

POLICY BRIEFING

NOVEMBER 2016

We are delighted to introduce our NLGN ‘Policy Briefings’, exclusively for our members. These briefings will collate the most interesting reports that we have come across over the last three months.

Based on feedback from our members’ survey, we have organised this briefing into the following headings.

- Employment and Skills
- Public Service Reform
- Finance
- Digital Technology
- Devolution, Growth and Industrial Strategy
- Organisational Development

■ EMPLOYMENT AND SKILLS

Work it Out: Creating Local Systems of Employability Support	APSE and NLGN	October 2016	<u>Link</u>
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Councils should have much greater power to tackle persistent and long-term unemployment. The Work Programme has been radically scaled back and will be replaced by a new Work and Health Programme, which will be co-commissioned by combined authorities in a few areas. Especially post-Brexit, there is a need for employment support and skills provision at a local level which joins up key local partners to tackle long-term unemployment. The paper recommends:

- Devolution needs to go further and faster, with an appropriate share of risk and reward between combined authorities and DWP.
- The apprenticeship levy and 16-18 further education budgets should be devolved.
- Co-commissioning of the Work and Health Programme and Co-commissioning of mainstream employment support with DWP should be available for all devolved areas.
- A National Learning Network should be created to share learning, and new data sharing legislation should be used to enable closer partnerships in all aspects of public service.

Welfare, Work and Young People	Policy Exchange	August 2016	Link
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This report calls for an overhaul of the way that the Government provides benefits, employment support and advice to young people. The paper says that the Government should do more to differentiate welfare support for people under 25, trialling Youth Employment Centres which would operate separately from the rest of Jobcentre Plus, and provide specialist advice to young people. These youth employment centres would be allowed to change the way sanctions are applied: low level breaches could be changed so they do not incur a financial penalty, while additional requirements (like signing on daily or volunteering in the local community) could be made a condition of claiming their benefits. The paper highlights the existing success of youth unemployment centres already in place in Ipswich and Brighton.

England's apprenticeships: Assessing the new system	IPPR	August 2016	Link
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This briefing paper reviews the government's new apprenticeship system for England – why reform was needed, how well the new system will work, concerns about its effects, and its implications for policy. It also recommends how the incoming regime could be better adapted to our 21st century economy, and reverse the 30-year decline in the youth labour market. The briefing recommends that:

- The government should consider extending the levy to cover smaller employers, and should investigate ways to reduce the administrative burden on employers.
- The government should restrict apprenticeships to those sectors in which apprenticeships can add real value.
- The government should tighten up the regulation of the new apprenticeship standards, in line with a strengthened Institute of Apprenticeships, and a single common framework of technical standards.
- The government should encourage the growth of apprenticeships at level 3 and above, with the ultimate aim of all apprenticeships being delivered at these levels. In order for this to be successful, it must also create a more clearly defined 'pre-apprenticeship' route at level 2, to ensure that young people can progress into an apprenticeship.

Better Commissioning for Local Skills and Employment	ERSA	September 2016	Link
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ERSA (Employment Related Services Association) have developed a practical guide for local authorities on best practice in commissioning employment support. The document includes advice on avoiding common pitfalls as well as guidance on assessing need, designing the right services and effective contract design. Some of the specific areas it addresses and highlights include:

- Complementing existing provision and avoiding duplication
- Thinking about what constitutes success in employment support
- Payment by results

- Designing contracts that do not exclude charities and specialist organisations
- Good practice guides in supply chain management
- Avoiding legal challenges

Striving for Better: Welfare and a labour market that work for disabled people

Social Market Foundation

October 2016

[Link](#)

This report outlines the challenge that the Government will face in trying to make a labour market and welfare system that works for disabled people. This report outlines proposals that would deliver the changes needed over the long term. It recommends a new approach to ensure that the benefits given to disabled people meet their needs and that innovation in employment support can lead to more tailored and effective programmes. Looking further ahead it proposes a radical shift in the responsibilities of the state, businesses and individuals to ensure that more people can remain in or return to work after they experience the onset of a health condition or disability.

Universal Credit: From disaster to recovery?

