

N L G N
NEW LOCAL GOVERNMENT NETWORK

Contents

Introduction	3
Articles	
What Business Wants To See From Government Over The Next Twelve Months Dr Adam Marshall	4
University Links Make for Better places Cllr Simon Henig	4
A Magna Carta for Local Government Graham Allen MP	5
Real Incomes Matter More Now the Ever Before Julia Unwin	6
Society at Risk Anne Torry	7
Discussion Piece: Central Vs Localism	9
Articles	
Local Government Should Combat Extremism Hannah Stuart	13
A Thought on the Riots David Lammy MP	14
David vs Goliath Ada Burns	16
An Education for all of the Talents Cllr Paul Carter	16
New Challenges for Next Generation Providers Campbell McDonald	18
A Different Perspective Peter Riddell	19
Local Solutions, the Key to National Regeneration? Greg Michael	21



Introduction

In starting to think about producing a special journal to coincide with this year's LGA conference we began with a simple question, 'What conversation is local government not having but should be?' Very quickly it became clear that this was going to be a more difficult conundrum to crack than first thought. The original concept for this publication was to promote a single idea and invite people to contribute their thoughts and reflections. In principle this model works well, but as devout localists we quickly recognised that the unspoken conversation and hidden truth we wanted to reveal were different depending on who you talked too and where they came from.

Naturally, the localist response was to embrace this diversity and encourage a number of different perspectives to emerge. In the spring of 2012 NLGN begin inviting individuals working in and around local government, public policy, politics and business to explore a particular dynamic of the world that local government lives in.

Their views, feelings and opinions have resulted in this publication. Sitting above these contributions is the final report from NLGN's year long *Commission on Next Localism*. This report, also being launched at this year's LGA Conference, draws on the evidence sessions held across the years 2011/12 and from NLGN's extensive research, events and networks programmes during that same time period. The commission findings lay out a series of next steps for localism and

provide a unique challenge to both local and central government.

It would be too cliché to say that local government is at a cross roads but it is faced with some stark choices about its future shape and form.

Throughout our work at this year's LGA Conference we will be exploring in small part what some of those choices will mean. The future of local public services and the contour of local politics are at stake. To us, they feel like conversations worth having.

The NLGN Team

What Business Wants To See From Government Over The Next Twelve Months



Dr Adam Marshall is Director of Policy and External Affairs at the British Chambers of Commerce

My contacts across local government constantly remind me of the distinctions between the world view of Whitehall civil servants and the everyday reality at the front line. They're quite right to do so, but what many don't realise is that the business community thinks precisely the same way.

Viewed from Whitehall and Westminster, the solutions for the UK economy revolve around deficit reduction, a selective pruning of Britain's out-of-control regulatory rule-book, and the development of a range of reviews and strategies tackling some of the weighty questions around infrastructure, the labour market, and the enablers of growth.

There's nothing wrong with any of these worthy undertakings. Yet businesses in the real economy draw a sharp distinction between rhetoric and reality, between plans and implementation, and between concepts and action. For too many companies up and down the land, the prospects for local growth will only improve when more ministerial speeches translate into real change on the ground.

For business, the everyday reality is that companies of all sizes are busting a gut to deliver growth and jobs; many have deep and abiding roots in the local communities they serve. If forced to limit myself to three things they want from Government over the next twelve months, the following spring to mind:

- > Policy consistency: set broad and clear long-term national policies, stick to them, and stop moving the goalposts;
- > Intervene more forcefully to help companies seeking access to finance, particularly new and fast-growing enterprises; and
- > Deliver real de-regulation, especially around the labour market, to give companies to hire.



National government must create a positive business climate. Local government can then help by delivering planning permissions and helping companies find the right skills. Business will then repay them both with jobs, prosperity and revenue.

University Links Make for Better Places



Cllr Simon Henig is Leader of Durham County Council

Durham has one of the country's most prestigious universities. UK top ten for most subjects - top three for science and engineering - ranked 42nd worldwide for scientific

research. It is an outstanding institution.

But where we are really fortunate is that our university understands its sense of place – it is the University of Durham, as opposed to an academic institution which simply happens to be here.

At the highest level, the university is keen to contribute to partnership working, reinvigorated in recent years following political and managerial leadership change in the council and the university.

We have consequently been able to renew very productive relationships with the university, confident in the knowledge that Durham will gain from its growth and development.

With a turnover of £150 million, it would class as a top 30 business in the North East and its 15,000 students and 3,000 quality jobs spend £60 million a year on local goods and services.

The university's body of expertise provides a ready source of insight and challenge to improve quality of life and the economic performance of Durham as a place.

It is home to the Institute of Local Governance, providing research into public services.

It contributes to our economic partnership and has worked with us to develop vocational qualifications in response to local firms' needs.

It has a global reputation for science

and is a key partner in the development of NetPark (the North East Technology Park) and the regional Science Learning Centre, which supports science education in local schools, helping to ensure that future generations of North East workers can take up the employment opportunities that our growing high-tech sector will bring.

A significant landowner, it is custodian of many of Durham's historic buildings particularly in the city's World Heritage Site.

