

# POLICY BRIEFING

April 2017

Welcome to our April NLGN ‘Policy Briefing’, exclusively for our members. This briefing collates the most interesting reports that we have come across over the last month.

This briefing is organised into the following headings:

- Devolution, Growth and Industrial Strategy (p1)
- Public Service Reform (p3)
- Digital Technology (p4)
- Finance (p5)
- Employment and Skills (p6)
- Organisational Development (p7)

■ **DEVOLUTION, GROWTH AND INDUSTRIAL STRATEGY**

<b>The Making of an Industrial Strategy</b>	<b>Localis</b>	<a href="#"><u>LINK</u></a>
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This report sets out a new agenda for a more local industrial strategy, reflecting the main findings of the report that there are two kinds of local economy in the country – the stifled (characterised by economies which are growing quickly but have restricted borders) and the stuck (characterised by economies still dealing with the fallout of the industrial trauma of the 1980s). The report suggests, among a host of recommendations, that for these economies to be revitalised:

- Strategic authorities should be developed. This would be different to a (non-mayoral) combined authority because of a) the requirement for an additional level of democratic mandate and b) the new suite of powers it would wield.
- Strategic authorities should process and issue all visa applications for people who want to work and study in their area.
- Authorities should have more fiscal freedom, being able to set business rates locally; determine charitable discounts; receive a share of corporation tax; and in stuck places, create fiscal freedom zones.

<b>Inclusive Growth Commission: Making Our Economy Work for Everyone</b>	<b>RSA</b>	<a href="#"><u>LINK</u></a>
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This is the final report of the inclusive growth commission. It makes a number of recommendations, including:

- That cities become places of life-long learning, with a commitment to human capital development from ‘cradle to grave’ through coordinated investment and support at every level from pre-school, through schools, to FE colleges, technical institutes and universities
- The Greater Manchester model of joint place-based service commissioning for health and social care should be applied to other mayoral combined authorities and other public services, particularly in education, skills and employment support

- Place-based budgeting and spending reviews to lay the foundation for a new national place-based spending review, which would attribute the total amount of public sector spending and investment to places rather than departmental siloes. Key features of this new approach would be: place based accountability; horizontal service integration; commitment to specific social and economic outcomes; and multi-year finance settlements
- Establishing inclusive growth as a regular, official statistic, through the publication of a quarterly national measure of inclusive growth alongside gross domestic product (GDP) figures, and an annual assessment of the UK's progress towards an inclusive economy

**Industrial Strategy for a More Prosperous, Fairer Britain**

**Industrial Communities Alliance**

[LINK](#)

This booklet sets out an industrial strategy for Britain, developed by the Industrial Communities Alliance, the all-party association of local authorities in the industrial areas of England, Scotland and Wales. The booklet argues that to address the industrial deficit which is crippling many towns and cities across Scotland, England and Wales the following are needed:

- A low exchange rate to enable British businesses to compete domestically and internationally
- Low interest rates to make borrowing cheap and foster investment in plant and machinery
- A measured approach to deficit reduction that recognises the need to sustain the overall level of spending in the economy
- Regulatory regimes should ensure the protection of workers, consumers and the environment without hindering investment and growth
- Business taxation that makes investing in Britain worthwhile but still ensures that companies pay their fair share

**All Change: Why Britain is so Prone to Policy Reinvention, and What Can be Done About it**

**Institute for Government**

[LINK](#)

This paper challenges the persistent reinvention of the wheel by government. An analysis shows that past initiatives are often recreated, as are 'new' organisations with similar remits to existing or previous ones. Institutional memory and knowledge management in Whitehall are weak and require improvement. The report proposes that to change this:

- In each Whitehall department, the head of policy profession should be held accountable for ensuring that the knowledge management system is adequate, and that major reforms are proceeding on a full understanding of past and existing policies and organisations
- All policymakers should be able to access a repository of work already undertaken in their policy area, in order to inform their own recommendations
- The capacity for long-term strategic planning in No. 10, the Cabinet Office and the Treasury – often referred to as the 'centre of government' – should be strengthened
- The Cabinet Office and relevant secretariats should play a greater role in interrogating policy proposals
- The Treasury, in conjunction with the National Audit Office, should analyse the costs and benefits of past organisational changes to inform future change

**Understanding Devolution: A Critical Appraisal of the Greater Manchester Devolution Deal**

**The New Economics Foundation**

[LINK](#)

This paper argues that while the devolution agenda has been heavily promoted by its proponents as the key to tackling both economic imbalance and democratic deficits it has not, to date, represented the kind of fundamental paradigm shift in how we design economic strategy. This has failed to transform the centralisation of our economy in a way that shifts wealth and prosperity substantially to the communities that feel so left behind. The report argues that: devolution needs broader economic policy change; fiscal devolution needs re-thinking; devolution is too top-down; devolution deal making undermines democratic decentralisation. Given this, they outline challenges ahead, including: the need to challenge the dominance of a 'trickle down' logic; the need to be wary of 'responsibilisation'; and the need to pay attention to the need for local democracy.