Institute for Government

September 2016

[Link](#)

This report argues that, after a rocky start – drastically falling behind timetable and widely criticised – universal credit may now be in recovery. Following interviews with some of the key players, and using National Audit Office reports and parliamentary proceedings, the report explains what went wrong and what then went better, and seeks to draw lessons from both periods from which other big government projects can learn.

A Place for Learning

RSA

October 2016

[Link](#)

Part of a series, this report makes the case for a place-based approach to lifelong learning. Using the fictional city of Kensalfield, it discusses how local areas should grow ‘cultures of learning’, to make learning a fundamental part of citizenship. The report asks if this might point the way to a new educational localism, not one in which the local authority fixes the school roof, but in which it helps to bring together local stakeholders from all sectors to create and champion these learning cultures?

■ PUBLIC SERVICE REFORM

Local Public Service Reform: Supporting Learning to Integrate Services and Improve Outcomes

Institute for Government

August 2016

[Link](#)

This report focuses on one of the barriers to the integration of public services at the local level, namely the limited sharing of ‘what works’ (and doesn’t). It argues that people involved in integrating local public services need:

- More real-time learning from progress, challenges and setbacks, as opposed to focusing only on 'best practice' and showcasing success.
- Opportunities to 'dig deeper' into the messy reality of implementation instead of a general and descriptive examples that focus too much on the merits of a particular model.
- To have face-to-face conversations that allow people to break out of organisational and professional silos.
- Sector- and peer-led approaches help build the necessary trust and credibility to make learning relevant to local priorities.

Local Public Service Reform: NAO Insight Report and Resource Guide	National Audit Office	September 2016	<u>Link</u>
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This report explores how local public service reform is being pursued in eight places in England, what the enablers and barriers are and how the government is supporting reform at a local level. Findings show that all councils were pursuing strategies that sought to increase income and reduce expenditure. Many of the reductions in expenditure to date had been achieved through efficiency savings. The report includes examples of public service reform such as integrated support for families with multiple and complex needs and individually-tailored support for the long-term unemployed. It identifies a number of enablers to local public service reform: knowing what works, sharing information, securing funding to invest in reform, having the right incentives to work together, and building strong relationships with communities, central government and among local leaders.

Moving from The Margins: The Challenges of Building Integrated Local Services	Turning Point and Collaborate	September 2016	<u>Link</u>
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This discussion paper explores a number of local integrated service models that have been shown to make a difference, and presents seven insights for building integrated local public services:

- Integrated services should be citizen-centred, based on collaboration between different organisations and service users. They should use an asset-based approach.
- Transformation catalysts such as a crisis, budget cuts, or leadership change are unsustainable. Change has to be supported by deep and wide engagement that shares the case for change, learning, evidence and practice.
- Any step towards wider system change must take into account the nuances of place
- 'Culture' becomes a blocker because it's often forgotten until it's too late
- Infrastructure should enable collaboration between different people in the system.
- Change requires "letting go": not necessarily giving up control, but choosing to exert it in different ways and distributing leadership and responsibility.

Homelessness Reduction Bill: Briefing	Local Government Association	October 2016	<u>Link</u>
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The Homelessness Reduction Bill passed its second reading in Parliament. The Bill puts a greater duty on councils to work more preventatively, helping people at an earlier stage so as to avoid homelessness. It would also give councils a duty to give more help to those who are not classified as ‘priority need’.

This LGA briefing is supportive of the bill but notes that any new duties placed on local councils must be fully funded by Government. It also argues that councils alone cannot tackle homelessness and issues of employment, welfare reform and a shortage of housing supply must be considered. The LGA calls for a duty on other public services to cooperate with councils; and for councils to be allowed to “resume their historic role as a major builder of affordable homes”.

