



NOVEMBER 2014

[illegible]

JONATHAN COOK, CHRISTINE DOEL, RICHARD HINDLE AND MARIAN MORRIS

# SQW

## FOREWORD

In the immediate aftermath of the referendum on Scottish independence, there was a palpable sense that change was inevitable and economic and political life across the UK would never be quite the same again. On 3<sup>rd</sup> December 2014, the Chancellor of the Exchequer is due to present his Autumn Statement to Parliament. This will be the first real opportunity since the completion of the referendum process for the government to set out elements of its response, recognising that the project of devolution has the scope to influence almost every sphere of socio-economic policy.

SQW works across a number of different policy domains, particularly those relating to spatial development (including local enterprise, and skills and employment), innovation, children and young people, and public service delivery. In early autumn, SQW's 13 directors met together to reflect on the likely contents of the forthcoming Autumn Statement and to consider the potential implications in relation to different elements of our own work. This Viewpoint distils the main points of our discussion.

We will discover – on 3<sup>rd</sup> December 2014 – the accuracy or otherwise of our own “crystal ball gazing”. “Forward thinking” of this nature is an imprecise science, but we hope you will find this Viewpoint stimulating and thought-provoking in anticipation of the Chancellor’s announcement.

**Chris Green**

Chief Executive, SQW Group

[cgreen@sqwgroup.com](mailto:cgreen@sqwgroup.com)

### THE VIEWPOINT SERIES

The Viewpoint series is a series of ‘thought piece’ publications produced by SQW and Oxford Innovation, the operating divisions of SQW Group.

The aim of the Viewpoint series is to share our thoughts on key topical issues in the arena of sustainable economic and social development, public policy, innovation and enterprise with our clients, partners and others with an interest in the particular subject area of each paper. In each Viewpoint, we will draw on our policy research and implementation experience to consider key topical issues, and provide suggestions for strategic and practical solutions.

## THE CONTEXT FOR AUTUMN STATEMENT 2014

The Autumn Statement is one of two “set piece” presentations that the Chancellor of the Exchequer makes to Parliament each year. This year’s Autumn Statement is scheduled for 3<sup>rd</sup> December 2014.

The purpose of the Statement is to **provide an update on the government’s plans for the economy based on the latest forecasts from the Office for Budget Responsibility (OBR)**. These forecasts relate to economic growth and government finances. They provide the “envelope” for the government’s decisions about revenue collection (through the taxes paid by individuals and businesses) and expenditure. **The Autumn Statement therefore sets out any changes to the tax system and it includes announcements on spending decisions.**

As we look ahead to this year’s Autumn Statement, there are, in our view, five contextual factors – over and above the OBR forecasts – which will have a bearing on its contents.

One is the **general election** which is scheduled for May 2015. The Chancellor will have an eye to this, and there will be a political imperative for short term measures which may appeal to undecided voters and marginal constituencies. Equally, the Chancellor is unlikely to focus on controversial issues (such as airport capacity in the south east; decisions around HS2; and fundamental issues relating to the supply of both energy and housing).

A second is the **referendum on Scottish independence**. Although the people of Scotland voted “no”, the outcome was very much closer than most (including

government) had anticipated and the political landscape has changed as a consequence. The Autumn Statement is likely to provide the vehicle for an early response with, we think, particular implications for England (and especially English cities). More generally, the narrative of “devolution” (in the urban areas) and “localism” (everywhere else) will be writ large.

A third is the **gap between the rate of inflation and the pace of earnings growth (which – despite better data very recently – has been a persistent feature of recent years, and is cumulative in its effect); and at a macro level, poor productivity performance**. Data suggest that whole-economy output per hour is currently around 5% lower than the 2007/08 peak in real terms (and 16% below the level implied by its pre-crisis trend). For individual households, this means that many people have seen their standard of living deteriorate over recent years.

These pressures are closely related to a fourth factor, namely the **increasing antipathy towards the European Union (which has been inflamed further by the request from the European Commission for the UK to make an additional budget contribution) and concerns about migration, against a political backdrop of UKIP’s ascendancy**. These themes may not be explicit, but their influence will be clear (especially when combined with our third observation above); it is probable, for example, that those in low paid jobs experiencing in-work poverty could be a particular focus, and there may be further shifts in benefit allowances for in-movers.