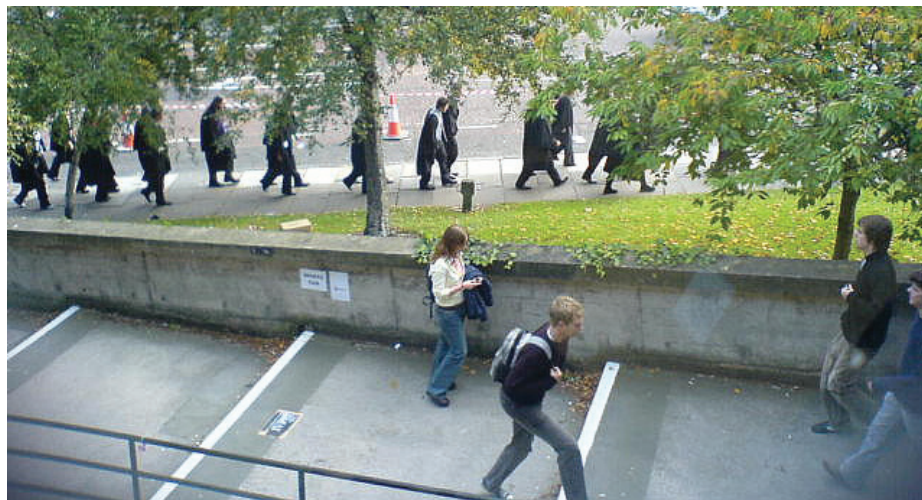
As such, the university helped us to establish Durham City Vision, bringing partners together to realise the full economic potential of Durham City, particularly in relation to tourism. This has included developing a new World Heritage Site visitor centre and working alongside us to bring the Lindisfarne Gospels 'home' to Durham in 2013.

It is that understanding of origin and being the University of Durham which sets Durham apart and why we consider it to be an essential partner in what we do.

A Magna carta for Local Government

Graham Allen MP

How do we ensure that local government is truly free and independent from our interfering centre? Parliament's All Party Political and Constitutional Reform Select Committee, which I Chair, has released for consultation a draft statutory code that proposes a new legislative and financial autonomy for localities, which can never, ever be rescinded by our overbearing centre. If localism



is truly to take root and flourish, petty interference from the centre must be denied any legal or financial basis, with local government given unchallengeable legitimacy.

This is not another rhetorical concordat but a draft statutory code. It proposes legislative and financial independence. First, to guarantee their independence, local authorities must be created in law as independent and sovereign entities. They would then be able to undertake, as of right, all those duties for which they are elected locally.

Secondly, political independence for councils would mean nothing without financial independence. Of all local authority spending, the bulk is now provided by central government and only a fraction (one eighth) is raised locally by the council tax. This dependency culture must end. The draft code offers a radical new settlement on taxation, removing central government from the equation, with HMRC sending the appropriate income tax take back to local councils via an independent redistribution commission.

Local people in Britain are perfectly capable of deciding on their spending, their services and on their local electoral system. A tremendous revitalisation of our often moribund local politics would be delivered and once again, it will really matter who got elected locally and how well they were equipped to handle local government.

The air is thick with democratic change, independence and devolution-max. Local government should not be a passive watcher. Send in your personal views topcrc@parliament.uk and discuss the principles and details of the code in your organisation. Once in a generation such an opportunity arises – seize it now.

Real Incomes Matter More Now Than Ever Before



Julia Unwin is the chief executive of the York-based Joseph Rowntree Foundation.

Glance casually at the headlines in the local government and housing press and you get a clear message. Local government, housing associations, police forces and health providers are all suffering and the combination of economic downturn and a programme of austerity is hampering their work.

The scary thing is, it's all true. Taking funds out of the system of local governance and social support is enormously challenging at the best of times, and there are real



sacrifices in times of financial strife.

But in parallel there are a range of changes also taking place which are receiving rather less coverage. The impact on people living in poverty and the combination of welfare reform, changes to tax credits and the loss of low paid work through cuts to local authority expenditure is having a real and lasting impact on families and communities.

Countless reports show real cash is coming out of the pockets of families - families who are already hanging on by their fingertips. Even in a city like York, not an archetype of an impoverished place, households are losing significant amounts. The city council estimates over

500 York residents could be more than £1,000 worse off as a result of government changes to housing and council tax benefit.

What does this mean for local government? If we focus too closely on the loss to institutions, there seems to be a real danger that we will miss the very real hardship in the midst of our communities – and that real grinding hardship will become a dangerous aspect of the lives local authorities serve. There are practical dangers: people who cannot pay their rent, meet their charges and suffer personally. And as council finance officers will know, this is detriment to authorities who rely on that revenue.

But there are also dangers to local governance as people who cannot afford to take part opt further out of the already stretched fabric of local life. The losses to community of people who are simply unable to participate, who suffer the consequent drop in trust, participation and sense of agency, are a very real risk to those who are running local councils, health authorities and other institutions, which are themselves deeply damaged at the moment.

Society at Risk?

