

CONSERVATIVES LOCAL OFFER

IDEAS FOR A RADICAL LOCAL MANIFESTO

A Joint NLGN/Renewal essay collection

In partnership with:



New Local Government Network (NLGN) is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of its programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

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Emma Burnell

New Local Government Network

LET LOCALISM RULE THE DAY

Simon Parker, Director, NLGN

In 2010, David Cameron famously invited the British people to join the government of Britain. The promise was that a new Conservative administration would be the most localist the country had seen for a generation. It was not an especially difficult promise to keep: the previous 30 years had represented an extraordinary high watermark of centralism in the UK. Local government's ability to raise money and take decisions had been circumscribed to the extent that by 2010 Britain was arguably the most centralised country in the rich world. Even modest devolution would look radical against this backdrop, and modest devolution is exactly what happened.

The government's approach to devolution has been strongest when it comes to economic growth and development. George Osborne's deal with Greater Manchester means that the city will have all the same powers as London, but with substantially more control of skills, welfare and the interface between health and social care. Of course, it remains only a deal for the time being – no power has really been transferred yet – but it points the way to further change if the Conservatives are returned to power. For all the centralism of the 1980s, key figures like Michael Heseltine have always understood the need for cities to drive economic growth, both as a means to improve the country's overall performance and also as a way to get a foothold for Conservative values of self-reliance in the de-industrialised north.

Cameron's record is considerably weaker when it comes to public services. Despite the powerful case made for devolving more responsibilities in general, and more power to integrate health with social care and skills with benefits in particular, progress on place-based public services has been frustratingly slow. Ministers have approved a transfer of NHS money into councils through the Better Care Fund, but they have done little to defend the principle of integration against complaints of lost budgets from health service managers.

The only real Conservative contribution to the local government finance system has been a complicated reform of the business rate system and a determination to keep council tax down. The result has been very heavy cuts to local budgets with no opportunity to raise council tax, and a weak offering in terms of the service integration reforms which might make the cuts a lot more bearable.

The practical problem is that councils are taking on more powers to drive growth but cannot capture much of the proceeds of that growth locally to fix the challenges they face in sustaining public services. The emerging urban powerhouses will be able to leverage inwards investment, but it is increasingly obvious that they will not be able to afford to provide social care under the current model. If your local economy has little capacity for growth and your population is deprived, then you are really in trouble. As the economy returns to health, the jarring disjuncture between the local growth state and the local social state will prove very difficult to explain to local people.

The Big Society was deeply flawed in its execution, but the core principle was coherent: that a retreating state should be complemented by a growing realm of social action. If this worked, it would reduce the pressure on public services and help to reduce local government's costs in the medium term. The problem for Cameron is that a transfer of responsibility on this scale is a very difficult thing to achieve, and while there has been important progress in areas like community asset transfer, neighbourhood planning and the creation of public service mutuals, the government's reforms to date are far too piecemeal to achieve a real transformation. A second Conservative administration will need a much more consistent policy approach, driven from the very heart of government.

The trajectory upon which George Osborne has set the local government sector is likely to lead to some very big questions about its future role. The chancellor's spending plans are likely to reduce council budgets by something like 40% over the present decade. His council tax freeze has substituted Treasury money for the local tax base, while his referendum thresholds for raising council tax is slowly killing off the very idea of independently set local taxation. Obvious efficiency reforms have already

been taken. There is some more to come from sharing services and officers, but not enough to maintain all the services to which the public has become accustomed. With some councils worrying about their ability to keep the streets clean, it seems clear something will have to give.

The problem with major reforms of local government is that the pain of implementing them generally outweighs any political benefit. But with some form of local crisis looking extremely likely by the end of the decade, the pain of not acting could get a good deal sharper. The public will eventually join the dots and realise that tales of older people being refused care and parks being left to go wild are all part of the same phenomenon.

Conservative ministers have a vivid memory of the poll tax and the rate capping battles that raged before it. Some of them were in government at the time or shortly afterwards, and Oliver Letwin himself played a key role in the formulation of the Community Charge. They tend to believe that top down solutions are unnecessary – if you squeeze local government funding then change will happen organically, from the bottom-up. This means they are inherently wary of the kinds of big bang change that may be required to successfully reform local public services.

But this is not the 1980s. English councils have shown that they can be trusted to deliver efficiencies without launching a socialist rebellion against the centre, while the Conservatives have relinquished the ideological zeal for central control of the Thatcher era.

The case is therefore becoming stronger for some sort of substantial decentralising intervention to secure the future of local public services. Ministers should start by opening the safety valves on local government budgets. In an ideal world, this would involve root and branch reform of council tax and business rates, two absurd taxes which have been so heavily interfered with by Whitehall that they are not really local at all any more. In reality, the best we might hope for is a higher council tax referendum threshold, perhaps with more bands to capture the value of very expensive properties. An extension of the earnback deals offered to Manchester and Cambridgeshire might also help, giving councils a way to capture some of the extra money their growth efforts generate.

