

not the national information forum

But still working for the inclusion of disabled and other disadvantaged people
by encouraging better information provision

In This
Issue

www.nif.org.uk

- HOSPITALS 'SPECIAL MEASURES'
- CONSULTANT'S MORTALITY DATA
- STRAPPED FOR CASH
- THE BENEFITS CAP
- ATOS TO LOSE ITS MONOPOLY
- THE LIVERPOOL CARE PATHWAY
- WHOLE LIFE SENTENCES
- ROAD CASUALTIES
- MISLEADING STATISTICS
- PUBLIC PERCEPTIONS
- FEEDBACK
- BANK NOTE ACCOLADES
- CONCERN ABOUT CARE SERVICES
- REGULATION OF CARE SERVICES
- THE HORSEMEAT SCANDAL?
- FOOD BANKS?
- IN PARLIAMENT
- AUSTERITY CHALLENGED
- THE CONTRIBUTORY PRINCIPLE
- HEALTH CHECKS
- PATRIOTISM
- VIOLENCE AGAINST WOMEN
- 'LIBRARIES CHANGE LIVES' AWARD
- IMMIGRATION
- ASSISTED DYING
- MAGAZINES ROUND-UP
- REWIRING PUBLIC SERVICES
- NHS AND SOCIAL CARE STAFFING
- EVEN BRIEFER
- WE HATE NO. 68: TAX AVOIDANCE

A Digest of Current Social Information

News Briefing No. 60. August 2013

ELEVEN HOSPITALS PLACED UNDER 'SPECIAL MEASURES'

Whether you think the excellent Keogh report on hospital mortality rates (published on 16 July 2013) has been used as ammunition to smear Labour and pave the way for more private healthcare (*Guardian, 17 July, Hunt accused of using NHS deaths for political ends*), or you see it as a model to improve NHS care, is something you can judge for yourselves. The full report can be seen at: www.nhs.uk/NHSEngland/bruce-keogh-review/Documents/outcomes/keogh-review-final-report.pdf. There is also an accurate summary on the www.nhs.uk site. The partisan Commons statements of the Health Secretary and response of his 'shadow', Andy Burnham, are on the Parliament site.

Despite the fact that Sir Bruce, in an opening letter to the Secretary of State, wrote "this is not a time for hasty reactions and recriminations", and that conspicuously the review's terms of reference did not extend to attributing historic or political blame, Hunt's statement was highly critical of Labour's record in the years before 2010, and the subsequent exchanges were hugely divisive. In some prior media coverage, said to have derived from government briefings, much was made of an estimate, based on data analysed by Sir Brian Jarman, a member of the team's National Advisory Group, that there may have been as many as 13,000 avoidable deaths at the 14 hospitals under review. Again, such reports are at odds with Sir Bruce's letter, in which he refers to "the complexity of using and interpreting aggregate measures of mortality." He further says: "However tempting it may be, it is clinically meaningless and academically reckless to use such statistical measures to quantify actual numbers of avoidable deaths. In his earlier report, Robert Francis himself said, 'it is in my view misleading and a potential misuse of the figures to extrapolate from them a conclusion that any particular number, or range of numbers of deaths were caused or contributed to by inadequate care'."

Nevertheless, Sir Bruce's team found ample evidence of inadequate care in hospitals "trapped in mediocrity". Eleven of the 14 hospitals under review were heavily criticised and placed under "special measures". Improvements were needed in the other three. I just also mention that of the 14 hospitals, 9 had already achieved foundation trust status and, of these, six were already below the green (within expected range) rating.

Failings in some hospitals and in their regulation clearly go back a long way, but it is inescapable that the cuts in front line staff under the coalition, while attempting to cope with growing demand and structural reorganisation, have played a major part in the shortcomings identified. The report says: "The review teams found inadequate numbers of



nursing staff in a number of ward areas, particularly out of hours – at night and at the weekend. This was compounded by an over-reliance on unregistered support staff and temporary staff.” (Ambition 6)

What would be interesting to know is what Monitor and the CQC found on their previous inspections of all 14 of these hospitals.

CONSULTANT’S MORTALITY DATA

28 June 2013: NHS England today began a staged online publication of mortality rates for individual hospital consultants in ten specialities. The data will cover around 3,500 consultants and will appear on the NHS Choices website. It will show the number of times a consultant has carried out a procedure, mortality rates and whether clinical outcomes for each consultant are within expected limits.

There is, however, a compelling argument that mortality rates in themselves are not necessarily indicative of poor care. Much depends on the age and prior condition of the people who are being treated, the level of emergency and the complexity of operations. Professor Ben Bridgewater, a director at the Health Quality Improvement Partnership, is quoted as saying that the crude estimates first published were “virtually worthless” It has also been said that, if subjected to the rigorous inspection regime of the Keogh team (see previous article), similar failings would probably be found in most of our hospitals (though not, I’m sure, in the Lindo Wing of Paddington’s St Mary’s Hospital).

Nevertheless, this exercise in transparency is expected to drive up standards. According to the NHS England website (www.england.nhs.uk/2013/06/28/mjr-brkthgh-nhs-transp-cons/) around 99 per cent of consultants have agreed or “not objected” to information regarding their practice being published. **“Consultants and their reasons for opting out of publication will be listed on the NHS Choices website.”**

Perhaps we should have something of this kind for MPs’ performance?

Guardian, 28/29 July 2013.