Anne Torry, Managing Director, Zurich Municipal

We are delighted to announce that Zurich and NLGN are working in partnership to

create a solutions-orientated, thought-leading report focusing on 'Society at Risk'.

As the leading provider of risk and insurance solutions to the public sector, Zurich seeks to provide insight on key risk issues that are of significant interest to public sector leaders. In particular, our focus is on 'public risk' and the dynamics between short term risks, decision-making and the long-term socio-economic costs.

The context of the report being created is to understand the immediate impact of ongoing economic uncertainty and the implications in the medium term. It will consider issues such as:

- > Will today's youth unemployment create a hard core of unemployable young people in the future?
- > Will growing concerns about our 'disaffected youth' lead to new pressures on councils to divert resources to support increasingly

estranged young people? How do public sector leaders balance this with the needs of an ageing population and the delivery of adult social care?

- > Do the changing values and expectations of a new generation mean that society is likely to respond to continuing hard times by developing a new community ethos, or will people put themselves and their families first?



A large white iceberg floats on a blue sea. The top of the iceberg is visible above the water, while a much larger, dark blue mass is submerged below the surface. A white curved line separates the text above from the text below.

Managing the total cost of risk

There's a lot more to the risk landscape than meets the eye

Managing risk is an increasingly important aspect of managing a public service business. Yet the risks aren't always obvious and budgets are limited.

Zurich Municipal can help organisations achieve sustainable cost reductions by fully understanding their total cost of risk and the factors that affect it. It's the essential basis for effective 'whole life' decision making and ensuring budgetary pressures do not result in hasty decisions that may cost more in the long term than they save.

Using our 'bigger picture' public service risk expertise, we can help prioritise those areas which may have the greatest impact on assets and services, whilst still making the greatest cost savings. Because we know that for time precious business leaders and managers, dealing with risk is just the tip of the iceberg.

For more information please contact Rod Penman
rod.penman@uk.zurich.com
07710 038542



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These challenges are emerging against the backdrop of a public service reform programme that increasingly aims to reduce individual dependency on the state by transferring risk and responsibility to individuals, the private sector and communities.

We believe we have a central role to play in helping our local government customers, government and the wider public sector confront the emerging risk issues of the day.

To this end the report will combine analysis of trend data, examine the values and expectations of the new generation and engage a wide range of practitioners and experts to identify the key social risks of the next five years.

Working with the NLGN, leading local authorities and recognised public sector thinkers, combined with our own risk expertise, we will seek to understand what role local public services can play in helping to manage these risks.

For both public and private sectors, managing risk, the barriers these create as well as the opportunities, is an essential part of delivering on the goals of the organisation. During times of considerable financial restriction, local authorities can only achieve sustainable cost reductions in their risk programmes by understanding their total cost of risk and the factors that affect it. Otherwise they are in danger of making decisions that reduce costs today but result in

measurable and unacceptably high cost increases tomorrow and with unintended socio-economic consequences.

The resulting report, due to be published later this year, will provide a clear register of national social risks – including their likelihood and potential impact – combined with guidance on how and by whom these risks could be managed.

Centralism versus Localism

As part of the NLGN 2012 Conference Journal we invited two of local government's most noted thinkers and commentators, Lord Michael Bichard and David Walker, to go head to head and argue the case, *centralism versus localism*. From a centralist perspective David Walker kicks off the discussion with the localist Lord Bichard providing his responses. This piece takes the form of three rounds of responses between David and Michael and has been lightly edited by NLGN with the agreement and endorsement of both contributors.

Dear Michael,

I'm puzzled by the fashionableness of 'localism'. In a world where power has concentrated in the board rooms of multinationals, where everyday problems

(money, growth, productive capacity) demand international cooperation it's peculiar – even perverse – that a philosophy extolling the miniature and the confined should have taken hold. If we replaced 'localism' with 'parochialism' it would feel different. Yet both those 'isms' come out of the same historical bag, in which you also find male gender supremacy, white ethnic mastery and authoritarian and deferential rule.

Perhaps the salience of this back-to-the-future idea is explained by a non-sequitur. I've long admired your practical criticism of Whitehall norms and practices, based on your experience as a top public manager. We need a better civil service; a reformation of what ministers do; constitutional change. But the deficiencies of central government don't mean local authorities would

be any better, were there some great decentralization of power and finance.

Councils are also departmental. Councils haven't really found a stable division of labour between elected politicians and permanent officials, either. When asked, the public is as suspicious of councils as of central government.

Localism fills me with anxiety, because its advocates seem to have lost their grasp on power, that's to say where power is located. Economic power – decisions about employment and investment – isn't in small businesses. It's in big banks, FTSE 100 companies and global corporations. The markets in which such firms operate are far larger than cities, counties or regions, often larger than nation states. Why are we thinking about fragmenting public power, dismembering



governmental capacity at a time when – more than ever – we need to recalibrate and even re-regulate markets?

Council leaders or mayors, however brave and capable, are puny when corporate boards can, on a whim, shift jobs hundreds and thousands of miles.

