

INTEGRATING YORKSHIRE

SERVICE TRANSFORMATION IN THE NORTH

A WRITE-UP OF AN NLGN/LGYH/PSTN WORKSHOP

OVERVIEW

In June 2014, NLGN and its partners convened a workshop in York to discuss how councils in the north were integrating and transforming their public services. This was a follow-up to a similar event held in London in March.

One of the key questions we wanted to pose was whether there were particular challenges facing northern local authorities that might make service integration different or more difficult. Key messages to come from the day include:

- There is no evidence to suggest a lag in the pace of integration between northern authorities and the rest of the country. The north has strong demonstration projects in Cheshire West, Greater Manchester, Leeds, Barnsley and Sheffield, building on strong local public sector partnerships.
- But northern councils nonetheless do appear to see the key barriers differently – they appear more likely to want central government support and are more likely to see a lack of funding for up-front investment as a barrier. Ironically, it seems that the further a council is from Whitehall, the larger the shadow of the centre looms, perhaps because of the lack of day-to-day social and professional networks into the centre.
- However, in discussion workshop participants tended to identify the same kinds of problems as southern councils – challenges such as leadership, relationship building, organisational cultures, trust and financial flows.

Like groups in London, participants identified short term and inconsistent funding settlements and electoral horizons as a major barrier to change,

making it much harder to plan for the long-term and reconfigure services to drive prevention and save money in the long-run. They felt that central policy makers had created a poorly-aligned set of incentives for local providers such as hospital trusts, which are paid by activity and not prevention.

But ultimately, the workshops highlighted a sense that local government needed to take the lead on driving integration in their places and that councils should continue to get on and do it.

SURVEY RESULTS

We surveyed around 70 stakeholders from local government and partner agencies to assess their view on service integration. For the purposes of the event, we separated out the responses from those people we could identify as coming from the three northern regions. This yielded a sample of 25. We compared their views with the overall survey results to see if we could identify differences.

Perhaps the starkest divergence of opinion was around the role of central government. Not far from two thirds (61%) of respondents to the survey as a whole agreed that integration could be achieved without central government support, but only 39% of northern respondents said the same. When asked about the barriers to integration, northern respondents were far more likely to identify financial barriers such as a lack of funding for up-front investment, while the survey as a whole highlighted a more balanced mix of cultural and relationship factors.

Northern authorities may appear to see more - or at least different - barriers to integration, but there is no evidence to suggest that they are making slower progress than elsewhere. Around half of our northern respondents said their organisation had co-located some or all services with partner agencies and a similar proportion said they had joint or shared commissioning working in some or all areas. These proportions are very similar to those for the overall survey sample.

PRACTICE IN THE NORTH

Speaking at the event, Sir Stephen Houghton (Leader of Barnsley Council and Chair of SIGOMA) argued that while the northern context – in economic and

social terms - was clearly different from that in other regions, the solutions to austerity would be similar in most parts of the country. He highlighted relatively weaker levels of economic performance in the north, including higher levels of long-term unemployment. Changes to the business rate and incentives such as the new homes bonus were having a huge impact by shifting the basis of local government finances towards business and housing growth rather than need. He highlighted a need to change citizen expectations of the state so that the public learn to live with less local government.

The event also heard about practical experience of service integration in Greater Manchester (GM) and Sheffield.

GM's experience is well known – the city region has been building a collaborative culture for 30 years and has set its key goal as being to drive economic growth while connecting local people to that growth, ensuring they benefit through sustainable employment and good public services. To this end, GM is driving forward integration programmes for health and social care, and for supporting residents with issues of complex dependency towards employment.

Sheffield is running a broad programme of work to integrate health and social care, create multi-agency teams for families with complex needs, provide integrated advice for unemployed young people (connected in to wider city region structures) and create a single approach to public sector assets across the city. The next step may be for Sheffield to develop the idea of a single pooled public funding settlement for the whole city, across all services.

Both examples highlight the vital importance of culture and relationships to underpin a shared vision for the future of local places. The big barriers identified in the presentations were national funding and performance frameworks and the continuing accountability of many public service agencies to the centre, rather than their localities, which do not incentivise joint working. The difficulties in shifting spending from crisis response services to prevention was also emphasised.

WORKSHOP DISCUSSIONS

In the second half of the day we held facilitated discussions in which participants could jointly understand the key challenges posed by service integration and develop potential solutions.

