



Core Cities Citizens Advice Group.

Submission to the Royal Society of Arts Inclusive Growth Commission. Call for Evidence

December 2016

Introduction and general comments

We are responding to the Commission's inquiry as the group of local Citizens Advice agencies based in the Core Cities, acknowledging the role of the Core Cities in supporting the RSA's Commission on Inclusive Growth and its predecessor City Growth Commission. The core cities are served solely or principally by a single local Citizens Advice. Each Core City Citizens Advice plays an integral role in supporting and strengthening its local community, and strong relationships exist between Citizens Advice and City Councils. We provide a service that meets local needs and reaches out to a diverse and broad client base through digital, phone and face to face channels. Our service is provided in a wide range of venues such as City Libraries, town hall hubs, shopping centres and health settings. We recently held a Conference at which ideas and solution for inclusive growth and the role of our sector were explored and our submission takes account of that discussion.¹

Debates and concerns about who wins and who loses from economic growth is not a new issue but has been central to political and economic discourse for generations; recent work though on inequality by economists such as Thomas Piketty and Joseph Stiglitz has brought to the fore the dynamics of widening division between the winners and losers from growth – it is a pressing problem, and especially for the Core Cities that are lagging in productivity and have high levels of deprivation. What makes our contribution to this debate uniquely valuable is that our clients tend to be from the latter groups, ie those who have not benefitted greatly from economic growth, and we work with our clients in dealing with a very wide range of issues from debt to consumer and employment rights issues, housing problems, the welfare system and access to basic services.

We therefore understand their issues; seven in every ten of our clients live in poverty, significant number have disabilities or long term health conditions and many of our clients do not just have one problem, but several.² Our data about clients' issues can therefore offer insight into what problems exist in the core cities and how they might be tackled.

Our key message in making this submission is that we need investment in social as well as economic and physical infrastructure: investment in social infrastructure – including health, education, effective skills and employment services – directly impacts on productivity and growth so should be considered on a par with economic and physical infrastructure. Policy interventions should focus on concentrations of deprivation with initiatives to break the disconnection between localised concentrations of poverty and wider labour and housing markets, and the problem of the periphery being left behind. Cities need to adopt whole place strategies for tackling poverty and inequality, and for strengthening social justice and cohesion; we believe that our evidence demonstrates how good quality advice service can contribute to essential aspects of cities' strategies for tackling poverty and inequality, for improving health, well-being and life chances, and for achieving inclusive growth.

To deliver robust and effective whole place strategies for economic and social inclusion – uniting both core and periphery, City leaders and authorities need further competencies and resources through devolution, and there needs to be effective governance at City and City region level. This challenge of 'core' versus 'periphery' in the City Regions has been laid bare by the result of the recent EU referendum. Urban city centres such as Manchester voted to remain in the EU but the degree of support for Remain decreases almost in direct proportion with the distance from the centre; this voting pattern correlates with the socio-demographic profile of city residents spatially, with educational attainment and earnings declining as the distance from the city centre widens³. More than two thirds of those in receipt of state pensions voted Leave, as did two thirds of council and housing association tenants.⁴ So the key challenge for the Commission to consider how to overcome the significant divisions exposed by the referendum across age groups, socio-economic classes, education levels and other demographic classifications.

¹ <https://www.corecities.com/news-events/advice-cities-one-day-conference>

² For our data on clients and problems see <https://www.citizensadvice.org.uk/about-us/difference-we-make/advice-trends/>

³ https://www.greatermanchester-ca.gov.uk/download/meetings/id/1237/06_the_impact_of_brexit_-_gm_and_internationalisation

⁴ <http://lordashcroftpolls.com/2016/06/how-the-united-kingdom-voted-and-why/>

CONSULTATION QUESTIONS

Question 1: Economy: more inclusive, productive labour markets.

- How can we enable as many people as possible to contribute to, and benefit from, local economic success?
- How can we overcome social, gender, health and other barriers to accessing local labour markets?
- How might more inclusive economies make places more productive and reduce demand for some public services over the long term?
- How can we shape cities and neighbourhoods to encourage a more entrepreneurial culture?

As suggested in our introduction above, to achieve more inclusive and productive labour markets we need to ensure that “inclusion” is a theme across all policy areas (not just labour market policy), from questions of access to services, to opportunities for skills development and civic engagement, rights as consumers, ability to travel, housing security and energy, fair treatment by the justice system, digital connectivity and the physical-spatial-built environment. This means adopting models of pro-active engagement and interaction with population groups who suffer from systemic disadvantage related to socio-economic status, health and educational inequalities, and identifying how they might potentially contribute better to place based economies and breaking down the barriers that prevent labour market engagement. Too often policies have adopted a supply-side emphasis on employability with an increasingly narrow focus on individual behaviour and outlook – for example seeking to change behaviour using sanctions and conditionality to engage benefit claimants in the labour market.