We need to see a major programme of devolving service responsibilities to local government, bringing more budgets together in one place and allowing councils to find synergies and remove duplication. There is no obvious reason why the courts service, prisons and even tax collection are national responsibilities – in other countries they are delivered locally. Ministers should seriously consider allowing councils a much greater role in commissioning local primary care and making them co-pay for hospital admissions, providing a huge incentive for the rapid development of preventative healthcare. Combined authorities offer a perfect platform to manage a range of more strategic devolved responsibilities, especially if they are governed by directly elected mayors.

The Conservatives are leaning very heavily on local government to close the deficit: it has taken some of the heaviest cuts and lost the most staff. It is a political position that reflects public opinion, which wants hospitals and schools protected. Indeed, Labour is very likely to take the same broad approach. But the only way to make savings on the scale envisaged and still have decent services at the end of it is radical localist reform. This is in keeping with the Conservative view of the world, from the small state radicalism of Joshua Toulmin-Smith's Anti-Centralism League to the devolutionary instincts of politicians like Michael Heseltine and Greg Clark, the centralist 80s look increasingly like an aberration for a fundamentally devolutionary political tradition. The next parliament provides an opportunity for the Conservatives to make our cities sustainably by making them strong and free.

REINVIGORATE POLITICS AND COMMUNITIES

David Skelton, Director, Renewal

"The only purpose of getting power is to be able to give it away." We're probably all familiar with Bevan's famous phrase and varieties of it have been uttered by politicians of all parties since 1945. Few have lived up to the rhetoric though. Blair's localist, communitarian phase, for example, was over before he even walked into Downing Street. The coalition however, has done far more than its predecessors to match bold localist words with bold localist action but the next five years have to be bolder still.

We've entered a new and uncertain phase in the aftermath of the Scottish referendum. A sense of detachment and disengagement from a Westminster political elite is tangible. Powerlessness is the overwhelming feeling in many communities. People are now absolutely certain that the man in Whitehall doesn't know best. The reality is that he never did.

Now is the time for politicians to reinvigorate local communities through empowerment and, in the process, reinvigorate politics as well. Local government must no longer be satisfied with turnouts that hover around 20% and a population that can't name their local Councillor or Council Leader.

It's now clear that Westminster politicians have to follow Disraeli's timeless advice to "trust the people" in a way that boosts communities, strengthens democracy and fundamentally empowers local people. You only have to walk down Grey Street in Newcastle or walk through Chamberlain Square in Birmingham to see the swagger that these cities had when they had real civic power and strong civic leadership.

And modern Manchester is a symbol of what civic leadership and local ambition can achieve. The city deals pushed through by Greg Clark, working with Labour leaders in the North and Midlands, have been one of the coalition's greatest achievements. The Northern Powerhouse and moves to rebalance an economy that had become over dependent on the City of London is hugely welcome, as are big steps to improve infrastructure.

The next phase of localism should involve central government unequivocally questioning which powers it retains and which powers can be devolved to local people. Just as government should be unquestioningly willing to hand power over, local civic leaders should show ambition for their areas and desire to receive new powers.

The role of government should be to provide the infrastructure that towns and cities outside of the South East need to succeed. Highways investment and railway electrification has already helped. The next step should be considering ideas like extending the Tyne-Wear metro and considering other ways of linking up towns, country and cities.

Of course our great cities should have powerful Mayors, with real powers, to match their counterparts in Europe – driving ahead economic renaissance in their area. But why stop there? Why not directly elected Mayors in towns as well and a real devolution of power to local authorities – both urban and rural.

It's important that rural sensitivities aren't lost in this rush towards devolution. The rural South West doesn't want to be run from Bristol, for example, so devolution of powers shouldn't just be to the city but to the countryside as well.

Of course political parties have a big role to play in re engaging with local people. It's crucial that we have Councillors and MPs who are representative of the community – meaning that political parties need to be much broader based and mass movement than they are at the moment.

Political parties should no longer be content with falling democratic participation with local decisions being made by a handful of people, who aren't demographically or ideologically representative of the local population. Primaries should become the norm and local differences from central ideas should be an accepted part of devolution within politics as well as in society. And referenda could be used beyond the question of the EU.

The next five years should be marked by a dramatic redistribution of power from Whitehall to local communities, working people and civic leaders. This will help tackle the sense of powerlessness and disengagement that overwhelms some communities – ensuring that people have direct involvement in the decisions that directly affect their lives.

SUBSIDIARITY: THE MISSING LINK IN CONSERVATIVE THINKING?

Cllr Paul Carter, Leader, Kent County Council

As the leader of the largest county council in England, I have long been a localist and have actively called for the transfer of powers and responsibilities from Whitehall to local councils for many years. Before the 2010 general election I was excited at the prospect of a localist agenda sweeping the country under a Conservative government; empowering local councils to support the delivery of new growth so essential to the nation's economic recovery.

There is much to commend the Coalition on its localist agenda. The removal of an over mighty, ineffective and costly regional bureaucracy (especially in the South East of England) was particularly welcome. Whilst they could have gone further, there has been a significant reduction in the number of quangos and non-departmental public bodies; the new Community Rights are a radical innovation which many communities are only just starting to realise the potential benefits from.

