

POLICY BRIEFING

October 2018

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

In our new series of briefings, we're asking NLGN members about the research and publications that they have found useful in their work. This month's issue features research recommendations from Liz St Louis, Head of Customer Service, Intelligence & ICT at Sunderland City Council. If you'd like to contribute to next month's briefing, we would love to hear from you. Please contact Sarah Lawson at slawson@nlgn.org.uk.

Our briefing covers reports across the following topics:

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Meet our members

Sunderland City Council: Liz St Louis, Head of Customer Service, Intelligence & ICT

What particular challenge has your council recently faced?

Developing new skills and abilities within the senior leadership of the organisation. Influential leadership is critical to drive and deliver transformational change, working across traditional boundaries

What research piece have you found helpful to tackle this challenge?

Influential Leadership: A Leaders Guide to Getting Things Done by Colin Gautrey – a thought provoking read which stimulates self-reflection, challenges assumptions and gives a very practical insight to making change happen.

Do you have any further reading you'd recommend on this topic?

Ten Tips for Weathering the Storm by Susie Kennedy

Prosperity and justice: A plan for the new economy

IPPR Commission on Economic Justice

This report presents a 10-part plan for economic reform to achieve prosperity and justice. It argues that the UK economy is not working and requires fundamental reform. Achieving change means redressing imbalances of economic power, with greater social partnership between businesses, trade unions, government and civil society. Power must be decentralised, with stronger powers for the nations and regions of the UK.

The plan includes measures to:

- Rebalance the economy through ‘new industrialisation’ by moving towards a more diverse array of manufacturing and other export-oriented industries.
- Give workers greater bargaining power by making it easier for trade unions to negotiate on their behalf.
- Pursue managed automation, helping workers to retrain.

The local Living Wage dividend: An analysis of the impact of the Living Wage on ten city regions

The Smith Institute

The report considers the potential impact of rolling out the Living Wage across ten city regions in the UK: London; Greater Manchester Combined Authority (CA); West Midlands CA; Cambridgeshire and Peterborough CA; North East CA; West of England CA; Liverpool City Region (CR); Sheffield CR; Cardiff CR and Glasgow CR.

Based on the assumption of a quarter of low-paid workers moving up to the real Living Wage the report finds:

- Over half a million workers would secure an average annual pay rise of over £1,700.
- This could deliver additional annual economic growth worth £560m across the city regions by boosting productivity, and generate £350m in increased tax receipts and benefit savings for the Treasury.
- If half of this £350m boost to the Treasury was returned by central government to city regions, the annual local economic benefit could increase to £1.1bn, when taking into account multiplier effects.

New Powers, New Deals: Remaking British Towns after Brexit

Carnegie UK Trust

Carnegie UK explore how towns can better reduce the risks to, and raise the opportunities for, their wellbeing after Brexit. It argues that policy makers need to pay more attention to towns and to develop innovative ‘Towns Deals’. Recommendations include:

- Develop strategic approaches in towns, clearly identifying challenges and a vision for change based on evidence and opportunities.
- Better understand the wellbeing challenges and opportunities facing towns. There should be a centre of excellence, or ‘what works’ style organisation, charged with reviewing and disseminating international experience on what drives successful town development.
- Support local policy makers and practitioners. Build local capacity to develop towns strategies and ensure that the right institutions are in place and sufficiently resourced to deliver local change.

Britain's Family Bank: An examination of family financial support across the generations and its impact

The Social Market Foundation

The report finds that nearly three in ten (27 per cent) of those with adult children are providing them with regular financial help. Financial support is not confined to those of high wealth or income: a third of those in the lowest-skilled occupations provide regular financial help to an adult child. It is not just students and twenty-somethings receiving help, but also those into their thirties, forties and even fifties - one in ten of those in their forties are receiving regular financial support from their parents. The family transfers are typically to help cover general costs of living and help pay bills and rent, rather than give large one-off sums for weddings or a house. Many recipients (38 per cent) report that they could not have coped without the lifeline from the 'family bank'. Worryingly, three in ten of those who provide financial help to family admit they are running down their pensions and savings to provide this help. The report suggests that reliance on the 'family bank' will grow in the future, and this will cause issues for an ageing population.

Credit Emancipation: How salary-linked lending can help turn around disadvantaged places

ResPublica

Given the geographical concentration of poor credit and indebtedness, this report recommends all local authorities should take a place-based approach to credit building.

Key recommendations:

- The Money Advice Service should seek to devolve the commissioning of resources for debt advice to local authorities and Metro Mayors.
- All public-sector employers should adopt salary-deducted lending and savings systems and promote financial education in the workplace.
- The public sector should include salary-deducted lending as an indicator of social value in their assessment process for public procurement.

