

Seeking a truce in t

Kicked around by political parties and a polarising topic for voters, welfare reform provided potent fuel for the LGC Civica Question Time debate. By **MARK SMULIAN**

Possibly the last thing anyone involved with welfare reform would welcome is further uncertainty.

But that is what they will get as the 2015 general election approaches.

There has been plenty of debate and uncertainty about whether Universal Credit, the bedroom tax, localised council tax support and other reforms are workable or right in principle, quite apart from the issue of whether the supporting technology will work.

On top of that now comes political uncertainty, with prime minister David Cameron floating ideas such as barring those aged under 25 from claiming housing benefit, and Labour hinting it would revoke parts of the coalition's reforms.

The question and answer panel session at Civica's 2014 conference in Manchester kicked off with chair John Humphrys, of BBC Radio 4's Today programme, inviting the audience to vote on whether political developments would be more or less important to welfare reform this year than last.

An overwhelming majority felt, or possibly feared, that they would, with an equal number believing welfare reform itself would become more important.

Asked about the readiness of their organisations for welfare reform, responses, as last year, clustered in the middle between 'not ready' and 'very ready', and there was a strong belief that the role of technology would become more important in welfare reform.

The panel (see box) had divergent views on welfare reform but all agreed it would become more important because politicians would make it so – the government's language about 'shirkers versus strivers' and Labour's about helping 'squeezed' people with the cost of living were signs of how each wished to appeal to different political audiences.

Anne McElvoy, public policy editor of The Economist, said: "Welfare is where views are very strong. It's not expenditure that is driving the argument, it's much more about what people feel at a deep level about the welfare system that will become part of the way the parties try to define themselves.

David Orr, chief executive of the National Housing Federation, feared "a great deal of political noise and heat but very little light".

Former Labour work and pensions secretary Alan Johnson conceded: "Welfare reform plays well for the



Conservatives and governments make the political weather", while former Conservative shadow home secretary David Davis felt all parties agreed with the aim of Universal Credit to help alleviate the poverty trap as people tried to move from benefits to work, and called in particular for reform of housing benefit 'tapers' that can make work potentially not worthwhile for some.

But he warned: "There will be row after row over implementation, and I don't know of a single Whitehall IT project of over £1bn that has ever come in on time and on cost or anywhere near it."

Most audience members felt welfare reform would grow in political importance this year



the welfare civil war



THE DEBATE

PANEL (from left, main picture)

David Orr, chief executive of the National Housing Federation.

Anne McElvoy, public policy editor at The Economist.

David Davis, Conservative MP, former shadow home secretary and now chair of the Future of Banking Commission.

Alan Johnson, Labour MP, former trade union official and former home secretary and secretary of state for work and pensions.

HOST

John Humphrys, anchor presenter of BBC Radio 4's Today programme.



“ I don't know of a single Whitehall IT project of over £1bn that has ever come in on time and on cost or anywhere near it **David Davis**, former Conservative shadow home secretary

With Universal Credit yet to take full effect, most controversy centred on the bedroom tax – or ‘spare room subsidy’ as ministers prefer to call it.

Mr Johnson said: “The bedroom tax is cruel. It's designed to get people to go into smaller accommodation when the government knows that isn't available.”

Drawing on his social housing experience, Mr Orr agreed. He said the Department for Work & Pensions was trying to skew future public housing investment towards one-bedroom properties “not because that is what we need as a nation but because it's a response to the bedroom tax”.

He added: “The bedroom tax is the worst piece of social policy by far since the poll tax. One of the big lies is that it brings social housing into line with the private sector, but the equivalent there was imposed only on new tenants.”

Mr Davis denied that the bedroom tax was “vicious”, but stressed the need to get the welfare bill under control and help claimants into work.

Despite the words of his own party's ministers, Mr Davis declared: “I detest the language of ‘shirkers versus workers’.

“Of course there is a problem of people misusing the system but it's very difficult if you lump them all together under a pejorative

phrase. There are people of working age in parts of the country where there are no jobs.”