However one cannot help but feel that the localist agenda has not delivered against the scale of the opportunity that was promised in 2010. The Big Society wasn't sustained, the economic recovery is patchy, and all councils continue to struggle with the most severe cuts in government funding ever seen. If localism was meant to empower local councils and communities to deliver a radical new vision of the state, it doesn't feel particularly successful. We have to ask ourselves why that is the case?

The answer is complex and there are undoubtedly many different reasons. However, I believe there is a 'gap' in Conservative thinking which must be addressed if localism is to succeed. It is that the principle of subsidiarity – that higher authorities should only have responsibility for what lower tier authorities cannot do for themselves – appears to have been completely absent from Coalition thinking over the last five years. As a result, the approach to localism has been ad-hoc, under-planned and under-delivered.

That Whitehall, in terms of its structure and function, looks largely the same as it did five years ago should give us a big clue as to why. Whilst paying lip service to the integration and re-design of services at a local level, departmental silos and protectionism in Whitehall remain a considerable brake on localism that should not be underestimated. There may be fewer of them, but looking at Whitehall from County Hall, it appears that the mandarins have got off rather lightly over the last five years.

Instead of an objective analysis of where functions and responsibilities best lie between central and local government that applying the principle of subsidiary would dictate, powers and responsibilities have simply been 'shunted' to local councils and communities with no real thought or insight. In particular, there has been little consideration about what spatial level those powers and responsibilities should be undertaken at, or whether the capacity and capability exists to use those powers and responsibilities in a way that makes sense and can make a difference.

The reforms to the planning system introduced by the Coalition are an excellent example of the point. In opposition the Conservative Party had pledged to scrap Regional Spatial Strategies (RSS) and allow local planning authorities to determine local housing growth through Local Plans, and also proposed the reintroduction of local infrastructure plans to support sustainable housing growth. The approach was sensible and had widespread support.

In Government, the rush to delivering a 'local' planning regime meant that the infrastructure plans necessary to planning education, transport, health and social care services in a sustainable way that supports housing growth, aren't part of the planning regime. Now this might not matter so much in metropolitan areas, but in County areas where infrastructure has to be planned on a wider scale than that of smaller District Planning Authorities, it's had a real and negative impact. The Duty to Cooperate cannot sufficiently replace an effective infrastructure plan delivered at the right spatial level. As a result, many District Councils are struggling to get their Local Plans adopted, whilst many County Councils are struggling to plan for services which are already over stretched because Local Plans aren't adopted and there is a development free for all. Neither councils nor communities feel particularly empowered by the reforms. In Kent, we're

actively filling the gaps through a shared infrastructure planning model that fills the gap left by the national planning reforms.

It could be argued that the issue of the right spatial tier at which services are delivered is now being addressed by the development of the Combined Authority model, City Deals and commissioning through LEP's. Whilst these new innovations are welcome, if ad-hoc and rather unplanned, I am still not convinced that the Government is approaching these with fundamental belief that these services are better delivered at this spatial level. Otherwise, the powers and responsibilities being offered through them would be more substantive than they have been to date.

Whilst the Greater Manchester Combined Authority is big step in the right direction, the fact that the devolution from Government only permits the new metro Mayor to have co-commissioning powers with DWP on the Work Programme for the City Region is a prime example of 'Whitehall knows best' and an absolute resistance to letting go to a more appropriate tier of governance. On any objective analysis, commissioning for the Work Programme should sit with local councils rather than with central government.

Moreover, I am concerned by the fact that each of the Metropolitan Boroughs in Greater Manchester can veto the metro Mayor's spatial strategy, which shows that there is no appetite to fundamentally challenge the existing distribution of powers and responsibilities. If the Greater Manchester sub-region is the right tier to undertake spatial planning, then the metro Mayor should be empowered to do this, not have his or her wings clipped before they even exist.

Subsidiarity is a sound conservative principle most famously written into the Treaty of Maastricht by John Major when seeking to limit a burgeoning EU bureaucracy. It should underpin localist thinking and policy development in the Conservative party, and in doing so I believe it can provide a framework in which to build a more cohesive and impactful approach to localism, a better programme for delivering it, and would reboot the relationship between central and local government.

LET TRANSPARENCY RULE THE DAY

Harry Fairhead, Policy Analyst, TaxPayers Alliance

The TaxPayers' Alliance (TPA) has long campaigned for greater transparency in public spending. In the case of local government, we were early users of the Freedom of Information Act to scrutinise how taxpayers' money was being spent. We published our first Town Hall Rich List in 2007 using FOI to get more granular details of senior remuneration at local authorities, because the accounts produced at the time were unacceptably opaque. Levels of transparency have vastly improved since, but there is still a way to go and full information disclosure should be the ultimate goal.

The importance of scrutiny hardly needs explanation, but with the debt standing at over £1.4 trillion, the public deserves to know whether their money is being spent wisely or not. Greater transparency will mean greater accountability and financial responsibility, and local government officials and councillors should welcome the prospect of engaging with the community on a substantive level. To ask, and be given, the opinion of those whom decisions will affect is of course an inherently good idea. Those within the community know what is best for it, not a bureaucrat with a list of potential projects and a taxpayer-funded budget. This can only be achieved if there are strong transparency obligations on local government.