STRAPPED FOR CASH

- Many charities are facing a calamitous decline in income. Featured on Radio5Live, 24 July.
- According to the Institute for Fiscal Studies, the incomes of people in their 60s and 70s have continued to rise since the onset of the recession, but in contrast median (middle) income among people in their 20s fell by 12% between 2007-8 and 2011-12 (after adjusting for inflation), the largest fall of any age group.. For more see *Living Standards, Poverty and Inequality in the UK: 2013* at www.ifs.org.uk/publications/6759.
- H.M. Inspectorate of Constabulary has warned that at least five police forces will struggle to make the cuts imposed by the coalition. *Guardian*, 19 July.
- Margaret Hodge, Chair of the Public Accounts Committee (BBC Question Time, 4 July) stressed the need to see the bigger picture, namely that a third to a half of NHS trusts are close to going bust. So, alas, are a third of our disabled citizens. See ‘IN PARLIAMENT’ below.
- Tim Kelsey, NHS England’s information director, said that the health service faced a £30 billion funding gap by 2020. “We are about to run out of cash in a very serious fashion.” *Guardian*, 6 July. See also ‘REWIRING PUBLIC SERVICES’ below.

THE BENEFITS CAP

15 July 2013: Work and Pensions Secretary Iain Duncan Smith is quoted as saying that he was right to claim that benefit claimants subject to the new cap were being forced back into work: “I have a belief I am I right”. No doubt many ‘middle Englanders’ have a similar belief. But I think it would be wise to wait until the dust has settled.

ATOS TO LOSE ITS MONOPOLY

A DWP sample audit has found that more than 40 per cent of ATOS’s work capability assessment reports are flawed and “contractually unacceptable”. The findings mean that the company will be stripped of its monopoly role in assessing disabled people’s fitness for work. Liam Byrne, the shadow Work and Pensions Secretary is quoted as saying: “This is a direct consequence of three years of appalling contract management by Iain Duncan Smith.”

The action follows a lengthy period during which more than 600,000 of the 1.8 million assessments carried out by ATOS (since 2009) have been appealed. On average, around 30 per cent of such appeals are

reported to have succeeded, a figure disputed by the DWP.

The DWP will be inviting other companies to bid for regional contracts, but not until summer 2014.

Reported in *The Independent*, 22 July 2013. As I read it this is no more than a cautious scaling back of ATOS's role.

THE LIVERPOOL CARE PATHWAY

16 July 2013: Following a review headed by Lady Neuberger, it has been decided that this end-of-life treatment regime should be phased out. The Pathway has had a number of distinguished advocates and continues to attract support, but the review found that failings in its implementation, rather than the plan itself, had led to great problems.

WHOLE LIFE SENTENCES

In my last issue I questioned whether imprisonment without hope of release was inhumane. I was then unaware that a case was before the Grand Chamber of the European Court of Human Rights on this very topic, which found on 9 July that whole life terms without provision for review did indeed breach a prisoner's human rights. Justice Minister Chris Grayling responded that "the British public will find this ruling intensely frustrating and hard to understand". Well not me. I side with the 16 to one verdict of the court.

I also noticed in *Briefing 59* that protecting Mark Bridger in prison would require significant expenditure. But even this has not prevented him from being attacked. Better dead?

ROAD CASUALTIES

Department of Transport statistics for 2012 show that despite a reduction in the number of road deaths (1,754, the lowest figure since 1926) and a small drop in people seriously injured (23,039), deaths of cyclists rose by 10 per cent to 118, with serious injuries up 4 per cent (a rise for the eighth consecutive year). This notwithstanding higher rainfall, normally reducing the number of cyclists on our roads.

MISLEADING STATISTICS (continued from Briefing no.59)

"On the spectrum of deceit, ministers are off the scale."

Headline to an article by Zoe Williams, *Guardian*, 27 June 2013.

"Over the last few months, as welfare cuts have started, questionable numbers have floated out of Iain Duncan Smith's office into the public debate like raw sewage."

Daniel Knowles, *Economist*, quoted in the above article.

"The balanced picture presented in this report is not recognisable from the Government briefing appearing in the weekend newspapers. In fact, this report exposes one of the more cynical spin operations of recent times. Nowhere in this report does the claim of 13,000 avoidable deaths appear."

Andy Burnham, Shadow Health Secretary, House of Commons, 16 July 2013, on the Keogh report.

PUBLIC PERCEPTIONS

A new survey by IpsosMORI for the Royal Statistical Society and King's College London finds serious public misconceptions about social issues. There is a marked tendency for exaggeration.

For example:

- **Teenage pregnancy** is thought on average to be 25 times higher than official estimates; pregnancies in girls under 16 are perceived as 15 per cent, when official figures suggest around 0.6 per cent.
- **Crime**: 58 per cent of people don't believe that crime is falling; whereas the Crime Survey for England and Wales shows dramatic reductions. 51 per cent think that violent crime is rising, whereas it has fallen by half a million incidents since 2006-7.
- **Benefit fraud**: People estimate that 34 times more benefit money is claimed fraudulently than official estimates. They think that £24 out of every £100 spent on benefits is claimed fraudulently, compared to an official estimate of 70 pence per £100.
- **Religion**: on average people overestimate the proportion of the population of England and Wales who are Muslims: thought to be 24 per cent, compared to the true figure of five per cent; conversely the proportion of Christians is underestimated: seen as 34 per cent rather than 59 per cent.

- **Immigration and ethnicity:** on average it is thought that 31 per cent of the population are immigrants, when the official figures are 13 per cent. There is a similar misperception on ethnicity: the average estimate is that Black and Asian people make up 30 per cent of the population, when it is actually 11 per cent.
- **Age:** similarly, the population is thought to be much older than it actually is – the average estimate is that 36 per cent are 65 or over, when only 16 per cent are.
- **Benefit bill:** people are most likely to think that capping benefits at £26,000 per annum per household will provide the greatest saving to the Treasury; in fact it is expected to save only £29 million, compared to £5bn for raising the pension age to 66 for both men and women and £1.7bn for stopping child benefit for wealthier households.
- **Voting:** the average estimate of turnout at the last election is thought to have been 43 per cent, when 65 per cent actually voted.