This narrow framework for social policy is fundamentally the wrong approach, not only does it stigmatise poverty but it also fails to address a wider range of cyclical factors that entrench poverty and disadvantage. For example low income, poorly insulated housing, and expensive, inadequate heating systems contribute to fuel poverty, which in turn contributes to excess winter mortality and morbidity amongst older and disabled people. Over 2014/15 there were over 73,000 excess winter deaths in England and Wales and according to Department of Energy and Climate Change (DECC) statistics, there are 2.3 million households in fuel poverty which impacts negatively on health. Poor performance at work, interview or labour market engagement can be related to something as simple and fixable as a broken boiler. The EU has specifically linked rising fuel poverty to inclusive growth failure, and has concluded that the policy interventions needed are not to subsidise fuel costs but rather to divert energy subsidies to the energy renovation of fuel poor or vulnerable household; this can have a positive economic growth and social inclusion impact underpinned by wider strategies for moving towards a low-carbon economy which can be translated practically into goals securing inclusive growth and increasing wellbeing.⁵ This is just one example of the new thinking needed for social policy to support productivity and inclusive growth goals.

The Commission’s emerging findings do explicitly recognise the need to link social and economic policy, and integrating people-focused policies on skills, family support and education with economic development strategies.⁶ Further detail from the Commission is needed on these and we would suggest focussing on the following five issues:-

- Measures to tackle overall levels of unemployment, underemployment and exploited labour
- Fundamental reform of employment support systems and especially JobCentrePlus
- Measures to tackle problem debt and improve financial capability
- Measures to tackle health inequalities, disability discrimination and mental health stigma
- Measures to tackle the housing crisis

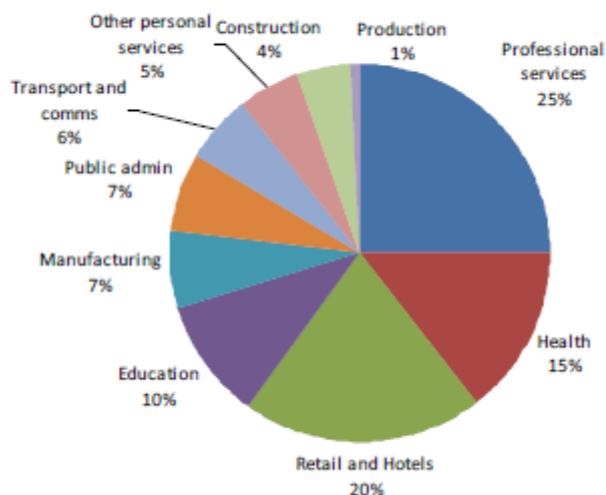
⁵ <http://bpie.eu/wp-content/uploads/2015/10/Alleviating-fuel-poverty.pdf>

⁶ <https://www.thersa.org/globalassets/pdfs/reports/rsa-inclusive-growth-commission-interim-report.pdf>

1) Measures to tackle overall levels of unemployment, underemployment and exploited labour

Unemployment levels in the Core Cities average at about 2% higher than the UK average; part of this is a legacy problem from previous periods of deindustrialisation. Re-skilling is part of the answer, but advice and support is crucial to enable people to seek, secure and retain employment, and to secure decent wages/incomes. We need to better integrate advice services with employment support services in ways well tailored to the local labour markets. Looking at labour market trends (pie chart below) the biggest growth & development potential is with professional/ hospitality/retail services and some public service areas (eg health & care work)

Employment in the Core Cities



The question for the core cities is what mix of labour market, welfare and skills policies can help deliver employment support and pathways through these sectors, such as skills accreditation schemes run with the voluntary sector. We also need to take account of the changing structure of our economies and labour markets, as seen for example in the emergence of an 'hourglass' labour market, the challenges of low pay and insecure employment. Citizens Advice's data gives a good snapshot of how people are adapting to both the risks and the opportunities:

- *Agency work and zero hours:* Over recent years we have seen the rise of new, non-standard forms of employment, such as agency work, zero-hours contracts and self-employment. The number of agency workers has increased by 31% and the number of self-employed people by 20% over the last 5 years. Last year Citizens Advice helped over 200,000 people with employment-related issues. Many of these issues relate to those in non-standard forms of work; this year we've seen a 20% increase in visits to our agency worker website pages. A recent piece of research undertaken by Citizens Advice has at the three most common areas in which agency workers face disadvantage – pay deductions, statutory sick pay, and equal treatment with other workers.⁷ Our research has also shown that workers on zero-hours contracts, as well as other casual, agency and temporary workers, often end up in debt, or with their homes threatened when promised work hours do not materialise. Irregular work and unpredictable incomes make it hard to budget for living expenses, or claim top-up welfare benefits. We have done a particular piece of in-depth work in Bristol, which found that clarity over employment status and rights was often the key problem for flexible workers.⁸
- *Apprenticeships:* Apprenticeships are an increasingly important element of the UK's approach to skills and employment policy, with the government setting itself a target of