The Local Government Transparency Code 2014¹ is a new 'rule book' for the disclosure of information and it is reasonably good. Disclosure of statistical data should follow three simple premises: It should be: 1.) Demand led 2.) Open - "its availability should be promoted and publicised" and 3.) All disclosures should be made in a timely manner. These precepts are key to the power of accountability and are to be wholeheartedly welcomed.

The information that local government is required to publish is quite extensive but there are instances where measures have not been taken as far as they should. An excellent example of this is the requirement to

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/360711/Local_Government_Transparency_Code_2014.pdf

disclose all spending above £500. It is anathema that not all costs are disclosed. The simple reason being that if such information is recorded (in the form of expense claims or invoices) then it is easily accessible for publication. Perhaps the sums may seem trivial, but it is a clear part of the accountability chain to offer as much information as possible. Furthermore, we have been told about local authorities requesting two or three invoices for services rendered, so that no one single invoice goes above the £500 limit. Publishing everything will remove the incentive to game the system.

Other information that has to be disclosed by local government varies from land and building assets to trade union facility time to senior salaries. But there remains in the guidelines a section entitled “Information Recommended for Publication.” The recommendations in this section are typically more demanding versions of the obliged disclosures. To set minimum levels of disclosure and suggest that a public body *may* wish to publish further is not the message that should be put before the public. Not only might this create discrepancies as to what is available across the country, but it begs the question of why not? If the information is available (or can be made available) then it should be published.

So this code is very welcome – it should give councils a good guideline as to how transparent they ought to be. The argument that it may create unnecessary burdens on local government staff is understandable, but misguided. An explanation of what a public body is doing should not be considered an extraordinary task. Instead as argued earlier, making information available will engage the public and promote financial responsibility. Informing the public as to the undertakings of local government should not be considered an additional burden, but a standard practice. And if it means that councils record financial information in a more standardised way that the public understands, then great.

And the point of transparency is not to be able to point the finger of blame or to hound those that work in the public sector (the Freedom of Information act specifically forbids this) but to allow the public to know that their money is used wisely. When taxes are paid, it is tacitly understood that they should be put to good use. In order for those who administer this money to uphold their end of the bargain, this must be demonstrably true.

There is undoubtedly further to go to achieve full local government transparency. For example, the Public Accounts Committee recently criticised the non-disclosure of off-payroll arrangements in local government². These arrangements allow de facto employees to be paid via a limited company and as such avoiding income tax. At national government level these arrangements must be registered and there should not be a discrepancy with local government on this. The chain of accountability is strongest when expectations of everyone are the same. This should apply not just in the specific case of off-payroll arrangements, but to all information across all public bodies.

So often it is the little things that make the difference when it comes to public confidence in elected officials. Seemingly small measures such as ensuring that local councils cannot ban the recording of meetings have a beneficial impact. Indeed, following changes such as these, it now seems odd that this has not always been the case. And this is the attitude shift that local government must undertake. Taxpayers' money is at stake here, it should not be a case of 'we will tell you if asked, or if we think you need to know'.

Despite that, the most potent weapon that the public (and the TPA) has is the right to do precisely that – to ask and be answered. The Freedom of Information Act 2000 (2002 in Scotland) has allowed a level of scrutiny never before available. It has allowed the TPA to release reports on high local government pay (the *Town Hall Rich List* as mentioned earlier), on council liabilities and councillors' allowances. The utility of the ability to 'FOI' a public body lies in the ability to target a particular piece of information that might not otherwise be forthcoming.

And so in future the FOI request will hopefully become redundant – or at least used much less – as there should be full disclosure in clear and simple formats with easy access. Until that point, FOI is a vital tool for the public to develop greater scrutiny in public affairs. Some councils take a proactive approach to publishing more data, which is great. An example is when Hammersmith and Fulham Council published organisational structure charts which detailed every single job title at the council³.

² <http://www.publications.parliament.uk/pa/cm201415/cmselect/cmpubacc/678/678.pdf>

³ <http://old.taxpayersalliance.com/bettergovernment/2011/03/hr-transparency-local-government.html>

With full data release across national and local government, a great deal of opportunity arises for scrutiny. While one could argue that groups like ours or the media will be the biggest beneficiaries, the truth is that it will be taxpayers. They have the right to decide if their money was spent wisely.

There are other benefits too. When TfL released all of its bus data, app creators busily went to work creating incredible apps that told you when your bus was to arrive. The same is now happening with public transport systems across the country. That not only helps people make more informed decisions and improve their quality of life, it boosts the economy. The phrase 'armchair auditors' can take on a whole new meaning. After all, power should reside with those who pay, not those who spend.

LOCALISM: WHAT HAPPENED TO OUR MISSION?