DW

Dear David,

Government, local and central, could learn more from business. But government is different to business which is why I find your arguments for less localism and the greater centralisation of power in Government unconvincing. In fact, we already live in probably the most centralised of all developed countries and it is time to accept that it has not worked and shows no sign that it ever will.

The way in which Whitehall steadfastly clings to its silos means that coherent policy will never be developed any more than accessible, seamless, functional services, which make sense to citizens, will ever be delivered. Nor do our current arrangements allow us to provide value for money in a time of austerity. In addition for 'centralist' we should read 'metro centric' because our governmental system is dominated by the Capital and its village of politicians, civil servants, think tankers and media groupies who know little of life outside of London. They fail to understand the passion which so many people in this country have for their place.



They fail to appreciate the importance of flexible delivery to reflect the differences of history and demography and they fail to see the advantages of realising the many resources which exist in communities and which can make such a difference to the quality of peoples' lives. Then there is the small matter of Democracy. Hansards latest 'Audit of Public Engagement' shows just how dramatically citizens have lost trust and interest in politics and politicians. There are many reasons for this but the reduced power of local people to influence the issues which matter to them must play a part and, sadly, the Governments fragmented response will do little to address this.

But, you argue, localism would be no better. Well, yes, local services, including Local Authorities, can be departmental, risk averse and parochial but they are closer to the flame of accountability and

more likely than Whitehall mandarins to respond. And as your own Audit Commission showed, the best of local government shows that the future could be effective, efficient, and even exciting. I now see little hope of Whitehall and Westminster delivering that.

MB

Dear Michael,

During your own time in Whitehall, something remarkable happened. The centre (Whitehall-Westminster) gave up a great chunk of power. A parliament with tax-raising powers was created in Edinburgh and assemblies with significant executive responsibilities in Cardiff and Belfast. Devolution has turned out to be dynamic: who can predict the shape of governance in these islands in years to come.

Devolution happened because people said 'we want self government', and said it with political force. Why don't the people say, with the same political vigour, 'we want more power to local government'? Because if they did, localism would be unstoppable. But they don't cry 'empower the town halls', for two sets of reasons, one historical and the other sociological.

Localists like to extol Joseph Chamberlain and Birmingham and what was, of course, impressive modernization of the urban fabric through the agency of a city council, albeit one elected on a restricted franchise. What they don't notice is that in the latter decades of the 19th century, local government elsewhere was failing to deliver (partly because property owners would not pay for services) and the newly-enfranchised working class had nowhere to go except to central government, for subsidies and mandates. Centralization wasn't some conspiracy: it followed from the nature of the local class system and, especially after 1945, the Labour movement's capture of power.

You talk of people's 'passion' for place. The sentiment is genuine, but place is cross-hatched, between estate, street, neighbourhood, town, parish, borough, conurbation, county, region – it doesn't make a straightforward basis for government. Let's not fall for 'community' either. Spatial or geographical identity competes with other identifiers, other sources of identity that come from age, employment, class, ethnicity, sexual orientation and at-a-distance - virtual

social interaction through the internet. Place doesn't embrace, or trump these other passions, so why should it be the unique basis for political or administrative organisation?

DW

Dear David,

Like you I have always been sceptical about the Chamberlain model and I have to accept that the public demand for greater localism is disappointing. But we shouldn't be surprised by this given the way in which Local Government, in particular, has been criticised even ridiculed by Government and the media for so long. In addition powers have either been given to new agencies or relentlessly taken to the centre. Citizens have hardly been encouraged to invest respect in local governance. Where real powers have been devolved-in London, for example, people have responded and would now fight to retain them.

But this Government needs to move beyond the rhetoric of Localism and develop a convincing vision for the future if things are to change. And that vision has to include the power to reallocate resources between services at a local level because that is at the core of real devolution. What we have seen to date is more bluster and departmental micro trending (I understand that is the modish term!) than strategy and vision. So the government supports local mayors but takes away much of their

power by installing police and crime commissioners...and it experiments with a couple of whole place community budgets rather than committing all departments to a vision of localism which allows local people to make decisions about priorities and pooling budgets. Otherwise all that is being offered is the ability to administer services on behalf of individual departments and that kind of technocratic/bureaucratic model will never convince local people that the game is worth the candle. True Localism is the power to make choices which reflect local needs.

MB

Dear Michael,

We're agreed a) on the cynical approach of the Cameron government. Its ministers talk the talk on 'localism' but their gait is centralist. You cite mayors. I'd add adoption and schooling where elected local government is simply being written out of the script, leaving an administrative and accountability vacuum.

We agree b) on the deficits of a Whitehall model that are manifest in the quality of policy making no less than in delivery. What's also striking is the absence of any genuine conversation among the denizens of departments about their shortcomings and the possibilities of reform and improvement – and that's despite your efforts to give them opportunity and space when you were at the Institute of Government. But I can

ALL TOGETHER NOW?

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only repeat that the failings of the centre are nothing to celebrate. Amid financial market turmoil and, pardon the phrase, a veritable crisis in the governance and stability of capitalism, strong central governments are vital, if only to conclude the bilateral and multilateral deals with other nations that are a precondition to wider economic welfare.

