We convert all sums into 2012/13 prices to take account of the effects of inflation.



The loss of funding in London over the four year period was the same, overall, as experienced by other urban authorities in England: the metropolitan districts and unitary authorities. According to London Councils, London authorities did rather worse out of the settlement to 2012/13 and rather better in 2013/14.<sup>7</sup>

All these figures describe changes in income from central government to local authorities – a cut in *funding*. The government prefers to describe the changes in terms of ‘spending power’, which includes income from Council Tax as well as income from central government. Spending power estimates were produced for the first time for the year 2010/11 to inform the implementation of a ‘Transition Grant’ which effectively capped the reduction in any local authority’s revenue spending power to 8.8 per cent in one year, partly to limit the impact on more disadvantaged authorities and communities. Its calculation excludes funding for schools and some other grants in order to ensure a consistent series over time. These show smaller reductions, since Council Tax, which makes up on average about 16 per cent of local authority income, has fallen less than income from central government.<sup>8</sup>

Spending power estimates converted into 2012/13 prices to take account of inflation show a reduction of 17 per cent for London local authorities, between 2010/11 and 2013/14<sup>9</sup>, or 21 per cent in per capita terms.<sup>10</sup>

Thus if we look just at the reduction in income from central government, councils in London have lost about one third of their income since the change of government, while if their overall ‘spending power’ is considered, they have lost about a fifth.

---

<sup>7</sup> Two main changes occurred in 2013/14 which could account for this pattern. First the funding system was fundamentally reformed to allow local authorities to retain a share of business rates rather than returning all of these to central government which would then redistribute them. Second, the population bases for funding allocations were adjusted following the results of the 2011 Census. All the per capita figures quoted here are based on revised data (including for previous years) – in other words we show the amount authorities actually had to spend per head. However, allocations until 2013/14 were based on estimates pre-dating the 2011 Census. The fact that London’s population growth exceeded these estimates more so than was the case for many other authorities, and the adjustment for this in 2013/14, may account for London’s relatively smaller reduction in aggregate funding in 2013/14, although we have not tested this.

<sup>8</sup> Nevertheless, Council Tax has fallen in London. London Councils (London Councils 2013) notes that the average Council Tax charge in London fell £100 (or 10 per cent, in real terms) between 2010/11 and 2013/14.

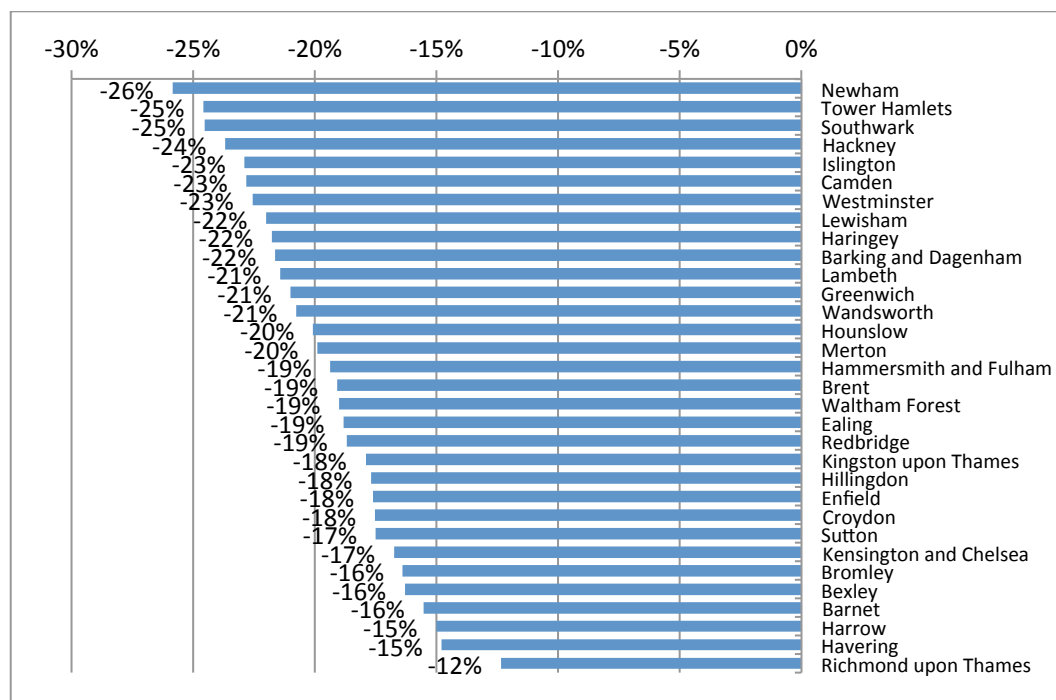
<sup>9</sup> Because spending power figures were only produced for the first time in 2010/11, this is a period one year shorter than that compared above. However, as Figure 1 shows, there was little change between 2009/10 and 2010/11.

<sup>10</sup> Note that DCLG does not issue figures for spending power cuts over the whole period because of the changes to local authority functions that take place from year to year. Each year it adjusts its estimate of spending power for the previous year to take account of such changes so that one year’s figures are compatible with the previous year’s adjusted figures. The calculations shown here are based on the adjusted figures for each year.

## Differences Between London Boroughs

Not all London boroughs have been affected to the same degree by the reductions in income. Spending power reductions, per capita, over the period 2010/11 to 2013/4 range from 12 per cent in Richmond upon Thames to more than double that, 26 per cent, in Newham (see Figure 2).

**Figure 2: Change in Estimated Spending Power Per Capita, London Boroughs, 2010/11 to 2013/14**



Source: Department for Communities and Local Government, Spending Power Estimates, adjusted figures.

The reason for these differences lies in the way councils are funded. Councils receive their funding from four main sources. One is the Revenue Support Grant (RSG) which is a general pot calculated according to various formulae assessing needs and cost of service provision. The second is income from business rates. Until 2013, these were collected locally but passed on to central government which then redistributed them on a formula basis. These re-distributed business rates and RSG together made up what was known as 'formula grant'. From 2013/14, a share of business rates is retained by local authorities, with the rest going into the pot which finances RSG. The third source is the wide range of special and specific grants that central government provides to pay for particular programmes and functions and which are ring-fenced for those purposes. The largest one of these by far is Direct Schools Grant. Examples of others in 2009/10 included the Sure Start, Early Years and Childcare Grant, New Deal for Communities and Housing Market Renewal. Area Based Grant (ABG), replaced by Local Services Support Grant, can also be considered for this purpose as a special grant, although it is treated separately in budget returns. The Coalition has discontinued some of these programmes and has also preferred to 'un-ring fence' some

of those that remain, rolling them into the general RSG pot in order to give councils greater flexibility. Fourth, there is Council Tax.

Summing these four sources accounts for the most of the income that local authorities have to spend on services.<sup>11</sup>

Across London in 2009/10, RSG and business rates made up 26 per cent of income<sup>12</sup>, Council tax 18 per cent, and grants (including for schools but excluding payments of housing benefit) 56 per cent. Taking grants for schools out, to be consistent with our other analyses here, RSG and business rates made up a bigger share, 38 per cent, with Council Tax at 28 per cent and grants at 34 per cent.

However, there was considerable variation between authorities. 'Formula grant' was distributed according to assessments of need, and the majority of special grants were aimed at reducing social deprivation in various ways<sup>13</sup>, thus more deprived and higher spending authorities had a higher proportion of their income from these sources and less from Council Tax than less deprived and lower spending authorities. Council Tax accounted for 10 per cent of these main income sources in Newham compared with 40 per cent in Richmond upon Thames.

In 2009/10 London's boroughs fell roughly into two groups – those with 18 per cent or less of their income from Council tax, which were typically, overall, more deprived boroughs in Inner London with higher per capita spend, and those with 20 per cent or more of their main income from Council Tax, which were typically, overall, less deprived Outer London boroughs and had lower per capita spend (Table 1).

The changes in 2013/14 to the way local government is financed means that categories of income (e.g. formula grant) cannot be strictly compared over this period. However, per capita income from central government (as defined in footnote 7) has reduced by 37 per cent in London in real terms compared with Council Tax income which has remained virtually static. Therefore, local authorities which were more dependent on income from central government have lost a higher proportion of their income than authorities that raised more of their income from Council tax. This pattern is clearly shown in Figure 3, with the Group 1 authorities (higher spenders, more deprived and with a higher proportion of income from central government) shown in red towards the bottom and left of the graph. Similar relationships exist between the scale of the reduction in spending power and the level of deprivation (with more deprived authorities losing more) and the level of per capita spend in 2009/10 (with higher spenders losing more). These are shown in Figure 4 and Figure 5.

---

<sup>11</sup> Local authorities may also raise money from sales of assets, income from investments, external trading accounts, fees and charges for services or penalty charges, and transfers from accumulated reserves<sup>11</sup>. These smaller sources together make up approximately 17 per cent of local authority income (DCLG 2013).

<sup>12</sup> These calculations are based on 'council tax requirement' after other smaller income sources have been included.

<sup>13</sup> Some grants were for pilot programmes or because of particular local circumstances. For example, Croydon, home of the national asylum screening unit, received over £32m in Asylum Seeker grant in 2009/10.

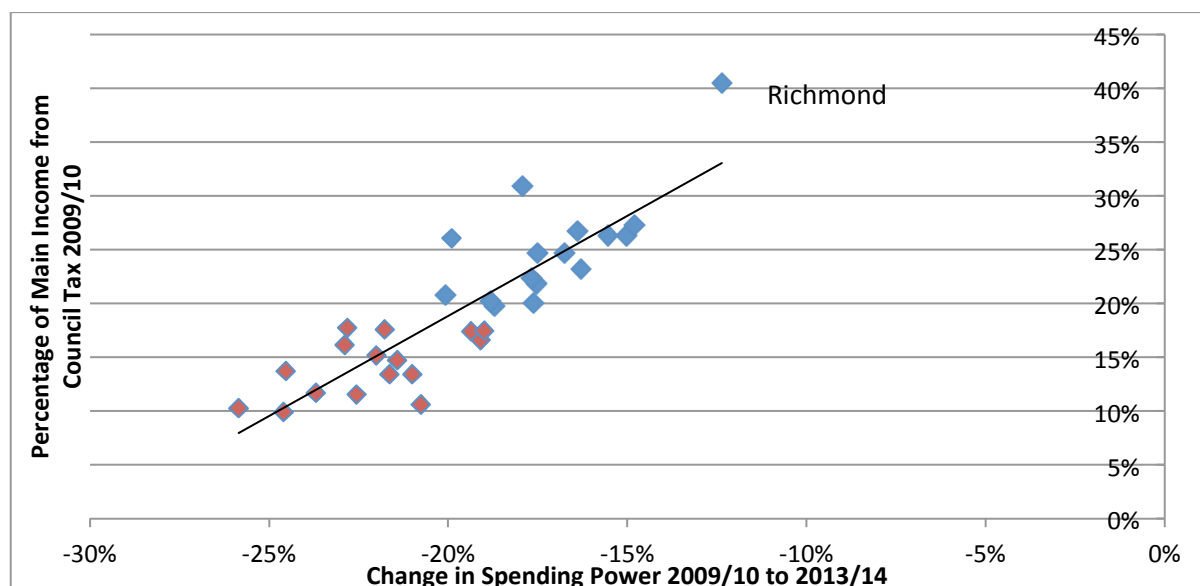
**Table 1: London Boroughs grouped by deprivation, per capita spend and income source 2009/10**

Boroughs	Range of ranks on IMD	Median per capita spend 2009/10	Percent of income from Council Tax
<b>Group 1</b> All Inner London except in italics: Tower Hamlets, <i>Newham</i> , Wandsworth, Westminster, Hackney, <i>Barking and Dagenham</i> , Greenwich, Southwark, Lambeth, Lewisham, Islington, <i>Brent</i> , Hammersmith and Fulham, <i>Waltham Forest</i> , Haringey, Camden	3 (Newham) to 121 (Wandsworth)	£1,116	10-18 per cent (or 15-27 per cent if school grants excluded)
<b>Group 2</b> All Outer London except in italics: Redbridge, Enfield, Ealing, Hounslow, Croydon, Hillingdon, Bexley, Sutton, <i>Kensington and Chelsea</i> , Merton, Harrow, Barnet, Bromley, Havering, Kingston-upon-Thames, Richmond-upon-Thames	64 (Enfield) to 285 (Richmond)	£737	20 to 40 per cent (or 30 to 62 per cent with school grants excluded)

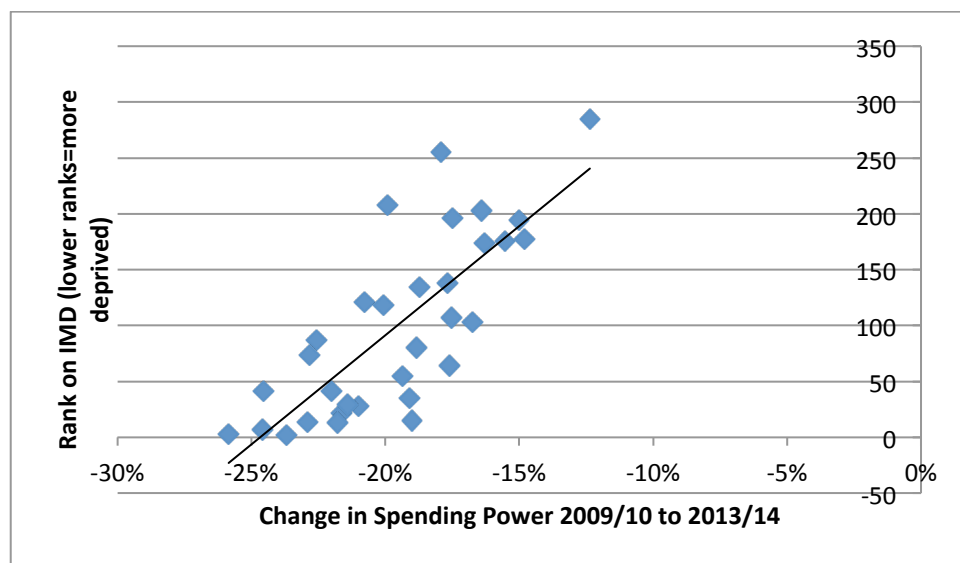
Sources: Indices of Multiple Deprivation 2010, Department for Communities and Local Government Revenue Outturn (RS) 2009-10

Note: Per Capita spend refers to Total Service Expenditure (net of sales, fees and charges) less expenditure on education, and is shown in 2009/10 prices

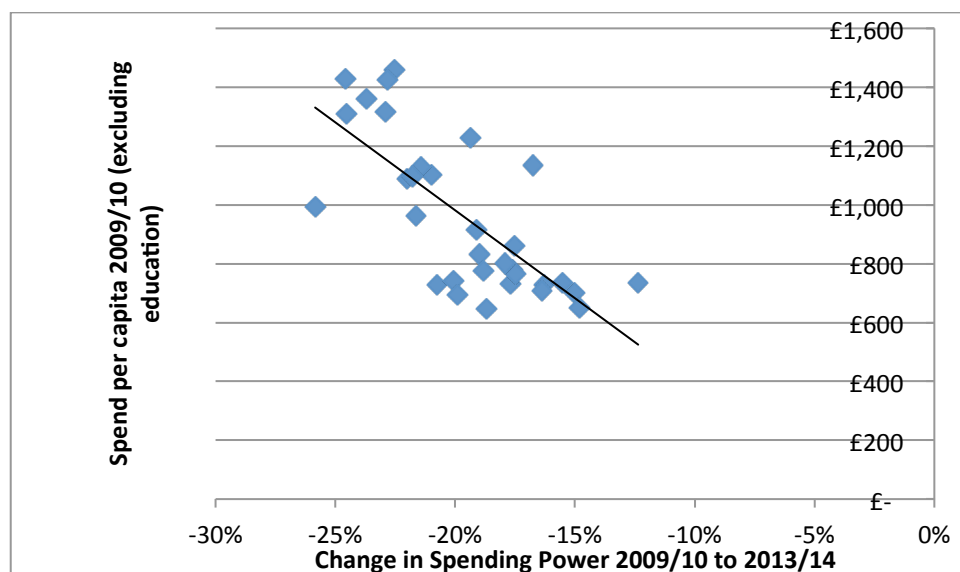
**Figure 3: Real Terms Cut in Spending Power 2010/11 to 2013/14 by percentage of income raised from Council Tax 2009/10**



**Figure 4: Real Terms Cut in Spending Power 2010/11 to 2013/14 by Rank on Indices of Multiple Deprivation**



**Figure 5: Real Terms Cut in Spending Power 2010/11 to 2013/14 by Spend per Capita 2009/10**



Thus although some outer London boroughs have lost significant sums in specific grants<sup>14</sup>, their higher reliance on Council tax income renders these less significant in terms of their overall spending power than they would be for boroughs more reliant on central government funding.

<sup>14</sup> And also as a result of changes in 2013/14, including a revised basis for calculating the proportion of funding that should remain with local authorities or go to Academies for education support services.

## Local Authority Responses

Raising Council Tax to compensate for loss of central government income was effectively ruled out by government in 2010, leaving local authorities with a range of other options, including making efficiency savings of various kinds, cutting frontline services, trying to reduce demand, or raising income from other sources.

Several studies have explored these strategies since the cuts took hold in 2010/11. On the whole, somewhat surprisingly given the scale of the funding reductions, these have shown councils largely managing (by their own account) to balance budgets without major loss of frontline services nor serious impacts on service quality. PwC's survey of Chief Executives and Council Leaders (PwC, 2013) reports that local authorities have largely made savings to date through focusing on "*how they operate rather than what they do*" (p4) – by securing savings in internal processes, support services, the management of their assets and third party expenditure" (p1). Only around 15 per cent of Chief Executives in 2012/13 said that restructuring or closing frontline services made a significant contribution to the savings achieved, compared with around 70 per cent citing 'improving service delivery processes' and 'changing support services' or 'back office'.

There is as yet no comprehensive account of how London boroughs are responding. Wilson and Taylor (2013), based on a small survey of local government professionals and some case studies, identify four emerging approaches to service delivery, as follows:

- Collaboration across boroughs, including the merged services of Westminster, Kensington and Chelsea, and Hammersmith and Fulham (the 'tri-boroughs'), shared public health services in Camden and Islington, and an East London partnership developing specific collaborations in smaller areas of services, for example translation and ICT.
- More joined-up working within boroughs, including single points of contact for multiple services, and community budget pilots.
- Involving service users more in both the design and provision of services, for example Lambeth's 'Cooperative Council' approach.
- Outsourcing services to the private sector, or setting up new Joint Venture companies with private sector partners.