Laura Sandys, Member of Parliament for Thanet South

'We need a totally different approach to governing, one that involves people in making the decisions that affect them.'⁴ In its 2010 election manifesto, pointedly entitled 'An Invitation to Join the Government of Britain', our party made a clear commitment to grant more power to individuals. The party promised to 'put neighbourhoods in charge of planning and the way their communities develop' and to make it easier to get on the housing ladder. Despite some admirable policies, not least neighbourhood planning, the sidelining of localism from the agenda has left 'power to the people' in need of further reinvigoration.

We have to deconstruct the frustrations around politics, not in terms of parliamentarians but in terms of power. When people lash out at MPs, is it really the MPs that the public are attacking or is it a much bigger, more fundamental issue about where power lies and who controls it? People want to know who controls the levers of power and how they – resident of Broadstairs, Birmingham or Bermondsey – can have a say on how that power is exercised. I hear local constituents fed up with the distance between them and those who "tell" them what to do. There is no face to the authority who controls our lives, the telephone "customer" service at your local district council or at the child support agency, or even trying to get money back from your energy company. The facelessness and dehumanisation of authority – not politics – is where much frustration, anger and disillusionment lies.

Have we lost our passion for giving people back their power? Have we lost our desire to put people in control of agents who are there to serve them? We entered government with a clear ethos, brilliantly spearheaded by Greg Clark, focused on delivering power back to the people following 13 years of centralisation and Whitehall's power grab.

4 <https://www.conservatives.com/~media/files/activist%20centre/press%20and%20policy/manifestos/manifesto2010>

While we are now talking about giving some powers to the cities, we are falling into the trap of believing that the power is the centre's to "lend" to the "provinces". As we Conservatives always say about taxes – they are not the government's they are the people's – the same must be the case with power. Power to govern has been sucked subtly into a command and control "nationalisation" of decision making over 40 years and we must understand the negative and corrosive implications of distancing power from people.

We need to turbo-charge localism, driving decision making down to town and parish level to those who understand their communities best. And yes, money too, as local people can hold local politicians accountable much more effectively. In addition we need to have the confidence to allow devolution of power to be messy – because it is and so it should be.

While cities have had a lot of attention, I believe it is our towns and large villages that feel as isolated if not more so than cities. UKIP and its "persecution" mantra needs to be countered by showing how much we trust and believe in people taking actions on their own behalf and not being patronised by agencies, government "delivery" partners or even electronic voices from utility call centres.

If one could be nostalgic it would be for those days when the term "administration" was used rather than "government". The British people are much less happy to be governed, whether that be by Government or by corporate HQs, or even from the Head Office of the charity that you work for. It is all about the "Top Dog" saying "no".

This is a cultural and managerial problem as much as a government problem but it is one that we need to change. And at the core of the frustrations is the fact that the more we educate our population to become independent, creative, smart and resilient we take away their power of agency through regulation and procedural control. It is as bad, if not worse, in the private sector as it is with government regulation. For the country to innovate, build and grow, both individually and for the economy as a whole, it must stop closing people's power down and we must rediscover our invitation to our citizens to "Join the Government of Britain".

We can be ambitious for our country, but we also need to be ambitious for our people by handing power back to them, where it rightly belongs.

FREE CITIES TO END DEPENDENCY AND CREATE LADDERS OF OPPORTUNITY FOR ALL

Cllr Philippa Roe, Leader, London Borough of Westminster

We are only half way through a decade of austerity and we know that the next period will be even tougher. In 2010, Westminster's Formula Funding was just over £180 million. By 2020, after re-basing for previous grants being added in, we expect it to be only a third of that amount.

So far we have risen to the challenge of managing unprecedented reductions in our budget while protecting, and in many cases, improving the quality of frontline services. Through sharing services with Kensington and Chelsea and Hammersmith & Fulham we have saved £34.03 million and are on track to save £46.58 million overall (15% more than we originally anticipated). We have done this by re-thinking public service delivery– shifting focus away from empires, organizational constraints, geographical boundaries and ring fenced budgets to focus on outcomes for people and place. We have shared foster and adoption placements across the three boroughs, avoiding the additional cost of having to use Independent Fostering Agency carers and helping find looked after children a permanent loving home faster. We have reduced the average length of care proceedings, helping children in care find a loving home faster and reducing the cost of local authority legal services. In Westminster we have not closed a single library and the one library card policy now gives residents, workers and students unprecedented access to more than one million library books and a range of specialist collections.

Central to our approach has been to put residents at the heart of everything we do. For example, in Westminster we have recently awarded a new customer contract which will see a shift away from face-to-face/telephone contact to online. This has been supported by a new responsive council website that gives us a platform to drive channel shift. The earlier shift away from One Stop Shops to Your One Stop Expresses in libraries and other council locations is a step many councils have not even managed to achieve yet.