Either official estimates are haywire, or (making allowances for the use of average figures) a great many people are seriously misguided. I suspect the latter, and am tempted to think it may have something to do with the paper you read. This is important, for such misconceptions can be crucial when it comes to casting your vote.

Fuller details at www.rssenews.org.uk/2013/07/rss-commission-new-research-into-public-perceptions-of-statistics/

FEEDBACK

From Frank Adams (Kirklees), arguing for a right to die.

“Another fine publication. Further to the ongoing debate on end of life, I would like to add a comment I added to the forum of Frances Leckie’s Independent Living.co.uk on the right to die:

“I have listened to, and read so much on this subject that will affect me at some point in the future. No one has yet defined life as opposed to existing. To me, as a person who has been disabled from the age of three, and now that other disabling factors compel me to have care provided, I regard life as living with quality. As compared to existing in unbearable pain or discomfort, being fed, watered and toileted, without being able to do anything to change or end it. If a human treated an animal this way they would be prosecuted. So to sum up, in my view life is living with quality and dignity. Existing has none.”

From John D. Beasley (Peckham)

Issue no.59 states: “beliefs which identify homosexuality as a sin and relegate women to institutional inferiority are not conducive to social progress”. As a Methodist local preacher I agree. There is no record that Jesus said anything about homosexuality, and he was 2,000 years ahead of his time by treating men and women equally. Jesus is also recorded as saying: “Love your neighbour”. What a wonderful world this would be if everyone did that every day!

BANK NOTE ACCOLADES

It is good news that Jane Austen is to appear on the £10 note. The selection of historical figures is symbolic: an indicator of our diversity. I believe, moreover, that diversity is more defined by those who are omitted, than those who are included. There are, of course, many other female candidates. I think immediately of Mary Wollstonecraft and Emmeline Pankhurst. But as well as our great women, I dare to hope that, in a wider thrust to recognise diversity, we will soon see fit to honour one of our greatest composers: Benjamin Britten. The Bank of England has a long list and welcomes further suggestions.

CONCERN ABOUT CARE SERVICES

In my last issue I mentioned growing concern about the quality of care provided by some private companies, often paying care workers at minimum rates. Professor Brian Jarman, co-founder of the health statistical and research service Dr. Foster and a former patron of the National Information Forum, has found considerable variation in mortality rates across nursing homes, and the Care Quality Commission (CQC) is considering how to assess whether abnormal rates justify investigation. I wonder if it will be brave enough to consider whether it is an inevitable consequence of privatisation and the pursuit of profit.

Similar misgivings extend to the NHS, especially in respect of out-of-hours care. On 23 June, at the

British Medical Association's Annual Representative Meeting, members passed a motion of no confidence in the CQC, declaring it "not fit for purpose". Ivan Camphor, a Merseyside GP, said that five years after its establishment the body still needed to define its core purpose and suffered from a national crisis of confidence in its abilities. He called it "a national disgrace" that was outdated, lacking in credibility and subject to ridicule.

In a separate debate, GPs rejected the establishment of Ofsted-style ratings in general practice, a move that would be "expensive, unworkable and detrimental to good patient care".

On the following day, the meeting "overwhelmingly" declared no confidence in Health Secretary, Jeremy Hunt. They objected to his attack of the health service, and his accusations of 'mediocrity' and 'coasting' by NHS staff. Jacky Davis, a consultant radiologist, said that the government had launched a "ideological attack" on the NHS and its staff, and that the Health Secretary was "at the forefront of a new political blame game". This involved blaming others when the responsibility for health service problems lay with the government's cuts, closure, rationing, the Health and Social Care Act and "the debacle of NHS 111".

NHS England, particularly concerned as to how care can be afforded, has announced a consultation to seek the views of patients, public, politicians and NHS staff to inform the future direction of the NHS.

For more on the BMA meeting go to <http://bma.org.uk>, and for the NHS England consultation see www.england.nhs.uk/2013/07/11/call-to-action/

AND YET MORE CONCERN ABOUT THE REGULATION OF CARE SERVICES

I need hardly dwell on the misgivings around the past performance of the Care Quality Commission (CQC). *The Guardian* was particularly sceptical, noticing (25 June) that the CQC had emerged reluctantly as the merger of three previous commissions, and had been "overstretched and underfunded from the start". Concern coalesced around the alleged suppression of a critical report into an inquiry at Barrow-in-Furness Maternity Unit. When it was finally decided to publish the report, the names of those said to have been involved in its suppression were redacted, but subsequently revealed. Health Minister Jeremy Hunt told the BBC that the alleged cover-up of failings was "shocking", and that he will back appropriate action against those responsible "absolutely to the hilt". Two MPs, Tim Fannon and John Woodcock, have called for a police investigation. The CQC, now under new management, has launched a consultation seeking views on proposed plans for the way ahead (www.cqc.org.uk).

The Barrow-in-Furness unit is governed by a foundation trust.

WHAT HAS BECOME OF THE HORSEMEAT SCANDAL?

A report from the Environment, Food and Rural Affairs Committee, published on 10 July and available on the Parliament website, expresses dismay at the slow pace of investigation into "highly organised" criminal activity in which horsemeat was misdescribed as beef.

Can carnivores yet be reassured that beef products are free of horsemeat? According to the BBC website, citing results published by the European Commission, horse DNA is found in up to five per cent of beef products tested across the European Union. But in the UK there has been only one recall since March: a meat pie recently found to contain one per cent horse DNA. Since January, of 25,000 tests, mainly by the food industry, only 47 have found horse.