⁷ Sharp practice at work: agency workers (Citizens Advice, October 2016)

⁸ <https://www.bristolcab.org.uk/wp-content/uploads/2015/10/Employment-Report-A4-7-web.pdf>

creating 3 million more apprenticeships by 2020. Nearly two thirds of new apprentices are starting in England's biggest cities, so cities are crucial for both delivering the 2020 target, and ensuring that these new apprenticeships support Cities' future economic success. However, there are important issues that have been raised about whether or not the apprenticeships being delivered under our current system are meeting these ambitions. The apprenticeships system is often complex and difficult to navigate.

- *Weaker employment protection.* Whilst substantive employment rights have changed only marginally, the enforceability of those rights has been significantly undermined both by removal of legal aid for employment issues and the introduction of steep fees for employment tribunals. We surveyed Citizens Advice clients who have been having problems at work and found that the current fee system is making 82% of respondents less likely to claim or deterring them from claiming the protections of employment law altogether.⁹ In its recent inquiry into the impact of court and tribunal fees, the Justice Committee concluded that, for employment claims, the charging system introduced in 2013 has had an "unacceptable impact on access to justice."¹⁰
- *Spatial distribution and disconnection in labour markets.* Local jobs do not mean local employment for residents of deprived areas – in many poorer areas jobs are filled by residents from more prosperous areas, and some areas experience 'double disconnection' in that they are not well connected to jobs or housing in their cities. Too often there is a mismatch between where people live and where jobs are located, and people from deprived areas find it harder to travel.¹¹

In addressing these issues with reference to inclusive growth, the RSA would be well placed to make recommendations to The Independent Review of Employment Practices in the Modern Economy was commissioned by the Prime Minister, and led Matthew Taylor (the Chief Executive of the RSA) to consider how employment practices and protections need to change in order to keep pace with modern business models. This review is considering the implications of new forms of work, driven by digital platforms, for employee rights and responsibilities, employer freedoms and obligations, and the existing regulatory framework surrounding employment. We are also submitting to the review with our data and case studies concerning employment practices that operate at margins of certainty and legality; consider for example the following examples from Sheffield:

Deepak noticed that his wages from his new job were £25 per week lower than expected. When - after several requests - he was finally given his payslips he discovered that he had been charged a weekly fee for the company to which his employer had outsourced its payroll. His employer maintained that the deduction was nothing to do with them and he should contact the payroll company. A review of the client's paperwork suggested that he had indeed been put through the payroll under umbrella arrangements, or as self-employed. Yet he had not agreed to such arrangements, and had assumed he was an employee on PAYE - certainly, his employer had given him no documentation to suggest otherwise. This was potentially actionable as an unlawful deduction from wages and a breach of the National Minimum Wage, the client felt he could not face the cost or stress of this, once the process and risks were explained.

Jane, working for a teaching agency, needed help clarifying the terms of her contract, which was unclear on annual leave entitlement and holiday pay. A review of the contract showed that it also made no mention of her hourly pay rate. She had been told she would be paid a daily fee of £47.50 for 7 hours at work (including a 30 minute unpaid break) - so £47.50 for 6.5 hours work, which worked out at £7.30 per hour. However, the contract said her holiday pay was also 'rolled up' within that hourly rate, which was not commensurate with her status as an employee of the agency rather than a self-employed contractor or umbrella worker. This arrangement

⁹ https://www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/fairer-fees-fixing-feesetreport.pdf

¹⁰ Justice Select Committee Report 2013

¹¹ JRT Overcoming deprivation and disconnection in UK cities

meant that, in effect, she was getting less than the correct National Living Wage rate, and the contract was therefore in breach of National Minimum Wage legislation.

Simon had worked for a company for some six years before it went into liquidation and he was made redundant. He received a letter from the Insolvency Service saying that he was not entitled to redundancy pay because they had been unable to verify his employment details with the insolvency practitioner concerned and they could not calculate any payment due to him without this information. Simon described himself as “working for the company through an Agency” (which had been set up solely to fill jobs at the company concerned) so it was unclear whether he was entitled to full redundancy under these arrangements.

