Local Society 2011

High level seminar report: the role of councillors
and councils in strong local communities

www.localsociety.org.uk

Local Society 2011

Hosted by Urban Forum, LG Leadership and Involve

"The positive opportunities in localism and the Big Society will only bear fruit if we can be clearer about what this will look like at the local level, and can put forward a compelling vision for our communities based on collaboration between civil society, local government and the private sectors. Local Society created a space for us to start to do this".
Toby Blume, Chief Executive, Urban Forum

"If part of the challenge in creating Local Society is to empower communities and individuals with a sense of civic pride for their place, local councillors are in an excellent position to be the enablers of this. There is a need to build this capacity of councillors locally, place by place for local societies to be stronger and to fundamentally shift the relationship between the citizen and the state. A large part of this is councils making the shift from communication to communities, to conversations with communities and councillors are central to this."
Joe Simpson, Director of Politics and Partnerships, LG Leadership.

"Both localism and the Big Society aim to put power in the hands of local communities; to create stronger, more vibrant and resilient Local Societies. This will require citizens and community groups to be more engaged in the issues that matter; engaged in the debate about direction and funding, and engaged in the activity required to deliver Local Society. Local councils and councillors are well positioned to take the lead in connecting groups, provoking and facilitating debates, and catalysing action. Local Society began a conversation about how to reset the relationship between citizens, councillors, government, and community groups in order to achieve this."
Simon Burall, Director, Involve

Introduction

Local Government Leadership, Urban Forum and Involve jointly organised Local Society because of a shared belief in the need for greater collaboration between the public and social sectors, and a reinvigorated role for both civil society and for councillors and the council.

The Local Society seminar on 4 February brought together leaders from across sectors - local government, central government, civil society and business - who are changing the way public services are delivered, and public needs are met.
A wide-ranging and frank discussion explored the implications of localism and the Big Society, responsibility for strategic thinking at a local level, issues of accountability and risk, and the organisational, societal and economic changes that are needed to reconfigure the relationship between citizen and state.

The purpose of the day was to bring together new thinking, develop ideas and start to explore what this might mean in practice. The current financial situation demands creativity and a preparedness to think in new ways, so unsurprisingly some of the discussion was theoretical in nature. However, the lead taken by participants on the day – those actually putting these changes into practice – ensured feet stayed very firmly on the ground!

This report draws out the main points that developed over the course of the discussion, grouped as:

• changing the culture in public bodies and overcoming the barriers to this

• focusing on the leadership role of local authorities to bring about change and ensure democratic accountability through the role of councillors

• transforming public engagement through radical transparency, ongoing accountability, challenging public expectations and balancing risk and innovation

• re-engineering public services, transforming how they are delivered and how they are funded.

The discussion was informed and challenged by the input of six provocateurs, a small number of guests who were asked to prepare short contributions to provoke and stimulate discussion on the day. Several of their comments are quoted throughout the report. At www.localsociety.org.uk/participants you can also see thoughts from many more participants on what they think local society means in the future and the event generated its fair share of tweets both during and afterwards. One participant aptly setting the tone with:

"[The] greatest challenge to localism is not lack of £ but lack of courage to embrace change."

Sam Markey, Head of Insight, London Borough of Barnet

The need for cultural change

Throughout the seminar it was the 'soft issues' around the need for culture change to bring about a real shift towards genuine local society that presented the immediate challenges for the leaders of local government in the room.

Whilst major shifts in public bodies are occurring, participants suggested we still need to radically change their culture from within. Many highlighted their experience of public institutions as risk averse, fearful of and resistant to change.

One cause of this was identified as the pressure felt by officers to show immediate value for money. This results in an over-reliance on what is already tried and tested rather than taking risks. And this is compounded by tendencies among some council officers to be overly parochial in defending their interest area and traditional ways of doing things.

Many organisations were described as being too worried about (and dependent upon) rules and regulations, which contributes to institutional inertia. Participants talked about the work they were doing to push senior officers and politicians in authorities to take the risk of allowing staff to deviate from established rules to get things done, to work in the grey areas, and to focus on getting good ideas up and running. The experience of many is that some myth busting is needed and that rules and regulations are routinely misunderstood and unnecessarily block innovation.