SHOULD WE BE WORRIED ABOUT FOOD BANKS?

Along with many others, I have previously seen the rising reliance on food banks as evidence of a surging level of deprivation. But to Lord Freud, Under Secretary of State at the DWP, it is simply a matter of basic economics. Responding to a question from the Bishop of Truro, he explained "It is difficult to know which came first, the supply or the demand...If that sounded like jargon, I apologise, I meant that food from a food bank – the supply – is a free good, and by definition there is an almost infinite demand for a free good."

Hansard, 2 July 2013.

IN PARLIAMENT

Dedicated readers may wish to see the response of the Minister for Disabled People (Esther McVey) to a question asking what progress she has made on ensuring equality for disabled people.

(Parliament website, *Hansard*, 20 June 2013, col.1054),

This was followed on Opposition Day by a full debate led by Liam Byrne calling on the government to publish, by October 2013, a cumulative impact assessment of the changes made by the government that affect disabled people. His motion was said to have been inspired by a belief that the manner in which the government had systematically ignored and tried to disguise and bury the impact of their reforms on disabled people is a national scandal. "Today," said Mr Byrne, "we have one third of disabled citizens living in poverty. That proportion has increased every single year this coalition government has been in power. That is a disgrace, and it is only surpassed by the government's attempts to make it worse."

Inevitably, the motion was lost, but the debate covers most of the burning issues of the day. (Parliament website, *Hansard*, 10 July 2013, from co.398).

AUSTERITY CHALLENGED

Towards the end of June, Caroline Lucas, the Green Party's only MP, wrote to *The Guardian* noticing that all three of our main parties are now committed to austerity. She argued that "an opposition party worthy of the name would be making a far stronger case that austerity isn't working, and offering a genuine alternative", and outlined another strategy.

Also in *The Guardian*, Zoe Williams argued that low wage levels, rather than welfare benefits, are in need of reform. Wage cuts simply reduce spending power and perpetuate recession. (12 June 2013: 'What's holding Britain down isn't benefits. It's low pay')

THE CONTRIBUTORY PRINCIPLE (A SIMPLIFICATION)

It is true that the modern welfare state (post-workhouse) began with the introduction of benefits intended to tide people over during breaks in employment and was based on the insurance principle of having paid in while employed. But as social awareness evolved it was recognised that support was also needed by people who could not possibly have made prior contributions. Growing recognition of wider need led to a complex and steady expansion of benefit provision. In recent years, the scale of provision and a sense that it can encourage expectation and dependency has led to a counter reaction against what has been dubbed the 'something for nothing' welfare culture. This has proved attractive to those getting next to nothing for something, and a popular sentiment that, at the very least, people who have contributed to the system should do rather better out of it than those who have not.

The latest manifestation of this trend can be seen in antagonism to so-called 'welfare tourism'. It is proposed that short-term visitors from countries outside the European Union should not enjoy free access to GP services, and should pay something up front for potential healthcare while in the UK.

HEALTH CHECKS

The BBC excellent programme 'Inside Health' (Radio 4, 24 July) looked at the NHS health checks against stroke, dementia, heart disease, diabetes and kidney disease (www.nhs.uk, search for NHS Health Checks). These are available to everyone aged between 40 and 74. Professor Kevin Fenton, of Public Health England, claims that the checks could save at least 650 lives, prevent 1,600 heart attacks and 4,000 cases of diabetes. Inside Health's Dr Margaret McCartney isn't convinced, questioning where these figures come from.

PATRIOTISM

I do not remember Fred Perry's three consecutive Wimbledon championships in 1934 to 1936 causing a great stir. But then I was aged only between four and six at the time, and I doubt if the good folk of Toxteth got to Wimbledon or had caught up with TV. Wikipedia, however, says that Perry "was not universally admired in his homeland", and that he became disillusioned with the class-conscious nature of the Lawn Tennis Club of Great Britain. Having emerged from a working-class background, he moved to the USA, was naturalized there in 1938, and in 1942 was drafted into the US Air Force.

As I have noticed before, I wrote my first childish essay at the age of ten on the subject of nationalism, arguing that being born to English parents was no reason to hate other countries, notably France. The second world war, in particular Dunkirk, the blitz and the battle of Britain, somewhat amended that view, and I was deeply affected by Winston Churchill's wartime speeches (I still have them on 78s).

Nevertheless, until this 7 July I still felt some reservations about patriotism. But not on that day. The saturnine Scot, Andy Murray, had me leaping with joy at 'our' success.

VIOLENCE AGAINST WOMEN

A World Health Organisation study has found that, overall, 35 per cent of women worldwide have experienced either physical and/or sexual intimate partner violence or non-partner sexual violence. Most of such violence is from intimate partners; indeed globally as many as 38 per cent of all murders of women are committed by intimate partners. The report shows, for the first time, aggregated global and regional prevalence estimates of violence, using population data from all over the world. It also details the effects of violence on women's physical, sexual, reproductive and mental health.

More at: www.who.int/reproductivehealth/publications/violence/9789241564625/en/index.html.

THIS YEAR'S 'LIBRARIES CHANGE LIVES' AWARD

CILIP's 2013 award (now in its 22nd year) goes to Surrey County Council Libraries for their innovative project 'Domestic Abuse: How Surrey Libraries Can Help'. They received a trophy and a cheque for £4,000, presented by broadcast journalist Fi Glover.

The project offers support and guidance to those experiencing domestic abuse and to survivors of domestic abuse, providing vital information and resources in a safe environment. They help those who have experienced sexual, emotional, physical, financial and violent abuse, forced marriage and genital mutilation. They also work with frontline domestic abuse professionals to support their work and jointly develop services to increase awareness throughout the Surrey population of the scale of domestic abuse in the county.