Nor do the failings of the centre mean councils can deliver – delivering services, enhancing public trust or securing citizens' assent to the taxation without which the public realm is impoverished and mean. Let me focus on that. Your model of community or pooled budgets is attractive; at least in conurbations such as Manchester or free-standing cities such as Sheffield (I am not sure Lincolnshire is a 'community'). But the model begs the question, *who pays?*

It won't do for localists to say we'll spend while you (central government) raises and distributes the money. But all localist models for finance run up against these rocks. The first is the asymmetrical distribution of capacity to pay and need to spend: between the two lies a necessarily complex formula for moving money around, which reduces transparency and is permanently controversial. The second is historical antipathy to local taxation. It goes back a long way. Central grants to local government increased fastest in English history not under Tony Blair or Margaret Thatcher but under Lord Salisbury in the 1890s, because Tory burghers simply would not raise

the tax necessary to provide the social infrastructure of urban England.

DW

Dear David,

Let's be clear, I do not 'celebrate' the failings of the centre. I have persistently pointed out the need for fundamental reform of Whitehall and Westminster for 20 years and the disastrous state of the relations between the two is no surprise and justifies what I have been saying. But it is not a cause for celebration because, as you say, now more than ever we need a strong centre. However, and this is the point, we need a centre which knows where it needs to focus its energy. And that means that it should not be devoting its time to issues which are far better dealt with closer to the citizen. And if, as you say, there are lessons to be drawn from successful business it is to know what the centre should and should not do.

It's surprising, I suppose, that we have got this far without debating local taxation, the rock on which much talk of localism has foundered. But I am not sure that needs to be the case. Yes, it would play a big part in transforming the relationship between local governance and the people but does it need to be the first step? I think it is wrong of you to suggest that taxation is 'Central Government' money. It is raised from the likes of you and me and central government should be most concerned with how well it is spent. If that requires more of it to be devolved closer to the

action, so be it. More power and money to local governance could be followed by changes in the way that money is raised. But does it need to be preceded by it?

Finally let me return to your concerns about the quality of local governance. It's not perfect but then show me a system of public administration that is. The fact is that it has responded to the crises of the 1980s and has improved significantly. In some places it is now outstanding and in most places it is better than Whitehall and I see no likelihood that Whitehall will reform itself in the near future. So why invest more time and money in hoping for that to happen?

MB

Local Government Should Combat Extremism

Hannah Stuart is a Research Fellow at the Henry Jackson Society

Local government has an integral role in combatting extremism. Authorities must engage – at a local level – with the threat posed by Islamist organisations that run counter to British values, defined by the revised Prevent Strategy as: “universal human rights, equality before the law, democracy and full participation in our society”.

Prevent affirms that the state will no longer engage with or fund groups that fail to support these values. Previously, a lack of clarity regarding funding aims and evaluation procedures resulted in engagement that was at best unfocused, and at worst counter-productive. At times funding – and thereby legitimacy – went to extremist or sectarian groups who are institutionally ill-equipped or unwilling to counter extremist narratives. Public institutions inadvertently gave platform to those who fuel the narrative of terrorism.

For example, in April 2009, the Brady Arts Centre, a community centre in East London run and funded by Tower Hamlets



local council, hosted a weekend course featuring as the main lecturer senior al-Qaeda cleric Anwar al-Awlaki, later killed in a drone strike in Yemen. Al-Awlaki had a public history of support for violent extremism: less than six months earlier, he had issued a public statement in support of al-Shabaab, the now proscribed Somali jihadist group. Praising the group for instituting sharia law in the areas under their control he said: "The ballot has failed us but the bullet has not."

Prevent now identifies as a key driver of radicalisation an Islamist ideology that "sets Muslim against non-Muslim, highlights the alleged oppression of the global Muslim community and which both obliges and legitimises violence in its defence". Going forward it prioritises responding to the ideological challenge of terrorism, particularly "the way in which terrorist ideology makes use of ideas espoused by extremist organisations". Localised decision-making about funding, engagement and the use of publicly-owned institutions in relation

to extremist – but not necessarily unlawful – organisations should be the cornerstone of this policy.

Local authorities should work with the Home Office to implement centralised criteria for engagement, identifying groups whose ideology, trustees, senior

members or previous speaker record would disqualify it from engagement. A 'No Platform' policy for propagandists and apologists for terrorism should be established across publically-funded institutions. While this should include as a minimum community centres and universities, local authorities should also establish mechanisms to limit civic institutions and prominent privately-owned venues funding or hosting extremist groups or individuals. The "No Place For Hate campaign" in Tower Hamlets is one example where local business have pledged not to give platform to extremists; but local authorities still need to be involved, either by briefing the owners on the speakers or by cancelling any contracts they may have with the venue.

Local authorities should affirm the government's commitment to freedom of speech: the sign of a healthy democratic society is its ability to tolerate unrepresentative, offensive and dissenting voices – organisations will

not face legal repercussions for having such opinions. Local authorities must communicate effectively that they are not obligated to engage with extremists in the name of representation: deciding to engage with or fund individuals and institutions who positively articulate shared British values within a liberal democratic framework, is not the equivalent to criminalising those who do not. Finally, they must pro-actively demonstrate to communities that the means by which the government sustains British liberal democracy will never compromise the civil liberties that underpin it.