## Taking Back Control in The North: A Council of the North and Other Ideas

IPPR

[LINK](#)

This essay argues that any new form of subnational governance needs to be developed at scale. While England is too big, our current city-regions and combined authorities are too small for the North to compete in a global economy. The scale most likely to be successful at galvanising a genuine northern powerhouse must encompass the 15 million people who live and work in the North West, the North East, and Yorkshire and the Humber.

With this in mind, this essay outlines short medium and long-term proposals to develop the kind of institutional capacity that might be required to drive forward a northern super-region. These include: developing and improving the pan-northern institutions that already exist; establishing a formal Council of the North; and finally, breaking the existing pattern of electoral representative democracy and re-establishing the North at the forefront of democratic innovation with the development of a more deliberative Northern Citizens Assembly.

## ■ PUBLIC SERVICE REFORM

### Systems Changers: How Frontline Workers Can Contribute to and Create Systems Change

Lankelly Chase

[LINK](#)

Frontline staff have unique insight into how systems work for people facing severe and multiple disadvantages. They deliver the policies formed in Whitehall and the services commissioned in town halls, and they have everyday contact with people experiencing substance misuse, homelessness or addiction. Yet their voices are rarely heard in developing policy or service models, or in reforming systems overall. Lankelly Chase's Systems Changers programme seeks to address this gap, aiming to enable frontline workers to contribute to and create systems change.

The programme found that frontline staff have a unique insight into the systems they work in. They can see the complexities in the system as well as the lives of the people they support. The report shows some of the ways in which frontline staff insight can be used for the better. For example, creating time and space for frontline staff to think about how they could improve their system; dispersing power and giving staff permission to question how the system works; and breaking down official language and jargon.

### The 5 New Foundations for Co-operative Councils

Collaborate CIC

[LINK](#)

The Co-operative Council concept is five years old. The concept has evolved in a context of cuts, and while the concept has been around for several years, it is especially pertinent now as co-operation with the public is critical to the sustainability of public services. But the co-operative council movement needs to be bold if it wishes to lead in shaping key policy agendas in local government. It needs to be able to evidence a relationship between principles and concrete outcomes.

The report sets out five 'strategic fundamentals' for Co-operative Councils to progress beyond where they are now:

- A co-operative growth strategy, which promotes inclusive growth and meaningful jobs for local people
- Place based health strategies promoting a model of health that is powered by communities
- A human capital strategy that spans early years, school age, further and higher education; in-work skills training; and partnerships between the public and private sectors that support progression into work
- A demand management strategy that supports positive behaviour change
- A social capital strategy with policies to reduce isolation, loneliness and marginalisation

<b>Paying for It: The Human Cost of Cut-Price Care</b>	<b>LGiU</b>	<b><a href="#">LINK</a></b>
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The home care market is broken and needs radical reform, according to this report. There are two main solutions – financial and in the commissioning of the home care market. While outcome-based commissioning will help fix the problem, the authors are clear that the current homecare system is not funded sufficiently. Receiving good quality care at home is the ideal for many people. Yet increasingly, it is in peril. Care workers are underpaid and not always trained enough; visits are increasingly shorter; and to qualify to receive state funded care people must meet increasingly high thresholds. Care providers are becoming unwilling to provide care under current commissioning arrangements because they simply cannot afford to do so. The effects on carers and their families are increasingly detrimental, while local authorities increasingly have no choice but to make cuts to adult social care.

The report’s recommendations include:

- Central government must urgently review the mechanism for funding adult social care and plug the immediate financial gap
- Councils should consider how they incentivise outcome-based commissioning, focusing on this over an input and ‘time and task’ focus

The report also lists several longer-term policy recommendations that central government should take to address the need to fund adult social care.