Offering his congratulations, Philip Wark, chair of the judges, said:

"Despite the increasing pressures placed upon them, our public libraries are still doing vital work and making a real difference. With their dedicated staff, libraries are trusted, safe and much-needed public spaces. Domestic abuse is often ignored or overlooked, but that has to stop. This is a very powerful example of how librarians are helping those who need it the most. This really is a fantastic project and one that could and should be replicated across the country."

Two other projects were shortlisted:

Kent County Council Libraries, Registration and Archives: 'Dementia Friendly Libraries in Kent', designed to help people living with dementia and their carers; and Kirklees Libraries and Information Centres: 'Reading and You', supporting and increasing positive outcomes for people with mental health and wellbeing issues.

More at www.cilip.org.uk/news-media/Pages/news130703a.aspx

IMMIGRATION

From Peter Salter

On LBC Radio I recently heard the usual comment on immigration: "they come here and are given a house and a car". If that were true, why do Romas have to camp out in the central reservation of Park Lane? This same caller said that people coming to the UK must speak English. Just like all those Brits going to France, Spain, India, China etc who speak the relevant languages before they leave the UK?

Immigration is commonly seen as a single issue in these discussions. But I argue that it covers asylum, students, spouses, and intra-EU movement. Each has its own issues and possible solutions to problems.

"Stop immigration for five years" said another caller - and this indeed is UKIP policy. So, no students bringing fees to the UK and no Toyota engineers working on a new car-plant in an area with high unemployment. My Diplomatic Service friends, who might meet a local on a foreign posting and get married, would, presumably, not be allowed to apply for a spouse to come to the UK. Automatic entry to the UK is assumed by many, but is not the true position. Indeed, in a case recently reported in the papers, one Brit, whose wife spent a lengthy period tending a terminally ill parent in the Far East, lost her right to come here as a result, even though her husband had travelled to see her occasionally.

I cannot know the all the answers, but believe there is widespread ignorance among those who seek to comment - just like the widespread ignorance about tax I have written about before. See: <http://www.ipsos-mori.com/researchpublications/researcharchive/3188/Perceptions-are-not-reality-the-top-10-we-get-wrong.aspx>

ASSISTED DYING

Writing in *The Guardian* (9 July 2013), Paul Chamberlain, a 66-year-old chartered accountant who has motor neurone disease, understands the degenerative progress of the condition and is clear that he does not want to linger on to the point at which the disease takes its final and most pitiful toll. He would “rather not go to the full term”. He does not anticipate needing assistance to end his life, but nevertheless has joined Dignity in Dying and supports Lord Falconer’s Bill.

BT Yahoo News, in its ‘Need to Know’ series, looks in some depth at issues around assisted dying, with videos and comments.

A ROUND-UP FROM MAGAZINES RECEIVED

OFT News (online)

The July issue, following up on David Fisher’s piece on payday lending mentioned in my last briefing, reports that the Office of Fair Trading has now referred the payday loans market to the Competition Commission because of concerns the OFT has about deep-rooted problems with the way competition works.

After a public consultation, the OFT continues to suspect that features of the payday lending market prevent, restrict or distort competition. It considers that these issues go deeper than can be addressed through existing laws and guidance. Their concerns are set out at www.of.gov.uk/news-and-updates/press/2013/45-13. They include the risk that competitive pressure to approve loans quickly may give firms an incentive to skimp on the affordability assessment which is designed to prevent irresponsible lending and protect consumers. The OFT is also concerned about business models that appear predicated on making loans which are unaffordable, leading to borrowers paying far more than expected through rollovers, additional interest and other charges. Lenders appear to derive up to 50 per cent of their revenue from such practices.

By referring the market now, the work of the Commission will be able to provide the Financial Conduct Authority (FCA) with a sound evidential basis on which to develop its rules and apply its new powers after it takes over responsibility for regulating the payday market from April 2014. The FCA’s powers will include the ability to place a possible cap on interest rates and a ban or limit on the number of rollovers lenders may offer. The Commission can also impose remedies itself, including banning or limiting particular features of a product or market.

Other subjects covered include comments on the launch of a hub for businesses on the *Unfair terms in consumer Contract Regulations*, a call for information into the supply of government ICT services, and a new market study into banking for small and medium businesses.

Liberty

Recent issues have suggested that civil liberties and human rights are under extreme threat. The summer edition is no exception. Shami Chakrabarti leads with the observation that “No sooner had we greeted the death of the Snoopers’ Charter – notable by its absence from May’s Queens Speech – [than] opportunistic politicians used the shocking death of Drummer Lee Rigby to open the door to reviving plans for blanket surveillance”. She goes on to denounce the tracking of our online communications by US and UK intelligence services. Liberty, we learn, has filed a claim against British security services for their role in this secret intrusion. Further content examines the Stephen Lawrence case, noticing that, 20 years on, concerns over the police’s approach to racist crime persist.

Other matters discussed include the slow-burning dispute over press regulation. Liberty is opposed to a royal charter from either press or politicians. It goes on to deplore the passing of the Justice and Security Act and the impending introduction of secret courts; along with the legal aid cuts that have put publicly funded legal advice and representation beyond the reach of vast swathes of the British population. (It has since emerged – 2 July - that plans to deny defendants the opportunity to choose a solicitor have been dropped).

I was also particularly pleased to read Corinna Ferguson’s attack on the ‘bedroom tax’. Liberty has brought an action for judicial review based on the impact on separated families with shared custody of children, on the grounds that the scheme is irrational and a violation of Articles 8 and 14 of the European Convention on Human Rights – the right to a private and family life and no discrimination. The government, Corinna concludes, “must rethink this damaging and unfair policy”.