A Thought on the Riots

David Lammy MP



There is a plethora of lessons that public services and communities should draw from the riots, be it the perils of worklessness, the substandard

outcomes of our criminal justice system, the extremities of consumerism or the signpost to the failures of successive governments to moderate hyper-individualism in our culture. There is no quick fix to any of these, nor do the levers to do so exist in the hands



the immediate family, to a community has seen some of its members suffer a similar fate to Mark Duggan.

The IPCC and the Police's decision to rely on written press statements and stonewall any concern by declining to comment on an ongoing investigation led to an information vacuum where rumours of "execution" prospered against common sense. It was under this dark cloud of mistrust in both the Police and the independence of the body tasked with investigating them that Mark Duggan's family and friends congregated at Tottenham Police Station on the evening of 6 August.

It is understandable that organisations are conditioned by the day-to-day slog of comms work – reliant on blogs, wires and 24 hour news to impart their services and values. But each part of the state, from local government upwards, has to prepare for a time when their target audience may not subscribe to the Press Association news feed or watch BBC News 24 on loop. There can never be a silver bullet solution, but even in the age of the internet, is anything more effective than having boots on the ground, driving those messages home?

of local government. But there is an immediate lesson – and one that should be easily remedied – in the undisputable importance of effective communication. This was never truer than in the days preceding the riots, just after the police shooting of Mark Duggan in Tottenham. The Independent Police Complaints Commission (IPCC) was tasked with establishing how and why Mark was shot that evening but few were aware.

As a relatively new organisation, it was unknown. Few understood that it was a radical departure from its predecessor, the Police Complaints Authority, which was made notorious during the MacPherson inquiry into the death of Stephen Lawrence for allowing the police to investigate itself. Its novelty made it under-appreciate the sensitivity of deaths following police contact beyond

David vs Goliath

Ada Burns is the Chief Executive of Darlington Borough Council

You might remember the Biblical story of David and Goliath – the teenager who takes on and slays a nine foot giant in full amour. Why does he succeed – because he is nimble, and light on his feet, and because he has a strong sense of purpose and self- belief. Happily we don't do a lot of slaying in local government these days but the metaphor feels apt for life in a small northern Unitary council as we battle with a 25% reduction (so far) in our income.

What do we have going for us?

Members and Officers are close to their public – you can't go to the supermarket or pub without being recognised. And a quality daily newspaper adds further to visibility, and scrutiny.

The span of control of Managers is broad, so they develop leadership capability earlier in their careers.

There is a common sense of purpose dictated by the geography, that aids cross-party consensus, good Officer/ Member relations and good partnership working. One of our GP's said about the scope for integrated commissioning – "the great thing is that we are every bit

as parochial about Darlington as you are!"

A small, and shrinking, cadre of chief officers helps nurture a strong corporate culture.

Necessity is the mother of invention – when you don't have much money, you get pretty creative!
So, how does this all help slay the financial dragon?

Because it is easier, and quicker to build a strategy, get ownership and communicate it, to deliver, and to negotiate and resolve the tensions. I am frankly overwhelmed when I think of what we have taken out, or plan to cut, in such short order, while staff continue to deliver to the very best of their ability, and Members continue to front the difficult decisions.

What does not help?

It is really hard for Members to cut valued and much needed public services when they are constantly bumping into those who are directly impacted.

Resilience and capacity is under strain, and risk levels rising.

Scale is a significant constraint for spreading unavoidable on-costs.

But, I'm with David – big is not necessarily better, or stronger, and I know we'll come through.



An Education for all the Talents



Cllr Paul Carter is Leader of Kent County Council

The economy of this country and more broadly our wider society rely on the skills and aptitudes of the workforce. Preparing our young people to make a full contribution in the world of work is dependent upon the education system equipping them with an appropriate balance of knowledge, skills

and experiences that will enable them to succeed in work and life. To ensure the UK has a productive, sustainable economy, we need to have an education system that produces well motivated, appropriately qualified, adaptable young people with a blend of applied and academic skills, in order to compete in a rapidly changing and increasingly global work environment.

The question we need to ask is how well we are doing this in the UK. In the last twelve years the length of the statutory education journey has grown (through additional early years and through Raising the Participation Age. Are we getting the added value for this substantial additional public investment? Without a productive economy we will not be able to afford these welcome policy developments in education and the public services more generally.

The CBI's Action for Jobs report tells us this country has a poor track record in managing school-work transition. This is reinforced by employers underlying concern about the work readiness of many young people which necessitates a step change in the way we educate.

Acquiring the fundamentals (a basic command of core literacy and numeracy) is a given. The learning curve is greatly accelerated if a young person's educational journey is enjoyable, stimulating and has relevance. This means that education needs to be taught in a way that is relevant to the changing



world youngsters are living in, with its fast paced innovations in science, technology and communications and shifting work patterns. Pedagogy has made significant advancement in recent years, helping to make the journey more relevant through the wider application of ICT. However, we need to go further so that young people are confident self-learners who are equipped face new situations and challenges with a positive approach.