Participants identified a tension between being innovative and accountable to the public - offering taxpayers value for money, and meeting public demands for protection from risk (e.g. vulnerable groups). This leads to a drive to seek 'bulletproof solutions', and the continuation of a mindset among officers that expects immediate results. From the perspective of local politicians the risk of innovation is a loss of votes, while from the perspective of senior officers, their concern is to reduce the risk that they will end up taking the blame from the politicians.

"..there are very real drivers that make some public organisations risk averse. Other than size and complexity, these drivers include fear for reputation and status damage by senior decision-makers – officer and politicians. How many brave attempts at change have had the kibosh on them by a councillor or assistant director worried about losing control, votes, or face?".
Liz Richardson, Research Fellow, IPEG, University of Manchester

Although still a considerable challenge, there was clear evidence of these organisational attitudes shifting. The attitudes of participants themselves, many of them playing a leading role in organisational change in authorities, demonstrated this. Some authorities are clearly giving a greater premium to innovation and creativity. There were several examples, even in a context of cutbacks, of local authorities investing staff time and resources in allowing experimentation and the development of new ideas - investing in 'innovation funds' for example, in authorities such as Southwark and Kent, and in Barnet where they are testing out 'prototype' services.

There was recognition that the solutions to institutional inertia were not only at a local level, but also in national government. There was a concern expressed at various points during the discussion that while the Localism Bill offers valuable opportunities through decentralisation, the Bill stops short of fulfilling every demand from committed localists (particularly around devolving economic powers). There is still a tendency for top down edicts and the ministerial veto continuing.

"Almost every provision to devolve power is limited or licensed by no fewer than 142 new powers for the Secretary of State….. How we change this prevailing culture is perhaps one of the biggest challenges of our time".
Ed Cox, IPPR North

Leadership and democracy

Local authorities are increasingly moving from providing services to enabling others to do so through the commissioning process (discussed below). This raises questions about the changing role of local authorities and their elected members.

At the seminar, local authority leaders first conceived of this change in terms of stepping back, or letting go of control from the notion that the authority knows best and from the mindset that says the role of the local authority is to provide the solution to all problems.

"Sometimes the local authority needs to wind their neck in and ask private and voluntary organisations how they already provide services."
Councillor Abigail Bell, Deputy Leader, Hull City Council.

However, digging deeper the changing role of the local authority was not the passive withdrawal that at first glance 'letting go' might suggest. Its corollary was articulated clearly by participants as strengthening the multifaceted leadership role of local councils and councillors:

• elected representatives provide democratic accountability for public services through local government, and need to ensure service providers are accountable to service users
• councillors are community leaders, and need to increase visibility, act proactively at a local level, and push against institutional conservatism - they need to be the social entrepreneurs of their communities
• councils and councillors need to lead in facilitating resident participation in decision-making and shaping of services
• councils need to bring together intelligence gathered by authorities, businesses and third sector organisations about their area to identify priorities and target resources
• others need to be involved, but ultimately councils and councillors need to lead strategy development, and maintain responsibility for balancing different needs and taking a long-term view.

"It should be local councils that lead on strategic planning and delivery because they are democratically accountable. But if any of us want to stay elected, we need to make sure we get that strategy right, deliver and reflect the needs of our communities". Councillor Abigail Bell, Deputy Leader, Hull City Council.

"As councillors we should be devolving government at every level to an enormous degree and ensuring that communities are much more empowered."
Councillor Keith Ross, Leader, LGA Independent Group

"Local elected members are community leaders and as such they should be working closely with local community and voluntary groups who have first hand knowledge and experience of working within tight budgets. This is a fantastic opportunity for us as councillors to encourage community ownership and empowerment, so let us not be precious about who is delivering the service. If a voluntary or community group can deliver the same service to the same standard or better for the same money or even cheaper, this should be encouraged."
Councillor Aggie Caesar-Homden, Portfolio Holder for Children and Young Peoples Services, Shropshire Council.
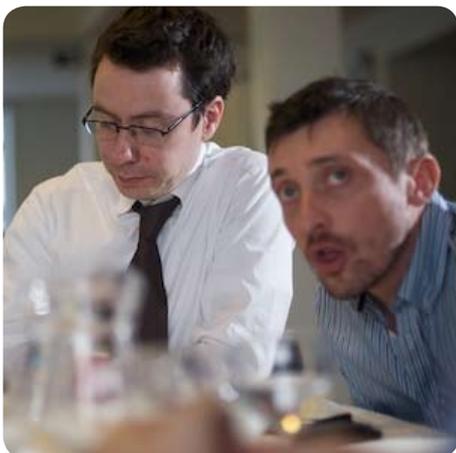
"Divestment gives us the opportunity to spend more time looking outward to our community; becoming more familiar with the narratives of different sections of our population, their needs and aspirations. It also enables us to simplify our relationship with the public: with provision outside the organisation we can enjoy a clear role as the commissioners and evaluators of services."
Andy Fry, Chief Fire Officer, Suffolk County Council.

