

Needs and Redistribution Working Group Update

POLICY DEVELOPMENT: NOT A STATEMENT OF GOVERNMENT POLICY

1. Since the last meeting of the Steering Group the Needs and Redistribution group has met for the third time. The discussion at this meeting focussed on alternative approaches for measuring need and the suitability of some of the indicators used in the current needs assessment.
2. At its second meeting, the group had discussed the pattern of **2014/15 local government expenditure** which highlighted the influence that an authority's available funding had on their pattern of spending. This had led the group to question the suitability of past expenditure for correlation/regression exercises to assess local authorities' relative needs. The group expressed an interest exploring whether an outcome based measure of need could be an alternative to the past expenditure-based approach for creating new needs formulae. To facilitate this discussion CIPFA and Grant Thornton gave the group a presentation at the third meeting on '**CFO insights**', a tool they produce which provides insights on outcomes for local government services. The group was also presented with a paper summarising the current RNF Methodology for measuring need which highlighted the various statistical techniques used. The Society of County Treasurers also brought the groups attention to another alternative referred to as Normative Modelling.
3. There was an extensive discussion of how outcome measures could be used. A number of people also highlighted that the existing approach did have some advantages and shouldn't be completely dismissed at this stage. One particular theme that emerged was the group's interest in developing an approach that attempts to reflect/predict future needs.
4. A number of the local authority representatives offered to go away and develop a "straw man" proposal for how they would like the future needs assessment to work in principle. The Local Government Association and Department for Communities and Local Government agreed to provide the group with a work plan for the future meetings and to arrange for dedicated meetings of this group to focus on the assessment of needs associated with adult social care and children's services.
5. The group also discussed the indicators used in the current needs assessment. It was agreed that DCLG should begin working with DWP to understand the likely position of income and employment related benefits when the needs assessment is completed.