Local government has demonstrated its ability to innovate and I am confident that we can continue to rise to this challenge. As part of the London Growth Deal, Westminster is working in partnership with the eight Central London boroughs, London Councils, the Mayor of London, the London Enterprise Panel and Government on a pioneering, five-year £11m initiative to trial a new approach to supporting long-term unemployed residents in central London towards work. The pilot, titled 'Working Capital', will work with just over 3,800 long-term unemployed clients in Central London and, subject to success, will unlock the progressive devolution of responsibility for work and skills to London. Westminster, along with health and local authority partners across West London, is also leading the national re-design of health and social care services through piloting a more sustainable basis for delivering better outcomes for our local population, particularly the 100,000 people who are elderly or have complex needs and are most at risk of being admitted to hospital or a care home. This is being funded by the Better Care Fund, of which we are one of a small number of national pilots.

However, we can only go so far by ourselves and Central Government now needs to catch up and show it can drive reform at the same pace and with the same level of ambition by giving local areas the powers and responsibility to share risk and reward, leverage the assets an area has, and use revenue streams more effectively.

We're not asking for a credit card – just credit where it's due. Local government has a tremendous track record for innovation in the face of the need to make savings or stimulate growth.

I, along with the leaders of London Government from all main political parties, have recently come together to agree an ambitious five point plan for devolution to the Capital:

- **Welfare to work:** After five years of the Work Programme, the Government accepts the need for a fresh approach to supporting the longest term unemployed and those with the biggest barriers to employment. One size simply does not fit all – what works in South Yorkshire might not work in London. We need a local approach to get people into work. Ambitious work on local pilot schemes currently

being developed across the country, including those that form part of the London Growth Deal must, if successful, translate into a real commitment to devolve commissioning responsibilities and control of funding in order to share the rewards of success within our localities.

- **Skills and education:** By accepting central management and arcane funding formulae in our skills system, we risk holding London and the UK back. Why should the bright young things in the capital's burgeoning tech industry, for example, wait for a civil servant in a dusty Whitehall office to sanction funding for courses that provide the workforce they need? We need the ability to incentivise skills providers to meet employer demand in growth sectors, helping people to gain the skills they need to get into and progress up the right job ladder for them. London's markets move fast, they need that flexibility to be able to commission the Skills Funding Agencies resources to meet the demands of the labour supply market.
- **Health and social care:** The challenge of bringing together the two seemingly monolithic establishments of acute health provision and social care is well recognised but depends on local vision and clout to translate into reality. The Better Care Fund is a helpful start, but needs to be managed locally; longer term, a single locally financed system can underpin the shift we need towards preventative measures and away from costly treatments in A&E.
- **Housing:** Current approaches to housing leave London far short of the minimum requirement for home building to keep pace with our growing population. In times of austerity additional plans cannot rely solely on additional public funding. London boroughs now need to be given the freedoms and flexibilities to create value through change of land use and leverage existing assets to raise funds.
- **Complex dependency:** The Government's Troubled Families programme has shown what can be achieved when Ministers have the courage to top slice Whitehall budgets and prioritise spending on complex issues. We now need to take this model much further and create pooled budgets, devolved to places, for tackling long term and youth unemployment.

London has a plan that I am confident that we can deliver. We now need a new deal between Whitehall and town halls to fundamentally reform our approach to funding and delivering public services. Continuing to cut funding within organizational silos is an option we can no longer afford.