As roles change, new skills will need to be developed. There were suggestions about developing a new set of core competencies for councillors - developing their role as that of cabinet member for a ward and social entrepreneur of the community - and making maximum use of the different experiences and skills of young people and new councillors. There were a number of examples of work to develop councillors skills to match their changing role, such as Stevenage Council which offers councillors training in social enterprise.

"Councillors should have real power to change and improve their communities. That would then really empower the people that vote and elect them."
Cllr Sharon Taylor, Leader, Stevenage Borough Council.

Transforming public engagement

Government policies on Localism and the Big Society are predicated on a more engaged and active citizenship. However, the mood in the room was that public consultation as it has been done has not caught the imagination of residents, nor has it led to people feeling more satisfied either with the decisions being made, or their opportunity to influence these. Additionally, there was a danger identified that dissatisfaction and cynicism among the public is growing in the context of cuts.

What was apparent from the discussion is that the changing role and identity of local authorities provides both an opportunity to tackle this problem head on, and an imperative to do so. As both supply and demand becomes more complex and diverse, so opportunities for citizens to participate will also become more sophisticated.

"…the old paradigm was 'we asked, you said, we did'. The public sector does all the doing. Shouldn't this be posed in a wholly different way – 'anyone can set the question, we facilitated a debate and everyone contributed to the outcomes".
Liz Richardson, Research Fellow, IPEG, University of Manchester

We have witnessed the development of a public demand for transparency, fuelled both by what is possible (advancing technology) and distrust of public institutions. The discussion explored ways in which local councils could respond to these demands for openness, not being defensive, or simply publishing data sets, but instituting radical transparency of process and decision making. Greater connectivity - more networked, more complex sets of connections - is required by tapping into existing conversations and networks. We need to go where people already are, and use the opportunities provided by the growing use of new technology and social media, such as neighbourhood, or 'hyperlocal' community

websites, one example being Harringay Online (with information on 445 others currently held on openlylocal.com). Or the use of social networking sites by councillors in Southport and developing social media strategies in places such as Kirklees and Coventry.

"Councils need to recognise that as well as fuelling apparently unrealistic demands for instant universal information, the internet has also created a mass of new intermediaries which, if harnessed, could actually help councils achieve a situation where there was a real chance that citizens would find out quickly, easily and in advance about local decisions that might affect them."
Paul Johnston, Head of European Public Sector Team, CISCO Systems Inc

Whilst recognising the benefits of transparency, there was a keen awareness in the discussion about the risk of more transparent local government being a further inhibitor to innovation – with a greater fear of exposure for officers and politicians trying out new solutions that don't work, or trial by media or lobbying organisations when things go wrong or can be misconstrued.

The need to make public participation more meaningful was recognised through the discussion – to make engagement ongoing and two (or more) way(s), building a mature, more equal dialogue, being up front about the difference between public priority concerns (e.g. rubbish and street scene) and where most council tax is spent (e.g. social care and young people). It was felt important to be able to manage opposing views and be prepared to be influenced, be honest about failure, encourage greater realism about the degree to which all needs can be met, and who they can be met by, and the extent to which local authorities can avert all tragedies - in essence creating a more honest learning culture within public bodies and more generally.

Also discussed was the potential to go further by giving more power to communities, for example initiatives where members of the public make decisions on spending in their neighbourhood (community budgets, participatory budgeting schemes), and well as new opportunities for neighbourhood power (e.g. changes to the planning system introducing neighbourhood plans, Community Rights to take over services and assets in the Localism Bill). There were many examples of initiatives to increase social action to improve neighbourhoods, such as Lambeth's 'cooperative credits' - where residents are rewarded for local community activity with credits that can be used in local shops. Other examples include areas where residents were given speed guns as part of a crack down on speeding, and shovels and grit to clear the snow.

Throughout the discussion, participants looked at how to increase social activity among citizens. For example, how to tackle apathy, cynicism and an assumption that the state will provide; also, the change needed regarding how the public views the state.