Fifth, Autumn Statement 2014 will have to **respond to some earlier commitments**. For example, Autumn Statement 2013 (para 2.155) stated that:

*“To ensure that UK capabilities remain world leading in the long term, **the government will produce a Science and Innovation Strategy for Autumn Statement 2014.** Central to this will be a roadmap of how the government’s long-term commitment on science capital announced at Spending Round 2013 will deliver the research and innovation infrastructure needed to*

*ensure that the UK’s capabilities remain world-leading while playing a key role in economic growth and scientific excellence”*

Autumn Statement 2014 is expected to respond to this, with priorities for long-term science and research investment following the consultation process undertaken earlier in the year.

## WHAT AUTUMN STATEMENT 2014 MIGHT SAY...

In headline terms, we expect OBR's forecasts to be somewhat more bullish than those that have framed previous Autumn Statements: prospects for economic growth should be reasonably strong while OBR's findings on deficit reduction should also be broadly "good news" – although it may be that government's income continues to be below what was forecast previously.

Underpinning both of these headlines will be data on record levels of employment and evidence to suggest that the number of jobless people has fallen to the lowest levels since 2008. The Autumn Statement will also report that levels of business

investment have increased. Implicitly at least, it will also welcome historically low rates of interest. However – whether articulated or not – there will be concerns about wage levels, and why the ongoing mystery of falling productivity is not being understood or addressed. In response, there will be a general commitment to promote flexibility and enterprise.

With an eye to the general election, the Chancellor is likely to set out an Autumn Statement that is broadly fiscally neutral (although six months away from the election, the temptation to flex the envelope may be hard to resist).

Specific announcements relating to taxation and expenditure will be made in this context. Our thoughts on twenty potential announcements are set out in Table 1, below.

**Table 1: A future view: what Autumn Statement 2014 might just say...**

| Potential announcement...  | What it means... and why we think it might appear in the Chancellor's Autumn Statement on 3 <sup>rd</sup> December 2014  |
|--|--|
| <b>1. Steps to "invest to grow (and save)" in functional economic areas?</b> | <p>As one element of the Prime Minister's commitment to greater devolution, the Autumn Statement may include measures to give local areas greater scope to implement (effectively) tax increment financing schemes. These could follow the model of Greater Manchester's Earn Back scheme (a revolving Infrastructure Fund allowing Greater Manchester to 'earn back' a portion of additional tax revenue from GVA increases resulting from local investment in infrastructure) or, on a smaller scale, Greater Cambridge's Gain Share approach (a payment by results scheme, linking infrastructure investment to the attainment of growth targets). Both schemes were a central feature of the respective City Deals.</p> <p>Consistent with the narrative of localism, measures of this nature will not be enforced on local areas, and the initiative will have to be taken locally; but there are steps that could be taken to ease the process and it is these that may feature in the Autumn Statement.</p> <p>It is probable also that measures of this type will be linked to evidence of strong local governance which may be seen as synonymous with local government reform (through the vehicle of, for example, combined authorities).</p> |