Spreading Change: A Guide to Enabling the Spread of Person- And Community-Centred Approaches for Health and Wellbeing	Nesta	September 2016	<u>Link</u>
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This guide outlines how behavioural science can help spread the take-up of person- and community-centred approaches to health and wellbeing. It outlines the EAST framework developed by the UK’s Behavioural Insights Team (BIT) and provides examples for how it can be applied by community-based organisations, and health and care providers and commissioners. The core message of EAST is that if you want to encourage a behaviour, you should make it:

- *Easy*: Small, seemingly irrelevant, details that make a task more challenging or effortful can make the difference between doing something and putting it off – sometimes indefinitely.
- *Attractive*: Make the personal incentive for behaviour change clear
- *Social*: People are social creatures; we are influenced by those around us – tap into social norms
- *Timely*: The same offer or ‘prompt’ to change behaviour made at different times can have different effects.

Report of The Inquiry into Adult Mental Health Services in England	The British Association of Social Workers	September 2016	<u>Link</u>
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This report from the All-Party Parliamentary Group on Social Work summarises evidence and recommendations from its four-month inquiry into mental health services in England. Recommendations include:

- Ensuring access to social work support in mental health.
- A focus on prevention and early intervention through offering support across the life span, as well as tackling the social determinants of mental distress.
- Offering personalised assessments from first access point to mental health services.
- A national framework of effective, practical co-production and partnership between people using services and professionals should be developed.
- Developing services for individuals with a dual diagnosis of mental health problems, substance use and/or complex needs.

Commissioning for Better Health Outcomes	Local Government Association	September 2016	Link
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This guidance is based around a set of principles for good commissioning in public health. These were developed from a scoping workshop with public health and procurement staff, consultation with key stakeholders and from a number of case studies:

- Act as system leaders to build the right culture, relationships and partnerships
- Have a clear focus on outcomes
- Take time to understand what is driving population behaviour
- Invest strategically and for the longer term
- Work with communities and build on assets
- Work with providers as partners and shape the market
- Commission across systems and for whole pathways from prevention to care
- Use evidence of what works and build new evidence through evaluation.

Involving Residents in Public Service Provision	Economic and Social Research Council (ESRC)	August 2016	Link
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In a trial scheme with Lambeth Council, researchers designed and ran a randomised controlled trial to test new ways of involving citizens in the delivery of local public services. The scheme focused on environmental services and street cleansing. Key findings:

- It's feasible to involve residents – but primarily as an addition to regular service delivery.
- There was no evidence of an impact on overall street cleanliness, although some streets showed improvements in beautification (such as street planters). However, the scheme showed positive impact in community interaction and social capital.
- Residents are interested and willing to co-produce public services – but incentives help to ensure that initial enthusiasm is sustained and leads to actual activity.
- Different types of incentives led to different types of activities and outcomes.

■ FINANCE

A Time of Revolution? British Local Government Finance in the 2010s	IFS	October 2016	Link
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This is the first report in a new multi-year IFS research programme examining the major changes to local government finance, which will consider the impacts of changes so far, provide in-depth analysis of the main issues related to upcoming reforms, and consider

the opportunities (and challenges) that would arise from greater fiscal devolution. This report provides an initial look at the changes in councils' spending, funding and funding systems since 2010, and highlights some of the key issues for the planned shift to 100% retention of business rates revenues by councils in England.

Securing a Resilient Future: Capital Spending for Social Value	NLGN	September 2016	Link
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This report considers the ways in which cash-strapped local authorities are becoming sophisticated financial investors to become independent of national government. The report considers how local government is using its investments to prop up hard-pressed public services, with a handful of smaller councils using their income to become independent of national grant funding. However, the report finds that there are clear risks associated with council borrowing, and that high profile failed investments could easily result in central government introducing tough new regulations. It makes a series of recommendations in line with these findings.

- Councils should drive towards financial self-sufficiency by maximising the income they get from their investments
- The government should put councils at the heart of its industrial strategy.
- Local investment strategies must balance ambition with prudence.
- Councils need to invest in commercial expertise.
- Councils must retain a sharp focus on the public benefit of their investments
- Central government must create a stable policy environment for local government borrowing.

The Spending Challenge: How to cut spending while maintaining quality	Institute for Government	September 2016	Link
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This briefing sets out the political and economic challenges facing central government ahead of the next spending review, considering the impacts of austerity so far on prisons and the NHS and reviewing changing public opinion on austerity. The briefing considers how future cuts may be shifted around public spending areas and may be of interest to a local authority audience interested in the possible future direction of travel for public spending.