<b>Going Round in Circles: Developing a New Approach to Waste Policy Following Brexit</b>	<b>Policy Exchange</b>	<b><a href="#">LINK</a></b>
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This report considers the future of waste policy following Brexit. It provides a summary and critique of European and UK policies in this area, highlighting both the successes to date and the weaknesses. European directives on waste policy have led to less landfill, and higher rates of recycling. However, successive EU directives on waste policy have made it increasingly muddled. The report sets out both broad and specific policy recommendations, including some directly for local government. These include:

- The UK should not simply take the EU policy of a Circular Waste Economy and transpose it into UK legislation. Instead, it should define its own waste policy
- The emphasis of waste policy should shift towards waste prevention and reuse, maximising the value of materials through reuse, recycling and recovery
- Local authorities should make greater use of ‘nudge’ theory and marketing to improve the public’s waste and recycling practices
- There are currently 400 different systems for waste and recycling across England. DCLG and Defra should set a timetable for all local authorities to move towards one of three standardised systems for the collection of waste and recycling

## ■ DIGITAL TECHNOLOGY

<b>Tomorrow’s Places: How Councils Can Harness Smart Capabilities</b>	<b>NLGN</b>	<b><a href="#">LINK</a></b>
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This report examines the ways in which councils can harness the capabilities of smart technology, data analytics, and the networks built around them in the future, to integrate systems which have previously worked in silos; make people who have previously been isolated visible and easier to reach; and allow the wisdom and creativity of people to be harnessed to make residents more independent, decision making more decentralised, and services more agile and responsive to people’s needs.

The report recommends that Local Government:

- Harness physical and regulatory assets to deliver improved connectivity and incentivise behaviour change
- Collaborate to create an inventory of place-based intelligence
- Work towards more openness in data collection, data analysis and place-based decision-making
- Support wide reaching participation in the use of smart capabilities
- Establish a clear set of policy principles and practical guidance for the development of smarter places
- Develop relationships with partners to deliver creative and better solutions which deliver strong public benefit
- Share evidence of best practice and of failures or mistakes

And that Central Government:

- Create a legal framework which supports public contracts to mandate interoperability of hardware for smart places
- Promote and support research which will look at challenges surrounding the greater personalisation of data ownership
- Resolve tensions and inconsistencies between the general data protection regulation and digital economy bill

## ■ FINANCE

### Report: Guide to Crowdfunding for Local Authorities

LGIU

[LINK](#)

Crowdfunding has created a frenzy in the business community and the creative sector because of its ability to raise money quickly and flexibly, bypassing traditional sources of finance. It has not, up to now, been adopted widely by local government. This guide contains practical tips for those who wish to give crowdfunding a try. It sheds light on its risks and benefits, and how local authorities can weigh these against each other for their particular context. It explores three different types of crowdfunding models: donations-based crowdfunding, equity crowdfunding, peer-to-peer lending and the types of projects they're suitable for. It also provides case studies of UK councils making use of crowdfunding.

### What Do the Coming Business Rates Changes Mean for Cities?

Centre for Cities

[LINK](#)

This report examines the impact of business rate changes for particular cities. It estimates the effect of changes in the multiplier and rateable values used in calculations, as well as thresholds for who pays what (i.e. business in properties with a rateable value lower than £12,000 will now not be liable to pay). Findings include: cities will see a fall in their average business rates bills; central London is making an ever-greater contribution to business rate; changes to business rates exemptions mean that many small businesses will no longer have to pay any business rates; while the falls in business rates in many cities is good news for businesses, these cuts will constrain the budgets of many local authorities for years to come.

<b>Gender Impact Assessment of the Spring Budget 2017</b>	<b>Women's Budget Group</b>	<a href="#"><u>LINK</u></a>
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The WBG's gender impact assessment published in response to the Treasury's continued failure to carry out comprehensive equality impact assessments of its policies. They conclude the budget contained no major policy changes to achieve the Chancellor's goal of "preparing Britain for a global future". Key points:

- The budget does little to mitigate the effects of upcoming changes in the benefits and tax system which will disproportionately impact women
- It doesn't tackle the crisis in the NHS, which disproportionately affects women, who are more likely to use health services and form the majority of the NHS workforce
- The £30 million linked to "international women's day" for domestic violence and other services is at a best 'small change' and is minimal in proportion to the sums taken from women's purses through benefit cuts and freezes since 2010

<b>Performance Tracker: A Data-Driven Analysis of the Performance of Government</b>	<b>Institute for Government and CIPFA</b>	<a href="#"><u>LINK</u></a>
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This report, published alongside an infographic-filled [website](#) brings together data on government spending and performance. Disaggregating by sector, it looks at hospitals, schools, adult social care, prisons and the police. It concludes that after initial success in improving public sector efficiency following the austerity drive of 2010, public services are struggling. This report highlights immediate challenges facing the Chancellor and long-term weaknesses in the financial planning of government, which undermine his ability to meet these challenges and oversee public services effectively

## ■ EMPLOYMENT AND SKILLS

<b>Locked out of Learning - A Snapshot of ESOL Provision in England</b>	<b>Refugee Action</b>	<a href="#"><u>LINK</u></a>
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This report looks at the state of ESOL (English for Speaker of Other Languages) Provision in England. English language is a useful tool for integration that is not being taken advantage of. Refugees want to learn English and contribute to their communities. But they face huge barriers in access to ESOL, from a lack of local provision to long waiting lists (up to two years). Funding is failing to keep pace with demand and limited childcare is a serious barrier to women attending. Key recommendation: the government should bring together civil society, the private sector, local government and other key stakeholders, to develop a framework which enables all interested parties to pool resources and good practice to increase the provision and quality of community-based language support.