| Potential announcement...  | What it means... and why we think it might appear in the Chancellor's Autumn Statement on 3 <sup>rd</sup> December 2014  |
|--|--|
| <b>2. Steps towards elected city mayors?</b>   | <p>Although it met with ambivalence and disinterest a couple of years ago, there are indications that the Chancellor may wish to re-energise the debate around elected city mayors. In his speech in July which called for a new "northern powerhouse", he noted the advantages of having an elected representative to "<i>fight for a city's interests in the world</i>" and he noted the need for "<i>a Boris Johnson in every town</i>". He continued, "<i>I am putting on the table and starting the conversation about serious devolution of powers and budgets for any city that wants to move to a new model of city government – and have an elected mayor</i>".</p> <p>This statement preceded the Scottish referendum and arguably, it has been given added cogency by it. An announcement in relation to elected city mayors could plausibly feature in the Autumn Statement as part of a package of measures to effect genuine devolution.</p> |
| <b>3. Measures to improve connectivity to create a northern powerhouse?</b>                                    | <p>The Prime Minister has recently announced plans for a cross-Pennine railway. It is very likely that this commitment will be re-stated within Autumn Statement 2014 as part of a wider range of measures to enhance connectivity between the northern cities. The intention is that this should create, effectively, a powerhouse that delivers on its economic potential more effectively, and so helps deliver economic 'rebalancing' nation-wide. Specific priorities will build on – and respond to – the proposition for an interconnected north that was developed by One North – an alliance of Manchester, Liverpool, Leeds, Newcastle and Sheffield – and presented to the Chancellor in August 2014. This said, spend and practical action are likely to be some way into the future.</p>  |
| <b>4. Investment for a major new advanced manufacturing facility to underpin the eight Great Technologies?</b> | <p>In 2013, government announced its commitment to focus on eight Great Technologies: space, advanced materials, big data, agri-science, energy storage, regenerative medicine, synthetic biology and robotics. In parallel a series of industrial strategies have been (or are being) developed and some early investments are being made thorough, for example, the network of Catapults.</p> <p>Within Autumn Statement 2014, further announcements are probable as part of a Science and Innovation Strategy, and the identification of long-term priorities for science and research capital spending. As part of these announcements, we think there may be a commitment to a major new advanced manufacturing facility. This would – effectively – underpin some of the eight Great Technologies and facilitate the process of commercialisation. It is probable that a facility of this nature would be located in one of the northern cities.</p> |



| Potential announcement...   | What it means... and why we think it might appear in the Chancellor's Autumn Statement on 3 <sup>rd</sup> December 2014   |
|---|---|
| <b>5. Accelerated implementation of the UK Agritech Strategy?</b> | <p>In parallel, we think it possible that the Chancellor will want to take steps to accelerate the implementation of the UK agritech strategy. The reason for this is partly that it relates to one of the eight Great Technologies; partly that there remains a nationally strategic need to improve our food security; and partly because government will need to “do something” for UK agriculture. The Chancellor is unlikely to intervene directly, but steps to equip farmers to adopt new technologies and improve productivity could well feature. The accelerated delivery of the UK agritech strategy could be a useful part of the solution.</p>   |
| <b>6. Roll-out of Growth Hubs?</b>                                | <p>Growth Hubs were established in the Wave 1 City Deal areas and – with support from the Regional Growth Fund – a second tranche of Growth Hubs were established in most Wave 2 City Deal areas. Several local areas that were excluded from both of these processes sought to support a Growth Hub through their Growth Deal; and despite the (capital-based) composition of Local Growth Fund, short term funding was found.</p> <p>The solutions that have been developed are locally determined, consistent with government's localist philosophy, but their future is quite uncertain. However government is increasingly recognising the role that they are playing alongside the major national business support programmes such as Growth Accelerator. We think it is possible that the Autumn Statement will include an announcement about government's longer term thinking in respect of Growth Hubs.</p> |
| <b>7. Incentives for crowd funding and corporate venturing?</b>   | <p>Notwithstanding encouraging data on levels of investment by business and some evidence of increased bank lending, we think it probable that the Chancellor will want to do more to encourage investment in Small and Medium-sized Enterprises (SMEs), particularly through channels other than conventional bank lending. Building on the success of the Enterprise Investment Scheme (EIS), we think new measures are possible in relation to crowd funding and corporate venturing. In both cases, fiscal “nudges” – through different forms of tax relief – may be introduced.</p>  |

