

FUND DECENT PUBLIC SERVICES FOR ALL

“Austerity has failed to protect areas in greatest need. We believe public services should be appropriately resourced. Services must be designed for the best possible social, economic and environmental impact, not for the lowest cost.”

THE CHALLENGE

Public sector austerity is a false economy. Austerity has affected the ability of local public services, to reform and innovate. Furthermore, austerity has undermined the context to business growth, who need decent public services as the basis to their success (including roads, education and skills etc.). Deprived areas and local authorities have been particularly hard hit.

The full effects of austerity on business and economic success will continue for years to come. Coupled with increased demand, this has meant much government-funded provision has been reduced to fire-fighting.

WHAT NEEDS TO BE DONE?

EASE BACK ON LOCAL GOVERNMENT CUTS

Government must ensure real terms growth in resources to local government, to avert a funding meltdown (particularly in social care and children’s services) and to protect the most vulnerable. We need to restore funding to 2015/16 levels for each year of the next parliament. On top of that, an additional 0.5% real terms growth (above inflation) should be implemented. This will cost £2.3bn extra to 2021/22. This represents a total increase in resources to local government of £6.5bn (£4.2bn increase for 2017/18 to bring spending to 2015/16 levels, and £2.3bn extra over five years) for the life of next parliament. This scale of funding does not represent a reversal but would halt the decline, protect some services and give local government a chance to accelerate a fairer public sector reform and advance innovations in service delivery.

A FAIRER APPROACH, WHERE THE POOREST AREAS GET MORE

Some places simply do not have the wealth or industry to generate enough taxation locally to support the people that live there. We must redistribute resource according to social need. This is about abandoning the uniform approach to public spending and future resource allocation in favour of a robust needs-based approach to public service funding. This would create a more level playing field for those locations with greatest social need, so they can develop the social and public service platform to achieve economic growth and place success.

LONGER-TERM, ‘PLACE BASED’ FUNDING POTS

Many of the social and economic challenges that lead to a demand on public services are place based, complex and deep-rooted. As such, more places should be given longer time-frames, pooled pots of place based funding, covering the main elements of public resources within any given locality. This includes devolved power over health budgets so that services target specific local priorities, and to allow better alignment between health and other sectors, especially social care.

SOCIAL VALUE, NOT COST

Commissioning services according to cost is a false economy: a cheap service that does not enable positive social and economic change is a waste. Central government needs to build on the outcomes-based commissioning work taking place across the UK and support the commissioning of services that deliver the change that matters to people.