Our own review of publicly available Council documents, carried out in summer 2012, revealed a similar picture. We looked at local authority corporate plans and other documents such as Council Plans, Council Strategies, Budget Reports or Sustainable Community Strategies, for all boroughs across London.<sup>15</sup> In terms of service delivery, four clusters of local authorities were discernible:

- One cluster (A), consisting of the Labour-led boroughs of Brent, Hackney, Tower Hamlets and Haringey, tended to emphasise public delivery of services (through partnerships with other public sector agencies) as a major part of their forward

---

<sup>15</sup> Local authorities are no longer required to produce a corporate plan, and those that were available referred to slightly different periods of time. Of the thirty-three London authorities, there were four where no such recent document could be found on their website at that time.

strategy. It was also notable that these boroughs also made explicit political commitments to poverty reduction or social justice.

- Another cluster (B), all Conservative authorities, tended not to emphasise commitments to poverty and inequality reduction, while making marked departures – as an overall strategy – from traditional models of service delivery. This cluster included Barnet, which had declared that it would consider all services for possible outsourcing, and the ‘tri-boroughs’.
- Between these two clusters was another (C) which occupied a spectrum of political positions. These authorities all explicitly identified some kind of service remodelling as part of their strategy for dealing with austerity, for example shared services, mutualisation, or participatory budgeting and/or they all expressed or enacted some commitments to greater fairness or equality or reduced poverty (either in the form of equality commissions or task forces, policy statements or high profile policies such as providing universal free school meals). Thus they may have shared elements of the political positioning or strategies of those in the first two clusters, but typically with a less clear overall position. These authorities were Camden, Lewisham, Lambeth, Southwark, Islington, Newham, Ealing, Kingston, Sutton and Ealing.
- Another cluster (D), all outer London authorities and mainly Conservative-led and lower-spending, tended to emphasise the importance of efficient and responsive local government, but not to announce any particularly distinctive new service delivery approaches. This does not mean that they were doing nothing innovative or distinctive, simply that their publicly available documents at that time were not articulating an overall approach that characterised them in one of the other clusters we have identified.

In theory, one might expect to be able to link these overall strategic approaches with patterns of spending: spending representing, as Glennerster puts it, “realised policy” (Glennerster and Hills 1998). However, in reality the picture is much less clear, partly because service redesigns are all at early stages, and partly because spending patterns reflect an accommodation between political priorities and ambitions, statutory requirements, and demand pressures, as well as the constraints and opportunities of councils’ existing financial positions and pre-existing strategies to which they were committed. Another, substantial, difficulty is that the data that are available in the public domain through councils’ standardised returns to central government do not always match the figures that councils themselves are using for planning purposes, simply because of the different headings used to classify services, the time of year, comparing budget with actual figures and so on.

Across London as a whole, returns to central government on local authority spending (2009/10 to 2011/12) and planned spending (2012/3 to 2013/4) suggest that cuts in spending were broadly in line with cuts in estimated spending power. Total service expenditure reduced by 15 per cent between 2009/10 and 2013/14,<sup>16</sup> in real terms, and by

---

<sup>16</sup> To calculate changes in spending, we look at councils’ total service expenditure, using outturn data for the years where it is available (2009/10 to 2011/12) and budget data for later years (2012/13 and 2013/14). We exclude spending on education – a major spending area for local government, because the increasing prevalence of Academy schools (which are funded directly by central government) can suggest very large cuts to local authority spending in councils where a large number of schools have become Academies rather than

more (20 per cent) in per capita terms. These figures compare with a 17 per cent fall in spending power, or 21 per cent in per capita terms, as described earlier, over a slightly shorter period (2010/11 to 2013/14). The cuts in spending were slightly greater than in other unitary authorities outside the major cities (down 13 per cent) but a little less than in metropolitan districts (down 18 per cent).

Because of potential comparability problems between the data supplied by different boroughs, we do not offer a comparative analysis here. To demonstrate overall patterns as well as to illustrate some of the potential data difficulties, we show individual borough trajectories in Appendix 2,<sup>17</sup> grouping the boroughs first in terms of their previous spending, deprivation and income from central government (as in Table 1) and within that, in terms of the 'strategic groupings' identified in our review of public documents. With a few outliers, Group 1 authorities have clearly had to cut harder than Group 2 authorities, but there appears to be no relationship between declared strategic approaches and spending reductions to date. Some boroughs, mainly but not exclusively in Group 1, also show a steeper per capita cut than overall cut, indicating the extra pressures of growing population. Appendix 3 shows reported expenditure reductions in difference service areas. These appear so wildly different as to suggest that service changes and re-classifications may be driving the picture rather than actual differences between boroughs.

Overall in London, the largest percentage cuts seem to have come in so-called 'discretionary services'. Spending on planning and development services reduced by 56 per cent in the period 2009-10 (outturn) to 2013/14 (budget), cultural and related services by 28 per cent and housing services (other than the provision and management of council housing) by 20 per cent. Social care, by contrast, reduced by 12 per cent.

However, some of the services that have been cut most in proportionate terms represent only a small proportion of local authorities' overall spend. When education is excluded, social care accounts for more than half of local authority spending in London (Figure 6), and cuts to social care budgets for 44 per cent of the total cut in spending (Figure 7). The scale of social care spending is of major significance when understanding the options open to local authorities. By way of illustration, had they chosen to maintain spending on social care at its 2009/10 levels (in real terms, but not taking account of any increased demands), rather than cutting it by 12 per cent, London's local authorities would have had to make savings elsewhere almost equivalent to their entire 2009/10 budgets for cultural, planning and development services put together.

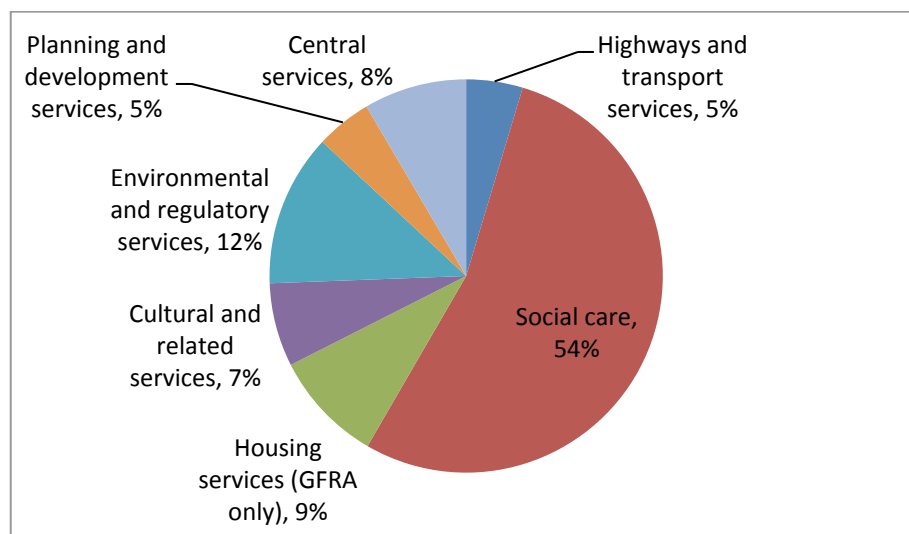
---

remaining under local authority control. We also exclude budgeted spending on public health, since this is a new responsibility in 2013/14. Using these comparable definitions, we find cuts in spending similar to cuts in income – a contrast to the government's own recent figures (DCLG 2013b) which show local government expenditure having gone up over this period, but which do not take account of changes in responsibility.

<sup>17</sup> Some of the data appear erroneous e.g. Greenwich has an increased budget.

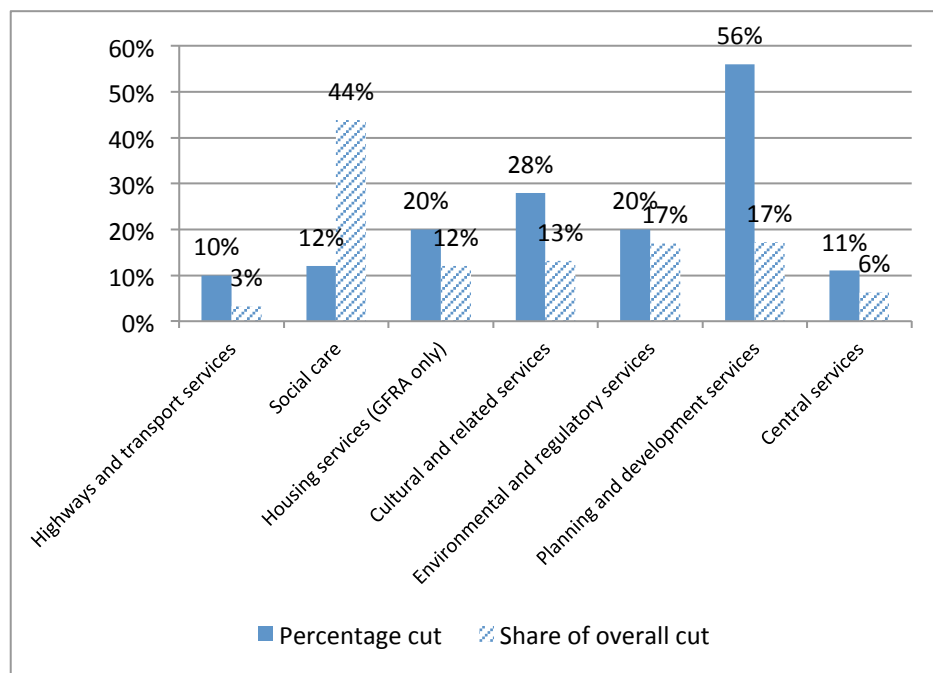


**Figure 6: Share of Total London Local Authority Expenditure (less education) made up by Different Service Areas 2009/10**



Source: DCLG Revenue Outturn Summary 2009/10, DCLG Revenue Account Budget 2013/14.

**Figure 7: Percentage Reductions (Real Terms) in Total London Borough Service Expenditure 2009/10 to 2013/14, and Their Contribution to Overall Reductions.**

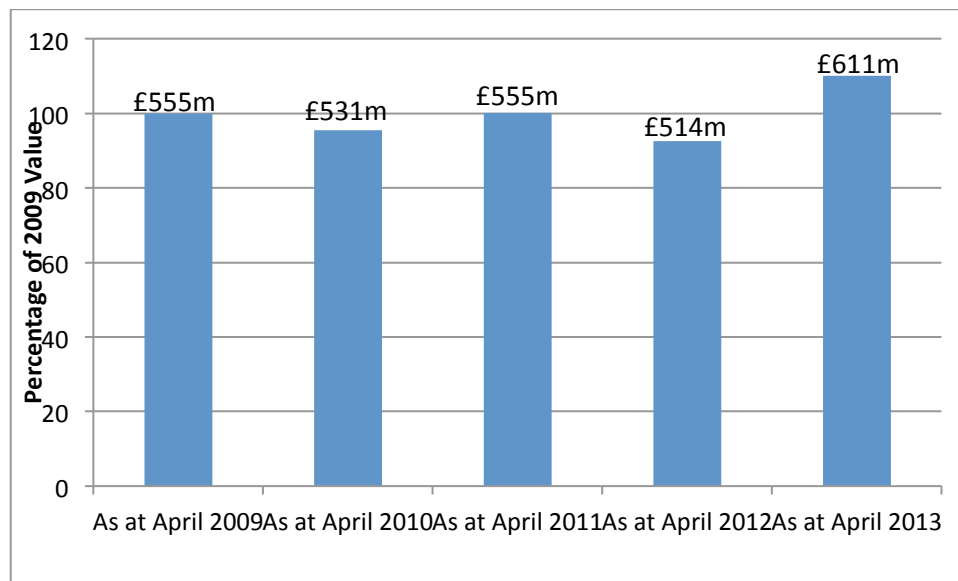


Source: DCLG Revenue Outturn Summary 2009/10, DCLG Revenue Account Budget 2013/14.

What does seem clear is that, on the whole, London’s local authorities have not sought to compensate for revenue shortfalls by dipping into their reserves - a pattern also observed by the Audit Commission (2012) which noted councils being able to add to their reserves by underspending against projected savings plans, and also setting aside reserves to cope with

projected financial insecurities. Actual reserves in 2011 were at the same level as in 2009, in real terms. Budgeted reserves fell in April 2012 and rose again in 2013, reaching a level ten per cent higher than before the cuts (Figure 8). Appendix 4 shows levels of reserves for individual local authorities. They show, on the whole, expected patterns of financial management. Some authorities with low reserves at the start, such as Merton and Waltham Forest, added to them gradually during the period. Two authorities, Westminster and Bromley, both with comparably very high levels of reserves at the start of the period, saw significant reductions.

**Figure 8: Total levels of Unallocated Financial Reserves (real terms 2012/13 prices), 2009-2013, all London Boroughs**

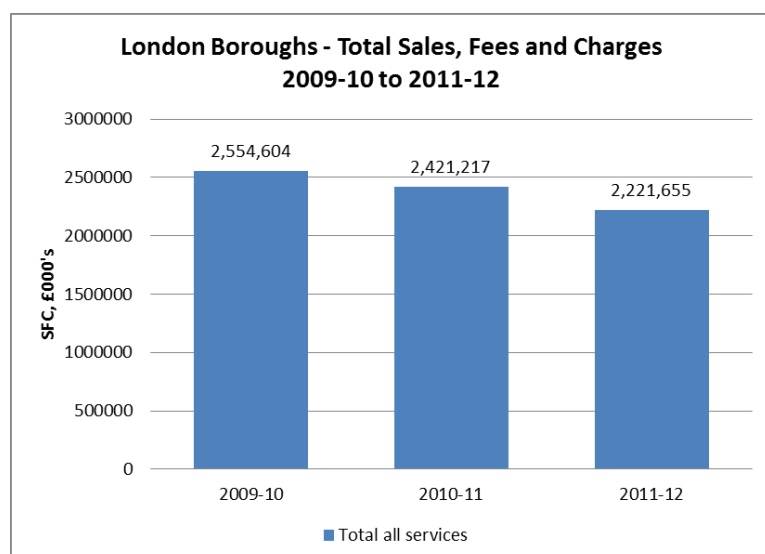


Source: DCLG Revenue Account Summaries - 2009 to 2011 show outturn data; 2012 and 2013 show budget data.

Notes: Nominal figures converted into 2012/13 prices using HMT GDP deflators as at June 2013.

Nor does it appear from returns to central government that councils have increased their income from sales, fees and charges for services. These data are only available as outturn for the years 2009-10 to 2011/12. Figure 9 shows that income from sales, fees and charges fell over this period. Note, however, that this does not mean that fees and charges for specific services may not have risen. Loss of fees/charges income from discretionary services that have been cut or contracted out, or from schools, may occur in parallel with increased charges for services that remain. Sales, fees and charges are in any case a relatively small source of local authority income - approximately 8 per cent of general revenue fund income in 2013.

Figure 9: Total Income from Sales, Fees and Charges 2009/10 to 2011/12, All Boroughs



Sources: Department for Communities and Local Government: Revenue Outturn (RO) returns 2009-10 – Service Expenditure Summary (RSX) data; Revenue Outturn (RO) returns 2010-11 – Service Expenditure Summary (RSX) data; Revenue Outturn (RO) returns 2011-12 – Service Expenditure Summary (RSX) data.

### Three Case Studies

To elaborate this picture more clearly, and with a view to ultimately understanding the impact at ground level, we selected three case study authorities for further work. We sought to work with three local authorities across at least three of the ‘strategic groups’ (clusters) taking account of the desirability of having a spread of political control, of Inner and Outer London and of levels of deprivation and previous spending. In other words, the case studies would be different from one another, offering a range of insights from across the city. In the end, pressures on local government staff meant that willingness to participate in the study played a large role, although the final selection of case studies provided the breadth originally sought. These are:<sup>18</sup>

- Brent: A Labour-led Outer London borough with relatively high levels of deprivation which we positioned in cluster (A) of authorities in our review and in Group 1 in Table 1 (a high spending, high deprivation borough).
- Camden: A Labour-led Inner London borough which we positioned in cluster (C), and also in Group 1 of Table 1.
- Redbridge: An Outer London borough led by a Conservative–Liberal Democrat partnership, which we positioned in cluster (D) and in Group 2 of Table 1 (a lower spending, lower deprivation borough).<sup>19</sup>

<sup>18</sup> Here, and in the organisation of the chapters, we present the boroughs alphabetically. The three case study boroughs are all north of the Thames. Boroughs we approached south of the river were unable to participate.

<sup>19</sup> What a borough has to spend is a reflection of what is made available to it from central government and the fairness of that allocation system is contested. Also ‘lower deprivation’ reflects an overall, borough-level position. This borough does have some areas of very high deprivation, similar to the most deprived areas of some Inner London boroughs.

Table 2 summarises this starting position in 2009/10 for each of the local authorities. It clearly shows the pattern of the more deprived authorities, Brent and Camden, spending more and having a lower proportion of their income from Council Tax than the lesser deprived authority, Redbridge. However, Camden's per capita spend was higher than that of Brent, which ranked more highly on the Indices of Multiple Deprivation.

Table 3 shows the reductions over the period 2009/10 to 2013/14 in income from central government, in estimated spending power (2010/11 to 2013/14), and in expenditure, both from DCLG and individual local authority sources. The estimated spending power data show Camden to have had slightly higher cuts from central government than either of the other boroughs. However, data on expenditure suggest a more stringent regime of cutbacks in actual spending in Camden than in either Brent or Redbridge.