Citizens Advice nationally have also conducted research into labour market practices,¹² and have proposed that Government:

- make employers legally responsible for ensuring that the agencies with which they contract treat their workers properly;
- reduces complexity and increases transparency – e.g. by requiring agencies to provide payslips, and companies to publish data on the proportion of their workforce on different types of contract;
- creates, or designates, a Fair Work Authority, to address the confusion among workers about the roles and remits of existing players (Gangmasters and Labour Abuse Authority, Employment Agency Standards Inspectorate, HMRC NMW enforcement, Health and Safety Executive); and
- improves access to Employment Tribunals by reducing costs (which can be passed on in fee reductions)

2) Fundamental reform of employment support systems and especially JCP

Whilst welfare reform is beyond the scope of this Commission, it is important to recognise that current institutional arrangements and processes for employment support centred in JobCentre plus are quite simply not fit for purpose. The issues were brought home powerfully in the recent film *I, Daniel Blake*. Over recent years the role of the Jobcentre has hugely increased – with new claimant groups interacting with work coaches through Universal Credit and a laudable ambition to increase the support from work coaches. However, this has created new challenges, capacity problems and exposure to gaps in specialist knowledge in areas such as occupational health, learning difficulties, dealing with emotional, financial and mental distress and other soft skills needed to deliver effective personalised support. In the film *I, Daniel Blake* we see both Katie and Daniel – younger and older articulate adults - struggling to interact in the Jobcentre; even when a work coach wants to help, there is not the time, flexibility or capacity for her to do so. This is not an atypical representation.

Citizens Advice sees many clients with physical and mental health conditions who struggle to navigate the fixed rules of jobseeking and Jobcentre Plus. Many need extra help to undertake or understand certain tasks, encouragement to build their confidence and support to find work they are capable of sustaining. The current Jobcentre model is far too rigid to provide this type of tailored support. Our clients report that work coaches often only have a few minutes to speak to them and we see some instances of problems in support for more vulnerable claimants. This can have long-term consequences, particularly where it leads claimants to disengage from job search support altogether. The following case studies illustrate this kind of issue:-

Mark is 21 and lives alone in a local authority rented property. He is not currently employed but is looking for work. He spent his life in the care system after his mum died. Mark came to Citizens Advice in Greater Manchester and was referred to our Money Advice team for help with his debts. He was in arrears with his rent, Council Tax, gas, electricity and water bill, as

¹² Many agency workers face unfair treatment: five ways government could make a difference (Citizens Advice, October 2016) <https://medium.com/citizens-advice/many-agency-workers-face-unfair-treatment-5-ways-government-could-make-a-difference-a0a0fed8a63f#.m3a9xs560>

well as his mobile phone bill. Mark is receiving Universal Credit, but explained he had no income after receiving a sanction. This was due to failing to attend an interview. He was not signing on for UC at his closest Jobcentre and therefore had to take public transport. The last time he had tried to attend he had been caught trying to take the bus without a ticket and had to get off. He had sent in a copy of his fine as explanation, but had still received a sanction. His Citizens Advice adviser rang the Jobcentre and found that Mark had in fact failed to attend several previous appointments. When asked about this, he explained he never had the money to buy his bus ticket; this was why he had attempted to travel without one for his latest appointment. The adviser also found he was now unable to appeal the sanction as his first missed appointment had been more than three months previously. Citizens Advice were able to set up a meeting with the Jobcentre to talk about Mark's case. We suggested switching his appointments to the closest Jobcentre, having his work coach investigate overturning the sanction or helping him apply for a hardship payment, and looking into his wider support needs. Without this intervention, Mark would most likely have remained in a cycle of debt and resulting sanctions

Ryan is 22 and has severe learning difficulties. He receives PIP - enhanced rate for care and standard for mobility - and lives with his mother who looks after him. He works for 8 hours per week and receives JSA. When Ryan came to Citizens Advice he was very distressed and his mother had to set out the situation. Ryan had struggled with keeping records of his job search and had tried to explain this to his work coach when he attended the Jobcentre. When he got home, his mother said Ryan was very upset and too afraid to return. She phoned the Jobcentre in an attempt to explain the situation. However, the work coach simply stated that Ryan had been sanctioned. Ryan and his mother were now struggling financially and Ryan was also concerned about going back to the Jobcentre in future.