| Potential announcement...   | What it means... and why we think it might appear in the Chancellor's Autumn Statement on 3 <sup>rd</sup> December 2014   |
|---|---|
| <b>8. Greater promotion of UK fintech, particularly in respect of export and inward investment?</b> | <p>The financial crisis of 2008 precipitated major changes within financial services and we are seeing – increasingly – the growth of a major new sector called fintech. This relates to the application of financial technologies, and it is transforming the way in which the financial services sector works. The UK – and more particularly London – is leading the way in the growth of fintech and it is a sector with enormous potential.</p> <p>Building on work already initiated by UKTI, we think the Chancellor may well want to do more to promote UK fintech, focusing particularly on its potential for export and for inward investment. Some commentators have noted the strength of London vis-à-vis centres in north America – in part because it benefits from being a hub for both financial services and tech-based activities. Given the sector's rapid growth, this could be a “quick win” for the Chancellor.</p>  |
| <b>9. Support for clusters outside of London and the south east?</b>                                | <p>Much attention has been generated by Tech City and the growth of tech-based activity in and around Shoreditch in east London. Partly because of this, there is a growing recognition that more needs to be done to support clusters in general – and tech clusters in particular – outside of London and the greater south east. In this context, the Tech City UK Cluster Alliance is aimed at accelerating the growth of digital businesses in cities around the UK, share best practices, drive opportunities and link up groups across the UK engaged in digital innovation.</p> <p>Through the Autumn Statement, the Chancellor may want to build on the momentum that has been created over recent months, and make some clear statements about the importance of, for example, gaming in Dundee and media in Salford/Manchester.</p> <p>The growth of the tech sector is important for the UK, but there are also risks linked to it. Uppermost amongst these are the possible implications of the European General Data Protection Regulation (which currently exists in draft form). The Chancellor may want to precipitate a response.</p> <p>In addition, announcements are possible linked to skills in tech-based sectors, and in this context, the migrant worker issue is a vexatious – and politically challenging – one. However the challenges of recruitment have been widely reported, not least through SQW's major study of the Oxfordshire Innovation Engine which was published last year. It may be that more flexible approaches to the recruitment of skilled migrant workers could be made available for venture capital-backed tech businesses.</p> |



| Potential announcement...                                      | What it means... and why we think it might appear in the Chancellor's Autumn Statement on 3 <sup>rd</sup> December 2014  |
|--|--|
| <b>10. Incentives for Smart(er) Cities?</b>                    | <p>Although there are exceptions, progress with regard to the implementation of smart cities thinking has, perhaps, been slower than anticipated – despite government's investment in a Future Cities Catapult. However, the imperative for a transition to smart (or smarter) cities is growing, particularly as cities become more congested and the benefits of agglomeration are in danger of being outweighed by the costs. The smart cities agenda is complex in terms of technologies and the destructive effects that it can give rise to (for example autonomous vehicles) mean that local politicians often struggle with it conceptually and in planning terms. Equally, in specific local circumstances, its long term importance can be overshadowed by imperatives that are more urgent in the short term, particularly in the context of austerity and budget cuts. Yet in terms of the UK's international competitiveness – and particularly the quest to address the declining productivity performance noted above – it is an area in which the Chancellor may want to make some pre-election headway.</p> <p>Perhaps linking in with a commitment to tech clusters outside of London and to the potential of the northern powerhouse economies (as outlined above), it is possible that the Autumn Statement may invite local areas to bid for resources to develop and implement smart city plans.</p> |
| <b>11. Steps to accelerate the Oxford-Cambridge rail link?</b> | <p>We think it is possible that an announcement may be included in the Autumn Statement with regard to a rail link between Oxford and Cambridge. This possibility has long been mooted, but we think it has risen up the agenda for two different reasons: first it could link strongly to the forthcoming Science and Innovation Strategy, and second, it could be seen as a critical infrastructure in relation to the delivery of substantially more housing. Explicit announcements in relation to the latter are unlikely to feature in an immediately pre-election Autumn Statement, but the two are linked and the need to address the housing deficit is well recognised by all the main political parties.</p>  |