**Table 2: Key Characteristics of the Case Study Boroughs in 2009/10**

	<b>Brent</b>	<b>Camden</b>	<b>Redbridge</b>
Population	298,100	212,900	270,400
LA Rank Indices of Multiple Deprivation 2010	35	74	134
Total Service Expenditure (less education) 2009/10, £s	275,789,000	306,927,000	177,286,000
Total Service Expenditure per capita expenditure (less education) 2009/10, £s	£925	£1442	£656
Total General Fund Revenue Budget (LA sources) £s	295,455,000	324,420,000	203,151,000
Percentage of income sources 2009/10 from:			
- Formula grant	28	31	20
- Special and specific grants	55	51	59
- Council Tax	17	18	21
Political control prior to 2010 election	Con-Lib	Con-Lib	Con
Political control after 2010 election	Labour	Labour	Con-Lib

Sources:

- Population data from ONS mid-2009 estimate revised after 2011 Census
- DCLG Indices of Multiple Deprivation 2010 Rank of Average Score
- Total Service Expenditure from DCLG Revenue Account, 2009/10 Outturn, shown in 2012/13 prices for consistency with analysis elsewhere in this report
- Total General Fund Revenue Budget (LA sources) , from Local Authority Budget Books (Redbridge), General Fund Revenue Accounts (Brent), Collection Fund Revenue Accounts (Camden).
- Percentage of income sources is percentage of total made up by Council Tax requirement (thus other smaller income sources have been included), grants outside AEF, grants inside AEF, formula grant and area based grant (as in Table 1)

**Table 3: Percentage Reductions in Income and Expenditure for Case Study Authorities 2009/10 – 2013/14, Real Terms 2012/13 Prices**

	Brent	Camden	Redbridge
Income from Central Government (less education and public health)	-29	-30	-31
Estimated Spending Power (2010/11 to 2013/14) – a shorter period	-19	-23	-19
Total Service Expenditure (less education and public health)	-16	-25	-9

Sources: DCLG outturn data (RS) for 2009/10 to 2011/12 and budget data for 2012/13 and 2013/14; DCLG spending power estimates.

Between March and October 2013, we interviewed senior officers and Council Members from these boroughs about the extent of the financial challenges they were facing, the decisions that had been made about how to achieve the savings required, and the implications for service delivery. To help focus the work, we looked particularly at services that would affect older people with care needs, families with children under five, and young people aged 16-24. A selection of senior officers and Members were interviewed, all typically for about one hour.<sup>20</sup> The interviews were informed and supplemented by policy document analysis, such as local policy statements, strategy reports and minutes from committee meetings, as well as budgetary analysis from returns to central government and each Council's more detailed financial plans.

The following chapters describe and analyse what we found. Chapters 3, 4 and 5 describe the response in each borough, both overall and with specific reference to services affecting children under five, young people, and older people. Chapter 6 summarises these and draws out similarities and differences in approach, as well as commentary on short and long term implications. This interim report provides the backdrop to our investigation of impacts on services users in the most disadvantaged parts of each borough.

---

<sup>20</sup> Identity of the interviewees is anonymous. They are being referred to as 'senior officer' or 'Member'.

## Chapter 3: Brent Council Response to the Cuts

### Brent's Characteristics

Brent is an Outer London borough in Outer North West London. The borough is amongst the most populous in London. Population density, also high, resembles more that of an Inner London borough than that of an Outer London borough. The borough's population is relatively young; one third is below age 25, a higher proportion than the London average. The proportion of its 65+ population is mid-ranking amongst London boroughs and matches the London average. The borough is highly ethnically diverse. The proportion of residents of Black, Asian and Minority Ethnic (BAME) groups is almost two thirds, a proportion 24 percentage points above the London average. A majority of the borough's residents were born outside of the UK.

Amongst London boroughs the borough is relatively deprived and poverty relatively high. On all of the deprivation rate (IMD average score 2010), child poverty rate, JSA rate and unemployment rate, Brent ranks within the top third of London boroughs (i.e. most deprived, poorest). Social renting in the borough is equivalent to the London average, but mean household size is amongst the very highest in London (Table 4).

**Table 4 : Key characteristics, Brent LB**

Year	Key characteristics	Brent	London	Rank (Brent/ London 33)
2011	Population (count)	312,200	8,204,400	5
	Population density (persons per/ha)	72	52	14
	Age <25	33%	32%	12
	Age 0-4	7%	7%	16
	Age 16-24	13%	12%	12
	Age 65+	11%	11%	19
	Ethnicity BAME	64%	40%	2
	UK Born	45%	63%	33
Most recent	Social rented households	24%	24%	15
	Mean household size	2.8	2.5	2
	IMD 2010	30.50	~	11
	Children in poverty (Mid-2012 estimates)	26%	~	11
	JSA claimants (Oct 2013)	3.8%	3.2%	11
	Unemployment rate (Apr 2012-Mar 13)	10.8%	8.9%	8

Sources: Mid-2011 population estimates; Census 2011 tables - QS102UK, KS102UK, KS201UK, QS203UK, KS402UK, H01UK; JSA, nomis; LI01 Local labour market indicators; Children in poverty, mid-2012 estimates; DCLG IMD 2010, average score.

\* Rank 1 indicates highest percentage of all London boroughs, rank 33 lowest of all London boroughs. Grey highlight indicates notably high or notably low ranking.

Brent Council is currently Labour led, and has been for much of the last forty years. The leadership in the period leading up to the cuts (2006-2010) was joint Conservative-Liberal Democrat.

External assessments by inspectorates and regulators suggest that Brent was performing well at the time the cuts were announced. Evaluations of the Council around that time were favourable, both overall and, more specifically, in the service areas of direct relevance to children, young people and older people. The Audit Commission's One Place report (December 2009) assessed the Council as performing well overall. Annual children's services assessments by OFSTED in 2009 and 2010 scored it 3 out of 4, rating it 'well'. Frontline child protection services and fostering services were noted as 'good' (OFSTED, 2010 assessment). The 2009/10 Annual Performance Assessment of Social Services by the Care Quality Commission judged that department to be performing 'well'. The Audit Commission report (2009) highlights that good progress was being made at this time in ensuring council services address the needs of older people.

These assessments also highlighted areas for improvement. One of these was overall resources management. The Audit Commission Assessment (2009) noted that in its resources management the Council needed to continue to develop "*a council wide approach to buying services and equipment to further bring down costs*", suggesting scope for savings. It scored 2 out of a possible 4 in both the assessment of its management of resources and its use of resources indicating, again, some scope for more efficient use of resource. Reserves (unallocated) were low at around £8.5m; auditors had expressed concern about this level of reserves and efforts would be made to increase that cushion.<sup>21</sup> In both OFSTED reports, attention was drawn to the potential for improvement in the Early Years provision, with a high proportion of nurseries and children's centres being assessed as 'satisfactory', rather than 'good' or 'better'. The Audit Commission report (2009) notes that older people in Brent were not as satisfied with their area and home as older people in other parts of London.

## The Size of the Cut

According to its own budget data, at the point of the 2010 cuts Brent Council's total spend on services (Service Area Budgets) was £295m.<sup>22</sup> Most of that figure was accounted for by the Adult Social Services budget (£96m) and the Children and Families budget (£64m), (Table 5). Over the next four years, Brent's income from central government was reduced by 29 per cent in real terms (c £91m) and its estimated spending power by 19 per cent (2010/11 to 2013/14, a shorter period), (Table 3).

During the years just prior to 2010, Brent's then Conservative–Liberal Democrat partnership administration had already identified the need to make savings. Brent's 'Improvement and Efficiency Action Plan 2010-2014', produced in the pre-Spending Review period, noted:

*"[t]he need for radical change is clear and...[b]ecoming a more efficient, effective and streamlined authority is now an absolute imperative (Chief Executive) .<sup>23</sup>*

---

<sup>21</sup> Senior officer interview

<sup>22</sup> These may not correspond exactly with the figures reported in returns to central government and shown in Chapter 2, due to different accounting practices and timing of returns.

<sup>23</sup> Brent's Improvement and Efficiency Action Plan 2010-2014, Brent Council, October 2009, p.2.

Against the backdrop of a recession and expecting its formula grant to increase very little over the next four year period, it anticipated needing to deliver cumulative savings of at least £54m.<sup>24</sup>

That figure was about £40m less than the next administration would calculate after the CSR announcements. According to Brent’s own data, the order of the overall savings that the new administration in 2010 set-out to deliver by 2014/15 was £94m.<sup>25</sup> The savings target for the three year period up to 2013/14 was £75m,<sup>26</sup> although Brent’s Total Service Expenditure (less education) as reported to DCLG fell by £c 43m, in real terms.<sup>27</sup>

**Table 5: Reductions in Income and Expenditure, Brent 2009/10 to 2013/14**

Brent	(£millions)	2009-10	2010-11	2011-12	2012-13	2013-14	% change 2009/10- 2013/14
Income*		297.7	304.3	272.9	259.6	231.8	-22
Total Service Expenditure		295.5	304.5	269.1	258.6	277.9	-6
Adult Social Services		96.3	92.8	90.3	90.9	~	-6
Children and Families		64.2	58.7	53.9	46.2	~	-28
<hr/>							
Cumulative savings		~	11	41	55	75	~

Sources: Income and Expenditure figures - General Fund Revenue Spending statements 2009/10 - 2012/13; General Fund Budget Summary, Approved Budget 2013/14; GDP deflators 27th June 2013, not applied to cumulative savings row

\*Income includes Formula Grant, Council Tax and Area Based Grant

## The Overall Response

Brent Council’s main vehicle for delivering the £75m of savings needed over the three years from 2009/10, has been its ‘One Council’ programme.<sup>28</sup> As a senior officer noted:

*“...every Council will have its own different narrative but the One Council programme was the underlying thesis [in Brent].”* (Senior officer)

The overarching goal of the One Council programme was the streamlining of the way the Council worked, with ambitions to eliminate duplication, fragmentation and waste, and move away from a “*silos-based*” (senior officer) model of service provision. In this, Brent’s response to the cuts had a back office focus. A further key aim of the One Council programme was to deliver service improvement. The drive to deliver savings would go hand-in-hand with a drive to enhance quality. As one respondent stated:

<sup>24</sup> Brent is classified in the national formula for grant distribution as a ‘floor’ authority. This makes it eligible for only the lowest percentage increase in resources (Improvement and Efficiency Action Plan 2010-14, p.3.). Level of savings detailed, p.3.

<sup>25</sup> Audit Commission, One Council Follow-Up Review, London Borough of Brent, Audit 2010/11, p.3.

<sup>26</sup> Budget and Finance Overview and Scrutiny Committee, 4<sup>th</sup> December 2012, Report from the Director of Strategy, Partnership and Improvement.

<sup>27</sup> There are discrepancies in national and local figures due to the different accounting practices and service classifications used for different purposes. We show both in order to illustrate the upper and lower bounds of ‘the cuts’ understood in different ways.

<sup>28</sup> Senior officer and Audit Commission, One Council Follow-Up Review, LB Brent, Audit 2010/11.



*“...the One Council programme was about a series of projects that were about saving money...we’ve done it improving services.” (Senior officer)*

The design of the One Council programme had much to do with the model of working that had existed in Brent Council in years prior. At the time of devising the One Council programme Brent was a highly devolved organisation, with departments working to a large degree on their own operational models. According to senior officers there was obvious duplication in organisational processes associated with this model of working:

*“Brent, in the past, was a very decentralised, devolved, set of services...each department had its own separate financial system, its own set of bank accounts and things like that, and that was part of the ethos of how we worked; had own HR teams, own local rules, own buildings, all that sort of stuff...One Council actually meant that...standardising quite a lot of things under one way of doing things.”*

Also, there was scope for efficiencies in staff ‘spans of control’ – the number of people under each manager. The ratio of managers to more junior level workers was, relative to the London average, high. The One Council programme was an opportunity to address that.

Under the One Council programme the Council would be overhauled. Departments were brought more in line in operational terms, for example, with sharing of some functions and more standardised processes. The One Council programme comprised eight principal savings strands. With the specific savings targets assigned to each, these were: service reviews (£10m); property management (£7.5m); procurement/commissioning (£7.5m); review of structure/staffing (£5m); increased income generation (£5m); stopping low priority activities (£5m), new ways of working/ICT (£5m) and One Council proposals (£5m).<sup>29</sup> At the heart of the One Council programme was the delivery of a new Civic Centre, opened 2013, where all the Council’s operations are brought together under a single roof and where additional, new, public facilities have been opened.<sup>30</sup>

The ethos of working as ‘One Council’ was to run through the implementation of organisational changes. Departments were asked to identify recommendations for where savings could be made. The approach was *“bottom-up”* (senior officer):

*“[...] not as defined as here is your percentage. It was more, ‘go away and come up with options, alternatives for Members to consider.’” (senior officer)*

Under the ‘One Council proposals’ strand of the savings plans, this approach, managed through nine task groups, generated more than 150 recommendations for more efficient working across the Council.<sup>31</sup>

A core intention reflected in the One Council programme of transformation was to protect frontline services. In the main strategy document produced by the new Council administration in 2010, ‘Brent: Our Future, 2010-2014’, this intention is made explicit:

---

<sup>29</sup> Figures based on early savings targets as per Brent’s Improvement and Efficiency Action Plan 2010-2014, Brent Council, October 2009, Table 2, p.8. Total therefore not £94m. ‘One Council proposals’ refers to the element of savings to be generated by departments for more efficient joint working, not the overarching programme, also called ‘One Council’.

<sup>30</sup> The One Council programme is not without its own costs. The building of the new Civic Centre, the implementation of new finance, procurement, HR and payroll systems (Project Athena) and early retirement costs have been incurred in this transformation.

<sup>31</sup> Brent’s Improvement and Efficiency Action Plan 2010-2014, Brent Council, October 2009, p.7.

*“[o]ur One Council programme has been carefully designed to target reductions in the operating costs of the council so that we can deliver efficiency savings while minimising the impact on frontline services to the public.”<sup>32</sup>*

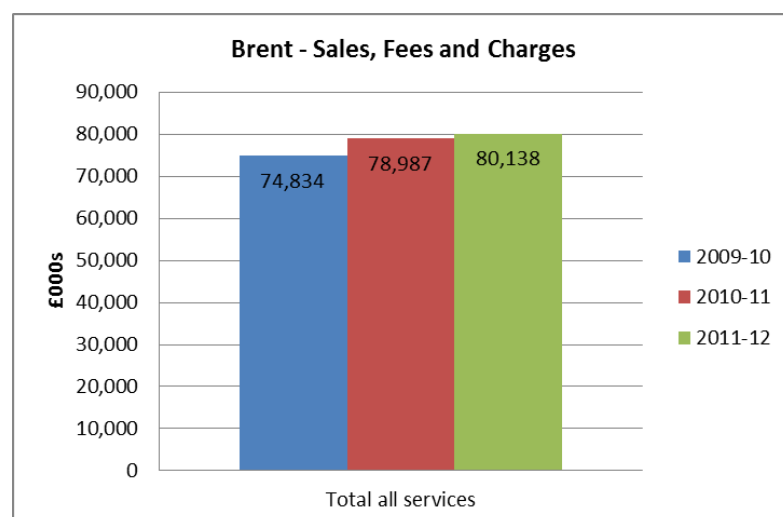
The vulnerable/at risk are to be particularly protected; the report states: *“absolute commitment to concentrating our services to protect the poorest and most vulnerable.”<sup>33</sup>* Associated with this, it points to a move towards greater targeting.

In practice, the Council has had to make cuts to some frontline services. The reduction of its library offer from twelve libraries to six is one example, the closure of a residential centre and two day centres another. This said, the message was that such frontline changes were not being made only to achieve savings. The services were, overall, being improved. Taking the example of libraries, the Council had created a brand new, large (referred to as a “mega”) library within the new Civic Centre complete with desktop stations and a café. Across its remaining libraries the Council had improved the service offered, for example, in the stock the libraries held.

Beyond back office savings and savings through redesign of services, there have been some increases in service charges. This is indicated by reference to central data on Sales, Fees and Charges (Figure 10). The change seen in these figures, overall, is roughly in line with the change reported by a senior officer for the year 2011/12. It was reported that in 2011/12 there were decisions which would lead to £4m of additional charges. That £4m figure was set in the context of overall savings for the year of £42m and it was reported that “a lot” of the changes were driven by benchmarking. Also, increases were focussed on services where clients were not limited to the Council offer, for example, in venue hire:

*“[...] and probably on the more choice side of things in terms of, we’re a supplier, and people can say, ‘well, actually, don’t have to go to my local council’, but could go somewhere else.”* (Senior officer)

**Figure 10: Sales, Fees and Charges, Brent 2009/10 to 2011/12**



Source: DCLG, RSX 2009-10 (17-Nov-11), RSX 2010-11 (27-Nov-12), RSX 2011-12 (27-Nov-12), GDP deflators June 2012.

<sup>32</sup> Ibid, p.22.

<sup>33</sup> Ibid, Leader’s foreword, p.1.

Alongside the One Council transformations, the Council has made regeneration in the borough a high priority.<sup>34</sup> Given the demographic of its population, with many low-income households associated with a high unemployment rate (Table 4), the Council is mindful of supporting the local population through not only the protection of its service offer but through the opportunities for employment within the borough.<sup>35</sup> The creation of jobs is to be promoted through the physical regeneration of Brent, for example, around Wembley. A stated ambition of the current administration is to reduce the number of people claiming out-of-work benefits to the London average and raise the income level to at least the London average by 2014.<sup>36</sup>

## Under-Fives Services

Between 2011/12 and 2012/13 Brent's Children and Families directorate needed to make savings of £16m.<sup>37</sup> The department prioritised the protection of the children's social care budget and, at the same time, sought to manage demand in this area. In other areas of the service, Early Years included, savings had to be made.

In the Early Years service, a saving of £2.2m was made through the children's centres budget. Delivery of the £2.2m saving had not involved the closure of any children's centres; these savings were made through driving down expenditure and through changes in staffing structures.<sup>38</sup> Nonetheless, the decision was taken to cut-short a programme to introduce additional children's centres into the borough. Foreseeing that there would not be sufficient budget to pay the staffing costs and overheads of additional centres, and with a question-mark therefore over their long-term viability, an original plan for twenty children's centres was stopped short at seventeen.<sup>39</sup>

The Council had not here looked to income generation as a main means of offsetting budget reductions. Much of the provision in children's centres is free to residents and so there was limited potential in this service area to boost income from charging. Where services were sold, namely nursery places, there had been some increase in charges. The view of a senior officer was that this increase had been introduced only to bring the charge up to a reasonable level. Previously those places had been heavily subsidised, even in cases where families could afford to pay the full cost.

Beyond its Early Years service, the department had delivered savings through ceasing to commission out its fostering service. Previously they had relied heavily on independent fostering agencies. They now do much of the work previously outsourced in-house. The results here were said to have been "*outstanding*" (senior officer).<sup>40</sup> The department had been able to keep the budget down whilst improving the quality of the service considerably.