However, one thing that was clear from the conversations on this: the public is not going to change how it views local authorities unless local authorities, and other public bodies, change the culture of how they operate and the way they engage with residents.

Re-engineering public services

How they are delivered and funded

The debate about re-engineering public services identified the move towards plurality and liberalisation of supply as key. This means responsibility, for both initiating and delivering, must be transferred from the public to a range of organisations from both the commercial and social sectors. Part of this is about the intelligent use of resources from across all institutions in the public sector, and even beyond.

"[it's] about involving the widest possible range of individuals and organisations, private, public, voluntary and hybrid in public services and social action…The task for the state is to identify areas where it can make a real difference and add value, ceasing to do things that do not contribute enough value…"
Nick Seddon, Reform, and Directory of Social Change

As well as a change in practice and approach by the public sector, changes in how companies and charities do business was identified as key. Developing new partnerships across sectors, and between national and local organisations was also identified as key - allowing organisations to build capacity and scale up sufficiently to take up these new opportunities to run sevices.

"We've been here before, in technology, in food production and in the service industries and so on. Hard infrastructure has gone through such a process and now it's time for soft infrastructure to follow the same pattern. This is not about polarities like public-good, private bad, but opening up systems."

Nick Seddon, Deputy Director, Reform

Being smarter about how services link together to improve efficiency and effectiveness (including preventing problems developing) has long been a goal of those involved in public services both from the public and social sectors. Diversifying supply and greater cross-sector working provides some new opportunities for creativity in this area, including new opportunities for partnerships between professionals and service users. There were many concrete examples of this already happening, such as the Life Project in Swindon which leads cross-agency working with at-risk families and children.

New consortium models could also help address the problem of smaller local charities being squeezed out by larger national charities, and there were examples of moves in this direction: Urban Forum is developing a model of partnership, or co-production between national charities and community groups. The Department of Further Education is also looking at how to encourage national and local collaboration.
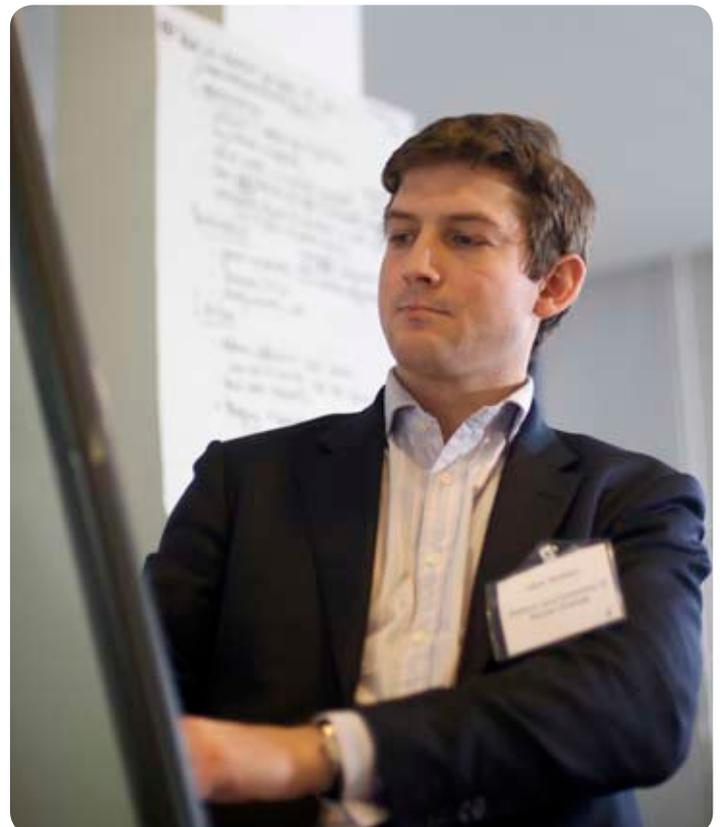
We discussed what the development of a mixed economy to fund delivery of public services and grow civil society might mean in practice. It will require making public services and social action attractive to venture capitalists, developing new inward investment models and financing instruments – such as social investment bonds, community shares, and collective purchasing by service users and citizens. There was also recognition that this is presently an immature market which needs substantial investment and development to grow to a sufficient scale.