The Week

Such is the breadth of coverage in this brilliant weekly digest as to make it difficult to settle on a single outstanding piece. But I felt that an article in a back issue of 8 June was particularly important. It featured as 'controversy of the week' a short homily which drew on a general media repugnance of too-easy access to "shockingly violent images" of child pornography on the internet. Action is needed to curtail offensive sites, but it is my understanding that the more extreme sites featuring child abuse are 'hidden' and not accessible via conventional search techniques, and that globally only one per cent of sites showing child sexual abuse are hosted in the UK.

Also, as Janice Turner pointed out in *The Times*, women and children are not the only victims of hardcore porn. *The Week* singled out her article as one of the best of the week in its issue of 29 June, noticing "that five of our prisons have been dedicated solely to housing sex offenders. The rate of convictions has doubled in a decade, and there are thought to be a further 50,000 people at large viewing illegal images of child abuse." The article describes how men, who "were not born monsters", can become addicted to child porn, and groomed "into criminality, abuse and damned lives."

You are likely to have noticed that since I wrote this the Prime Minister has come up with an action plan to control internet pornography. These two circumstances are, of course, unconnected.

CILIP Update

The July issue is big on metadata. If, like me, you have no idea what this means, I can divulge that according to Wikipedia it describes, in a library context, data about the containers of data. Fascinating.

There is also an interesting piece on the latest digital newspaper archive: over a million pages of content from more than a hundred years of the *Daily Mail* (1896-2004). I leave you to judge if it has always been what it is today. It joins 14 other newspaper and magazine titles available in digital format.

NB

In the July/August issue, *NB* Editor Olufunmi Majekodunmi asks if social care in Britain is on the verge of collapse. Referring to research by the Association of Directors of Adult Social Services, she reports that a further £800 million is likely to be taken from the £16 billion budget this year, and a view that services for older people and disabled people are most likely to feel the brunt of the squeeze.

In another article, Matt Davies, RNIB's Parliamentary Manager, highlights concern about the Children and Families Bill, specifically the need to emphasise the importance of early years support for children with sight loss; and for clarity about who will be eligible for the new Education, Health and Care Plans.

I particularly appreciated *You're hired!*, again by the editor, offering sound advice to anyone preparing for a job interview, set in the context of lessons to be learned from the BBC's *The Apprentice*.

REWIRING PUBLIC SERVICES

Launching an ambitious programme to 'rewire' local authority strategies, Sir Merrick Cockell, Conservative Chair of the Local Government Association, claimed that it will provide much-needed solutions to the delivery of public services within an ever-tightening fiscal environment.

Addressing the LGA's annual conference, on 2 July, he acknowledged that local authorities had endured the steepest reductions over the current spending review, with 33 per cent cuts in real terms. Now, with a single-year further cut of 10 per cent, they were yet again the hardest hit part of the public sector. They found themselves "in the ludicrous position of having to manage cuts in areas where inspection regimes are being tightened and demands... increased." He saw it as "our duty to stand up for our communities". There was an urgent need to address how councils can better lead economic growth, social care, health and children's services – all local services - putting citizens and not institutions at the heart of all that we do. He argued that the current model we have, indeed for public services overall, set in the context of an over-centralised national state, will not see us through for very much longer. It is almost bust. *Rewiring Public Services* offers a positive way forward.

For details go to www.lgcplus.com/news/speech-by-sir-merrick-cockell-to-local-government-association-conference/5060528.article. Sir Merrick will remain as chair of the LGA for a further year, but is stepping down as leader of the Royal Borough of Kensington and Chelsea.

NHS AND SOCIAL CARE STAFFING: TIME TO THINK DIFFERENTLY

NHS and Social Care Workforce, a new report from The King's Fund, published on 25 July, examines in detail a worrying mismatch between current staffing and the nature and location of today's care needs. The danger is that although the combined workforce numbers around three million, its make-up and deployment, designed for an earlier age, will continue to drive the care model, not the other way round. The report concludes that "the potential shortages in the formal and informal workforce faced by the health and social care system are breathtaking". This is particularly true of medicine. *The Guardian* (also 25 July), for example, points to a drop of 4,893 in the number of nurses in England's NHS since May 2010. The issues, which are complex, are more adequately explained at: www.kingsfund.org.uk/time-to-think-differently/publications/nhs-and-social-care-workforce.