---

<sup>34</sup> A Regeneration Strategy for Brent 2010 – 2030, Brent Council

<sup>35</sup> Ibid

<sup>36</sup> Brent Our Future, 2010 – 2014, Brent Council Corporate Strategy, p.13.

<sup>37</sup> Senior officer interview

<sup>38</sup> The service had already seen restructuring; children's centres were working on a 'hub and spoke' model. That had been one means of keeping costs down to date.

<sup>39</sup> Senior officer interview

<sup>40</sup> Senior officer interview

More children could now stay locally and foster families were being offered improved support through a round-the-clock helpline. The department had also made savings through commissioning and procurement. The team had been able to negotiate better deals for some of the specialist care places they needed to procure. They had achieved this by partnering with other west London boroughs, to realise economies of scale savings.

It was anticipated that additional savings in Children and Families services would be achieved through improvements in preventative work. A new service framework was being implemented in Brent's child safeguarding service. The Multi-Agency Safeguarding Hub (MASH) framework is a model that is being rolled out in boroughs London-wide, as well as further afield.<sup>41</sup> By bringing together into a single partnership local government, health, police, probation and the Greater London Authority (GLA), it is anticipated that potential preventative interventions can be identified more effectively and therefore addressed more efficiently.<sup>42</sup> More effective preventative interventions to troubled families achievable through this vehicle could help reduce the number of children coming into care. At the same time there was mention of greater targeting. The team had built-up its crisis intervention team though work here had become more focused on cases where "*the absolute threshold*" (senior officer) for the service was met.

During the most recent years of the savings programme (2012/13 forwards) savings, including in the Early Years service, are coming from a major project to improve the 'child's journey'. This means that in their interactions with different services families with children will receive a more joined-up and effective service. Also, the intention is that more focus on the 'child's journey' will help in managing demand. Additional savings will come from "*reviewing scope and coverage of existing children's centres to move towards delivering a targeted offer*"<sup>43</sup>, suggesting a move to increasingly focus on the vulnerable/at risk.

Beyond these initiatives, a senior officer commented that it would be necessary to start discussing with Members how the Children and Families service might be delivered differently. There was mention of possibly working with neighbouring boroughs to join up adoption or fostering services, working potentially on a regional basis. Looking ahead though, a senior officer anticipated "*a different board game*" (senior officer). It could be that the number of council run children's centres would need to be reduced. Here there might be scope for getting schools to take them over. There was considerable reluctance to move in the direction of children's centre closures given the range of Children and Families work being delivered through them. The challenges ahead seemed substantial. It was reported that any "*low-hanging fruit*" (senior officer) had already been picked.

## Youth Services

Over the five years leading up to 2008/09, Brent's Youth Service budget had risen from £1.5m to £2.7m. New posts had been added to the service and there had been spend on refurbishments and repairs. The service had attracted a My Place award of £5m for the redevelopment of the Roundwood Youth Centre in Harlesden. There were over 43 full time

---

<sup>41</sup> <http://www.londonscb.gov.uk/mash/>. Accessed September 2013.

<sup>42</sup> Ibid

<sup>43</sup> Appendix D(i) Analysis of Savings

staff, of which over 80 per cent were youth workers. The service reportedly managed its budget well and was underspending rather than overspending. Contacts with young people (13-19) are reported to have risen from 3294 in 2006/07 to 6715 by 2008/09, and young people's satisfaction with local parks and play areas was reportedly the second highest in London.<sup>44</sup>

As part of the Council's post 2010 savings programme the Youth Service has had to deliver savings. In 2010/11 the budget for Youth Services was £2.2m. This equates to a £0.5m reduction from what it was two years earlier, in 2008/09.<sup>45</sup> The back office had been looked at. From 2010 the costs of some contracted in services had been reduced. In 2011/12 there were reductions in careers guidance contracts and, in the same year, the major saving in the service was delivered through a transfer of the responsibility for Connexions to schools (£550K). The total savings achieved through the Youth and Connexions service in 2011/12 were £674k.

Savings in youth services were also achieved through service restructuring. The focus here was on reducing staffing costs. In 2011/12 staff reductions in the Youth Service accounted for £153k savings. One means of making these savings was through amalgamating the Youth Service with the Youth Offending Service. Through this amalgamation management level staffing was reduced. There were further savings through reducing staffing costs in the Connexions service and, in 2012/13, in the Duke of Edinburgh award team.

Nonetheless, despite a back office focus, a senior officer reported that "*...we have had to make reductions in our services for young people.*" There had not been closures of premises – rather, there were indications of service improvements, for example, a new youth centre at Harlesden. There seemed a commitment to sustaining that facility despite budget pressures in the service. Yet some frontline services had been impacted. Careers guidance was one example, savings from youth centre services, to the value of £200k, another. There had also been changes in charging. In 2012/13 charges for the borough's summer university had been introduced.

Under the borough's current administration a review of the youth service is underway so, at the time of our interviews, discussions were ongoing with Members about what the youth service might look like in the future. It was felt by a senior officer that in fulfilling the statutory obligation to provide a youth service, there was scope for rethinking the service, and one question under discussion was how the service might be delivered differently. One option could be to deliver more of the service online. It seemed though that the level of provision in the Youth Service might need further reduction in the future.<sup>46</sup> It was thought that the local voluntary and community sector might play more of a role going forward. Alternative models that might be explored included the setting up of a charitable trust, a more arms-length model, "*that can deliver services that we can't*" (senior officer).

---

<sup>44</sup> All information here drawn from Service Review, Services for Young People, Interim Report, 19 February 2010.

<sup>45</sup> Indeed, a drive for efficiencies in the service predates the CSR 2010, identification of efficiencies being one aspect of a youth service review undertaken by the borough's previous administration.

<sup>46</sup> Meeting of the Budget and Finance Overview and Scrutiny Committee, 9 February 2011, Item 4.

## Older People's Services

Spending by Brent Council on its Adult Social Services fell by 6 per cent from 2009/10 to 2013/14. Spend on the older people's segment of the service, however, rose: it was £37m in 2009/10, £39m in 2010/11 and £41m in 2011/12 (nominal). This also represents an increase in the proportion of the overall Adult Social Services budget allocated to older people's services: from 38 per cent in 2009/10 to nearer half, 46 per cent, in 2011/12. An important driver for this increase was rising demand.

The team had nonetheless delivered efficiency savings in its older people's service. These had been necessary due to increasing demand and the pressures of an historic overspend. During 2010/11 to 2011/12, the overall cost of nursing and residential care placements for older people had been reduced, despite an increase in client numbers. This had been achieved through driving down unit costs in the commissioning of both residential and home care placements. The Council reduced the unit cost of a nursing and residential care placement for an older person by 7 per cent from 2010/11 to 2012/13.<sup>47</sup> This was also the case for domiciliary care for older people. The average weekly cost of home care was £30 less in 2011/12 than it was in 2010/11, with a further reduction projected for 2012/13.<sup>48</sup>

The department had also taken steps to manage demand. The introduction of a reablement service was a central part of this and they had recently set-up an enhanced reablement service for people with complex needs. According to a senior officer the reablement programme was delivering very good results, including in terms of helping manage demand. Approximately 80 per cent of the people assessed as meeting the eligibility threshold were going through the reablement service and, of those, over half would come out no longer requiring the service originally requested.<sup>49</sup> The team was also ensuring that only those people who met the eligibility criteria of substantial or critical need were brought into the service. They were "*implementing the eligibility criteria more robustly*", saying 'no' and were being clear about what their statutory responsibilities were in terms of meeting need.<sup>50</sup>

There had been closures of some services: one residential care home and two day centres (one in the ward of Kilburn, one in the ward of Stonebridge) had been shut.<sup>51</sup> Unit costs in these facilities were described as having been "*huge*" and, more significantly, the quality of these services was considered poor (senior officer). The team had replaced these services by buying in from the private sector.

Savings from the Adult Social Services department at large had come from reducing the spend on commissioning. As 70 per cent of the department's budget was for commissioned services, savings needed to be secured in this area.<sup>52</sup> The largest share of planned savings

---

<sup>47</sup> The weekly average cost fell from £607 in 2010/11 to £597 in 2011/12 and, according to projected figures, would fall to £567 for 2012/13.

<sup>48</sup> Unit cost figures sourced from 'Brent Adult Social Services Local Account 11/12, p27-28' and 'Brent Adult Social Services Local Account 11/12, p26-28. All figures in this paragraph are nominal.

<sup>49</sup> Figure as reported in an interview with a senior officer.

<sup>50</sup> Senior officer interview

<sup>51</sup> Senior officer interview and disposals schedule – 3 year rolling programme, Appendix K(v)

<sup>52</sup> Senior officer interview

for 2011/12 were to be achieved through commissioning: £4.1m from a total savings target of £9.8m.<sup>53</sup> It had been possible to negotiate savings with suppliers through collaborating with other boroughs through the West London Alliance; savings through economies of scale could be achieved. Service-wide savings had also been made in staffing, for example, more unqualified staff were being used for assessments. New approaches were being piloted, for example, a local church had been awarded a grant to support it in setting-up a version of a meal-on-wheels service.<sup>54</sup>

Overall, the view of a senior officer was that the quality of care for older people had improved at the same time as cost savings had been achieved,

*"[...] in terms of older people I would say older people's services, for those people who are eligible, have improved [...]" (Senior officer)*

It was felt this applied across the range of the services delivered within the Adult Social Services department. Improving quality had been the team's primary driver: there were no longer waiting lists and the services were now more personalised.<sup>55</sup> The senior officer was overall very positive about the achievements of the team and suggested the cuts could be viewed as an "enabler"; innovation had been possible.

It was noted though that some residents might now be losing out. As a result of savings needed, eligibility criteria were being better adhered to, so some former clients, under the better implementation of assessment criteria, would now no longer be accessing the service, *"and that is obviously very difficult for those individuals"* (senior officer). For those still accessing the service, it was noted that there had been changes in the charging policy in some areas of Adult Social Services. Changes had been made to better reflect the cost of the service where subsidies had been high.

Another group who appear to have been affected to some extent is the local voluntary sector. In recent procurement exercises some of the organisations who had been providing services to the Council did not have their contracts renewed as, under the procurement rules which guide the award of those contracts, some more national organisations, being able to offer a lower unit cost, had been recruited (senior officer). Nonetheless, the department reported that they had sought to support the local organisations through that tendering process and continued to help them prepare for procurement exercises.

Thinking about possible further budget cuts, it was clear that the scope for achieving further savings seemed much more limited than three years prior:

*"[...] the issue is not the now, it's what's going to happen in the future. We have modelled to 2019 and we have got very significant financial pressures..." (Senior officer)*

---

<sup>53</sup> Presentation to Budget & Finance Overview and Scrutiny Committee, 11 October 2011. Supplied by directorate to authors.

<sup>54</sup> Some of the changes noted in this service area pre-dated the announcement of the local government spending cuts. The Care Quality Commission inspection from 2009/10 identifies the transformation of Adult Social Services as "one of the council's top priorities". It reveals that the Adult Social Services department was already implementing a number of new initiatives to promote cost savings and manage demand. Due to an historic overspend in the service there was already a strong impetus for finding ways to make savings pre-2010.

<sup>55</sup> The statements here on waiting lists and greater personalisation are as reported at interview. They are not based on independent research by the authors.

Savings had been achieved where possible. In particular there did not now seem much room for squeezing providers further; that strategy had already been well exploited as part of the savings drive in the department. A lot seemed to hang on future opportunities to develop more integrated approaches with local health services. The team was trying to work more with partners in health care. Brent had become part of an Integrated Care pilot, working more closely with GPs around individual patients. Options were being discussed and time was being invested to try and develop the relationships with the Clinical Commissioning Group.

## Summary

Brent Council is delivering over £75m worth of savings across 2010/11 to 2013/14. Most of these savings had been achieved by 2011/12. The main strategies adopted by Brent Council were: back office savings; driving down costs of commissioning and managing demand. These savings strategies, under the banner of the 'One Council' programme, went hand-in-hand with a drive to improve services.

Through the One Council programme there had been significant back office changes to better streamline the Council. The programme had involved reducing the number of managers and other staff and bringing its administrative functions into a single building. Significant savings had been achieved through securing lower unit costs for the services it bought in and to achieve this the Council had worked with other West London boroughs. The Council has been managing demand through preventative programmes: reablement in older people's services and through the Multi-Agency Safeguarding Hub in children's services. Also in evidence was a drive to better direct spend toward only those who meet the eligibility criteria (Adult Social Services) or are most vulnerable/at risk (Children and Families).

In terms of what these changes have meant for frontline services, a key message from officers was that services had improved. Those who are accessing the Council's services in the three areas explored should, in theory, be receiving a better service. Where there had been closures of buildings – for example the three supplying older people's care and the six libraries – it was noted that the overall quality of the service had been improved. Any cost associated with accessing the Council's services in the areas considered should not have gone up significantly. Whilst some service charges had increased, for example, for the summer university and for nursery care, according to officers charging had not been a major element of Brent's response to the cuts.

On the other hand, due to more careful adherence to eligibility criteria and a more targeted approach, some people who were accessing a service before 2010 will now no longer have access. Also, some local-level VCS organisations had lost out in procurement exercises, unable to compete with larger-scale organisations.

Brent Council's response to and position vis-à-vis the cuts should be placed in the context of its particular characteristics and history. During the preceding decades Brent Council had developed as a very devolved organisation. It also somewhat stood apart in its high



manager to staff ratio and their spans of control. Consequently, in its organisational structure there was scope for Brent Council to implement some substantial changes and, through that, achieve efficiencies. There was an impetus for change and transformation within the Council which predated the cuts. Some assessments in the early 2000s had highlighted potential for overall improvement and coming into the period of the cuts Brent Council was already moving in the direction of transformation. The One Council principle had been introduced and was guiding plans to shape a more efficient, internally unified and streamlined organisation which would deliver an improved service to its users.

As efficiencies have been achieved, and with demand on the rise locally, the on-going need to make savings presents a considerable challenge. As one officer put it "*the easy stuff*" had been done. It was getting harder to find savings and, associated with this, the savings options available going forward would be higher risk. Looking to the future it seemed officers were hoping to be able to work more through partnerships, both within borough and with other boroughs, to deliver within budget, and they would continue to think creatively about how services could be delivered lower cost, for example, perhaps providing more of its services virtually.

## Chapter 4: Camden Council Response to the Cuts

### Camden's Characteristics

Camden is an Inner London borough in Inner West London. Population density in the borough is relatively high for London, though population count is relatively low. In terms of the resident groups of interest here: 6 per cent of the population are under-fives (ranking low amongst the boroughs); 15 per cent are 16-24 (the third highest amongst London boroughs) and 11 per cent are in the over 65 group (mid-range amongst London boroughs). The high proportion of 16-24's reflects the high representation of students in Camden.<sup>56</sup> The proportion of the population of BAME ethnicity is 31 per cent, lower than the overall London equivalent (32 per cent) and a relatively low figure when ranked amongst all London boroughs. Of all BAME residents, Bangladeshi ethnicity is most represented (5.7% of all residents).<sup>57</sup> The majority of the population (58 per cent) is UK born.

Camden has been described as a borough of contrasts.<sup>58</sup> Areas of considerable wealth exist along with areas of high poverty. On rates of both child poverty and social renting, Camden ranks in the top third of London boroughs (Table 6). The mean household size, however, is one of the lowest in London, a reflection of the high proportion of singles in the borough.

**Table 6: Key Characteristics, Camden LB**

Year	Key characteristics	Camden	London	Rank = Camden/ London (33)
2011	Population (count)	220,100	8,204,400	23
	Population density (persons per/ha)	101.1	52	8
	Age <25	31%	32%	21
	Age 0-4	6%	7%	28
	Age 16-24	15%	12%	3
	Age 65+	11%	11%	17
	Ethnicity BAME	34%	40%	22
	UK Born	58%	63%	23
Most recent	Social rented households	33%	24%	8
	Mean household size	2.2	2.5	28
	IMD 2010	25.4	~	15
	Children in poverty (Mid-2012 estimates)	28%	~	9
Most recent	JSA claimants (Oct 2013) <sup>59</sup>	2.5%	3.2%	19
	Unemployment rate (Apr 2012-Mar 13)	7.5%	8.9%	21

Sources: Mid-2011 population estimates; Census 2011 tables - QS102UK, KS102UK, KS201UK, QS203UK, KS402UK, H01UK; JSA, nomis; LI01 Local labour market indicators; Children in poverty, mid-2012 estimates; DCLG IMD 2010, average score.

\* Rank 1 indicates highest percentage of all London boroughs, rank 33 lowest of all London boroughs

<sup>56</sup> Adult students (18+) make-up 14 per cent of the borough's 16-74 population

<sup>57</sup> Figure taken from '2011 Census Key Statistics and Quick Statistics for Camden', Camden Council

<sup>58</sup> Camden Area Assessment, December 2009, One Place, Audit Commission

<sup>59</sup> JSA stats here expressed as the proportion of the resident working-age population, not the proportion of the resident workforce. Camden would normally use the latter (GLA derived JSA rates) rather than the former due to the size of their student and other inactive populations. Figures here are presented proportion of working-age population for consistency with Table 4 and Table 8.

Parts of the borough are currently seeing enormous capital investment, namely the regeneration area around King's Cross. The borough is home to some of London's most famous attractions, the British Museum and Covent Garden, drawing thousands of visitors each year. It is also central to the country's public transport infrastructure and a gateway to mainland Europe through the Eurostar terminal – King's Cross, St Pancras and Euston stations are all located there.

Camden is presently a Labour led Council and has been Labour led for most of the history of the London boroughs.<sup>60</sup> In 2006 a Liberal Democrat–Conservative partnership administration took office. That administration was in place until 2010, when the current Labour administration was elected.

External assessments by inspectorates and regulators suggest that the Council was performing well in the period before the cuts. A One Place 2009 Area Assessment of Camden rated its performance across a range of its activities.<sup>61</sup> Green flags were awarded to areas of activity which showed outstanding achievement or improvement; red flags were awarded where there were any significant concerns. Camden was awarded several green flags and no red flags.<sup>62</sup> In May 2008 Camden was awarded scores of 4 out of 4 in all areas of its Comprehensive Performance Assessments (CPA). It was reportedly the first Council in the country to achieve this.<sup>63</sup> In the 2009 CPA the Council was rated, overall, as 'performing excellently'.<sup>64</sup>

The borough was also performing well in services of immediate relevance to this research. Its Adult Social Care Service was rated as performing excellently on 5 of the 7 outcomes assessed, with a rating of 'well', the level below 'excellent', on the other two by the Care Quality Commission (2009). Its Children, Schools and Families services received an overall rating of 'excellent' from Ofsted in 2009 and in March 2010 the service was recognised as 'Best Children's Service' at the Local Government Chronicle 2009 awards.<sup>65</sup> Evidence suggests that the financial position of Camden Council at the point of the cuts was strong; in the Audit Commission's CPA the Council was rated as performing 'excellently' in its management of finances and use of resources.