This led to a discussion of how to support people into work.

Mr Orr said: “The government says housing benefit spending is out of control and I agree.

“In the last three years growth in housing benefits for people out of work has been 3%, and for those in work 104%.

“The real growth is people who are working and doing their best but who cannot raise enough income to pay their housing cost because we have got a housing market that has completely lost any sense of connection with what people can afford to pay.

“That is where growth in housing benefit is going, not because under-25s who should be in work are coining it.”

He and Mr Johnson dismissed the prime minister's call to remove housing benefits from under-25s as a piece of populism, but Ms McElvoy argued that if resentment grew against people seen as content to live on benefits the welfare system itself would lose legitimacy.

“It's important welfare systems have the support of the population. If they become unpopular might there be something wrong, ▶

LGC Civica Question Time debate



not just people exploiting it," she said, adding that while some people assume they have to get skills and work, they see others who don't, and "people don't feel good about this".

Greater conditionality on receiving benefits in Denmark and Germany had led people into jobs – albeit low paid ones – and "taken some of that anger out of the debate", Ms McElvoy said.

Such anger was a problem for Labour, Mr Johnson admitted, saying he warned supporters that, while the party cared about poor people, "we can't just be about benefits".

Mr Orr maintained that threats to the under-25s' benefits were indeed political posturing, noting: "If ever there was a measure that was about noise and not generating light, that was it.

"Jobs are not available for these people but the government is building the agreement in favour of welfare reform by traducing young people who are doing all the things we ask in an economy that does not give them jobs."

Mr Davis said political speeches could never deal with detail and said the prime minister simply wished to

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Anne McElvoy, The Economist

"stop people taking the choice at 18 to leave home to no job and no learning just to go on to unemployment benefit".

The chancellor has said he will not touch pensioners' benefits and the panel felt it was time to look at savings from those, a proposition with which the audience agreed strongly on a show of hands.

Mr Johnson said: "This is very much a war of the generations now. It's become that you don't touch anything to do with pensioners, no matter how expensive it is."

He said 60% of the benefits bill was spent on pensions, and "in an age of austerity those who don't get back into work will be 18-25 year olds with no experience, and that will be a social time bomb.

"I'm 60 and still working but get a free pass for London Transport and a £200 fuel bonus. Is that right?"

Mr Davis argued the difference was that younger people could take the

initiative to improve their circumstances, while pensioners generally could not.

He also noted that older people were more likely to vote than younger ones, and consequently politicians were more attentive to their concerns.

Mr Orr said debate had become stuck on welfare systems rather than job creation.

"If you grew up where there is no work do you say 'move to London', where housing costs are already out of control, or do you have a debate on how you can get work to those places?" he asked.

But is everyone willing to work? Mr Davis recalled he had been "terrified" by a programme once presented by Mr Humphrys in which long-term unemployed people in south Wales had been relaxed about their children doing the same.

"That made my heart

sink," he said. "You need a welfare state for people who really need the help, and you've got to carry the population with you because it's costing us £3,000 per household per year."

Questioned by the audience about a negative image of claimants created by media coverage, Ms McElvoy denied that this was a distortion or that the media as a whole had any agenda.

"All people always feel badly treated by the media because they don't see the thing reflected they would like about the job that they do," she said.

"There is now a lot of information out there about the welfare system. To talk about the media as though it told everyone what to think does not reflect the truth. People are supportive of the welfare state but they can see what is going wrong with it."

Mr Humphrys concluded by asking each panellist which single welfare reform they would make were they prime minister.

Their answers showed the breadth of issues in this complex field and the variety of contentious potential answers.

Mr Orr: "I would repeal the bedroom tax as it gets in the way of everything else."

Ms McElvoy: "Jobs will change massively, with much higher emphasis on maths, English and basic skills. Get the idea to kids earlier that they are what they will really need, not to rely on the benefits system."