■ PUBLIC SERVICE REFORM

Gaps in government data: Five things the UK Government should publish

Institute for Government

High-quality government data is important for both government effectiveness and for holding it to account. This paper identifies five important gaps in the data that government gathers or publishes and details how these should be filled. The headline recommendations are:

- A list of all the datasets that government departments are responsible for producing.
- More comprehensible data on government spending, including better annual accounts from government departments.
- Better outsourcing data, including a list of all government suppliers and a list of all public sector contracts.
- More comprehensive performance data on public services, including data on police activity and neighbourhood services.
- Better data on the public sector workforce, including staff turnover and socioeconomic data on the civil service.

A new measure of poverty for the UK

Social Metrics Commission

While various measures of income inequality and poverty exist, the UK no longer has an official measure of poverty. The Social Metrics Commission was brought together to develop a new approach to poverty measurement that both better reflects the nature and experiences of poverty that different families in the UK have, and can be used to build a consensus around poverty measurement and action in the UK. This report argues that a new measure of poverty should cover three core areas:

- The depth of poverty - how close to the poverty line people are living.
- The persistence of poverty - the length of time people are living in poverty.
- The lived experience of those in poverty – understanding the range of factors that affect a family's experience of poverty.

Made for London: Realising the potential of modern methods of construction

Centre for London

Given the pressures that London's construction sector is currently facing, this report finds that off-site housing construction and manufacturing could help to achieve faster delivery on-site than traditional construction. But Centre for London argues that a step change is required to ensure that Modern Methods of Construction (MMC) can be part of the solution to London's housing crisis. These changes are needed across skills development, supply chains, new construction techniques, and supportive policy and financing structures. Recommendations include:

- The Mayor should consider how to use devolved skills funding to help existing construction workers develop the skills needed to implement MMC.
- Councils and housing associations (with support from the Mayor and government) should pool expertise and purchasing power to form an MMC buying club.
- Housing providers and the Mayor should set up an exhibition to bring the industry together and showcase examples of well-designed modular housing and high-quality placemaking.

An economy for the people, by the people

New Economics Foundation

New Economics Foundation (NEF) call for six systemic changes over the next decade in order to create the stepping stones for a new economy: a purposeful economy; an urgent green transition; more worker power; homes for all; a decent quality of life; and a digital revolution. This is intended as the beginning of a conversation, reflecting a need for 'truly radical thinking for truly times'. Across each of these six areas, NEF continues to develop solutions.

■ DIGITAL TECHNOLOGY

The Digital Commonwealth: From Private Enclosure to Collective Benefit

IPPR

Digital technology is delivering a huge range of benefits to businesses, citizens and wider society. Platforms have unlocked many of these benefits by sorting and connecting an enormous range of services and products. At the forefront of the platform economy are Facebook, Alphabet, Amazon and Apple, referred to in this report as the 'universal platforms' and their ambitions are the focus of this report. Increasingly, the operations of the universal platforms are driving negative social and economic outcomes. These outcomes are not aberrations but a result of the universal platform

business model: the extraction and analysis of data for profit. Data is the source of their economic and, increasingly, social power.

This report argues that data should become more of a collective resource, moving from the enclosure of data to a model of a digital commonwealth. This conclusion of this report is based on four propositions:

- Platforms are diverse in form but share common features. The major platforms dominate the digital economy.
- Data extraction and analysis are central to the platform business model. Platforms share common features because they have the same core revenue model: the extraction and analysis of data for profit.
- The universal platforms have boundless ambition. With revenue predicated on the extraction and analysis of data, platforms seek to expand into new markets and to enclose users into their ecosystem of services, maximising data throughput.
- Data and the digital infrastructure should be organised as a collective good.

■ FINANCE

LGA response to the technical consultation on the 2019/20 local government finance settlement

Local Government Association

The Local Government Association responds to consultation on the 2019/20 local government financial settlement. Key messages include:

- 2019/20 is a particularly challenging year for councils with a projected funding gap of £3.8 billion. This assumes councils manage to deliver all planned savings in 2018/19.
- There is no clarity over funding levels, both nationally and locally, after March 2020. This is proving a major constraint on councils' ability to meaningfully plan financially. Greater clarity could also be provided by including all funding streams from government in each 4-year settlement, much of which is not included at present.
- The LGA remains opposed to the Secretary of State setting principles for council tax referendums and asks that all local authorities are given the freedom to make their own decisions about any increases to council tax, as is the case for mayoral and combined authorities and town and parish councils.

A quiet crisis: local government spending on disadvantage in England

New Policy Institute

This report analyses the change in spending on services dealing with disadvantage in England over the period 2011/12 to 2016/17. Spending on 'disadvantage' is defined as relating to adult and child social care, housing and local welfare assistance. Key points include;

- Spending on disadvantage across England has reduced on aggregate by 2 per cent, in contrast to an overall reduction in spending of 8 per cent. However, this figure masks significant local differences in the extent of cuts to spending on different categories relating to disadvantage.
- Most of the services relating to disadvantage have also faced increases in demand at the same time as reductions to spending. There has also been a shift away from preventative towards reactive spending.