## The Size of the Cut

According to DCLG returns (as used in Chapter 2), Camden's funding from central government for services fell by 30 per cent (c £96m in real terms) in the period 2009/10 to 2013/14, and Total Service Expenditure (less education) fell by 25 per cent, about £77m. These data broadly correspond to the Council's estimated cash terms savings of c£83m. Its estimated spending power fell by 23 per cent between 2010/11 and 2013/14 (a shorter period).

---

<sup>60</sup> The London Boroughs were established in 1964

<sup>61</sup> Audit Commission, One Place Camden Area Assessment, 9 December 2009

<sup>62</sup> Ibid, p.3.

<sup>63</sup> London Borough of Camden – Statement of Accounts 2008/09, p.17

<sup>64</sup> Audit Commission, One Place Camden Area Assessment, 9 December 2009

<sup>65</sup> London Borough of Camden – Statement of Accounts 2008/09, p.9

Working from local level data (Table 7) Total Service Expenditure over the period fell by 5 per cent. Spend on Adult Social Care held fairly constant over the period, with a reduction of 2 per cent. Allowing for changes in accounting, actual spend on Children, Schools and Families reduced by £12m or 13 per cent in real terms.

**Table 7: Reductions in Income and Expenditure, Camden 2009/10 to 2013/14**

Camden (£millions)	2009/10	2010/11	2011/12	2012/13	2013/14	% change 2009/10 to 2013/14
Income	292.1	320.6	255.8	239.4	224.1	-23
Total Service Expenditure	324.4	317.8	309.9	279.4	308.6	-5
Adult Social Care	92.1	~	~	~	83.4	-9
Children, Schools, Families	90.5	~	~	~	78.5	-13
Cumulative savings **		9.5	60.8	82.5	92.5	~

Sources: Income and Expenditure figures - Collection Fund Revenue Accounts 2009/10-2012/13; Income and Expenditure Accounts 2009/10 - 2012/13; Budget Book 2013/14

GDP deflators 27th June 2013, not applied to cumulative savings row

\*Income includes Formula Grant, Council Tax and Area Based Grant

\*\* Savings to 2013/14 total £83m when counted from the first full year of savings i.e. from 2011/12 so excluding the 2010/11 figure (£9.5m).

A programme of efficiency savings was already in place at the time the CSR 2010 spending cuts were announced. Substantial savings had already been delivered in this period: from 2004/05 to 2008/09 a reported £23.8m of savings were achieved and the Council was planning to deliver a further £9.5m of savings in the 2009/10-2010/11 period. Examples of savings in this pre-2010 period include: review of the accommodation strategy and of management roles and structures, and a review of the design and print service (all in 2008/09 and to the value of £13.5m).<sup>66</sup> These savings were part of the Council's 'Better and Cheaper' ambitions. With the announcement of the cuts in 2010, in year reductions to budgets were made (following the cessation of Area Based Grant) and an £83m savings target was agreed, to be delivered over a three year period between 2010/11 to 2013/14. By July 2012 the Council had delivered over 60 per cent of the total savings target.

## The Overall Response

At the announcement of the cuts in 2010, a newly elected Council had recently taken office in Camden. The Council had been anticipating needing to make savings of £55m over a three year period, but the actual savings needed were more than half that amount again (£83m). The Council made in year savings to balance that year's budget and, choosing a long view approach, set in place a three year savings plan to take effect as of 2010/11. That savings programme was multi-faceted involving, as described below, a variety of strategies.

<sup>66</sup> London Borough of Camden – Statement of Accounts 2009/10, p.25

The overall emphasis was on protecting the most vulnerable and on drawing savings mainly from the back office.

Camden Council classify £43.5m of the £83m savings programme as 'back office', so just over 50 per cent of the savings were to come from back office efficiencies.<sup>67</sup> Savings here were achieved through several means. There were significant reductions in headcount; to date there has been a removal of about 1000 posts from the Council, about 650 through redundancies.<sup>68</sup> At the time of the cuts the Council was procuring about £300m worth of services. This was reduced by negotiating with providers and, in some instances, working with other boroughs. The Council was also consolidating its office-related overheads, moving towards more hot-desking at a single site. Nine of the Council's administrative buildings are being sold off and the Council will move to a new, purpose built premises in the King's Cross development. This move will mean that overheads are reduced and operating efficiencies achieved through collaborative working and reduced duplication.

Initiatives to cut out waste and "*squeeze the envelope*" (senior officer) had been put in place. One such strategy is Camden's drive for 'getting it Right First Time', an approach which is written into the 'Camden Plan', Camden's statement of objectives for the next five year period. The approach uses a "systems thinking" methodology. To date Camden has applied it across a range of services, including: housing repairs, HR, purchase to pay and development management. This work has demonstrated the potential of the methodology to simultaneously make significant service improvements for customers, release financial savings and change organisational culture to one that maintains a focus on iterative service improvement for the customer.

Building on this Camden is rolling out a more systematic, Council-wide Right First Time approach looking to streamline service delivery through a more aligned and joined up approach. The underlying principle is that they can reduce costs by meeting the needs of their residents, businesses and infrastructure as early as possible and as a whole to reduce the likelihood of costlier, more complex, long-term needs developing. This reportedly promotes a preventative, early help approach aiming to break cycles of dependency and develop resilience.

The Council is moving towards 'outcomes based budgeting'.<sup>69</sup> The principle is to think carefully ahead of time about the outcomes wanted in a particular area and then allocate funds in a way which reflects that, directing those funds particularly to actions which will deliver set outcomes.<sup>70</sup> As part of a shift towards this framework greater weight is being given to the evidence base and the scrutiny of this data so that funding can be better

---

<sup>67</sup> Senior officers and Members pointed out that the term 'back office' does not have a standard definition across councils. A Member commented that the percentage cited in Camden was a fair interpretation but that some councils might claim to have delivered strikingly high percentages by 'back office' savings. (Member interview).

<sup>68</sup> Figure approximate and as at July 2013.

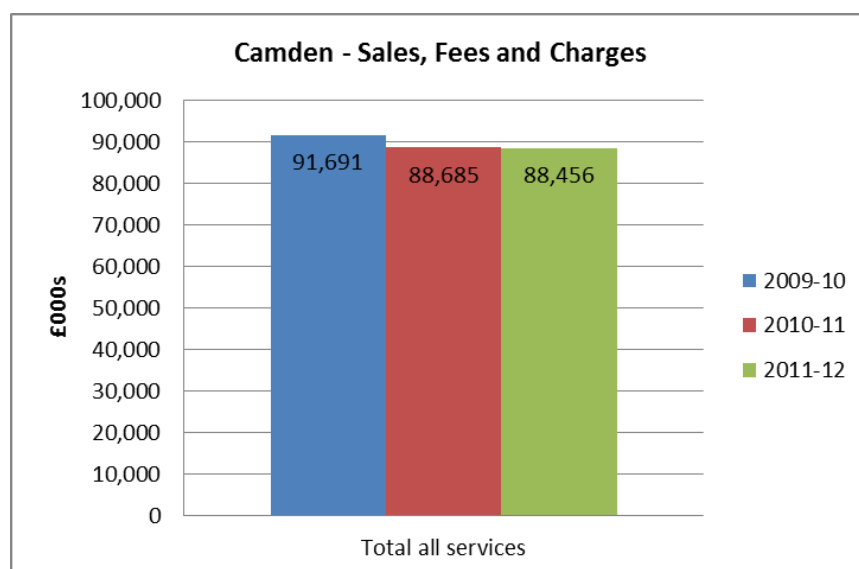
<sup>69</sup> The initial introduction of this 'outcomes-based model' in Camden Council pre-dates the CSR 2010 period, however, for example, 'Commissioning outcomes and recovery' London Borough of Camden, October 2008

<sup>70</sup> Ibid and ncvo, 'Outcomes-based commissioning – Camden case study', Available online at [http://www.ncvo-vol.org.uk/sites/default/files/UploadedImages/Sustainable\\_Funding/Publications/Camden\\_Outcomes\\_Based\\_Commissioning.pdf](http://www.ncvo-vol.org.uk/sites/default/files/UploadedImages/Sustainable_Funding/Publications/Camden_Outcomes_Based_Commissioning.pdf)

directed towards the interventions best shown to deliver the desired outcomes.<sup>71</sup> Also, departments are to work together more closely; silos and duplication are reduced by recognising the activities that contribute to outcomes across the organisation. It was noted by a senior officer that this approach reflected a willingness of the Council to think about the longer-term, tying current decisions to a future vision of outcomes.

One strategy councils might have used to offset cuts to their funding would be to raise income through charging residents more for the services they provide. According to senior officers income generation through increasing charges had not been a significant policy within the savings programme. It certainly seems from central data that overall income from Sales, Fees and Charges has not increased over the savings period (Figure 11). Rather, Sales, Fees and Charges declined in real terms, from £92m in 2010/11 to £88.5m in 2011/12. As detailed above, there had been an effort instead to drive down costs and better target spend.

**Figure 11: Sales, Fees and Charges, Camden 2009/10 to 2011/12**



Source: DCLG, RSX 2009-10 (17-Nov-11), RSX 2010-11 (27-Nov-12), RSX 2011-12 (27-Nov-12), GDP deflators June 2012.

According to senior officers and Members their response to the cuts had not involved major changes to the Council's frontline activities. As part of its savings programme though, Camden has needed to make some changes in its discretionary services offer. With a large offer of discretionary services in 2009/10, Camden had scope to make savings by reducing this non-statutory area of its service provision.<sup>72</sup> Some discretionary services, such as luncheon clubs, had been cut. The Council also stopped running its play service (non-statutory) and closed one library. Officers and Members reported though that these services had not necessarily disappeared as a result. Some of the luncheon clubs and the play service had been continued by voluntary and community sector organisations. In addition, three community libraries (i.e. charity/volunteer-run) had been created.

<sup>71</sup> Member interview; senior officer interview

<sup>72</sup> According to senior officers Camden's discretionary offer was some way above average, for example it offered a play service, a non-statutory CSF service.

Here partnerships have been very important in Camden's response. Due to historically strong relationships with local partners the Council has been able to reconfigure its services to better align with what others are supplying locally and has found that, in many cases, local organisations have been prepared to pick up some of the discretionary services which it needed to cut as part of its savings programme. At the same time, the Council has been working to redefine its relationship with the voluntary sector. It still offers some core funding to local voluntary and community organisations, but is now trying to support them toward greater independence.<sup>73</sup> There was evidence of greater targeting of some of its services. In a restructuring of the youth service, a key concern had been to protect services in the most disadvantaged areas and means-testing had been attempted in some of its children's services.

An overarching theme in Camden guiding decisions on the cuts has been a commitment to protecting the vulnerable/at risk.<sup>74</sup> Protection of the vulnerable was one of the ten pledges in the Camden Labour Manifesto 2010.<sup>75</sup> That pledge is further reflected in the Camden Plan, Camden's main strategy document which covers the 2012-2017 period. The Plan positions a reduction in inequality as a main objective of the Council's work: the ambition is to narrow the long-term inequality in the borough, as well as build sustainable communities and boost local employment opportunities.<sup>76</sup> An additional initiative, the Camden Equality Taskforce, and the wide use of Equality Impact Assessments within the savings exercise, further underline the drive in Camden to try and protect and improve the lives of vulnerable/at risk residents.<sup>77</sup> A second, associated area of protection was to Early Years. Early Years was given special protection through the savings exercise, that service area needing to deliver only half the level of savings (percentage wise) looked for from other departments (10 per cent rather than 20 per cent).

Another part of the ethos has been to take a consultative approach. For example, in drawing up the priorities which would guide the Council's work in the savings period – the Camden Plan – consultation was central to that.<sup>78</sup> The theme of wanting to ensure public satisfaction was not compromised ran throughout the savings programme. As detailed above, Camden has worked closely with local partners in the voluntary and community sector, particularly through the work of its Communities and Third Sector team.<sup>79</sup> Relationships with the local VCS were reportedly strong and there was evidence of the Council working collaboratively with these organisations and of seeking to support them in a mutually challenging period.<sup>80</sup>

---

<sup>73</sup> For example, there were cases where the Council has had to withdraw its funding to a VCS organisation but had then granted the organisation an award from the Camden People's Fund to give it time to find sustainable funding from other sources.

<sup>74</sup> Member interview

<sup>75</sup> 'Building Our Future Together', Camden Labour Manifesto 2010.

<sup>76</sup> Camden Plan 2012 – 2017, Camden Council

<sup>77</sup> Camden Equality Taskforce - Final report, May 2014

<sup>78</sup> Member interview

<sup>79</sup> Delivering the Camden Plan in Partnership with our Voluntary and Community Sector (VCS), February 2013

<sup>80</sup> Ibid.

Alongside securing savings and seeking to protect frontline services, the Council was finding ways to invest in the borough, notably through its capital spend. The Council had suffered significant reductions in Capital funding during the period (2010/11 forward), including a loss of more than £200m from the cancellation of all but three Building Schools for the Future projects and loss of funding for the primary school capital programme. The Council was delivering, nonetheless, a “massive”<sup>81</sup> capital programme part funded through a Community Investment Programme. The Community Investment Programme had been developed as a means of realigning existing resources to ensure that what were seen as vital programmes could continue. The Council was thus delivering new schools, a thousand council homes, new community centres, a library and swimming pool.<sup>82</sup> Decisions taken by Councillors in the 1970s and 1980s to buy land in Camden meant a strong base for the Capital Account. The capacity here to invest in the borough was very significant. These somewhat unique circumstances seemed to be giving Camden some greater room for manoeuvre in terms of capital spend and its response to the cuts: “[I] don’t want to make it sound like it was easy, it wasn’t, but we had some things in our favour that others didn’t” (Member).

## Under-Fives Services

In 2010 the Council described their level of Early Years provision as “well beyond the statutory requirement”.<sup>83</sup> Notably, Camden was amongst a relatively small number of local authorities providing 25 hours of free nursery provision for all 3 and 4 year olds in its maintained schools and children centre nursery classes.<sup>84</sup> Over the three year savings programme, the Children’s Schools and Families (CSF) service needed to deliver £19.5m of savings.<sup>85</sup>

Early Years was given special protection in the savings programme. Only half the level of savings required of other services (in percentage terms) had to be delivered in the Early Years service (10 per cent rather than 20 per cent). Whilst initial savings plans in 2010 suggested £6m<sup>86</sup> of savings would come from the service, the final target was £3.2m. The rationale for this protection was explained as such:

*“...the Early Years spend was given a big protection because of...first of all, the importance of early years childcare, Early Years services, on some of the most vulnerable and disadvantaged families.”* (Senior officer)

Reportedly little of the £3.2m saving was delivered through cuts in frontline services:

*“...they [the cuts] weren’t to frontline services as such, unless there was a really an identified need, that kind of provision wasn’t being used to best effect, or wasn’t serving the locality...”* (Senior officer)

---

<sup>81</sup> Member interview

<sup>82</sup> [www.camden.gov.uk/cip](http://www.camden.gov.uk/cip)

<sup>83</sup> Cabinet meeting papers, 1 December 2010, Appendix E, p. 23

<sup>84</sup> Ibid. The statutory requirement is 15 hours of provision, so Camden was providing 10 hours above that.

<sup>85</sup> This figure covered both savings needed in the CSF budget and the DSG element.

<sup>86</sup> Cabinet Meeting, 1 Dec 2010, Appendix E, Medium Term Financial Strategy: Rethinking Savings Proposals, p.23



Service reviews identified potential for some such savings from children's centre services, including drop-ins and support for employability and advice on welfare rights.<sup>87</sup> There was also a decision to cease delivery of early education and childcare from two local authority children's centre facilities.<sup>88</sup> The services would not disappear but would be delivered by voluntary sector providers, with the broad range of children's centre services (family support, health and employability) still available in those localities:

*"What the Council did was look at not closing down all those services, but looking at alternative providers. So how could the service be there, in one particular venue, but actually be funded differently through the voluntary and community approach ..."*  
(Senior officer)

The CSF team also reviewed the level of grants they supplied to community nurseries with a view to rationalising the services commissioned from them. A reduction in the subsidisation of nursery provision for under 3s resulted in savings (£0.6m).<sup>89</sup>

There was evidence of greater targeting of the service, over a period of one year. In September 2012 the above statutory offer of free 3 and 4 year old provision (the 10 hours above the statutory 15) became a targeted offer; there were now 800 Council supported 25 hour places for children of families on low incomes.<sup>90</sup> As noted by a Member, the Council was keen to maintain a universal offer in early years and, consistent with this, in September 2013, 25 hour places were reinstated for all children in maintained schools and children's centre nursery classes. This was achieved by the Council and schools sharing the additional cost.

Overall, more substantial savings were delivered in other areas of the CSF service. These included a remodelling of family services and social work (£2.8m) and a restructure of Special Educational Needs and Disabilities (SEND) services (c £2.7m savings over three years). In both cases savings were achieved through staffing (including reducing agency workers and reducing the number of posts) and procurement. In family services and social work, another savings strategy was greater targeting of the service, refocusing preventative services on those most at need; the range of preventative services at lower levels of need commissioned from the voluntary and community sector was reduced. In SEND services an objective was to deliver enhanced local provision and reduce out-of-borough and independent school placements.

Just as work with local partners had marked the response in the Early Years service – the Council having worked closely with schools to reinstate an above statutory and universal level of free children's centre provision for 3 and 4 year olds – it also marked the response elsewhere in the service. One discretionary service Camden CSF offered prior to the cuts was an in-house, universal play service. The play service offer included some breakfast and

---

<sup>87</sup> Cabinet Meeting, 1 Dec 2010, Appendix E, Medium Term Financial Strategy: Rethinking Savings Proposals, p.23

<sup>88</sup> When combined with some savings from reduction in nursery hours, these closures were to deliver £2.6m of savings (DSG element). MTFs Savings Programme 2011-2014: Programme Analysis, Appendix R.