Our one-size-fit-all national JobCentre system does not tailor the varying and specific needs of individuals and different communities and labour markets. Whilst we do not expect the Commission to get involved in policy questions about marginal benefit rates etc, it cannot ignore the crucial function of JobCentres, the role they perform in the community and what they could do differently to support inclusive growth. There is a real need for services to be better integrated and for some form of assistance with travel costs; each organisation tasked with helping people into work should act as a central hub for combating the many different reasons that lead to people ending up unemployed— from health issues to confidence problems to a lack of training and skills. The limited competence of Jobcentre Plus staff mean that too often they try to force people into work without making efforts to understand or tackle the underlying problems that make employment difficult. The Commission may wish to look at other models such as:-

- Transferring Jobcentre Plus's role of helping people into employment to specialist organisations within local networks of regulated charities and private sector organisations that already have expertise in this area
- Giving greater scrutiny powers and oversight of JobCentre functions and KPI delivery to local government
- Co-location of JobCentres with other services, including money, welfare and employment law advice

As one inner city MP has said "Jobcentres have become a bastion of green and yellow-branded stigma; a silo where the unemployed are forced to trek each week for the briefest of appointments with an overworked and under-equipped adviser. It would make much more sense to move employment support organisations to the places where people spend their time: in shops, on high streets and in community buildings. We need to make it as easy as possible for those who need

help and support to get it.”¹³ We also need to ask though about what kind of ongoing support to is needed to help people into and to progress within work (including occupational health and advice needs), and engage both users/claimants and employers in this research. Local Enterprise Partnerships could be a good forum to engage employers in this work.

3) Measures to tackle problem debt and improve financial capability

As the country’s biggest multi-channel provider of free debt advice (our debt advisors help 400,000 people find a way forwards with debt problems every year) we are well placed to observe how problem debt and anxiety about money leads into financial and social exclusion and other problems. There is a strong association for example between debt and mental ill-health.¹⁴ Research has also found that people who are under financial pressure experience a reduction in their ability to perform cognitive tasks.¹⁵ As a result, people who are concerned about their financial situation hard to make important decisions about debts and other aspects of their lives, or often make poor decisions they might otherwise not have taken, such as taking out a high-cost, short term loans.

- *Financial capability*

Each Core City therefore needs a financial capability strategy run in partnership with Credit Unions and money advice and education providers, with support from local banks and financial institutions or utility companies where appropriate. For example, over the past decade in Leeds Citizens Advice have forged a successful financial inclusion partnership, including tackling high cost and payday lending and working with the Credit Union. Evaluations have shown a return to the regional economy.

- *Public sector debt collection*

How the state, City Councils and other non-financial services firms behave as creditors also has an impact. Our data suggests that debt has been shifting away from mainstream banks, and towards arrears to the state and other firms, from energy to telecoms companies, our evidence also suggests that this is exposing people to more aggressive debt collection practices¹⁶. The impact of Council Tax arrears and collection practices on individuals and local authority use of bailiffs as a default debt collection mechanism is a commonly cited example.

- *Effective trading standards and consumer protection*

Cities and their local authorities have a ‘place shaping’ responsibility here too and local economic leverage through licensing and local regulatory powers. Cities will not be able to attract new investment or quality business if their high streets are adorned with retail loan shark lenders, pawnbrokers, gaming and betting shops, micro-enterprises that operate on the basis of scams, sharp practices and misleading or pressure selling, and food outlets that don’t adhere to basic standards of hygiene. City Councils need to actively use their Trading Standards powers to tackle scams and fraud etc – there may be a case for trading standards ‘shift up’ to combined authority level to achieve better enforcement capability.

¹³ <https://www.theguardian.com/commentisfree/2014/jul/23/jobcentres-dont-work-employment-letting-young-people-down>

¹⁴ <http://www.moneyandmentalhealth.org/our-work/the-facts/>

¹⁵

<https://www.citizensadvice.org.uk/Global/CitizensAdvice/Debt%20and%20Money%20Publications/UnsecuredorinsecureFinal.pdf>

¹⁶ *ibid*

4) Measures to tackle health inequalities, disability discrimination and mental health stigma

To achieve an inclusive model of growth, we have to be brutally honest about the scale and drivers of exclusion. Almost 1 in 3 working-age people in the UK have a long-term health condition which puts their participation in work at risk, and around 1 in 5 of the working-age population has a mental health condition. As many as 150,000 disabled people who are in work one quarter are out of work the next, and altogether 3.8 million disabled people are out of work despite a record breaking levels of employment. People with particular health conditions – especially mental health ones – are disadvantaged; only 32% of people with mental health conditions are in employment. Over half (54%) of all disabled people who are out of work experience mental health and/or musculoskeletal conditions as their main health condition. This is discrimination and exclusion of a particular cohort on a systemic scale, even though legislation banning such discrimination has been in place for over 20 years.