- The overall reduction in spending on disadvantage has been driven almost exclusively by cuts in the most deprived local authorities – 97 per cent of the total reduction can be found in the 20 per cent most deprived.

Austerity by stealth? Options for the Chancellor at the coming spending review

New Economics Foundation

The next 15 months present a critical period for UK fiscal policy. New Economics Foundation (NEF) use a new departmental spending model to project forward and simulate a government spending review settlement across three illustrative scenarios – focusing in particular on health, social care and schools funding. It argues that the government is presented with a choice for the next spending review: either roll forward a continuation of the harmful status quo or show responsibility and flexibility in view of the needs of the economy and society as a whole. Progressive taxation and using ‘fiscal space’ responsibly are put forward as the two most likely options for expanding the overall envelope for the next spending review.

■ EMPLOYMENT AND SKILLS

Solving Future Skills Challenges

Universities UK

This report considers some of the implications of the fourth industrial revolution in terms of the impact on knowledge, skills and careers, and ultimately the future role of universities in meeting workforce demands. It then looks at what skills the UK economy needs, the pattern of existing higher-level provision and how effectively this meets current demands, and what shape demand will take in the future.

Recommendations include:

- Government should facilitate the development and sharing of more robust, comprehensive and adaptable intelligence about future skills needs across sectors and localities. This approach needs to be supported at both national and local level. It should be embedded in sector deals, and skills advisory boards should provide a strong foundation for local industrial strategies.
- Pathways, progression routes and bridging provision. This should avoid an artificial ‘binary divide’ between academic and vocational education and enhance opportunities for learners, forming an essential part of the Government’s skills strategy.

Measuring Good Work Matters: The final report of the Measuring Job Quality Working Group

Carnegie UK Trust

The Taylor Review of Modern Working Practices in the UK (2017) stressed that the Government should place equal importance on the quality of work as it does on the quantity. It recommended that the Government should identify a set of metrics against which it will measure success in improving work. In 2018, the UK Government’s Good Work Plan committed to enacting these recommendations.

The Carnegie UK Trust and the RSA established the Measuring Job Quality Working Group, which has considered the practical steps required to implement a set of national job quality metrics. Much of the focus of the Working Group’s activity has been to identify metrics to assess quality of work, against which the committed policy ambition of improving job quality can be measured. The recommended job quality measures cover the following areas: terms of employment; pay and

benefits; health, safety and psychosocial wellbeing; job design and nature of work; social support; voice and representation; and work-life balance.

The group concluded that a cross-UK survey is the only viable way to generate this data, at least for the foreseeable future, which would be reported on annually.

The future of work: regional revolution. Part II: Rebalancing growth and opportunity in post-industrial Britain

The Centre for Social Justice

This is the second report of the Future of Work research programme, which explores the barriers to productivity growth in the UK. The Centre for Social Justice (CSJ) project that employment growth across the country will continue to be regionally imbalanced between now and 2025. London saw a 49 per cent increase in jobs located in the city between 1996 and 2018, twice the average UK rate of 25 per cent. CSJ recommend interventions across four major themes: transport, business, governance, and society. The recommendations to government include:

- Support greater transport integration of the Northern Powerhouse cities.
- Create ten new Enterprise Zones in cities that have been identified by CSJ as 'Left Behind Towns and Cities'.
- Repurpose some of the Transforming Cities Fund to support greater investment in cultural infrastructure within towns and cities.

■ ORGANISATIONAL DEVELOPMENT

NLGN Rebalancing the Power: Five principles for a successful relationship between councils and communities

Local Trust and NLGN

The relationship between councils and communities is shifting. There is increasing recognition that the council role needs to become that of an "action enabler" - not always directing or leading, but instead increasingly supporting individuals, preventing problems occurring and unblocking barriers for communities to address their own priorities in their own ways. NLGN's new report, supported by Local Trust, identifies five principles for this changing relationship. The research takes Local Trust's 'Big Local' scheme as a case study to consider how the power dynamics can be recalibrated in practice.

The five principles are:

- Be inclusive and treat all parties with respect from the start.
- Find ways to reflect a changed relationship which clearly set out the roles that different parties play, mutual priorities and areas with some level of flexibility.
- Agree how different parties would like to communicate in the future and build this into the relationship from the start.
- Seek to develop empathy for each other's position and be prepared to compromise on certain issues to achieve the best outcomes for the whole.
- Foster a shared sense of endeavour by agreeing small actions that can be delivered together to build trust, and then scale up successes incrementally.