<sup>89</sup> Ibid

<sup>90</sup> Some schools chose to fund more 25 hour places, so the total number of 25 hour places supplied in the borough exceeded the 800 places supported by the Council.

after school clubs, as well as holiday provision.<sup>91</sup> As part of the savings programme £2.8m of savings were made through this play service. Rather than close the service, the service was re-commissioned; it was continued through working with voluntary organisations. The service has become more targeted on “the needs of the vulnerable”<sup>92</sup> and savings were also achieved through amalgamating the quality assurance functions, but a local play service offer was sustained.

Officers we spoke with identified future pressures on the budget. The government’s initiative to introduce free child care for 2 year olds is not expected to supply enough funding for some London boroughs to cover the costs of the placements (senior officer).<sup>93</sup> There is also the very considerable pressure of demand for SEND services increasing. These placements can be very expensive. One strategy Camden is using here (as noted above) is to increase the number of places within the borough in order to reduce spending on expensive independent provision. Part of this policy is linking with Islington to provide a joint further education facility for young people with high needs.

## Youth Services

Prior to the announcement of the spending cuts in 2010, Camden’s Integrated Youth Service budget was £8.1m, split across universal, targeted and specialist support, with 17.5 per cent of that budget being commissioned out to the voluntary and private sector.<sup>94</sup> The Youth Service budget was £2.8m and this equated to £180 per head of the 13-19 population, compared to a national average of £119.<sup>95</sup> The service either directly manages or supports 21 local youth projects, generally focused in areas of high deprivation and was supplying an average of 354 hours provision per week. In addition, it operates a number of borough-wide programmes of support for young people including Camden Summer University and COO-L (an online bursary scheme which enables young people eligible for free school meals to take part in positive activities) and a borough-wide detached youth project. In 2008/09 the reach of the service was 33 per cent of Camden’s youth population. The service had seen “...significant investment in youth provision over the last few years from both national and local budgets.”<sup>96</sup>

The service had begun to make savings by 2010. As part of a review of Camden’s youth service, initiated in 2008, the changing financial context had prompted consideration of potential areas for savings to be incorporated into the review. Over the two year period forward from 2008, savings had been achieved through integrating the youth services, Connexions and youth offending service into a single service (making £0.2m savings) and through reductions in the use of agency staff.<sup>97</sup> There had also been, reportedly, reductions

---

<sup>91</sup> This was not a universally free service. Some families paid for this and fees had increased in the year prior to the cuts.

<sup>92</sup> Cabinet Meeting, 1 Dec 2010, Appendix E, Medium Term Financial Strategy: Rethinking Savings Proposals, p.23

<sup>93</sup> LB Camden will receive £6/hour per place. The actual cost for them is 50 per cent higher (£9).

<sup>94</sup> Camden Children’s Trust Partnership Youth Development Review, July 2010, p.36

<sup>95</sup> Most London Boroughs were above this national average.

<sup>96</sup> Ibid p.35

<sup>97</sup> Ibid p.37

in Council funding to some frontline youth services, for example a youth facility, Castlehaven.<sup>98</sup>

The review identified further areas where value for money could be improved – key amongst these in the selection of providers – and considered where alternative delivery models could deliver better value for money. The recommendations of the report point towards a service which would become more focused on area-based partnerships as the delivery model, which would look at streamlining some services through a single point of access and which would explore greater income generation through charges, based on a perceived willingness to pay for universal services. Overall the aim was to improve the provision but supply it at lower cost and whilst ensuring the impacts of any service changes on young people were minimal.<sup>99</sup>

During the three year savings programme begun in 2011, the Integrated Youth Service needed to deliver £1.6m in savings. The Youth Service element of the Integrated Youth Service was to deliver £0.7m of the £1.6m. The recommendation of the 2010 review to introduce a model of area based youth partnerships was adopted. The area based youth partnership model was seen as a more efficient model of delivery and a logical response in the context of needing to make savings. By bringing together Council, voluntary and private sector providers, duplication in the youth service provision could be tackled and some resources could be shared, such as back office functions and buildings. Partners would work together towards an overall agreed set of outcomes. These changes could involve young people needing to travel further to access particular services, but the services would be high quality and the Council had found willingness among young people to travel some distance for high quality provision. Allocation of Council funding within this area based youth partnerships model would be aligned with the outcomes the services would deliver. This strategy was therefore in line with the outcomes based commissioning framework being applied at Council level.

The potential to develop this model of youth services provision stemmed from the strong partnership the Council reportedly had with the local voluntary and community sector. The different organisations were prepared to work together to deliver a more joined up service to young people and possibly achieve efficiencies; there were no reductions in funding to the VCS or the partnerships. Camden was also well placed to draw support for a number of high profile London-wide youth centres, for example in its New Horizon Youth Centre and the Weekend Arts College, Hampstead. In addition to introducing a new partnerships based model, the service had also made savings in some other areas. A saving of £0.25m is being delivered through procurement efficiencies in the Connexions contract and through further innovation in the delivery of youth council functions.<sup>100</sup>

---

<sup>98</sup> [http://www.labour.org.uk/fighting\\_for\\_youth\\_facilities](http://www.labour.org.uk/fighting_for_youth_facilities). At the same time Big Lottery funding had supported the development of an existing youth centre, the New Horizon Youth Centre which works particularly with young people who are vulnerable/at risk or homeless.

<sup>99</sup> Youth Development Review, Equality Impact Assessment p.3

<sup>100</sup> The youth council operates differently now, with changed focus and greater involvement from the elected Youth MP and two deputies.

Despite the context of having to making savings – requiring that money be taken out of the youth service – the Council has, nonetheless, still sought to invest in youth in the borough. The Council has sought to develop its support for young people in the borough through new projects to promote employability, for example: Camden has supported and contributed to delivery of a cross-Council, borough initiative around apprenticeships, ‘one hundred apprenticeships in one hundred days’; was looking to introduce a local equivalent of the National Record of Achievement to help young people in the borough secure employment with local employers and was looking to boost employment amongst young mothers. There were also plans in place to improve the facilities of an existing youth centre using investment through a Council-wide ‘Community Investment Programme’.

Uncertainties around the future level of the budget from 2015 onwards meant the officers were having to try and work “*in an unknown environment to some extent*”, though there was “*quite a clear direction of travel*” (senior officer). The team was focussed on learning from the initiatives they had implemented, on an outcomes-based model of commissioning services and on innovating. There was increasing pressure on some parts of the service with, for example, a noted rise in homelessness applications and demand for advice services thought to be associated with increasing numbers of vulnerable/at risk young people arriving into London through Camden-based railway stations. The drive to support young people into employment through, for example, the apprenticeships programme was considered an important element in addressing need. The hope was to “*never get them into benefits in the first place*” (senior officer).

## Older People’s Services

In 2010 Camden’s Adult Social Care (ASC) department had begun working towards more efficient and effective use of its available resources. Its ‘Better Care Choices Programme’ was introducing greater personalisation and choice into the service and was a main vehicle for delivering these efficiencies. Duplication was being reduced and staffing and business operations were being streamlined. At this time support was being given to residents assessed as having critical or substantial need. It was delivering what it described as a “high level” of discretionary services and claimed to have “lower charges compared to other places.”<sup>101</sup> The overall budget for the service was £86.5m (2009/10 figure) of which 50 per cent was spent on older people’s services.

Of the £83m Council-wide savings target, about a quarter is being delivered through ASC (ASC typically has a significantly higher budget than other service areas).<sup>102</sup> The savings target for ASC is £22m overall.<sup>103</sup> Spilt across the three year savings period, this represents an annual average of about £7m worth of savings.<sup>104</sup> The portion of these savings being delivered through older people’s services is about a third, £7m. These savings targets are linked to the pressures of the cuts but are also driven by the pressures of rising demand for

---

<sup>101</sup> Cabinet meeting papers, 1 December 2010, Appendix E, p.14

<sup>102</sup> The budget for the department for 2013/14 is £76.7m (nb 90m in Table 7?). This represents a decrease of 11 per cent from the 2009/10 budget (-2% in Table 7?).

<sup>103</sup> An initial savings target for the ASC department under Camden’s three year savings programme was £14.7m.

<sup>104</sup> Cabinet meeting papers, 1 December 2010, Appendix E, p.16

services and rising costs of delivery. The delivery of the savings has been front loaded, with over 75 per cent of the savings having been achieved by the end of 2012/13.

The savings have been delivered through a number of mechanisms. In its Medium Term Financial Strategy (December 2010), four savings strategies were identified in the ASC service. These were: further development of the Better Care Choices/personalisation model; changes in transport services to be focused on the most vulnerable group of statutory customers; within mental health services, working towards a more integrated approach which would help improve access, efficiency and respond to increasing need and, fourthly, reduction in funding for discretionary services. The majority of the savings were to be delivered through the choices/personalisation model and through a reduction in discretionary services.<sup>105</sup>

Discretionary services were a key area of change in terms of older people's support. The funds available to the local VCS organisations that were supplying these services were removed. Services impacted were: resource centres for older people, luncheon clubs, befriending services and advice and advocacy services. The provision of discretionary services in Camden was high to start with; they were spending approximately £3.8m more than the Inner London average on this. The Council recognised how valued these discretionary services were amongst their users. The rationale informing the decision to remove the funding that supported them was that there was not, at the time, a strong evidence base that such investment actually delivered better outcomes in terms of substantial and critical care needs. Statutory services had to be prioritised.

By 2012/13 £5m of savings had been achieved through the personalisation and Better Care Choices work. The savings here were around method of delivery. There has been: greater emphasis on enabling care in the first instance; a transfer of responsibility for individual client budgets to the client (which has resulted in savings in administration costs) and a review of high cost packages such as reliance on residential care provision. There have also been savings through procurement (~£3m)

Additional savings have been achieved through the transport service. That service has become more focused on the most vulnerable/at risk (those with substantial mobility difficulties) and on those who are eligible for care (substantial and critical). Transport services had, unlike many other boroughs, been free to some people outside the substantial or critical care category and there had been discretionary services on top of the statutory services. The discretionary element has been tightened and additional savings achieved through efficiencies in the service. This included a proposal to share some transport services with a neighbouring borough.<sup>106</sup>

Reduced funding of discretionary services has led to changes in day centre provision. There has been a review of those accessing day centres and charges have been introduced. People with lower level need, who are not eligible, are able to access the service for a

---

<sup>105</sup> Add refs, Some of the savings in these areas could be considered 'back office' functions, for example, by 2012/13 savings achieved included a reorganisation of and reductions in staffing as well as savings in the communications function and administration.

<sup>106</sup> Cabinet meeting papers, 1 December 2010, Appendix E, p. 17

charge. These charges have reportedly enabled people with lower needs to be able to keep accessing the service with only a minimal financial burden, and some of this population will still be accessing the service for free through the VCS.<sup>107</sup> Charges have been applied also to eligible customers. Elsewhere in the service there have been a few increases in charges in optional services: the charge for Careline telecare equipment, which offers clients emergency call out support, had been increased for example, the top-tier package (gold service) charge had increased by 15 per cent between 2010/11 and 2011/12. Charging for community meals had increased by just over 3 per cent.<sup>108</sup>

Efforts have been made to mitigate potential impacts of these changes on service users. One strategy here has been the introduction of the Camden People's Fund, established to support local organisations facing budget reductions. It has supplied financial support to some discretionary services which ASC could no longer directly support. The focus here was on identifying and then supporting sustainable initiatives (£0.45m). Grants were made to advocacy and activities for BME residents, a Good Neighbour Scheme and for some Day Centres. Users of a discretionary telephone befriending scheme, which had been cut, could participate instead in a new Networkers Scheme offering some similar sort of provision. Some of the luncheon clubs had been able to continue as more independent VCS initiatives, for example, by modifying their services through providing a café service open to the whole community.

Alongside these changes, Camden has sought to develop the service in new directions. There has been an emphasis on innovation. One aspect of this has been efforts to mobilise the capacities within local communities to increase support for older people. The Council has funded one-off projects, for example, the Good Gym which brings people together to deliver various home help or befriending to residents, including the elderly.<sup>109</sup> There has been thinking around the 50+ group; given a trend of increasing demand there are foreseen longer-term pressures around delivery of preventative services. A consortium has therefore been established to develop a support network amongst this age group that they believe will be self-supporting. That will launch early next year.

In terms of the future, demand pressures on the service were projected. It was expected that cases might become more complex and that numbers of dementia patients could rise. There was mention of the potential of delivering more care in the community as a means of spreading resources further. Overall, the team was committed to delivering positive aging for their residents. The department reported good relationships with the voluntary sector and health providers and would draw on that capital to potentially achieve further savings in the future.

---

<sup>107</sup> Senior officer interview

<sup>108</sup> Cabinet meeting 1 December 2010, Appendix F

<sup>109</sup> <http://www.goodgym.org/camden>. Called the Good Gym as volunteers develop their fitness through "doing physical work that helps your community".

## Summary

Camden has set a savings target of £83m to be delivered between 2010/11 and 2013/14. A majority of these savings had been delivered by 2011/12. The main strategies that have been used in Camden have been back office savings, reducing the level of discretionary service it directly offers and working with partners as part of that. Other means which have featured include detailed reviews of budgets and a consistent approach to fees and charges.

The Council classifies just over half of its cuts as back office (£43.5m). Headcount has been reduced, some administrative buildings are being sold off and the Council will work in future from a single site. As part of the savings programme the Council is working towards an outcomes based budgeting approach, as a means of identifying what spend is actually delivering and has introduced frameworks to shave off waste wherever possible, in getting services right first time and through more systems-based thinking. There had been changes in the way some services for under-fives, youth and older people were configured. For example, youth services had been rationalised by using an area based model which removed duplication with other local providers and focussed on high quality.

In both Adult Social Care and in Children Schools and Families, there were examples of reductions in the Council's above statutory services and/or greater targeting in these. Camden had many discretionary services historically, which somewhat supplies the context for this response. Some specific examples of reductions in discretionary services relevant to older people and children are luncheon clubs, free day centre provision for people below the eligibility threshold and the play service. This is not to say that those services no longer exist. Camden has drawn on local organisations and partners, such as schools and the VCS, to continue some of the discretionary services it had to stop. Notably Camden has retained its above statutory offer of 25 hours childcare, on a universal basis, by working with schools.

Officers reported that, on the whole, local residents were still able to access levels of service not dissimilar from those that existed before 2010. Through a strong capital programme and a Community Investment Programme, the Council has continued to build on its service offer, for example, through building new schools, a library and community centre. Camden is also seeking to reduce inequality in the borough, with programmes for example targeting ethnic minorities, NEETs and mothers. Coming into the cuts Camden's performance and services were very well rated by external assessments. The Council had good levels of reserves and had historically built up a significant asset base. That asset base was a key factor in the Council being able to continue to invest in the local infrastructure beyond the time when government funding in that area, notably the BSF, dried up.

Looking ahead there are pressures in both social care, where the level and complexity of need is expected to rise, and in the capital programme where, though well-resourced, a large stock of council homes and other buildings have to be repaired and maintained. At the same time as supplying services, the Council is thinking about ways to grow the local economy, tackling inequalities in part by supporting people into work. Up to now, the changes introduced had not, as officers and Members saw it, drastically altered the Council's service offer locally. Further hefty cuts though would force, for local government in general, more far-reaching change.

## Chapter 5: Redbridge Council response to the cuts

### Redbridge's Characteristics

Redbridge is an Outer London borough in Outer North East London. By population count, Redbridge ranks amongst the most populous third of boroughs. Its relatively low population density reflects an Outer London location. The percentages of children and young people in the borough are notably high; proportions of under 25s and under 5s are both above the London average. Redbridge comes just outside, and just within (respectively) the top fifth of London boroughs on these measures. The proportion of over 65's is higher than the London average, Redbridge ranking amongst the top half of boroughs on this measure. The proportion of BAME ethnicity is amongst the highest in London, Redbridge ranking fourth amongst London boroughs. Over two thirds of the population are UK born (Table 8).

Redbridge is middle ranking amongst London boroughs on poverty and deprivation indicators. On unemployment Redbridge ranks amongst the top half of London boroughs (higher unemployment) and on JSA claimant rate, just outside that. However, overall deprivation as measured by IMD 2010, and the rate of children in poverty, are toward the bottom third of London boroughs (less deprived, less poor). Behind this overall picture is a geography of contrasts: Redbridge is home to some highly deprived neighbourhoods, as well as some very wealthy neighbourhoods.<sup>110</sup> Mean household size in Redbridge is very high; Redbridge ranks second amongst London boroughs on this measure. The rate of social renting, by contrast, is amongst the lowest in London (Table 8).

**Table 8: Key Characteristics, Redbridge LB**

Year	Key characteristics	Redbridge	London	Rank = Redbridge/ London (33)
2011	Population (count)	281,400	8,204,400	11
	Population density (persons per/ha)	49.5	52	20
	Age <25	34%	32%	7
	Age 0-4	8%	7%	6
	Age 16-24	12%	12%	17
	Age 65+	12%	11%	14
	Ethnicity BAME	57%	40%	4
	UK Born	63%	63%	16
	Social rented households	11%	24%	32
Mean household size	2.8	2.5	2	
Most recent	IMD 2010	20.0	~	22
	Children in poverty (Mid-2012 estimates)	21%	~	19
	JSA claimants (Oct 2013)	2.8%	3.2%	17
	Unemployment rate (Apr 2012-Mar 13)	8.9%	8.9%	15

Sources: Mid-2011 population estimates; Census 2011 tables - QS102UK, KS102UK, KS201UK, QS203UK, KS402UK, H01UK; JSA, nomis; LI01 Local labour market indicators; Children in poverty, mid-2012 estimates; DCLG IMD 2010, average score. \* Rank 1 indicates highest percentage of all London boroughs, rank 33 lowest of all London boroughs; notable rankings in grey.

<sup>110</sup> Seven per cent of Redbridge's neighbourhoods (LSOAs) rank amongst England's most deprived fifth of neighbourhoods. LB Redbridge, Deprivation in Redbridge (Indices of deprivation 2010).



Over the last decade the borough has seen a rate of population growth above the Outer London mean. Between 2001 and 2011 the population increased by 17 per cent (Outer London 11 per cent). The borough is well-connected to central London and a large proportion of the population works outside of Redbridge. With Redbridge set to become even better connected with the arrival of Crossrail in 2018, and with the added factor of its high-performing schools, ongoing population growth can be anticipated.