Mr Davis: "Move to a Swiss-style canton system that is much more localised and discretionary so you get human decisions rather than rules from on high."

Mr Johnson: "I would have incentives for employers to take on 18-25 year olds or, as we know from the 1980s, we will store up those problems for the future."



COMMENT
TIM MAGNESS
 Group marketing
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Year of hard truths is a chance to redefine relationship between people and state

While growth may be gradually returning to the UK, it seems clear that 2014 will be a challenging year for local authorities with the chancellor declaring it "a year of hard truths".

Without doubt, councils have achieved much to maintain and improve services while spending less, yet the combination of shrinking budgets and increased pace of change demands more. Unsurprisingly this mounting pressure was at the fore at Civica's annual conference last month.

The context for the event was set in an opening plenary from Dr Martin Reeves, chief executive of Coventry City Council and immediate past president of the Society of Local Authority Chief Executives (SOLACE). While referring to seismic changes in the sector, he presented a brighter vision for delegates driven by a once in a generation opportunity to reshape local services and redefine the relationship between people and the state. As part of this, Dr Reeves called for the greater use of disruptive, innovative ways to drive a new landscape of efficient, integrated services. Several recurring themes emerged. These included:

The innovation imperative

Innovation, in services and in service delivery to support new ways of working, remains at the heart of the conversation. In a report we commissioned with independent think-tank Localis – Changing Places: How Innovation and Transformation is Taking Place in Local Government – 80% of respondents pointed



to the responsibility of local authorities to foster a culture of innovation.

Service improvement goes hand in hand with technological improvement, with 33% of delegates agreeing that the use of technology will help them meet their financial targets. In an era where convenience trumps everything, the digital organisation has come to the fore, with immediate channels and automated processes available any time, any place and through the cloud. Most delegates agreed that more agile and flexible working, including the use of social media, is a crucial area where authorities can innovate and improve services.

Indeed, over half admitted to using social media as a means to both reactively and proactively reach out to their citizens. The report found that the most efficient solutions to help local authorities meet their goals in the future are those which support agile working (86%), followed closely by moving customer-facing services online (83%) and using social media to engage with citizens (80%).

The sector is often criticised when it comes to speed of innovation. However, local organisations have simply been getting on with the task, and we are seeing more authorities showing what can be done with clear vision and leadership.

Cultural change

Part of the increasing pace of change is a cultural shift both for society and within organisations. With significant differences between authorities, levels of change required can differ. Increasingly, conversations are developing at all levels and not just from the top down.

As part of a move to meet current and expected challenges, Eastbourne Borough Council is a good example of an authority that has developed a new organisational model for the future. The council devised and launched an integrated transformation programme, with the aim of moving towards a fully digital

foundation for core processes and interactions whilst reinventing the engagement and interaction with people and businesses.

Enabled by automated workflow and document management, Eastbourne developed a customer-centric service delivery model, giving employees better flexibility to support wider areas and departments of the council, an important cultural change to deliver an ambitious local vision whilst driving required savings.

The value of sharing best practice examples

Throughout the course of the two days, panellists and delegates alike shared examples of where partnerships with third parties and other councils had really benefited. For example, Vic Allison, deputy managing director at Wychavon DC, explained how the authority has partnered with Civica and two other councils, Malvern Hills DC and Worcester City Council, as part of a strategic move to provide job security and achieve cost savings of £3m. Increasingly, local organisations are seeing themselves as part of the 'public service family', and this will only amplify further going forward.

The sharing of best practice should not be restricted to just the UK, and there is a lot that can be learned from other countries.

Looking beyond austerity and its implications, there is of course the fundamental and ever present need to support and safeguard people and places, as demonstrated by this winter's weather. As people and communities continue to change, the need to put individuals at the centre of everything they do is paramount. We've seen first-hand that a clear vision and focus can go a long way.

As new reforms take hold, it seems clear that 2014 will be a year in which organisations take further significant steps through thinking and acting differently, and from which emerges a new landscape.

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