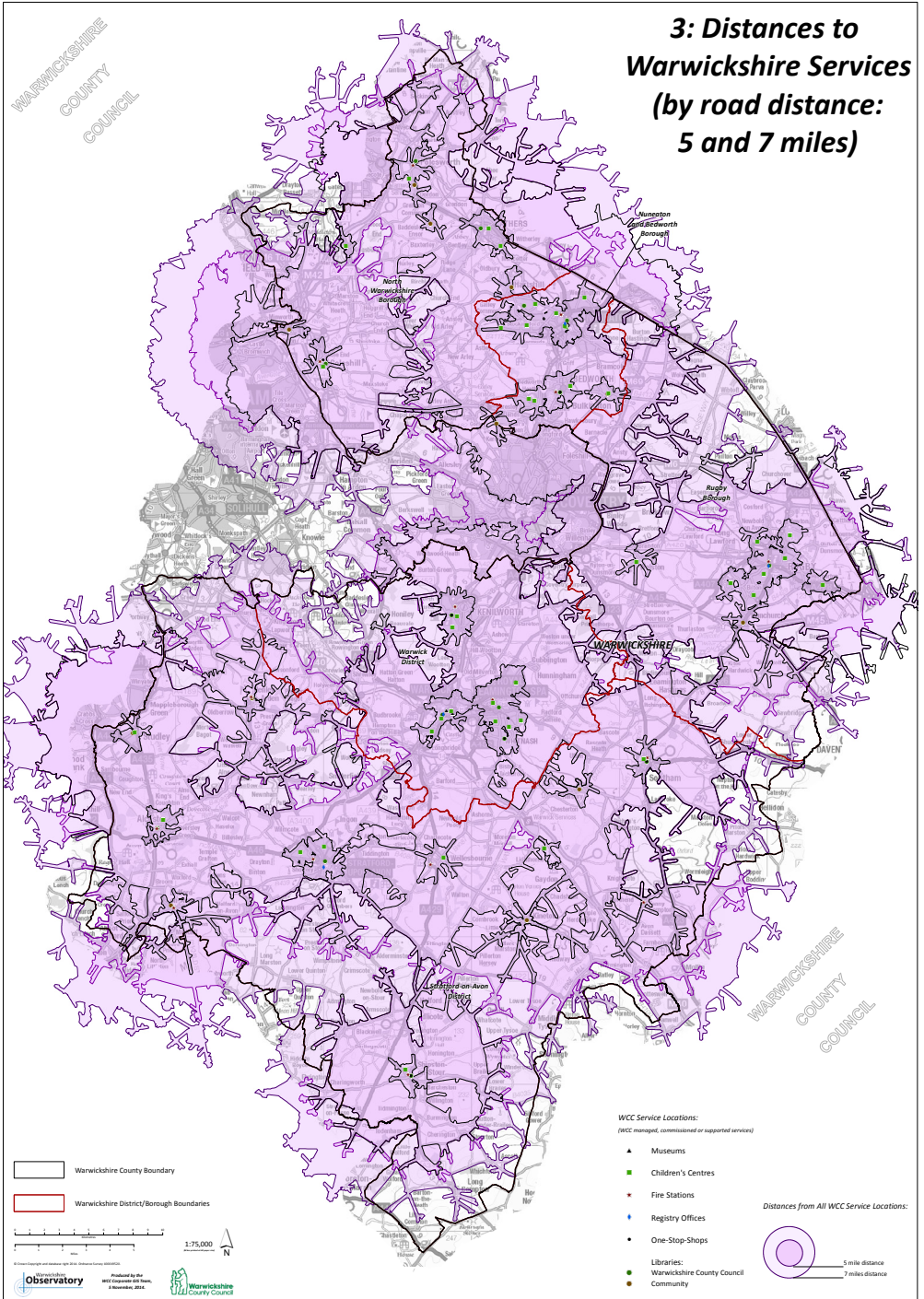
WORKING WITH OUR COMMUNITIES OF INTEREST

Cllr Izzi Seccombe, Leader, Warwickshire County Council

Like other counties, Warwickshire is not a homogenous entity and in the challenge thrown up by the austerity period, we are determined to retain a strong decentralised approach to serving our varied communities of interest. Austerity requires targeting where there may previously have been universality and this requires us to secure higher levels of intelligence on demand for public services, locally tailored – possibly down to individual households. Our thrust over the coming medium term on this agenda will be built around a number of propositions:

- 1.** Raising community capacity with the third sector, parishes and town councils so that there is not a significant gap in priority service areas when we in the statutory service exit and those other bodies are in a good position to fill the role. This takes us beyond the original idea behind the voluntary sector compact and requires a refreshed role for both sectors.
- 2.** Ensuring high levels of devolved decision making and public access points, so that our citizens do not experience us retreating into a virtual only social contact from some anonymous central call centre. We are a public service and face to face engagement is in the DNA of public services. We already have a Warwickshire Direct set of access points which serve a number of public bodies and can act as a series of hubs.
- 3.** Mapping the “white spots” when virtual connectivity has gaps and local service hubs are rather more distant than we would wish. From the work done to date, we have evidenced that virtually every household is no more than 5 miles from a WCC service hub. However, we want to ensure there are no “white spots” and we intend to optimise the rural broadband roll out to all of our citizens as a key platform in this theme.

3: Distances to Warwickshire Services (by road distance: 5 and 7 miles)



4. We are looking at how governance in this period of austerity can be better deployed locally to refresh the role of councillors in the reshaped local authority. I favour a “local leader” model and in a three tier environment, we need to work with district and parish councillors in developing these models.
5. Finally (and this is very much at its early stages) we are experimenting with analysis by our observatory of individual household usage of public services. If we can tailor to individual households the provision of data and information much in the way that the supermarkets know what is in our shopping baskets, we would work to explore how we can assist these public sector consumers with their own ability to manage their public sector service consumption when possible. There are two or three areas of activity already giving us opportunities to develop this way of operating, for example, the Better Care Fund roll out of Care Accounts, and the second cohort of the Troubled Families programme. The idea will be to explore specific cohorts in these programmes and develop tools to see if this is an effective way to manage demand and raise the consumer/users ability to self-navigate the public sector market.

We are currently looking at raising the profile of these ideas with local citizens and will be undertaking work on getting consumer/user involvement and engagement in developing the ideas to fruition. These ways of working are about changing the behaviours of the county council and giving responsibility to citizens to be more informed and expert in navigating the complexities of the local public sector. If we can encourage other public sector partners to explore this way of operating with us, we will be very pleased to work with a range of public bodies on those themes.

We do not however view these measures as a panacea for the downsizing and reshaping of the public sector offer in the county. I recognise that there will still be areas of activity which will cease altogether during the coming years. The trick will be to ensure that we optimise community capacity and its ability to sustain those priority activities which we can collectively agree upon. I do not see this as an excuse for maintaining the status quo and will have to work with other public bodies on continually reconsidering what the public sector offer in Warwickshire can sustainably be into the future. There is a cost to decentralised ways of operating but it is not that which makes it “local” in

the public sector. Warwickshire is a set of communities of interest, broadly 2:1 urban to rural in the lifestyles led. We want to recognise these differences in the way in which all of our citizens lead their lives which at the same time, creates a significant role for the county council in holding the public sector offer together as a distinct, recognisable and integrated model.