Redbridge Council is currently led by a Conservative-Liberal Democrat partnership. For much of the borough's history, including in the period leading up to the cuts, it has been Conservative led.

External assessments by inspectorates and regulators suggest that Redbridge was performing well in the period leading up to the 2010 cuts. The One Place Area Assessment (2009) indicates that the Council was managing its performance and using its resources well. The Council scored 3 out of 4 in both of these areas. The same assessment notes that "*[t]he Council is well run and manages risks very well*" and that "*[t]he Council is good at managing its money and making savings to both reinvest in its priorities and ensure that services provided represent good value for money.*"<sup>111</sup> The One Place Area Assessment also awarded one green flag to Redbridge (recognition of outstanding achievement) for an initiative around resident consultation, Redbridge i, and no red flags (areas of significant concern).

Redbridge Council was also performing well in service areas of particular interest to this research. Adult Social Services received an overall rating of "excellent" in 2008/09 from the Care Quality Commission (CQC, Annual Performance Assessment Report). The Redbridge One Place Area Assessment (December 2009) referred to the service as "excellent" and noted that "[o]lder people in particular are being given practical help"(p.6).<sup>112</sup> In reference to Children's Services, the One Place Area Assessment noted that "[c]hildcare provision is often good" and the department was judged to be performing "well" in its 2010 Ofsted rating.

## The Size of the Cut

According to DCLG, central government funding for services in Redbridge fell by 31 per cent between 2009/10 and 2013/14 (circa £61m), with a particularly marked fall in 2013/14 . Redbridge along with other Outer East London councils argues that it has been particularly disadvantaged by the changes to the local government funding system in 2013/14, and has launched a Fairer Funding campaign to lobby for change. Estimated spending power fell by 19 per cent over the period 2010/11 to 2013/14 and Total Service Expenditure (less education) as reported to DCLG fell by 9 per cent (c £16m), over the period 2009/10 to 2013/14.

---

<sup>111</sup> Outside of this assessment there is further evidence that financial management in the Council was highly rated. The Finance Team had been recognised in national level awards for its work. In 2010 the team received the Finance Team of the Year award from the Local Government Chronicle and, the following year, the Accountancy Age Finance Team of the Year: Public and Voluntary Sector Award.

<sup>112</sup> Audit Commission, One Place Redbridge Area Assessment, 9 December 2009

According to local data, spending on services has fallen by 5 per cent between 2009-10 and 2013/14 (Table 9). Real terms spend on Adult Social Services held constant over the savings period and Children’s Services spend increased by 6 per cent. Over the three year period 2010/11 to 2013/14 Redbridge Council has aimed to deliver approximately £25m in savings. Most of the savings were delivered in 2011/12 (£20.3m), with further savings of £9.8m (target figure) in 2012/13 and £8.7m planned for the following two years.<sup>113</sup> The Council expects to need to make further savings of around £50m over the three years from 2014/15.

**Table 9: Reductions in Income and Expenditure, Redbridge 2009/10 to 2013/14**

Redbridge (£millions)	2009-10	2010-11	2011-12	2012-13	2013-14	% change 2009/10 to 2013/14
Income*	216.9	222.0	203.7	193.5	181.3	-16
Total Service Expenditure	203.2	215.6	198.9	193.1	194.0	-5
Adult Social Services	67.4	70.7	70.8	69.2	67.3	0
Children’s Services	53.6	56.8	53.2	51.0	56.9	6
Cumulative savings	~	~	~	~	25.0	~

Sources: Redbridge Council Budget Books 2009/10 - 2013/14, GDP deflators 27th June 2013 (savings row not deflated)

## The Overall Response

Redbridge needed to find £25m of savings over a three year period from 2010/11-2013/14. The Council’s overarching priority in this was to protect, “as far as possible”, frontline services.<sup>114</sup> That objective was described as a constant in officers’ and Members’ minds. A number of strategies were employed, these included: reductions in back office costs; restructuring of services (including better methods of delivery); consideration of other ways to make savings, such as channel migration<sup>115</sup> and prioritisation.

Overall, it was reported by a senior officer that, in percentage terms, far more cuts had been back office rather than frontline. Budgets for central (corporate) functions had been reduced, examples including: reducing business support and legal service costs in Legal and Constitutional Services, streamlining of transactional processing and reducing auditing fees. There were large savings through procurement, for example in Adult Social Services savings of £1.7m were achieved through contracts with voluntary organisations including supporting people contracts and wardens. In Finance there were savings in corporate

<sup>113</sup> Redbridge Corporate Strategy 2012-14

<sup>114</sup> [http://www2.redbridge.gov.uk/cms/the\\_council/about\\_the\\_council/the\\_councils\\_budget/the\\_councils\\_budget\\_2012-13/faqs.aspx](http://www2.redbridge.gov.uk/cms/the_council/about_the_council/the_councils_budget/the_councils_budget_2012-13/faqs.aspx)

<sup>115</sup> Channel migration refers to a transition from face-to-face and phone based contacts to online communications. For example, a resident might previously have called their local council to report a faulty street light. In some local authorities this function has been migrated to an online channel with the fault being reported via the local authority’s website.

contracts. Members had, early on, made savings in their own expenditure, for example, by reducing the number in Cabinet by one and reducing refreshments and travel expenditure.

With the back office only of a certain size it was noted that frontline services had had to be looked at.<sup>116</sup> In terms of changes in frontline services, the Council had looked at methods of delivery and had redesigned some services to achieve savings:

*“...where possible, even the frontline services you can deliver the same services sometimes in a more efficient way at lower cost.”* (Senior officer)

One example was the Council’s library service. In Redbridge there have been no closures within that service and an additional library had been added. The means of avoiding closures was through changing both the management of the service and way the service operated. The Council’s libraries were put out to a voluntary sector trust. Additional savings were achieved through introduction of a self-service facility, use of volunteers and a new staffing structure which created Library Manager posts rather than using professional librarians.

Reductions in staffing costs applied at all levels of the organisation. At senior-level one Director and three Chief Officer posts were deleted.<sup>117</sup> Examples from more junior levels include reductions in administrative/business support staffing. Members and officers alike emphasised that savings here had been achieved, to a relatively large extent, through natural wastage, redeployment and by not filling vacant posts. In a couple of instances, the Council had worked with a neighbouring borough to share the costs of a staff member, one example being within Legal and Constitutional Services. It was reported that the Council had had one of the lowest levels of redundancies in London. The actual number of redundancies was 288 with a small number of those being non-compulsory.<sup>118</sup> The Deputy Leader stated publically in 2011 that these staffing changes were not expected to impact on service delivery.<sup>119</sup>

The Council had looked at additional forms of cost avoidance. Channel migration – moving to greater online communication with residents – was one. The Council had increased the number of communications and transactions conducted online.<sup>120</sup> An Office Accommodation Programme had been put in place to move staff out of two of the Council’s main office buildings, bringing them into a single site, in which there would be more hot-desking. Those vacated buildings could be sold off and overall operational overheads reduced. This was also an example of an ‘Invest to Save’ initiative, these being small investments in areas where spend now would yield savings through longer term cost avoidance. Other ‘Invest to Save’ examples included: extra investment in the collection of Council tax and rates; a reablement programme in Adult Social Services and green projects, such as more energy efficient street lighting. It was reported that it had been possible to

---

<sup>116</sup> Frontline services were defined as the things which people day-to-day come into contact with.

<sup>117</sup> Council Meeting (Extraordinary) Thursday, 21 October 2010. Agenda item 3a.

<sup>118</sup> Redbridge Annual Accounts: 2010/11, 2011/12, 2012/13.

<sup>119</sup> “It’s still people’s jobs but it won’t impact on service delivery...” quote from [http://www.guardian-series.co.uk/news/rbnews/8306801.REDBRIDGE\\_\\_Options\\_outlined\\_for\\_\\_\\_4\\_million\\_savings/](http://www.guardian-series.co.uk/news/rbnews/8306801.REDBRIDGE__Options_outlined_for___4_million_savings/)

<sup>120</sup> E.g. the Finance Team had trebled the number of transactions it conducted online. (Local Government Chronicle, ‘Best practice makes a top team’, September 9 2010)

make these investments due to the level of savings achieved early on in the savings programme.

Beyond back office savings, restructuring of some services, and other ways of finding savings, the Council had prioritised and had “*trimmed*” its spend on some frontline, discretionary services. There were some reductions in the level of subsidies to the leisure service and in the youth service, for example, to a sailing centre and to an outdoor education centre. The number of public toilets had been reduced and there were some small reductions in the regularity of grass cutting and of street sweeping. The Council had sought in this way to retain the breadth of its service offer, although some funding streams did cease, for example, funding to the Redbridge Arts Council.

In its savings decisions the Council had made considerable efforts to engage the public. This is something which marks the Redbridge response. The Council pioneered an online public consultation tool, You Choose.<sup>121</sup> The tool gave residents an opportunity to express their opinions as to what areas of the Council’s spend should be reduced.<sup>122</sup> The Council also sought to bring staff along in savings decisions, consulting them for savings suggestions. In seeking to be transparent, the Council, from the outset, planned the savings programme across a three year budget. Departments would be better able to adjust and plan ahead.

The Council had sought to both respond to particular resident concerns within its savings decisions, and to protect the vulnerable/at risk. A proposal to close all public toilets was amended in response to concerns of elderly residents; half the original number proposed were closed. Plans to end funding for three discretionary youth services – the music service, the drama centre and an outdoor education centre – were not pursued. Monies were guaranteed to those services, albeit at a reduced rate of subsidy, across the three year savings period. In the Council’s Corporate Strategy 2012-14 there is a commitment to “*use our resources in a fair and equitable way to meet the needs of the most vulnerable people.*” With every growth and savings option an equalities and sustainability impact appraisal was completed. It was reported that one of the savings options officers felt the Council might need to consider in the savings programme was a further tightening of the eligibility criteria in Adult Social Services. The Council had not, however, changed its eligibility criteria since the cuts, thus affording protection to services for residents with greater substantial need.

Redbridge had reportedly not sought to offset reductions in central funding through significantly increasing income from residents. Within the Council’s savings proposals increases in charges for frontline activities were considered, for example, possibly increasing contributions required from service users towards their Community Based Care were they assessed as able to pay or increases in charges for some youth services.<sup>123</sup> However, the Council reported that changes in charges had not featured heavily in its savings programme. Analysis of central Revenue Outturn data appears to support this (Figure 12). Neither had the Council drawn heavily on its reserves. Though the Council had drawn down reserves for

---

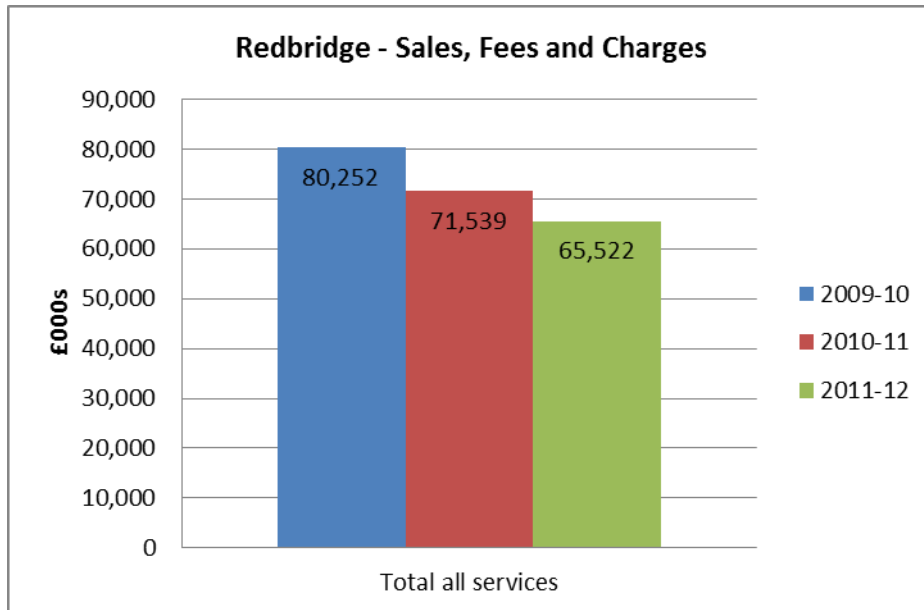
<sup>121</sup> Redbridge Corporate Strategy 2012-14

<sup>122</sup> This tool has since been adopted by other councils.

<sup>123</sup> Equalities Impact Assessment – Revenue Budget Proposals Analysis, Cabinet Meeting, 15 February 2011.

the continued subsidisation of elements of its youth service, overall, reserves had been built-up (Appendix 4).<sup>124</sup>

**Figure 12: Sales, Fees and Charges, Redbridge 2009/10 to 2011/12**



Source: DCLG, RSX 2009-10 (17-Nov-11), RSX 2010-11 (27-Nov-12), RSX 2011-12 (27-Nov-12), GDP deflators June 2012.

Relationships with the local voluntary sector were reportedly good. VCS organisations were being encouraged to look further than the Council for funding but the Council reported that grants to the voluntary sector had not been cut overall, though grants funding had not increased. A new funding pot had been created for the local VCS. Subscription fees to London Councils have been reduced since the cuts, with the effect that Redbridge had decided to redirect part of those funds to create a Redbridge Community Fund (to the value of £0.2m) for which the local voluntary sector could bid.

Overall, the feeling amongst senior officers and Members was that they had responded very effectively to the cuts. It was felt that the partnership administration had been conducive to the making of sound decisions; proposals were thoroughly scrutinised and there were what was described as two teams battling for the Council. There were also comments to the effect that, having long been a ‘value-for-money’ borough, used to delivering Council-wide savings of 2-3 per cent per annum since the early 2000s<sup>125</sup>, they had robust processes in place, which helped when it came to making much more major reductions in 2010. This said, making savings had been a hard process. The magnitude and suddenness of the cuts were described as traumatic and a notable challenge for this Council was that some of the savings options other councils could consider in 2010 were not on the table; they had already been done the previous decade. Now seemingly just in “half-time”, there was

<sup>124</sup> It was noted that the strategy to increase reserves was a reaction to the greater risks which are coming to bear on councils as a result of the cuts from central government and related transfers of some responsibilities from central to local government, which it was noted bring more risks. It was also noted that increasing reserves reflects anticipation of further cuts.

<sup>125</sup> Delivering Efficiency – Forward Look 2006/2007 Report, Cabinet Meeting, 18th April, 2006.

concern about further cuts and how those could be absorbed, particularly against a backdrop of what was regarded as an unfair level of funding from central government.

## Under-Fives Services

In 2010 Redbridge Children's Services had a stock of fourteen children's centres, from Phases 1 and 2 of the Sure Start programme. There were plans to create a further eight in a third phase<sup>126</sup>, by April 2011.<sup>127</sup> These children's centres were providing the statutory 15 hours of weekly childcare to 3 and 4 year olds in the borough, as well as supplying a range of support services for families. Children's Services was part managed as a Children's Trust and Early Years services came under the remit of this Trust. The Trust had been established in 2004; Redbridge was one of the first Local Authorities to move to this integrated model.<sup>128</sup> One reason for this form of partnership working and integration of services is that resources can be maximised.<sup>129</sup> By April 2007 all frontline services in social services, health, as well as many in education, were operating as integrated multiagency teams in part through three Children's Resources Centres.<sup>130</sup> As well as delivering savings it was also felt that service integration had delivered benefits in the service itself:

*"We believe that the integration of our services has had a positive impact on the lives of children and families in the borough."*<sup>131</sup>

Since 2010, the Early Years element of Children's Services has had to deliver £0.3-0.4m of savings. This was said to be a small cut given the service baseline, which was described as "quite generous":– the overall budget, as originally set for the 2010/11 financial year, for the Children's Trust and the Non Trust element of Children's Services combined was £54m. The Children's Trust had the larger budget; £30m compared to £24m for Non Trust Services.<sup>132</sup> Like other areas of the Council, the department had also had to deliver an overall annual 2-3 per cent of savings.

The £0.3-0.4m cut had reportedly had little impact on the provision for under-fives.<sup>133</sup> The actual changes that had been made in the Early Years service consisted of a reduction in headcount of a group of teachers employed to support the Early Years Private, Voluntary, Independent sector (from nine to three), "modest" reductions in grants to the voluntary sector and greater targeting in the service:

---

<sup>126</sup> Schemes and Estimates for a programme of seven Phase 3 Children's Centres in Redbridge Report, Cabinet Meeting, 27April 2010.

<sup>127</sup> LB Redbridge Children's Services Resource Pack 2011: Signposting key services for children and their families provided by the Local Authority and by Health.

<sup>128</sup> Due to the changes around Primary Care Trusts, Trust functions had been brought back in house at the point of this research, so the Trust no longer existed.

<sup>129</sup> Schemes and Estimates for a programme of seven Phase 3 Children's Centres in Redbridge Report, Cabinet Meeting, 27April 2010, 4.2. Referring specifically to Value for Money of Children's Centres.

<sup>130</sup> LB Redbridge Children's Services Resource Pack 2011: Signposting key services for children and their families provided by the Local Authority and by Health.

<sup>131</sup> Ibid. Quote from a senior officer statement as reported p.3.

<sup>132</sup> Transfer of Budgets within Children's Services Report, Cabinet Meeting, 2 November 2010.

<sup>133</sup> It was noted that in the period 2011/12 to 2013/14 increased funding totalling £2.2 million has been included in the DSG budget to fund the Early Years Single Funding Formula in Private, Voluntary and Independent settings to fund 3 and 4 year olds accessing free entitlement to 15 hours of education.

*“I think since 2010 there has been a perceptible shift away from universal services to more targeted services, but we still maintain quite a lot and quite a broad range of services.”* (Senior officer)

Overall, in the opinion of a respondent, the under-fives service in Redbridge had been largely protected in the post 2010 savings programme. There had also been protection of the Early Intervention Grant. One explanation suggested for this was *“the disposition of local Members”* (Senior officer).