WORKSHOP 1 - "ORGANISATIONAL CULTURE"

This discussion considered the challenges posed by different organisational cultures. Integration means working across a range of partners with different and often incompatible structures, cultures and incentives for transformation. This involves developing a high level of trust across the partner organisations.

Participants felt that these barriers could best be addressed locally. It was important for councils to lead on the creation of a shared vision for their places, to which all partners could contribute - but emotional intelligence was just as important if the vision was to become reality. Local government has a general power of competence and delegates thought there was an extent to which councils were already able to 'just get on with it'.

However, delegates also recognised that central government can sometimes make collaboration harder than it needs to be. Tight accountability back to Whitehall departments often squeezes the space for local leadership and innovation in the NHS and JobCentre Plus, for instance, while short-term budget cycles and regular policy changes make it harder to invest for the long term.

Whitehall departments need to work collaboratively with each other, perhaps with some form of joint outcomes framework ensuring greater coordination and informed by the practical and interrelated impacts their policies and programmes have in localities. This would require the civil service to work on the basis of a greater understanding of how policies impact differently in different places, with councils not only as consultative partners but as genuine "co-producers" of public policy.

It should be noted that while participants wanted a clearer outcomes framework from Whitehall, they also expressed concern that such a framework could become a new regime of bureaucratic top-down targets and inspection.

WORKSHOP 2 - SYSTEMS SHIFT

This session focused on how public service systems can shift towards prevention and early intervention, as well a move towards individual responsibility rather than dependency. Developing evidence-based policy is essential for this shift, but only if the public sector can interpret the evidence in a sophisticated way.

Shifting the system also has significant implications for citizens – for instance, personal budgets are a means to reshape public and provider behaviours – so councils and their partners need to invest time in explaining new systems and building the capacity of service users to make the most of the new opportunities facing them. This meant including communities and individuals as service designers and potential providers in their own right.

Central government incentive structures can again get in the way because they are often focused on activity, rather than achieving long term or place-based outcomes. For instance, NHS acute trusts are paid for the procedures they perform, when the real goal is to move towards Better Care Fund style, joined-up, preventative mechanisms. Whitehall needs to realign incentives structures around prevention and provide longer-term funding settlements to help partners invest for the future.

Participants recognised that councils can get tied up in regulations and bureaucracy, which often stops the ‘right thing’ from happening – and does little for wider local government credibility. Local government needs to move to a position where it is judged on longer term outcomes, and this inevitably means that councils need space, freedom and financial/electoral stability to pursue those goals instead of a tight focus on short term performance measures.

WORKSHOP 3 – FINANCIAL AND ORGANISATIONAL STRUCTURES

Participants felt that becoming too focused on local service structures was a major barrier to change, limiting vision and innovations. Instead, they felt services should be redesigned around citizen need and desired outcomes. Like other groups, they felt short term funding and political cycles often got in the way of making long term investment in service transformation.

This group identified the following guiding principles which could be adopted by organisations wanting change:

- Avoid incentives for short term results.
- A shift away from “payment by activity” models, towards a shared focus on outcomes.
- Wherever possible, avoid developing different structures across organisations.

- Avoid duplication and repetition of structures from place to place.
- Unitary local government often makes change easier in an area.
- Accountability should lie at the lowest possible level – with national structures made coherent and coordinated at the local level.
- Localism should mean greater freedom from regulation from the centre, not the local application of centralised regulation.
- Local leadership needs to be supported, with strong governance and community focus
- Rather than structures, start with needs and outcomes.
- A common language and vision is needed that cuts across structures.

CONCLUSION

Things are different in the north – money may be tighter, residents may expect more support, Whitehall may seem further away and harder to influence. But there is no fundamental reason why the service integration agenda should not thrive, with all councils clearly already engaged in service reform or redesign in some way, including with their public service partners.

Indeed, the northern funding context arguably makes integration even more urgent than in other regions and there are clear examples of councils innovating and simply “getting on with it” in ways which link to their local context and priorities.

Substantial progress has already been made. The challenge is to spread good practice and share the problems at the design stages as much as the eventual solutions, so that many more areas can share in the benefits of integrated services. Central government action can certainly help, but councils recognise that if they wait for the centre to set the pace, they will be waiting a long time.

NLGN,
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