In recent years our education system has been too academically focused, too narrow and too slow to react to the changes of the world it serves. It is often quoted that our education system is designed by academics for academics. This system is wasteful, evidenced by the number of students who are disengaged, truant, drop out and ultimately fail to

achieve five good GCSE's. Is it because there is a deficit in exciting, relevant and appropriate pathways for the 45% of young people leaving school who don't aspire to follow the HE route? With the cost of degrees set to rise this autumn, the route offered by modern apprenticeships and work-based degrees presents alternative career pathways into a raft of professions such as construction, engineering and leisure and tourism.

The sooner we can blend the needs of the economy with the world of learning, the better for the economy and the many young people who are disenchanted with formal education. We need to give young people inspiration and an understanding about what work is, why it matters and what they can achieve. Schools therefore need to focus more on embedding

employability and enterprise in everyday school life, building on young people's strengths, interests and vocations, In this way, young people will thrive as individuals and play a positive role in an economically buoyant UK.

New Challenges For Next Generation Providers



Campbell McDonald is Director of the Baxi Partnership.

To meet the challenge of delivering local services with less money, councils

need to be asking the market for different kinds of support.

Radical restructuring of how local services are delivered increasingly looks inevitable for every council who want to make their numbers work over the next five years.

There seems to be a growing realisation that salami-slicing services is not a solution that will last the course and more

fundamental alternatives must at least be explored. Whether sharing officers or merging departments, be you a co-operative council or a commissioning council, deeper structural reform is being considered if not enacted almost everywhere you look.

Ultimately that process is going to involve the creation of new organisations of many and varied descriptions, be they in-house teams spinning out into new mutuals, the rise of a thriving local and regional economy of social enterprises vying alongside more traditional commercial providers to win contracts, or entirely unseen before species of joint ventures and partnerships that will stretch old definitions of public and private sectors to the limit.

However, this brave new world will throw up challenges as well as opportunities that local authorities – and those who supply them – should be ready for. Local government is already in a Jacob and the angel-style struggle to get exactly what it needs from the market, but that battle of wills and intent will get tougher before it gets easier on both the supply and demand sides.

On the supply side, providers of services to and for local government are already starting to change gear in terms of what they offer – but there is still a long way to go. Anything that can help drive efficiencies with what's already there will always be welcomed with open arms, particularly where suppliers are prepared

to work for a percentage of that which they help to save.

Yet as options appraisals throw up new alternatives there will be a growing need for additional expertise around designing and setting up special purpose vehicles and partnerships, around raising capital and investment, around achieving the levels of behaviour change that will secure necessary service improvement, and around providing the ongoing hands-on commercial support these new providers desperately need to survive and thrive.

In the same vein, suppliers will also need to think more and more beyond a straight-forward contract model of doing business with local government. As the state puts more on the table in terms of people, assets and whole new markets in service delivery, so they should be looking to suppliers to show that they are prepared to make greater commitments to sustainable success – to be prepared to put some skin in the game.

On the demand side, local government must get better at ensuring it gets what it really needs from the market. That means enlightened commissioning which has the courage to back new delivery models and the nous to pick good partners from bad and create new ways for suppliers to demonstrate their ultimate motives are as aligned as possible.

Councils would also benefit hugely from thinking more broadly about how they

create and continue to support a thriving local market place in service delivery. In part, that means recognising that new organisations will have no local hands on support anymore from RDAs or Business Links.

Beyond that, every time an authority awards contracts to large out-of-area suppliers they not only transfer capital value outside of their local economy but also court the opportunity cost of not deploying local providers who bring a positive economic and often social footprint. A greater focus on a level playing field in market locality would go a long way to securing the long-term success of radical reform of service delivery.

A Different Perspective

Peter Riddell is Director of the Institute for Government

Whitehall and Westminster have an instinctively centralist culture. It is not just the Treasury which does not trust anyone else with public money. Politicians of whatever party become centralists when they move behind a minister's desk, even if they have been local government leaders themselves. There is an ingrained tendency to regard local authorities as the implementers of central government policies with merely token discretion.

Devolution has changed the picture outside England. Whereas in spring 1997, one political party, the Conservatives, controlled government above local level throughout the UK, now seven parties are involved in central and national government..

England remains the puzzle. Attempts to create new sources of political power have largely foundered with the collapse of Labour's regional policy in the north-east referendum in 2004 and the defeat of directly elected mayors in May 2012 in referendums in all English cities but Bristol. Nonetheless, the existence of directly elected mayors in London, Liverpool, Leicester and a dozen other places represents – along with the devolved bodies outside England- has forced Whitehall to come to terms with pluralism.

Localism has been trumpeted by ministers in both the current and last governments. The principles in the recent act sound fine—the new power of competence for authorities to do whatever is not expressly forbidden- but the practice is more complicated. Localism in the eyes of at least the Tory side of the coalition primarily means empowering local providers—schools, GPs and mutuals—rather than local authorities.