Not only had the service been afforded protection, it had also been expanded. The programme for introducing Phase 3 of the children’s centre programme was delivered. In addition there was evidence of the Council having invested in provision for under-fives. As part of its leisure provision the Council had agreed a £0.5m loan towards a new indoor play centre at Fairlop Waters, through its leisure Trust – Vision Redbridge Culture and Leisure.<sup>134</sup> The play facility, Fairlop Owls Indoor Play Centre, opens this year and creates an income generation opportunity from the possibility of private hire.<sup>135</sup> The introduction of a MASH (Multi Agency Safeguarding Hub) in April 2013 was providing a front door through which people coming into contact with the service would have their cases dealt with more effectively. Overall, the view expressed was that:

*“...there hasn’t been any negative impact on frontline services or the quality of services. Those have been maintained. In fact...the quality and the capacity of the service has increased in the last years...”* (Senior officer)

In Children’s Services more broadly there were some larger savings items. In the Children’s Trust, for example, a review of non-statutory services would deliver almost £0.5m of savings, ‘Miscellaneous Savings within the Children’s Trust’ a similar figure over the three years of the savings programme. There was a reorganisation at middle management level and a review of transport costs associated with education services. There was evidence of ‘channel migration’ – shifting the way that users interact with the Council through moving to more digital models. One example given was of school admissions, which were being dealt with now as far as possible digitally.

There were a number of challenges ahead. There are demand pressures on Children’s Services due to the demographic of the borough’s population. Redbridge’s population includes a higher than average (Table 8) percentage of children and there is projected further growth in that segment of the population due to in-migration into the borough, something it was thought was linked to the high performance of Redbridge’s schools. A further pressure was the provision of places for two year olds and making sure that all those parents entitled to that service and wanting it would have a place for their child.

## Youth Services

In 2010 Redbridge Council’s Youth Service included four youth centres and a youth bus, part of the Council’s detached youth service – both offering a variety of services. The Council

---

<sup>134</sup> [http://www.guardian-series.co.uk/news/rbnews/10146649.Council\\_to\\_loan\\_\\_\\_500\\_000\\_for\\_new\\_indoor\\_play\\_facility/?ref=rss](http://www.guardian-series.co.uk/news/rbnews/10146649.Council_to_loan___500_000_for_new_indoor_play_facility/?ref=rss)

<sup>135</sup> [http://www2.redbridge.gov.uk/cms/news\\_and\\_events/latest\\_news/2013/january/round\\_up\\_of\\_cabinet.aspx](http://www2.redbridge.gov.uk/cms/news_and_events/latest_news/2013/january/round_up_of_cabinet.aspx)

offered a range of discretionary services including a drama centre, outdoor education centre and a subsidised music service. There were 4700 contacts with the service during 2009/10. In 2009 the Council was working towards the implementation of an Integrated Youth Service and was consulting on a Supporting Young People strategy as part of this. The borough's Children's Resource Centres, already working on an integrated model, would provide a platform for introducing the new integrated delivery model for young people's support. As well as being a strategy for service improvement, there were also efficiencies to be achieved in remodelling towards an integrated youth service.<sup>136</sup>

In connection with the cuts, there had been some changes in the service between 2010/11 – 2013/14. Over this period the Youth Service had to make savings of £2.1m. The £2.1m of savings were delivered through five main areas: Connexions (0.74m); the principal Youth Service budget (£0.58m); the music service (£0.54m); Youth Offending and Targeted Prevention (£0.15m) and the drama service (£0.11m). The focus was, as elsewhere in the Council, on protecting frontline services. There were savings in the Connexions contract, through its retendering and extension; savings in Connexions was, overall, the main area of savings. There was also a removal of duplication in part of the service, through the cessation of an information facility, Ilformation.<sup>137</sup> In addition there was deletion of some posts, delivered as part of the restructuring of the service. These savings impacted both manager level (in the Youth Offending and Targeted Prevention Service) and support staff positions.<sup>138</sup>

There were, however, what were described as “*some good news items*” in youth services. Though Members had planned, at one point, to cut the grant to the discretionary music service, drama centre and the Council's outdoor education centre, this decision was revoked, so protecting about £0.5m of spend on the Youth Service. The size of the grant to these services did get cut, as noted above, but the services continued with a view to giving the organisations time to look for longer-term, sustainable financial support. These services were considered some of the ‘jewels in the crown’ of the Council's discretionary service offer, the drama centre being, for example, the only centre of its kind in the country and both nationally and internationally known.<sup>139</sup>

In terms of changes to frontline services, there had been a move towards greater targeting. The Connexions Service has become more focused on the most vulnerable/at risk and in the Youth Service more broadly, there is a refocusing on youth work with vulnerable young children.<sup>140</sup> In 2011 the Council reduced the number of outlets through which it supplied its youth service provision, from four to three, with the closure of the Downshall Centre. The services provided would continue to be available from the remaining centres.<sup>141</sup> It was reported that there had not been an increase in charges over the savings period, nor an introduction of new charges.<sup>142</sup>

---

<sup>136</sup> Developing Integrated Youth Support Services Report, Cabinet Meeting, 28 April 2009.

<sup>137</sup> LB Redbridge, Final Report of the Integrated Youth Services Scrutiny Working Group, April 2012, p.11.

<sup>138</sup> Ibid.

<sup>139</sup> Ibid, p.20

<sup>140</sup> [http://www2.redbridge.gov.uk/cms/the\\_council/about\\_the\\_council/the\\_councils\\_budget/the\\_councils\\_budget\\_2012-13/childrens\\_service\\_2012-13.aspx](http://www2.redbridge.gov.uk/cms/the_council/about_the_council/the_councils_budget/the_councils_budget_2012-13/childrens_service_2012-13.aspx)

<sup>141</sup> LB Redbridge, Final Report of the Integrated Youth Services Scrutiny Working Group, April 2012.

<sup>142</sup> E.g. a termly £4 charge for youth centre use predates the CSR 2010 cuts and associated savings programme.



There was evidence of Redbridge seeking to invest further in the Youth Service, in spite of the savings drive. One area where the Council has developed its youth offer since 2010 is the 'Work Redbridge' programme, coordinated by the Council's Inward Investment Unit. Work Redbridge is a local partnership of thirty members that aims to support people in their job search. The role of the programme was described as "*facilitating*" (senior officer), to bring people, including young people, into contact with employers and trainers and to try and break down some of the barriers in the way of that contact. Other than this, some Members of the Council have called for further investment in the Hainault Youth Centre.<sup>143</sup>

## Older People's Services

In Adult Social Services significant efficiency related changes had been delivered prior to 2010. Like other parts of the Council, the Adult Social Services team had had to make year-on-year savings of 2-3 per cent from the early 2000s. Additionally, they had offset a departmental overspend which had existed at the start of that decade. Key examples of back office savings that had already been made included: outsourcing the department's Home Care (early in the 2000s)<sup>144</sup> and, in the residential care service, a long-term residential care contract had been put in place. There had been frontline changes also in this pre-CSR period: the service eligibility criteria were changed in 2007 from substantial and critical care, to 'greater substantial' and critical. Taken together, these changes had been a means of achieving the millions in savings needed over the first decade of the 2000s, with some of the big savings being made around the tightening of the eligibility criteria in 2007. It was felt, nonetheless, that the efficiencies and removal of the overspend had been delivered along with service improvement.<sup>145</sup>

At the point of the 2010 cuts then, a lot of efficiencies had already been delivered in the service. There were both advantages and disadvantages to being in this position. On the one hand, the Council had transitioned through an efficiencies programme more gradually and so this meant that the 2010 cuts were not the "*big bang*" they were in some places (senior officer). On the other hand, there was now a limited amount to look at in terms of what could be done to achieve savings. About eighty per cent of departmental expenditure was, by this point, on people getting a service. The bit left from which to make savings was relatively modest.

Nonetheless, from 2010 forwards further savings were achieved. The back office was looked at again. The main source for savings in the post cuts period was staffing. A sum of £1.75m was removed through a reorganisation and restructure. This impacted staff working in back office and frontline functions. Performance, strategy and commissioning teams were looked at. Some senior management posts were deleted and the size of the learning and development team was reduced. Some posts were "*squashed*", so one person might

---

<sup>143</sup> Ibid, p.19

<sup>144</sup> Redbridge had been one of the first authorities nationally to do this.

<sup>145</sup> By 2010 the service was very highly rated by external assessments, with a three stars rating (the highest rating possible) by CQC.

now have responsibility for both performance and communications, previously split between two people.<sup>146</sup> Impacting frontline staff, a recruitment and retention payment which social workers and occupational therapists had historically received in Redbridge, over and above their salary, was removed. Market comparison revealed that this recruitment and retention payment was above market rate and its removal was seen as a better option than the alternatives – cutting some social worker and OT posts, or having people wait longer for a service (senior officer). This saving was described as a tough piece of work but, overall, the frontline service was not impacted, it:

*“...did not directly impact on older people...It just made us more efficient.”* (Senior officer)

A second strategy for post-2010 savings was investment in preventative work. Recognising that the Council cannot absorb increasing long-term care pressures indefinitely, the Council had looked for ways to prevent people coming into the service earlier. Small pieces of equipment such as kettle stands and bath rails were offered without assessments or delays. People could then be self-supporting over a slightly extended period. The Council also introduced a reablement programme. On coming out of hospital people who needed it would receive a package of care, usually six weeks at around nine hours a week of care. Once properly back on their feet, that care could then be withdrawn. The Council had retained a community meals service. The service was structured so that meal delivery was more than just a door-step drop-off, with drivers spending ten or so minutes with each person. Part of the explanation was the value of a daily personal contact for the well-being of elderly people. A respondent quoted anecdotal evidence that the service had a preventative function.

Thirdly, the team had begun restructuring elements of the service onto a hub model. An example here was of the transfer of some day care service provision to a local community centre. Users had welcomed this change as it integrated them into a larger community service where a range of activities were taking place. There was some thinking going on as to whether this hub model could be introduced more widely. It would mean that people would be able to access a broad range of services through a single local outlet. One saving that might follow from this more locally based model would be savings in transport costs.<sup>147</sup>

Overall the message was that frontline services have, to this point, been protected since 2010 and, based on the CQC reports, are of a high quality. Service user satisfaction is reportedly high with Redbridge ranking top in London on ASC satisfaction when compared to its nearest neighbours.<sup>148</sup> In addition the Council has added some new elements to the service, for example, new services around supported living for people living with mental ill health, delivered in partnership with North East London Foundation (Mental Health) Trust.<sup>149</sup> It was also reported that strong relationships with the voluntary sector had been maintained and that the Council had not cut grants there. In 2013/14, within the ASC

---

<sup>146</sup> Senior officer interview

<sup>147</sup> The team reported that

<sup>148</sup> Summary Local Account December 2012, Redbridge Council, p.16-17

<sup>149</sup> Ibid, p.13.

budget, the Council had actually allocated a small amount of new funding to the Redbridge Volunteer Centre.<sup>150</sup>

Further cuts on the horizon potentially pose a challenge however. There were ideas up for debate about how additional savings could be achieved. Along with the possible greater use of a hub model, the potential to outsource day care was one. Further, the team is at the early stages of introducing an Adult Social Care Outcomes Toolkit (ASCOT) so it can better grasp how the services it offers impact on the quality of life of its service users<sup>151</sup>, reflecting a move towards more outcomes based budgeting. Nonetheless, with rising demand pressures, and rise in high-level need, any further cuts would pose a problem. Another concern was that some opportunities were being missed due to reduced capacity. For example, the training team had had to be reduced meaning less resource for learning and development long-term.

## Summary

Redbridge is delivering £25m savings across a three year period from 2011. These savings were found through a combination of: back office savings; service restructuring; other ways to make savings (such as channel migration and 'Invest to Save' projects), as well as prioritisation of services. The back office had been the main focus in finding these savings. The Council had negotiated with service providers to secure savings in contracts. Staff costs had been reduced, through bringing jobs together, not filling vacant posts, some deletions of posts and, in a couple of examples, working with another borough. Through an office accommodation programme the Council's central departments are coming out of two of its main administrative buildings. The Council had made other small investments to yield some longer term savings, for example through green initiatives and debt collection. It was also migrating some of its communications with residents to online channels.

In terms of what has been done to frontline services, the Council has focussed on trimming services rather than reducing the range of services. There were cases where a facility had been closed (one youth centre, for example) or a funding stream cut (to Redbridge Arts Council). On the whole, however, much of the frontline services provision had been maintained. Subsidies to some discretionary services had been reduced, and the Council had used some of its reserves to do this. The Council was working with local partners to continue services it could not continue to run wholly in house; libraries and parks had been put out to a VCS trust. In its savings decisions the Council had afforded special protection to discretionary youth services. Also, the Early Years element of Children's Services had not been asked to make relatively small savings above a standard 2 per cent. The Council was also finding ways to manage demand. In Adult Social Services a reablement programme had been introduced and extra care facilities developed so that people could live independently longer, something which clients reportedly prefer.

---

<sup>150</sup>[http://www2.redbridge.gov.uk/cms/the\\_council/about\\_the\\_council/the\\_councils\\_budget/adult\\_social\\_services\\_health.aspx](http://www2.redbridge.gov.uk/cms/the_council/about_the_council/the_councils_budget/adult_social_services_health.aspx)

<sup>151</sup> Ibid, p.14.

Consultation and resident views have fed into the savings exercise through an innovative consultation tool, You Choose. The Council had responded to resident views by maintaining, for example, the borough's music service, drama service and outdoor education centre and by keeping open half of its public toilets. Due to successes in the early stages of the savings programme, the Council had later been able to put some money back in and have some 'good news' items. There has been an emphasis on transparency and on bringing stakeholders along in the savings decisions. As a Conservative-Liberal Democrat partnership the Council had adopted a collaborative approach, with both parties feeding into careful consideration of proposals, to the end, it was felt, that sound decisions were made.<sup>152</sup>

When the cuts were announced in 2010, the Council had been making annual savings of 2-3 per cent for much of the preceding decade. By its own judgement, as well as by that of external independent assessments, it was a value-for-money authority. On the one hand, having been value-for-money oriented for a long while<sup>153</sup> the Council had systems in place already to ensure that careful scrutiny and consultation were at the heart of the response to the cuts. On the other hand, the fact that significant savings had already been made prior to 2010, meant that there was less scope for easy gains. Officers and Members noted some hard decisions that had been necessitated; savings had been achieved, and they felt they had responded very effectively, but it had been difficult work. It was thought that any requirement to make further cuts would be all the more challenging given the impact upon Redbridge's income of recent changes in the way local government funding is calculated.

---

<sup>152</sup> Redbridge Partnership Agreement, 20 May 2010.

<sup>153</sup> According to one respondent this had much to do with the borough having "never been generously funded".

## Chapter 6: Summary, Discussion and Conclusion

### Classifying the Cuts

A recent report by Hastings et al. (Hastings et al. 2013) on the approaches of three English local authorities to the local government funding cuts presents a framework by which local authority responses may be classified. The framework classifies the strategies adopted under three main headings: 'Efficiency' 'Retrenchment' and 'Investment'. 'Efficiency' type approaches are those which aim to reduce costs of council services without changing service levels, as far as the public are concerned. 'Retrenchment' describes those approaches which reduce the council's role in terms of the services it provides and for whom. 'Investment' approaches are those which aim to reduce the need for council services or reduce the cost of services in the future. Under each of these three main types there are several sub-categories, defining more precisely the nature of the change and some examples (Table 10Table 1). These headings were generated through the Hastings et al. team's primary research and were agreed with their case study authorities.

In Table 11 we apply this framework to the strategies of the three London authorities. This is not completely comprehensive, since our focus has been on services for young children, youth and older adults, and thus is dominated by the large spending areas, in particular social care. Furthermore, as the originators note, classifying the strategies is a matter of judgement. For example, a strategy of raising sales, fees and charges could be categorised as 'Income generation' (1.2 within the 'Efficiencies' category) and it could also be categorised within the 'Individual charges' sub-category (2.3 within the 'Retrenchment' category). Some items included under 're-design of front-line services' might also be included in the 'retrenchment' section. The framework overall is a way of making sense of managerial strategies not a qualitative analysis of the more profound changes in relationships between the central state, local state, and civil society that may unfurl as a result. Nevertheless it is a useful way to categorise the strategies we observed and gives some indication of whether the same kinds of strategies were utilised within and outside London.

**Table 10: Strategies to Manage the ‘Budget Gap’: A Classification**

<b>Headline strategy</b>	<b>Specific sub-strategies</b>	<b>Key dimensions</b>
<b>Efficiency</b> Actions which aim to <b>reduce costs</b> of council services without changing service levels as far as public are concerned	1.Reduce ‘back office’ and ‘fixed’ costs	Management delayering; corporate redesign; reduced support functions; technology used for support; reduced interest payments; reduced office space
	2.Income generation or loss reduction	Increase traded income via selling services; more effective debtor management
	3.Seek savings from external providers	Re-commission existing contracts (unilaterally or with other LAs); outsource services; bring outsourced services ‘in-house’
	4.Re-design front-line services	Generic working; integration of services; consolidation of services in ‘hubs’; smarter working using technology; hot-desking
<b>Investment</b> Actions which aim to <b>reduce the need</b> for council services or reduce the cost of services in future	1.Encourage economic growth or increase local returns from employment	Attract investment or jobs; improve residents’ access to jobs; improve returns from work (e.g. Living Wage)
	2.(Accelerate) capital investment	Growth-orientated investment (e.g. site preparation); service-orientated investment (e.g. technology or facilities which reduce service delivery costs)
	3.Preventative revenue spend	Introduce/ expand services aimed to future reduce needs (e.g. reablement in domiciliary care)
<b>Retrenchment</b> Actions which <b>reduce the council’s role</b> in terms of the services it provides and for whom	1.Renegotiate division of responsibilities between council and other agencies	Pass responsibilities/costs to or share these with other agencies (e.g. NHS, vol. sector); development of collaborative activities; new models of provision (e.g. co-operatives)
	2.Renegotiate division of responsibilities between council and citizenry	Asset transfer to community groups; citizen volunteers to supplement or deliver services; civic responsibility and self-service
	3.Individual charges (for existing services)	New or increased charging for services
	4.Reduce the range of services supported by the LA	Service no longer provided; ‘statutory’ only level of service provided; withdrawal of subsidy for service;
	5.Continue to provide the service on a universal but reduced level	Reduced number of a specific facility (e.g. libraries); reduced frequencies (e.g. refuse collection); reduced staffing of service
	6.Continue to provide the service but target towards ‘need’	Provision targeted proportionately across the social gradient; provision focused only on the most needy groups or neighbourhoods

Source: Hastings et al. 2013