Integrated thinking and reporting: Focusing on value creation in the public sector	IIRC and CIPFA	September 2016	Link
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This introductory guide has been developed by the International Integrated Reporting Council (IIRC) and the Chartered Institute of Public Finance and Accountancy (CIPFA) with the support of the World Bank to explain to public sector leaders and their teams how integrated thinking and reporting can help the sector consider how to make the most of resources, encourage the right behaviours and demonstrate to stakeholders how they are achieving the strategy and creating value over the short and longer term.

Business rates: the 2017 revaluation	House of Commons Briefing Papers	October 2016	Link
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The next revaluation of non-domestic properties in England, Scotland and Wales will take effect on 1 April 2017. This note sets out the background to the revaluation and some of the main effects on ratepayers and local authorities; how to appeal against new valuations; and information about the likely impacts of the 2017 revaluation.

■ DIGITAL TECHNOLOGY

Digital Government Strategies for Transforming Public Services in The Welfare Areas	OECD	2016	Link
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This paper outlines the political imperative for improving the efficiency, effectiveness and governance of public services through digitisation. The paper also outlines some of the emerging changes and implications – such as the development and implementation of “digital welfare” innovation projects, local commitment and ownership, and the requirement for digital welfare initiatives to not leave anyone behind or advantage those with easier access. The paper highlights the value of the transformative role of digital technologies; the need for and likely direction of new funding models for transformative digitisation projects; and the need for and development direction for new models of collaborative and co-ordinated governance; and implies a clear role for and the importance of innovation in achieving the transformation to “Digital Government”. Finally, the paper discusses the potential for transformation of both central and local service delivery, putting the role, responsibilities and governance of local government at the very forefront of the modernisation of public sector service delivery.

Gov.Tech: The Power to Transform Public Services in The UK	PwC	September 2016	Link
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This report highlights the potential of digital, platforms and data to deliver improved outcomes for individuals. It explores how we can use digital to deliver new, better ways to enable citizens to engage in their communities and receive the public services they need. The report identifies a number of challenges if the benefits of new technology are to be achieved:

- Making it easier for technology firms to do business with government.
- Creating the right environment through a change in government’s culture and skills base.
- Opening up further the policy making process.
- Building trust in technology delivery given its innovative nature.
- Shaping the regulatory environment to inspire innovation and more risk taking.
- Improving access to finance through the funding community.

The report also calls on the public sector to create an environment where innovation thrives and for purchasers and commissioners to explore new ways of bringing small businesses and technology-driven innovation to public policy.

■ DEVOLUTION, GROWTH AND INDUSTRIAL STRATEGY

Inclusive Growth Commission: Emerging Findings	RSA	September 2016	Link
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The RSA Inclusive Growth Commission has been set up to examine how the UK can develop a place based model of economic development that promotes inclusive growth. The Commission's interim report argues that while devolution is not the only answer to inclusive growth, it is only possible to bring economic and social objectives together in practice by devolving power and responsibility flexibly. Initial work by Commission partner New Economy estimates that addressing the 'inclusivity gap' could increase GVA by £192bn per year. The report proposes a policy framework based on the following elements:

- Integrating economic and social policy
- Devolution that is social as well as economic
- Focuses on developing productivity and skills to support in-work progression in lower-skilled sectors
- More funding to support inclusive growth at a local level
- Prioritizing prevention and early intervention.

Opportunity Knocks: a new briefing on devolution and multiple needs in England	The Making Every Adult Matter (MEAM) Coalition	August 2016	Link
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This report by the MEAM coalition partners (Clinks, Homeless Link and Mind) explores how services supporting people with multiple needs – such as homelessness, substance misuse, mental health and contact with the criminal justice system – can take advantage of new powers. The report argues that there is a lack of input from people with lived experience in the devolution process and that more could be done to link multiple needs to the wider agenda around reducing demand on services. In line with this the report makes the following recommendations:

- Combined authorities and others involved in negotiating deals need to ensure there is a clear, transparent route for the voluntary sector and the people it supports to engage in the devolution process.
- Voluntary sector organisations should take pro-active steps to engage with councils and combined authorities that have secured devolution deals.
- In areas that do not have a devolution deal, all stakeholders must consider what new powers from central government could help address multiple needs locally and make a strong case for them.