A SIMPLE LEAP OF FAITH

Bob Neill, Member of Parliament for Bromley and Chiselhurst and Vice-Chairman (Local Government) of the Conservative Party

The Scottish Referendum of last September has revitalised the devolution debate, and the passion, and at times frustration, that has reverberated from all corners of the UK in deciding how our country and its constituent parts should be governed has undoubtedly, in turn, trickled down to the local level. After the raft of measures this Government brought in when coming to office in 2010, localism has a palpable second wind, creating a period of opportunity – which will not be open indefinitely – that we must take full advantage of.

A very positive step in the right direction was made in November with the Chancellor's announcement that Greater Manchester will be getting its own directly-elected city wide mayor, hopefully no later than by the end of 2017. Whilst this move has been welcomed by politicians, political commentators and representatives across the local government sector, we must avoid complacency at all costs. London and Manchester should not be standalone models, but rather pioneers at the vanguard of a much wider effort. The Treasury has been explicit that it is open to further proposals, and other cities must – when they feel ready – attempt to follow suit, as arguably should our counties under a similar framework.

Of course these changes must not be rushed and should be taken forward on an incremental, case-by-case basis, ensuring that a tailored deal that works for both the respective city and central government is brokered. We would do wrong if, in our haste to make the most of the favourable political zeitgeist, we adopted a blanket, one size fits all approach to devolution, and I would suggest that cities look across a range of policy areas in a “pick ‘n’ mix” fashion to decide what they can realistically take on. Again, using London and Manchester as the frontrunners, this could include further responsibility over transport, housing, planning and policing, as well as additional powers to support business growth, skills, and to join up health and social care budgets. Devolution should not be a prescription forced

upon local authorities, and it is the responsibility of the cities themselves to say what they want and to put their case forward.

Whatever settlements are reached, there can be no hiding the fact that our combined authorities and towns will never realise their full potential without genuine fiscal devolution. With this in mind, in the lead up to the General Election the Government would do well to give serious thought to a set of realistic objectives for the next Parliament, for example, a target that central government will take no more than 50% of total public spend. In time, this could quite feasibly be reduced significantly again. It would also be worthwhile to look at the raft of other property taxation that could, very often, be better and more efficiently run at a local level. Inevitably, this will involve much greater financial and political risk for those operating in local government, but if it gives cities the ability to shape their own destiny and provide more personal, bespoke services for residents, it is one certainly worth taking.

A quick look at the hard facts develops this point more cogently than even the most eloquent of politicians could phrase it in debate. Our major cities are comparable in both size of population and Gross Value Added (GVA) to the devolved nations of the Union, and perhaps more importantly from a localism angle, many have equally unique identities, not to mention equally bespoke needs⁵. The time of fiscal devolution is here, and to avoid an increasingly disparate picture – whereby our Union neighbours progressively achieve something more akin to full fiscal devolution – England’s cities must keep pace, and central government should be doing all it can to guarantee they receive the support they need.

Indeed, giving authorities the power to raise, retain and spend money locally not only offers councils the ability to offer improved services based on the specific needs of their residents, but by also bringing the decision making process down to the municipal level, strengthens two of the core principles of localism: accountability and transparency. The formation of combined authorities in city regions has created some powerful models, enabling those involved to make major decisions on behalf of the local electorate.

⁵ Take Manchester as a case in point. Its population of 2,702, 200 is far larger than Northern Ireland’s 1.8 million. Economically speaking too, it is on a comparative scale, with its GVA of £50.9 billion far outweighing Northern Ireland’s £29.4 billion, as well as Wales’ £47.3 billion.

This will surely make decision makers increasingly accountable to the people they serve, strengthening democracy up and down the country. Ultimately, even after the successful and far-reaching localism reforms this Government has made, England remains one of the most centralised countries in the Western world, a political reality which undermines the ability of our cities to push forward and meet their full potential on the international stage. Between now and May, each Party must show its hand and be clear to voters where they stand on fiscal devolution. Admittedly, devolution is a difficult, complex process, but the choice is simple. Do we remain wedded to traditional, centralised ways of decision making, or, following the proven successes in cities like New York and Tokyo, do we take the leap of faith and strengthen the powers of local government, in turn improving services and bolstering democracy? For me, the choice is simple.

The current Conservative led government came to power on a promise of devolving power to the “Big Society”. The Localism Act was a key step in the right direction, and recent moves to devolve power to city regions shows an inevitable direction of travel pushing power down to localities.

The question is not whether this should be the change (it has been part of the Conservative tradition at least since Edmund Burke) but how this change is enacted. What are the policies that will demonstrate and bring about this cultural change? How far should localism go and what is the appropriate role of each tier of government?

This collection from NLGN and Renewal contains a range of voices offering concrete suggestions as to how the Conservative manifesto for the 2015 general election can deliver a new offer for the next stage of Conservative localism.