EVEN BRIEFER

- The RSPCA is alarmed at Home Office statistics which show that the use of animals in scientific research rose by 8 per cent in 2012, compared with the previous year.
- Network Rail's net debt increased by £3.1 billion in 2012/13 and is expected to reach £50 billion by 2020.
- There are fears that the public sector equality duty in the Equalities Act may be scrapped.
- Norman Lamb, Minister for Health, has suggested that Neighbourhood Watch Groups should keep an eye on older people with care needs, and take on some of the work currently carried out by care professionals.
- The Public Services (Social Value) Act 2012, effective from January 2013, encourages those commissioning public services to take into consideration how contractors might improve the economic, environmental and social wellbeing of an area. See www.unity.co.uk/socialvalue.
- A report from the Institute for Government says that Whitehall must slow down its plans to expand markets in public services because it lacks the expertise to design and manage complex contracts effectively. New research has found mistakes in setting up and management in areas such as care for older people, schools, probation and employment services.
- 5 July, the 65th anniversary of the NHS, was marked by an outpouring of despondency, dissension and anxiety.
- A survey by Citizens Advice finds that nine out of 10 claimants are not ready to deal with the introduction of Universal Credit, and are likely to be worse off. *Guardian*, 8 July.
- The estimated backlog of uncleared immigration and asylum cases has now reached 502,462. Keith Vaz, Chair of the Home Affairs Select Committee is highly critical. Parliament website, 13 July.
- The government's zeal for public health has been undermined by the shelving of proposals for the plain packaging of cigarettes and a minimum unit pricing for alcohol.
- A report from the Royal College of Psychiatrists has found that people with dementia frequently receive poor care in hospitals. Although they occupy roughly a quarter of beds, levels of assessment are alarmingly low, and about a third of hospitals do not have guidance in place. Widely reported: Connecting Minds Network has an admirable summary.
- The pressure for cuts in public spending extends to the Office for National Statistics. Possible candidates for the axe include politically sensitive statistics on smoking, drinking, teenage pregnancies and infant mortality. *Guardian*, 11 July.
- The number of people resorting to foodbanks has risen 200 per cent over the three months since the introduction of new welfare cuts. Trussell Trust.
- Despite consistent denials, predictions that Universal Credit would not be universally rolled out by October can now be seen to have been well-founded. On 10 July, Health Secretary Iain Duncan Smith revealed that the scheme would be extended only to six more job centres and even then restricted to those cases simplest to process. *Guardian*, 11 July.
- The Commons Health Select Committee reports that more than 80 per cent of Accident and Emergency Units do not have enough consultants on duty for the 16 hours a day considered necessary to give high quality care. Staffing levels in emergency departments are an area of considerable concern to the committee, with the situation even worse at weekends. *Guardian*, 24 July.

WE HATE NO. 68: TAX AVOIDANCE

Taxes, after all, are the dues that we pay for the privileges of membership in an organized society.

Franklin D. Roosevelt, US President, speech, 21 October 1936.

The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers with the smallest possible amount of hissing.

Attributed to Jean-Baptiste Colbert, Minister of Finances to Louis XIV, c.1665.

The Chancellor of the Exchequer is a man whose duties make him more or less of a taxing machine. He is entrusted with a certain amount of misery which it is his duty to distribute as fairly as he can.

Viscount Sherbrooke, speech as Chancellor in Gladstone's government, 11 April 1870.

If you tax too high, the revenue will yield nothing.

Ralph Waldo Emerson, Essay on Compensation, 1841

Taxation is unpopular, both to those who have to pay it and as a subject. But it is necessary and I want to try to be brave. I am honorary treasurer to two small national charities: Civil and Public Service Artists (although not an artist) and the Community, Diversity and Equality Group of the Chartered Institute of Library and Information Professionals (although not a librarian). I hope that as well as crunching numbers, I bring an external view to each of these organisations. And I hope that I can similarly bring a detached view to the merits of taxation (although not a politician). It is obvious that, in political terms, when considering a new or increased tax, the bottom line, apart from any effect on the economy, is the impact of any such change on a party's support among the electorate. Injudicious taxes, such as the new 'bedroom tax' and the long-resented inheritance tax, are examples that are politically counter-productive. Yet right now there is pressing need to increase the financial 'take' of the national treasury. I simply say that it is imperative that action to increase yield should be acceptable and fair, two guiding lights that depend on each other.

The compliance, indeed co-operation, of taxpayers is essential. Listening to Radio 5Live (as I do) I was perturbed to hear two phone-in contributors say that it was natural to want to pay as little tax as possible. How sad! Is it pious to hope that everyone should have a moral perspective to want to do everything we can to help lift our nation out of its financial troubles? And to see tax avoidance as aberrant and unpatriotic? In the ordinary course of things, prosperity and profitability should benefit our revenue, not the reverse.

My starting point is the personal income tax system. Here I would like to see two relatively simple changes. At present, increases in personal allowance benefit not only the very low paid, but those on higher incomes (up to £150,000). It is true that the 40 per cent threshold has been progressively reduced to compensate for upratings of the personal allowance, but if this direction is continued the higher rate will eventually apply to relatively low pay. My suggestions are guided by the socialist principle that the broadest backs should bear the greatest burden (endorsed by the Chancellor of the Exchequer in his recent spending review statement), and also to supersede the clumsy system of working tax credits. Maximising taxation can reduce the need for spending cuts, but must be so constructed as not to frustrate economic recovery. Firstly, I suggest a tapering of the personal allowance, reducing it by £1 for every £10 of the taxpayer's income in excess of £10,000. Thus, if the maximum allowance were to be £10,000, the allowance on incomes above £10,000 would be progressively reduced until on incomes of £110,000 or more there would be no allowance at all. Secondly, I propose the reintroduction of a 10 per cent rate on taxable income up to £15,000, before the 20 per cent rate kicks in. Thus, as anticipated, workers earning up to £10,000 would pay no tax at all, and someone earning, say, £20,000, although losing £1,000 of the maximum personal allowance, would pay £1,100, significantly less than under current arrangements. Under my proposal this easement would be financed by a gradual increase in the tax bill on higher incomes. It would put more money into the pockets of low-paid workers, increasing their spending potential and hopefully stimulating economic growth, and could well be afforded by those better off. The exact figures could be varied according to need. But I think I've got the principle right.

I believe that any changes to the tax regime should pass the test of all four of Adam Smith's maxims (An Inquiry into the Nature and Causes of the Wealth of Nations, 1776, book V, chapter II). These revealed themselves to me around 60 years ago, and I find them eternally valid. In short order they say:

- **Equality:** that the citizens of every state ought to contribute towards the support of their governments, as nearly as possible, in proportion to the revenue they respectively enjoy.
- **Certainty:** that the tax each individual is bound to pay ought to be certain and not arbitrary, as

regards the time and manner of payment and the amount.