| Potential announcement...  | What it means... and why we think it might appear in the Chancellor's Autumn Statement on 3 <sup>rd</sup> December 2014   |
|--|---|
| <b>12.Measures to cap the costs of commuting by rail and to improve flexibility?</b> | <p>Designed in part to respond to the “cost of living crisis”, we think that the Autumn Statement may include some “good news” for those who rely on rail travel to commute to work. Over recent years, the price of season tickets has risen sharply and much faster than overall wage levels. In August 2014, it was announced that – on the basis of the established formula (which links to inflation figures for July) – regulated rail fares would rise by 3.5% from January 2015. In Autumn Statement 2013, the increase in some regulated rail fares was capped. We think it is possible that Autumn Statement 2014 will include a similar announcement.</p> <p>Further, we think it possible that there will be announcements linking to (something like) an Oyster Card for rail travel (perhaps in the north, or perhaps more broadly). This will be designed to benefit those who commute to work on a part time basis (two or three times a week) and will be consistent with a wider commitment to workforce flexibility.</p> |
| <b>13.Devolution of adult skills budgets?</b>  | <p>Consistent with other elements of devolution, we expect to see some move towards the greater local control of budgets for adult skills (whilst recognising also that budgets are shrinking and adult skills are increasingly financed through loans). In this context, any announcement would also link the use of adult skills budgets to the priorities for business growth identified locally through strategic economic plans and other key policy statements.</p>   |
| <b>14.Steps to accelerate the up-take of apprenticeships?</b>                        | <p>Building on previous measures – and reflecting continuing concerns relating to workforce skills – we think it possible that the Chancellor will make further announcements to encourage a greater up-take of apprenticeships. One lever that could be used in this context relates to National Insurance Contributions. It is possible that the existing under-21 employers' NIC exemption could be extended. Similarly, we suspect there may be moves to push further the Employer Ownership of Skills Pilot model, where individual firms play a driving role in sector skills development.</p>  |

| Potential announcement...   | What it means... and why we think it might appear in the Chancellor's Autumn Statement on 3 <sup>rd</sup> December 2014  |
|---|--|
| <b>15. Business rates; and a package for high streets and town centres?</b> | <p>Notwithstanding the publication of the Portas Report, there is little doubt that the demise of many high streets is continuing apace. This is causing real issues in relation to many town centres, particularly those in smaller towns and those without a strong heritage element (e.g. New Towns).</p> <p>Building on the progress made in Autumn Statement 2013, this year's Autumn Statement could contain further measures to regenerate smaller town centres in general and high streets in particular. One element of this could relate to business rates, particularly for smaller businesses (including retail) within town centres, and greater flexibility is in planning reuses.</p>   |
| <b>16. Measures to reduce the burden on SMEs?</b>                           | <p>In parallel, we think it possible that the Chancellor will make announcements concerned with reducing the administrative burden on small and micro enterprise. He may, for example, reduce the accounting requirements for more SMEs by raising the threshold for the point at which businesses have to submit full (rather than abbreviated) accounts to Companies House.</p>  |
| <b>17. Stronger measures to address tax avoidance amongst corporates?</b>   | <p>An issue that has been prominent in the press over the last few months – and thus potentially relevant for a pre-election Autumn Statement – relates to tax avoidance amongst corporates: Google, Amazon and Starbucks have all been “named and shamed”. However the Chancellor has also stated publicly that this cannot be addressed on a unilateral basis and instead required concerted collaborative international action.</p> <p>Over recent months, OECD has agreed and published a set of rules to address the problem; these include measures to increase transparency, close tax loopholes and restrict the use of tax havens. Some reference to this process – and the UK's commitment to it – may well feature within the Autumn Statement.</p> |
| <b>18. Selective tax cuts?</b>  | <p>Six months before the general election, it is possible that the Chancellor will want to announce some tax cuts. These could include raising the threshold at which people pay 40p income tax (e.g. to, or towards, £50k) and raising the threshold for inheritance tax.</p>   |