Not only are disabled people experiences and expectations extremely low, employers are reluctant to 'give them a chance' and there is ongoing evidence of serious discrimination against disabled people in the labour market. When combined with limited access to services, a funding crisis in social care and a welfare system that does not provide enough personalised and tailored support to help people into work and to stay in work, it is not hard to see why disabled people feel so excluded from today's society. Studies have repeatedly shown that disabled people have been the hardest hit from the cumulative impact of welfare reform,¹⁷ and this is still happening – for example with the ESA WRAG cut. Just last week the Joseph Rowntree Foundation published a report that suggested half of people living in poverty are either themselves disabled or are living with a disabled person in their household.¹⁸

It is also self evident that our health and welfare systems are struggling – or rather failing - to provide meaningful support, and, put simply, the system provides too little too late, and at worst it penalises, punishes and humiliates rather than empowers. People with disabilities also rely more heavily on health and social care than the population as a whole, yet they continue to experience barriers in accessing these services. By the Government's own admission "Too many people are falling into a downward spiral of declining health and being out of work, denying them the benefits that employment can bring, creating pressures on the NHS and sustaining a major injustice in our society."¹⁹ The new (Joint DoH-DWP) Green Paper on "Improving Lives" does signal a welcome change of rhetoric and approach, and the opportunity to reform the worst and dehumanising aspects of the "Work Capability Assessment," however it will take time and above all cultural change to turn around a decade of policy failure in this area, develop more therapeutic and occupational health interventions, and to instil more respectful and supportive attitudes and outcomes.

So there is no single magic policy solution to deliver a step change in how people with disabilities, health conditions and mental health issues can be better supported in both the labour market, civic culture and society at large, and to ensure that they can benefit from inclusive growth, and considerable work needs to be undertaken at an attitudinal level in communities. We need to reframe employment support, disability benefits, health and social care on the basis of a human rights approach offering an empowering strategy to people with disabilities and mental distress, designing, implementing and evaluating health and work policies and programmes on the basis of rights and dignity. Three overall strategic focus points for positive interventions though might be:-

- Making a reality of the targets and aspirations to reform NHS primary healthcare so that mental health support and therapies have "parity" and funding – mental health services need to include a range of (what Mind call) "Life Support" services involving community based organisations to help with day to day issues²⁰
- Building-in what we might broadly call the "Marmot methodology" into all areas of public policy, economics and planning - ie recognising linkages between the conditions and

¹⁷ Royston "The hardest hit" Citizens Advice and Disability Benefits Consortium 2013

¹⁸ <https://www.jrf.org.uk/report/monitoring-poverty-and-social-exclusion-2016>

¹⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/564038/work-and-health-green-paper-improving-lives.pdf

²⁰ <http://www.mind.org.uk/news-campaigns/campaigns/life-support/>

environments in which people live and their health/wellbeing – as Sir Michael Marmot writes “the conditions in which people are born, live, work and age, are the fundamental drivers of health and health inequalities”.²¹ Health impact assessments attached to policy and budgetary documents for example might be a starting point.

- Strengthening and more rigorous enforcement of public sector equality duties; the public sector should be “leading by example” in the employment and development support of people with disabilities including in leadership and senior management role.

5) Measures to tackle the housing crisis

Put simply, there can be no inclusive growth or social mobility without more affordable housing. The number of private renters in poverty has doubled over the last decade and there are now as many private renters in poverty as social renters with rent accounts for at least a third of income for more than 70% of private renters in poverty.²² The fall in the proportion of social housing is also a contributory factor, and the government should aim to improve the homes of all low income households. Without solving this problem of *decent, warm and affordable* housing within travel reach of employment centres, finding work will not necessarily mean a way out of poverty. This leads us onto the next section about the economy of “place” and how cities can remain dynamic and resilient places against the backdrop of ever increasing pressures on living standards.

Question 2: Place: dynamic, resilient places.

- What are the characteristics of success at different geographic levels – city-region, city, neighbourhood – and how do these vary across the UK?
- How can all places create a viable model for sustainable, dynamic and inclusive place-based growth?
- How might places within and at the periphery of major urban centres capitalise on the potential of existing devolution deals?
- What additional powers and flexibilities might be needed to give places the ability to respond more effectively to the complexities of their economic geography?

It would be a mistake to posit single model of what success looks like, but a key challenge is to bring periphery and core closer together. An important starting point is to recognise that markets cannot and should not be expected to deliver equitable spatial outcomes, and equally urban regeneration policy should promote sustainable growth rather than short term or isolated public sector schemes which merely ‘prop up’ areas in decline. Public services however do have an important role to play, but it is important that they are commissioned in an integrated and joined-up way, based on evidenced needs analysis across whole area populations.