For voluntary and community sector groups, the development of a more mixed economy means a shift away from grants and a move towards the development of mixed funding streams for their activities. This includes funding either for delivering public services, activity separate to public services, or a combination of the two. It is clear that the challenge for organisations in the social sector is to develop a more diverse income base of business and investment by individual and corporate donors, and a range of public and private sector funding. There were numerous examples provided of how this is already happening. In this scenario, core funding for voluntary and community groups moves away from Government; grants could be used strategically, for capacity building and development. There were also examples of using volunteers in new ways, such as the Good Gym, a social enterprise which connects social action with keeping fit.

There are clearly huge challenges ahead in the funding of public services and other social activity. One of the issues discussed was around the short term, and the need for central and local public sector organisations to support transition and development towards new business models, as well as recognise that change will occur in an uneven way at different paces. In this sense, change was understood as gradual but not necessarily incremental.

Financial and economic localism were raised throughout the discussion as areas needing attention if the broader goals of the Big Society and localism are to be met. There was a clear appetite for greater freedom for local authorities and other public bodies to raise local revenue (local income tax, business rates, borrowing) to provide greater local investment and local autonomy. This could help reconnect capital with localities and strengthen local economic resilience. As one participant put it, "money is power!" Discussion highlighted the difficulties for the social sector to raise money from the private sector when relying on short term public sector contracts, currently bound by spending review cycles. Increasing the ability of public sector bodies to raise income locally was proposed as a possible solution to this.

A significant theme in the discussion was achieving change through strengthening of consumer purchasing power over public services, through speedy consumer feedback, and developments such as personalised budgets, 'vouchers' for services and social insurance, collective purchasing and widening the potential for demand to shake up supply.

Perhaps the most striking element of the discussion on how public services are changing was around how commissioning is done, with many describing the old model as defunct and the move towards a new 'needs model'. The old model was characterised by public bodies spending large amounts of time and resources in specifying how needs should be met, making it harder for good new ideas to grow, and harder for new emerging providers to break into the market for delivery. The new model moves the responsibility for saying how things will be done to those delivering services, encouraging constant market innovation. The role of the public sector commissioners in this context was described as identifying the problem (not the solution), holding providers accountable for results, and shaping the market for services.

Participants also discussed how to build on the experience of public outsourcing to date, including learning from what has not worked. Examples were given of large outsourcing contracts to major private companies delivering some great short term results in terms of productivity, but in the longer term proving inflexible in the face of changing needs, and some poor performance in terms of engagement with service users. There were also issues raised about learning lessons from the NHS in relation to outsourcing the commissioning process itself, and the difficulties this could pose to authorities

in fulfilling their role in local leadership and as guardians of democratic accountability. Positive moves towards better reflecting the social value and cost of services were acknowledged, but there remain stubborn obstacles to incorporating external costs in the supply chain that are currently borne by the state.

Participants deliberated on the accountability of the private sector, the potential role of the council, of consumer pressure and of new public/private bodies such as Local Economic Partnerships to address what some perceive as an accountability gap at present.

"The principal relationship between the state and the private sector is company law. Beyond this, the private sector has very little accountability in helping to shape society and nation."
Ed Cox, Director, IPPR North

Participants also highlighted the role of the state to step in when things fail, and ensuring there is capacity to quickly address needs as an area requiring greater thought.

And as a move away from 'over-specifying', participants felt there were lessons that could be learnt from the private sector to encourage market innovation, for example a pharmaceutical company which invited entrepreneurs to pitch for a budget, agreed outcome, allowed self-monitoring towards these outcomes, and ended contracts where outcomes were not delivered in the agreed time.

Uniformity in provision and standards, was also discussed as a goal that seems increasingly unrealistic and unhelpful, and the cause of satisfaction ('it's a post code lottery'). Some felt that we need to turn this on its head and see difference as a spur to competition, to drive up standards and new ideas.

Suffolk County Council – in the process of divesting the majority of their service delivery – captured this transformation, in describing themselves as the Apple iPhone authority – providing the enabling environment, a platform for others to create, run and rate services.