- **Timeliness:** every tax ought to be levied at the time, or in the manner, likely to be convenient for the contributor to pay it.
- **Limitation:** every tax should be so contrived as to take out and keep out of the pockets of the people as little as possible, over and above what it brings into the state's public treasury.

Smith had a great deal to say about the latter maxim. He was particularly concerned to rein in the cost of collection, which itself required taxation, and was aware that taxation could “obstruct the industry of the people, and discourage them from applying to certain branches of business which might give maintenance and employment to great multitudes”. Injudicious taxation could also be such as to tempt some “unfortunate” people to attempt evasion, leading to their ruin and putting an end to the benefits that the community might otherwise have enjoyed from the employment of their capitals. Similarly, it offered a great temptation to find ways to avoid it (smuggling, in Smith's argument). “The law,” wrote Smith, “contrary to all the ordinary principles of justice, first creates the temptation, and then punishes those who yield to it; and commonly enhances the punishment, too, in proportion to the very circumstance which ought certainly to alleviate it, the temptation to commit the crime.” He went on to inveigh against “the frequent visits and odious examination of the tax-gatherers, which could expose them to much unnecessary trouble, vexation, and oppression.” The cardinal principle expounded here is that care should be taken to set taxation at a level which the taxpayer finds acceptable and which does not encourage elusion, legal or otherwise. This well-known, but still relevant, canon of taxation presumably explains the Treasury's (and government's) assertion that an income tax rate of 45 per cent produces a greater yield than one of 50 per cent.

The idea that taxation should be imposed with a sense of fairness was not, even in Smith's time, without precedent. In about 1194, one William Fitz-Robert stirred up a large number of the middle and lower classes against the exclusion of certain principal men of the City of London from a *taillage* exacted by the king's agents. Sadly, his followers lacked resolve, and William was seized and dragged, tied to a horse's tail, through the middle of London (“to Ulmet” ?????), and hung in chains on a gallows, along with nine others who espoused his cause. “Thus,” wrote Roger of Wendover, “William of the Beard was shamefully put to death by his fellow citizens for asserting the truth and defending the cause of the poor” (from Jon Lewis's fascinating *London, the Autobiography*, 2010).

Which brings me to the sore and complex point of tax avoidance by certain multinational companies who, you may think, are more deserving of such a fate. Such tax avoidance has a long history. BBC Radio 4 drew attention this month to a letter written on 5 November 734 by the Venerable Bede to his former pupil Egbert deploring the setting up of ‘false monasteries’ as a means of avoiding payment of a fair share of tax, and wanting action. The parallel was obvious and Margaret Hodge, Chair of the Public Accounts Committee, who joined a discussion, expressed anger at the present attitude of large companies.

This is a matter of both principle and scale. Owen Jones, in his brilliant study *Chavs, the demonization of the working class* (2012), points out that benefit fraud in the UK represents less than one per cent of total welfare spending, and up to 60 times less than tax avoidance at the other end of the spectrum. I am, of course, here thinking of the arrangement of the tax affairs of UK-based businesses so that accounting and profits can be transferred to cross-border ‘havens’ where tax liability can be minimised. Such tactics, not only deny HM Treasury of much-needed revenue, but are unfair to lesser competitors who pay tax in an orthodox manner.

International companies, guided by astute accountants, have argued that this kind of tax avoidance complies with UK law and is legitimate in the pursuit of business success on behalf of shareholders. Opponents who bear the normal burden of taxation think otherwise. For the UK, as elsewhere, the principle is simple: that those who trade and derive their profits in the UK owe a loyalty to pay UK taxes. The point is a moral, rather than a legal one and as such incurs the wrath of ordinary folk who pay their dues and who put the interests of the nation at heart; particularly those – such as Uncut UK - who are upset that alternative revenue is being derived from cuts in welfare benefits. The OECD is on the case, and G8 and the G20 summits have strived to find common ground on this issue. After the G8, David Cameron said that agreement had been reached with “the potential to rewrite the rules on tax” and to “fight the scourge of tax evasion”. G8 countries united in a statement that multinationals should have to report, country by country, all the tax they pay and that tax authorities should share this information. Action was also needed to identify the true

owners of international companies.

Whether these grand aspirations can be achieved by international law is open to question, but it is encouraging to read that G20 finance ministers have backed plans to support the automatic exchange of tax information, and support OECD plans to end the practice of 'moving' profits across national borders to limit tax liability.

If this strategy works, the ordinary person in the street will be thankful. Otherwise, however, the response is more likely to be one of steering clear of businesses who persist in operating by the ground rules of super-capitalism.

Finally, I come to council tax. A *Guardian* article of 28 June 2013, based on a survey by Zoopia, revealed that in the past year the number of UK homes valued at more than £1 million rose by nearly a third, predominantly in London and the South East. This can be seen as further evidence of a growing social divide. And of tax arrangements that have increasingly favoured millionaire home owners in that the council tax base has not gone up in line with house prices. In England the top band is still based on a valuation of £320,001 and above, set in April 1991! The effect is that the contribution to council funds has the same base whether you live in the luxury of Virginia Water or in a relatively modest home here in Peckham. The principle that the broadest backs should bear the greatest burden clearly does not apply to the way that council tax is assessed.

Actually, the methodology is fundamentally flawed. Re-valuation of property values across the whole nation would be a massive task and open to appeal: no doubt this explains why it has not been undertaken for 22 years. And the reality is that living in a high-priced house does not necessarily mean that you are wealthy and therefore fair game for mega taxation. More to the point is your income. If the government is really interested in fairness and equality (which I doubt) it is high time to move to an income-based system.

These are three thoughts in a deep and somewhat impenetrable field, not within my normal ambit. But I thought I should give it a try. I really do dislike tax avoidance.

Derek Kinrade