- *Integrated place-based commissioning*

In order to commission services at the right spatial level, in collaboration with a range of organisations, and with a focus on inclusive growth outcomes, it is essential that the commissioning strategies apply due weight to services which tackle the underlying issues and impacts of deprivation and poverty. Commissioning strategies also need to align with statutory spatial strategy for the city region, and in light of the new risks to the British economy it essential that both of these

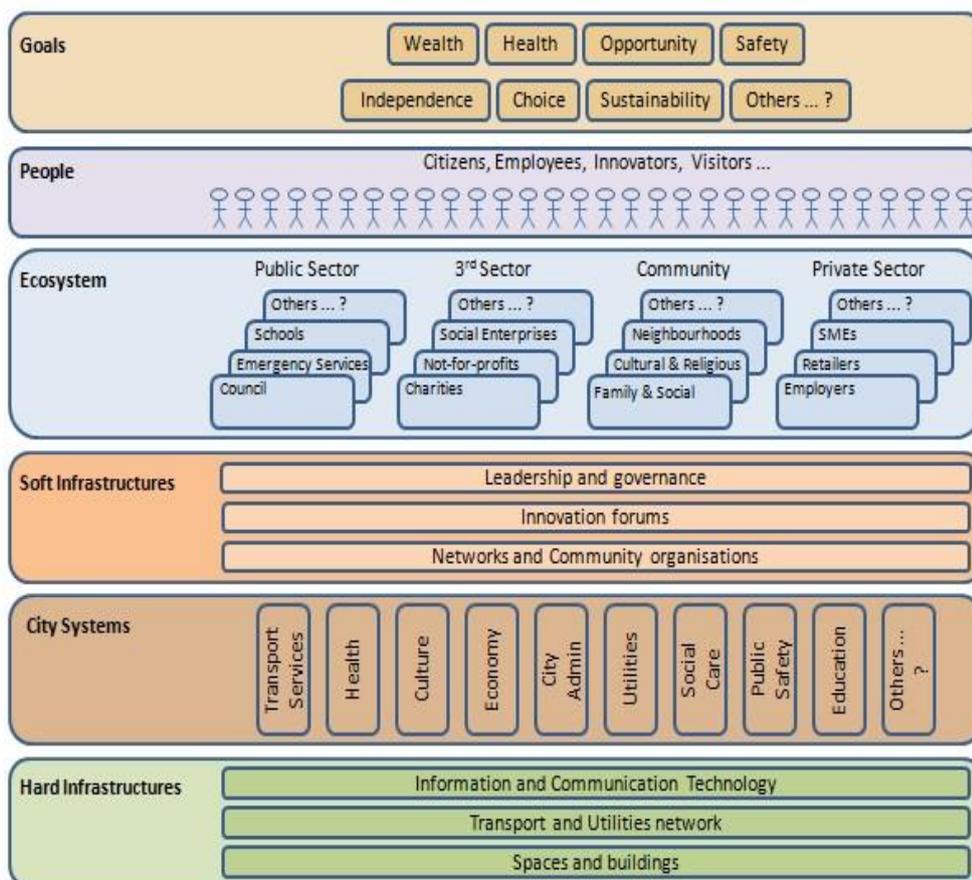
²¹ Marmot Report, *Healthy Lives*, 2010

²² Joseph Rowntree Foundation, 2016

strategies are focussed on community resilience and wellbeing and ensuring that there are trusted points and hubs that residents can turn to for information, advice and support.

Good commissioning strategies understand the impact of environmental and social factors including housing, employment and education can have on health and wellbeing. For example primary care services in the health system in Greater Manchester are currently spending around 40% of their time dealing with non medical issues.²³ This finding tallies with findings from our own research; a study by Citizens Advice into non-health demands on GPs found that 80% of the 824 GPs interviewed reported that dealing with non-health queries resulted in decreased time available to treat other patients' health issues, with almost a fifth (19%) of their consultation time being spent on non-medical matters.²⁴ The most common issues raised were personal relationships, housing, employment, welfare & benefits and debt. 84% of GPs said that they refer patients to an advice agency in the community with only 31% reported that they were able to advise patients adequately themselves on the underlying presenting non-health issues. Another study by the Legal Action Group using questions included in the GP omnibus survey found that GPs have been seeing an increase in non-medical advice demand; the majority of GPs thought that the number of patients who would have benefited from social welfare advice had increased - 67% of GPs surveyed reported an increase in the number of patients who would have benefitted from advice on benefits and 65% saw an increase in people who would benefit from advice on debt and financial problems.²⁵

Smart City commissioning framework



²³ https://www.greatermanchester-ca.gov.uk%2Fdownload%2Fmeetings%2Fid%2F1066%2F05_background_papers_2_of_3

²⁴ <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/almost-400million-a-year-spent-on-gps-doing-non-health-work/>

²⁵ http://www.lag.org.uk/media/192172/health_and_social_welfare_law..pdf

- *Making the most of devolution*

Further competencies could be devolved to the Core Cities and City Regions such as adult skills budgets. Devolution to the Greater Manchester Combined Authority has allowed for a range of public service reform priorities now includes the Life Chances Investment Fund, which from April 2017 will align funding from other budgets such as the Troubled Families programme and Working Well pilot, and potentially a range of innovative other funding streams. The five-year GM Transformation Fund create under the Comprehensive Spending Review settlement to support health and social care transformation, retention of business rates and potential four year settlements for local authorities, also provides relative certainty of funding that to enable development of longer-term strategies and more effective commissioning for transformational change. Notwithstanding the uncertainty caused by the Brexit vote, these are real opportunities to ensure both the £6 billion health and social care budget and the broader £22 billion GM budget for public spending are used as efficiently as possible to improve outcomes for Greater Manchester residents.