"Currently a disproportionate amount of tax payers money is spent on the internal processes and fixed costs that have grown over time…As the Council gets smaller, having divested services, our support costs will decrease. As services are divested, new providers will be free from the overheads and complex processes that have been present in the past….This approach should enable more personalised and localised services for customers operated at less cost".
Andy Fry, Chief Fire Officer, Suffolk County Council
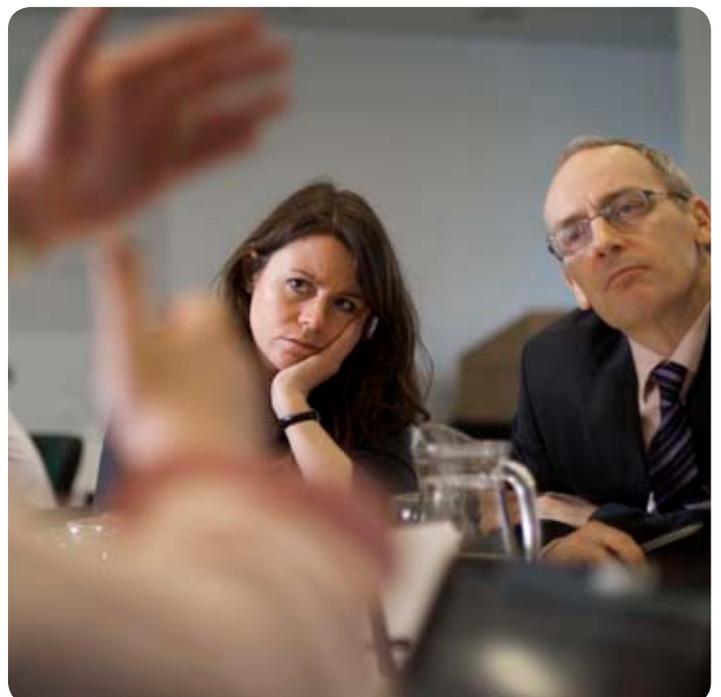
And so the discussion continues...

No one underestimates the scale of the challenges ahead. The calibre and energy of those who came to the first Local Society seminar demonstrate that these challenges can be met.

Inevitably the discussion raised as many questions as it answered, and needs to be part of an ongoing dialogue. It is obvious from the discussions and linking up inspired by the seminar that our connectivity across sectors is key, and the chances to meet, share and learn in forums like Local Society is essential.

We would like to thank everyone who attended and contributed so enthusiastically for making the seminar such a useful input to the debate, and for continuing the conversation online as well as off. We are very keen to hold a follow up event to continue building on what has been achieved so far and will keep you informed as to developments on this.

To join the discussion or for more information on the Local Society seminar, papers, photos and videos please visit **www.localsociety.org.uk**

We look forward to seeing you there.

Local Society 2011 delegates:

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Andy Fry, Chief Fire Officer, Suffolk County Council
Andy Sawford, Chief Executive, LGIU
Araba Webber, Public Affairs and Policy Manager, v
Bobby Duffy,Managing Director of Social Research, Ipsos Mori
Catherine Mangan, Senior Fellow, OPM
Christina Dykes, Senior Conservative Special Adviser, LG Leadership
Cllr Abigail Bell, Deputy Leader, Kingston upon Hull City Council
Cllr Aggie Caesar- Homden, Portfolio Holder for Children and Young Peoples Services, Shropshire Council
Cllr Colin Spence, Portfolio Holder for Public Protection, Suffolk County Council
Cllr Erica Kemp, Overview and Scrutiny Chair, Liverpool City Council
Cllr Keith Ross OBE, Group Leader, LGA Independent Group
Cllr Richard Kemp, Group Leader, LGA Liberal Democrat Group
Cllr Roger Sutcliffe, Deputy Mayor, Mansfield District Council
Cllr Sean Brennan, Leader, London Borough of Sutton
Cllr Sharon Taylor, Leader, Stevenage Borough Council
Cllr Steve Reed, Leader, London Borough of Lambeth
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Helen Hughes, National Adviser, Voluntary and Community Sector, LG Improvement and Development
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Nick Pecorelli, Associate Director, The Campaign Company
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Richard Wilson, Founder, IZWE
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Sarah Montgomery, Strategy and Coordination, Big Society Team, CLG
Toby Blume, Chief Executive, Urban Forum
Tony Bovaird, Director, Governance International
Tony Hawkhead, Chief Executive, Groundwork
Will Brooks, Head of Office, LGA Conservative Group

CASE STUDIES.

- CBS.
- Welfare.

Strategic Commissioning.

Integrated / linked?

Task people i community settings.

Commissioning is all about...

Roles: of Councils. -

LONG-TERMISM / STABILITY.

INVESTING - Libraries.

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