But there is an inherent ambiguity here. While accountability is supposed to be to local users—parents, patients-managerial and financial accountability is to Whitehall.

Attempts such as Graham Allen's to create a new constitutional relationship between the centre and the local are dependent, as he recognises, on a new financial settlement. Unless, and until, local councils retain much more control over how much, and how, they raise money for themselves, localism will not mean much.

Local solutions, the key to national regeneration?

Greg Michael, Group Strategy and Business Development Director, May Gurney

Since the general election of May 2010, the way that many local authorities deliver services has changed more in just two years than it had in the previous 20.

Spending cuts of 27%, the localism agenda and rising demand for council services in the face of a deep recession have all combined to radically alter the relationship that councils have with local communities and the way that local authorities implement their duties.

There is also a structural change in the relationship between local authorities, central government and communities.

Initiatives such as the community budget pilots across the UK have seen funding move from national Government to councils to co-ordinate and fund growth and regeneration in communities. In 2013 business rates switch to local authorities, together with the responsibility for driving infrastructure investments and initiatives to attract business to their areas and drive growth.

The result has been intense debate about how local authorities rise to this challenge. Many councils have embraced a new approach that sees them as the strategic lead and procurement manager in local service provision, with the front-line services themselves delivered via private or third sector partners who are often tasked with finding new ways to deliver services more efficiently and at a lower cost.

The challenge for local authorities is to ensure that whatever solution they decide upon still delivers a place-based approach that leads to cost savings while also delivering better service outcomes that meet the specific needs of that community.

Many councils could be forgiven for feeling somewhat under siege as a result of all the changes, but new consumer research commissioned for May Gurney suggests that local communities remain strongly supportive of their councils and that local authorities have adapted very effectively to this intense period of change.



In fact despite the recession and spending cuts, pride in communities has risen sharply over the past 12 months, with the research showing that more than half (58%) of Britons are proud to live in their area, compared to 49% of those polled with the same question last year.

In addition, the localism agenda and councils' response to it also seems to have been embraced. Anecdotal evidence clearly shows community groups rallying to save libraries, take on the maintenance of local community centres and green spaces and help run other services. The survey shows the extent to which this is now becoming an accepted reality, with

more than one in five (22%) of people saying they are willing to volunteer to help run community facilities and services, compared to 15% who stated the same thing in 2011's poll.

Despite the fact that more people are getting involved in providing local services in their areas, and in many instances taking on roles that the council would previously have undertaken, the changes do not appear to have had a negative impact on the way councillors are perceived.

When asked who performed the most valuable service in their community, Britons ranked councillors as the third

most important, behind groups who provide front-line services such as police officers and refuse collectors.

The rejection of the idea of elected mayors in nine of the ten cities which held referenda in May 2012 demonstrates that while community grass roots action is motivating to residents, adding an additional layer of government is not.

While the current environment has brought huge change for councils, it has also brought opportunity and the survey undertaken for May Gurney suggests local authorities are well placed to adapt to the changes and benefit from the army of volunteers and private and third sector partners they have built-up in the past few years.

Local authorities have always been the agents of change, seeking new ways to improve public services in the areas they are responsible for. As more change comes over the horizon, local authorities remain at the heart of their communities and their communities appear fully behind them, despite the fluctuating economic winds and harsh-reality of spending cuts.

Forthcoming NLGN Events

NLGN is the pre-eminent local government think tank. Join us for the following open sessions at this year's conference and engage in debate with changemakers from both the public and private sectors;

Public Sector Spin-offs: How do we make them sustainable?

8.00-9.00am, Wednesday 27 June 2012
Fortissimo Meeting Room, Hyatt Hotel
Presented by NLGN and Baxi Partnership

baxipartnership

How can local government ensure that the new alternative models for service delivery remain successful?

Local Government and the Future of Public Health

12.30-2.00pm, Wednesday 27 June 2012
Fortissimo Meeting Room, Hyatt Hotel
Kindly funded by Sanofi Pasteur

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The fringe event will continue the discussion from NLGN's recent major report on the role of local government in health.

Reception and Launch The NLGN Next Localism Commission

6.45-7.30pm, Wednesday 27 June 2012
Fortissimo Meeting Room, Hyatt Hotel

Marking the conclusion of the NLGN year long commission, this is an opportunity to learn the findings and enjoy a pre-dinner drink with colleagues.



Private Dinner (Invitation only) Society at Risk

7.00-9.00pm, Tuesday 26 June 2012
Drawing Room, Hyatt Hotel
Presented by NLGN and Zurich Municipal

This private discussion relates to local government's understanding of the risks it is building into its systems and what this will mean for future generations.

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Private Dinner (Invitation only) 21st Century Joseph Chamberlain

7.00-9.00pm, Wednesday 27 June 2012
Drawing Room, Hyatt Hotel
Presented by NLGN and May Gurney

This private dinner will discuss how local government can recapture the spirit of Joseph Chamberlain with new partnerships and investments focused on its assets.

MAY GURNEY

Contacts

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