| Potential announcement...  | What it means... and why we think it might appear in the Chancellor's Autumn Statement on 3 <sup>rd</sup> December 2014  |
|--|--|
| <b>19. New investment in the NHS and mental health, as part of an integrated approach to health and social care?</b> | <p>The NHS is a key political battleground and there we think it is probable that the Autumn Statement will have something positive to say about resources. This is likely to include firstly, the intention to increase access to GPs through extending opening hours and ways of working. This theme was picked up in the Prime Minister's conference speech, with implications for service use in other parts of the NHS and social care. Secondly, we might see something in relation to promoting mental health following a recent high profile publication from the Department of Health. In it, there is a commitment to achieve "parity of esteem" in mental and physical health services by 2020. To this end, some £40m additional spending is to be made available in 2014/15 and £80m next year. Further announcements linked to this commitment may be included in the Autumn Statement, perhaps around access to personal budgets.</p> |
| <b>20. New announcements relating to the Local Growth Fund?</b>  | <p>Finally, we anticipate that there will be a series of announcements relating to the Local Growth Fund. This will include further detail of progress in relation to the Growth Deals which were announced on 7<sup>th</sup> July 2014 (which focused on LGF awards for 2015/16). We think also that there may be some longer term commitment to LGF, linking in with the devolution process and perhaps with reference to bigger scale infrastructure investment.</p>  |

Source: SQW

## WHAT IMPLICATIONS COULD FOLLOW...

### ...IN THE DOMAIN OF SPATIAL DEVELOPMENT

At a local level, much will depend on the form of government's commitment to devolving decision-making, and the implications for cities and their regions, and for other areas. The key question for many will be how general intent is translated into specific commitments, not only in terms of overall spending, but also in incentivising local areas to take responsibility for, and then deliver on, their own priorities through more local control of this spend.

As the announcement about Manchester has already made clear, the extent of decentralisation will vary. It will depend on effective local partnerships between local authorities and clear mechanisms for agreeing priorities. This is likely to be signalled by a commitment to city region mayors, as well as buy-in from businesses.

Issues in using available funding to enhance economic performance and social well-being have three main dimensions:

- *Within larger urban areas*, selective investment may be focused on smart technologies and other means of improving connectivity and access to services, enabling wider and more effective participation in economic life, and more responsibility for individuals as well as local areas in decision-making. LGF projects may be selected and highlighted within this context.
- *Across and between urban areas*, where several cities, particularly in the north, may be brought closer together – through transport investment, but also through joint working – to create critical mass and effect a rebalancing of the national

economy. The Chancellor has already highlighted this potential, and although it will be realised only over the longer term, some funding commitments to strategic transport – rail and road – can be expected.

- *In predominantly rural areas*, recognition of their different needs may take the form of a competitive process, highlighting and supporting opportunities for smaller-scale action to connect-in rural places, improving economic and social engagement, and offsetting the disadvantages of distance.

### ...IN RELATION TO INNOVATION

We know that the government has promised to increase capital investment in science and research infrastructure in real terms to £1.1bn in 2015/16 with subsequent increases in line with inflation. The industrial and technological backdrop is set out in the Eight Great Technologies, Catapult Centres and 11 sector strategies. What we expect the Autumn Statement to indicate, through announcements related to a new Science and Innovation Strategy, is where the investment priorities will be. Given the wide base of the government's Industrial Strategy, and up to £7bn of spending, we expect the announcements to cover various aspects of science and research, including:

- New research facilities relating to manufacturing (as suggested in Table 1), with some to be located in the north, complementing the High Value Manufacturing Catapult and various sector strategies including aerospace and automotive.
- Phenomics, which, through research to improve crop yields and disease treatment, would complement the agri-tech and life sciences sector strategies.

- Satellite and space technologies, which can have applications in a variety of growth sectors.

An analysis of patterns of investment will indicate the extent to which research funding is being concentrated, both spatially and by particular institutions. The backing of successful clusters has already been trailed by the Chancellor and we expect this to continue. In the past, this would have tended to favour locations in the greater south east. However there will have to be acknowledgement of the existing assets and future potentials of the “northern powerhouse” – particularly against a backdrop of devolution – and hence the balance this year might be rather different.

In “*deliver[ing] the research and innovation infrastructure needed to ensure that the UK’s capabilities remain world-leading while playing a key role in economic growth and scientific excellence*”, capital investment in scientific infrastructure is only one part of the story. It will need to be complemented by collaboration with business and the provision of key “enablers” such as having skilled people.

Strong links to the sector strategies and industry partnerships ought to be core to the response. This will mean, in particular, giving visibility and profile to their objectives relating to skills.