<b>From School Work to Real Work: How Education Fails Students in The Real World</b>	<b>Baker Dearing Educational Trust</b>	<a href="#"><u>LINK</u></a>
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This report, in partnership with University Technical Colleges, explores the gap between what schools tell young people about the world of work and their experience of it. It focuses on how schools and educators are helping students to develop the technical skills needed for successful careers. The study surveyed STEM workers aged under 35. Key findings:

- Two-thirds of young workers feel that they made choices about subjects without fully understanding the implications of their choices on their future careers, and most (61%) felt that technical skills would have been more advantageous than academic skills
- Those surveyed expressed a desire to see schools and educators engaging more directly with the world of work

<b>Careers Guidance in Schools, Colleges and Universities</b>	<b>House of Commons Research Briefing</b>	<a href="#"><u>LINK</u></a>
<p>Since 2013, local authority maintained schools became subject to a statutory duty to provide impartial careers guidance to pupils in certain age groups. This House of Commons Library briefing paper looks at the requirements on schools, colleges and universities in England to provide careers guidance, summarises the research and reports on the quality of the advice provided, and the organisations working to provide careers advice.</p>		
<b>To Gig or Not to Gig? Stories from the Modern Economy</b>	<b>CIPD</b>	<a href="#"><u>LINK</u></a>
<p>In light of the growing challenges that technology and new business models are creating for the UK's employment rights framework, the Government should be proactively supporting organisations to improve their working practices. It recommends the Government to:</p> <ul style="list-style-type: none"> <li>• Consult on the demarcation between 'employee', 'worker' and 'self-employed' and how they map on to employment rights, tax and benefits</li> <li>• Run a 'know-your-rights' campaign and develop guidance on responsible employment</li> <li>• Increase investment in lifelong learning to reverse the recent decline in adult skills provision</li> </ul>		
<b>Broken Promises: What Has Happened to Support for Low Income Working Families Under Universal Credit?</b>	<b>Child Poverty Action Group</b>	<a href="#"><u>LINK</u></a>
<p>This briefing assesses the impacts of cuts to benefits from 2010 to 2020, concluding that overall, families with children have lost most from changes to universal credit thanks to a series of heavy cuts. Universal credit's work incentives were intended to be strengthened through the reduction in the taper. However, for many families the rewards from work have been reduced considerably, and for single parents the incentives to move into mini-jobs has been reduced by the work allowance cuts. Hundreds of thousands of children could be saved from poverty by reversing the freeze to the child element and child benefit, restoring work allowances, lifting the two-child limit and removing the benefit cap could save hundreds of thousands of children from poverty.</p>		

## ■ ORGANISATIONAL DEVELOPMENT

<b>An inclusive service: The twenty-first century fire and rescue service</b>	<b>LGA</b>	<a href="#"><u>LINK</u></a>
<p>Ethnic minorities make up just 3.8 per cent of firefighters, while women comprise only 5 per cent. Furthermore, there is a lack of good quality data on the number of LGBT people in the fire and rescue service. This lack of diversity means the service doesn't have access to the widest pool of talented employees, and doesn't always represent the communities it serves. The report states that it is the responsibility of the fire and rescue service to change the lack of diversity- rather than blaming outdated stereotypes or minority groups' inclination to apply for a job there. It can do this through cultural change, going beyond specific changes to the recruitment process. This has four broad strands: creating an inclusive culture; changing the public's perception of firefighters and what they do; sharing ideas, successes and failures across the sector; and exemplifying change at the political leadership level. The report covers the issue from several different organisations' perspectives and includes in-depth looks at specific services' diversity strategies as well as issues such as unconscious bias.</p>		

Solving problems alongside others is a key skill to have in the workplace, and our education system should reflect this. The report makes the case for collaborative problem solving, which is a specific way of solving problems with others, where people have shared goals and participate as equals.

According to the authors, collaborative problem solving is an increasingly important skill in the workplace. Subject-specific knowledge and routine cognitive skills are likely to become increasingly automated, and so sophisticated skills of social interaction and solving problems are likely to be increasingly in demand. The report concludes by arguing that the education system should improve the ways in which it prepares pupils to be able to use collaborative problem solving in the workplace, providing the required training and resources; as well as developing the evidence base for collaborative problem solving methods.