Whilst the Greater Manchester model may not suit all City Regions, there is much that different Cities can learn from each other. Leeds for example have adopted new approach to children's services and family services drawing on a whole place leadership and involving key partners. They have found that for every £1 spent on family conferencing delivers £4 of benefit to other services e.g. criminal justice system, health. A common theme across all the Core Cities is that believe that investing in early prevention and intervention services such as information and advice, and working with voluntary sectors organisations that can reach out into the community and provide access though a range of channels, can and does provide a return on investment from reduced demands on the public sector. We can also evidence this using the Treasury ROI model.²⁶

- *Anchor Institutions*

There is a significant body of research literature about cities and regeneration successes that point towards the hugely important role that "anchor institutions" (such as the City Hospital, Library, Academy/College, law courts, arts/cultural institutions, and sports venues) can play in the City economy and civic life especially when they reach out into the community and develop new partnerships and clusters of civic activity.²⁷ In today's complex world and fast moving Cities where you find "agglomerations" of amenities, social life and economic supply-chains, information and advice infrastructures which help people navigate are essential foundations of core cities social capital, so our agencies similarly serve as "anchor institutions" in the Core Cities. It is no accident the Citizens Advice services are becoming increasingly co-located or embedded in key civic institutions, hubs and information gateways. For example in Newcastle, Citizens Advice occupy a floor of the City Library - a modern six story building housing a 185 seat performance space, a viewing platform, public art, cafe, exhibition area and the Newcastle Collection showcasing the city's unique heritage. The Library not only has a staggering book collection, more importantly it is also kitted out as a hub of community activities, gateway information and public access to the internet and public service portals, and an ideal venue for delivering "assisted digital" services. Whilst of course owned by the City Council, the Library is not seen as an extension of the local government bureaucracy, but rather as a vibrant cultural space shared by the community.

- *Community Land Trusts*

Whilst this area of policy is beyond our expertise, we are aware of the potential of CLTs to provide for affordable and community driven housing development and one approach for providing more

²⁶ <https://www.citizensadvice.org.uk/about-us/difference-we-make/impact-of-citizens-advice-service/impact-of-advice/>

²⁷ <http://www.thecyberhood.net/documents/projects/icic.pdf>

affordable housing could be for City Councils and other public bodies to recycle more land, brownfield sites and derelict buildings into CLT schemes.

Question 3. Governance: creating system change.

- How might we re-structure central and local public financing and related systems, so services support each other more effectively and decisions are made with a longer term time horizon in mind?
- What type of metrics for inclusive growth can be developed to support this?
- How can financial and fiscal risks be mitigated in places beyond the major metropolitan areas?
- How will Whitehall and the Devolved Administrations need to adapt?
- What are the barriers to achieving system and culture change?

Local authorities in the UK have relatively little autonomy compared to their European counterparts – ranking as the 4th least autonomous authorities out of 28 EU countries, with only Cyprus, Malta and Ireland home to less powerful local government.²⁸ There is a risk here that devolution may only reinforce these polarising trends in society if local leaders see their primary job as the management of functional economies and the pursuit of sustainable public finances. Devolution therefore needs to be linked to a vision of what future “smart” cities and inclusive environments might look like.

The technocratic business of devolution should not overshadow what is its core challenge: to give more people a bigger stake in the economy, and greater influence over the institutions that impact their lives. Bold proposals such as the basic income and the democratisation and local retention of wealth may provide potential long term solutions. But the most urgent task is to reinvigorate our democracy so that those that have long lost out from economic growth, and the organisations that support or represent them, are able to directly shape and influence how we govern our economies and political institutions. Rebalancing the UK’s economy is as much about creating a new sense of belonging and citizenship as it is about growth and productivity.

Conclusions

There is no easy solution or route to inclusive growth. Employers, Government, local authorities, public institutions and civil society all need to play their part. However, we see considerable potential and opportunities for moving disadvantaged communities out of social exclusion. With the arrival of new metro mayors next year, we hope that the political will and positive partnerships can be found to deliver it.

²⁸ <https://www.publications.parliament.uk/pa/cm200809/cmselect/cmcomloc/33/33i.pdf>

A Citizens Advice model of inclusive growth in the Core Cities