In addition, we might anticipate greater responsibility for the national innovation agency, Innovate UK (formerly known as Technology Strategy Board). If there is no new money *per se* for this, then it may be charged to use its existing initiatives to encourage more effective collaboration with and amongst businesses, including SMEs.

## ...IN THE CONTEXT OF CHILDREN AND YOUNG PEOPLE

Given ongoing concerns about productivity levels and about skill levels within the workforce (including basic skills), as well as geographic disparities in the loci of skills, we anticipate additional incentives to employers to recruit and train more young people. While there are existing plans (from January 2015) to extend the availability of grants from the National Apprenticeships Service to employers with fewer than 50 employees and to increase the number of grants available to eligible companies, there is still an identified need for further skills development across many sectors (particularly technology-based sectors) and in many local areas.

Encouraging employers to employ more apprentices is only part of the solution. To meet any increased demand arising as a result of additional employer incentives, it is essential that appropriate off-the-job training is available. At a local level, this implies the need for agreed and clear skills strategies to guide where to boost both demand and supply. Involving employers and making best use of labour market information should help to tie skills developments to identified local economic priorities. It would also enable young people to develop the necessary skills to replenish aging workforces.

Equally, there is a need to ensure that young people are aware of the apprenticeship route and the types of apprenticeships that are available locally. Ensuring good communication channels between employers, those providing training and those who provide information on apprenticeships to young people (including schools, colleges and the local contractor for the National Careers Service) would ensure that intelligence on available apprenticeships is current and shared in a timely manner with young people aged 16+.



## ...IN RELATION TO PUBLIC SERVICE REFORM

The Secretary of State for Health has recently announced additional funding to reduce pressure on A&E services, with funding for activity both in and out of hospital. In direct terms, the intention is for more resources to be directed at staffing hospitals. Elsewhere, funding is for extended pharmacy and GP opening hours as well as to boost physiotherapy, social worker and occupational therapy services.

The latest announcement comes in the context of on-going local efforts across the country to better integrate health and social care; and the on-going Prime Minister's Challenge Fund activity to extend access. SQW's on-going work on both has highlighted some familiar and emerging challenges. The familiar issues centre around the challenges of partnership working, such as different working styles and incompatible IT systems. There is also the challenge of scaling up personal budgets

across more services. However, as financial pressures grow, we sense there is a more general appetite to tackle these long standing issues.

The emerging challenges centre on workforce and benefits realisation. There is a growing need for a new type of professional to deliver services (especially key working, but also roles such as advanced practitioner nurses), and some areas are already facing issues in recruitment. This may drive a need for much greater local workforce development to fill gaps.

All of this activity is intended to deliver services more efficiently and so to maintain or improve outcomes. However, in many cases, the emphasis has been on the scale of input changes such as staffing. To date, less thought has been given to the scale of activities and short term outcomes which will need to be tracked to ensure that the longer terms benefits are realised.

## About us

SQW and Oxford Innovation are part of SQW Group.

**For more information: [www.sqwgroup.com](http://www.sqwgroup.com)**



SQW is a leading provider of research, analysis and advice on sustainable economic and social development for public, private and voluntary sector organisations across the UK and internationally. Core services include appraisal, economic impact assessment, and evaluation; demand assessment, feasibility and business planning; economic, social and environmental research and analysis; organisation and partnership development; policy development, strategy, and action planning.

**For more information: [www.sqw.co.uk](http://www.sqw.co.uk)**



Oxford Innovation is a leading operator of business and innovation centres that provide office and laboratory space to companies throughout the UK. The company also provides innovation services to entrepreneurs, including business planning advice, coaching and mentoring. Oxford Innovation also manages three highly successful investment networks that link investors with entrepreneurs seeking funding from £20,000 to £2m.

**For more information: [www.oxin.co.uk](http://www.oxin.co.uk)**



**For more information about this Viewpoint, please contact**

**Christine Doel, Director, SQW**

T: +44 (0)1223 209400 E: [cdoel@sqw.co.uk](mailto:cdoel@sqw.co.uk)