Voluntary Sector Summit Principles for Devolution	Charity Finance Group, Children England, Locality and NAVCA	September 2016	Link
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This short statement offers the conclusion of a summit of over 30 voluntary sector leaders, outlining the principles that will put people at the heart of devolution in England. The principles reflect on what resources are needed for local and specialist voluntary organisations to engage people and communities in decision making. It also reflects on possible ongoing rebalancing and redistribution of public money in ways which protect the most vulnerable and reduce regional inequality.

The Long-Term Implications of Devolution and Localism for FE in England	Association of Colleges	September 2016	Link
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This report warns that the promise of devolution is being oversold – or, at least, over-interpreted. The report argues that colleges are vital parts of the local education system, are major employers and do so much to support the local economy, healthy communities and social cohesion. Yet they have been pushed and pulled by national policy shifts more than any other institutions in education. In this context, the report reflects on how localism might best be implemented so that it can provide a more stable, secure and fruitful future for colleges to be able to serve their communities, employers and students. It urges an awareness that devolution may not be necessarily a wholly positive thing – especially not if it means no more than a shift in who is held accountable for failure.

Industrial Strategy: Briefing Paper	House of Commons Library	October 2016	Link
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Theresa May's Government has adopted a new approach to support for industry. This briefing paper brings together what information has been published describing the new strategy. The report considers a change in emphasis surrounding the 'Northern Powerhouse agenda'. It also considers how industrial strategy could be radically altered by the UK's decision to leave the EU, surrounding the application of State Aid rules, trade and the labour market.

The Role of Universities in Sustaining an Industrial Strategy for the UK	Universities UK	October 2016	Link
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This briefing sets out the role of UK Universities in driving an industrial strategy and future economic growth for the UK. It highlights that there is an important window of opportunity for government to enhance the role of universities in developing and implementing an industrial strategy, through the use of targeted government funding. Further it explains how universities contribute to sustained investment in infrastructure,

encourage business investment and innovation, meet demands of business through provision of skills, and support growth through employment.

■ ORGANISATIONAL DEVELOPMENT

The Great Skills Exodus: Why Leading IT Talent Is Deserting the Public Sector	EMC²	2016	Link
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This report reveals the challenges IT professionals in the public sector face. Respondents to a survey highlighted low pay, lack of career progression and inability to demonstrate personal ability. Nurturing the skills of these teams will allow organisations to exploit their full potential and innovate for tomorrow. Money is far from the only driver of employee satisfaction for IT staff; there are opportunities for forward thinking organisations to attract and retain skilled IT staff by giving them a role in the innovation and transformation of the organisation.

The Future of Local Leadership	LGIU	October 2016	Link
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LGIU is publishing a series of essays on the subject of 'Future Local'. This concentrates on the theme of local political leadership, given the rise in elected mayors across cities and the increasing professionalization of the council leader. As more power is devolved, these leaders need more support to do their jobs well.

Mental Health at Work Report 2016	Business in the Community (BITC)	October 2016	Link
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BITC have published a comprehensive survey on employee wellbeing and mental health, showing a 'pervasive culture of silence' on the issue and a need for managers to challenge the stigma around mental health. They argue that employers need to recognise the scale of poor mental health in the workplace and take significant steps to reduce the risk of their workplace being a contributor. Employers have a duty of care to their employees to respond to mental ill health just as they would to a physical illness. Organisations should equip their managers with the tools, support and organisational culture they need to do their job well, which must include managing employees with mental health issues. It makes good business sense to foster a culture of openness that supports employees with a mental health issue to work and stay in work.

Neurodiversity at work	National Institute of Economic and Social Research	September 2016	<u>Link</u>
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This report seeks to identify policies and practices which ensure the integration of people with the following neurological conditions into mainstream employment: Attention Deficit Disorders; Autism; Dyslexia; Dyspraxia. The report, in addition, aims to ensure that the benefits of having a 'neurodiverse' workforce are fully-realised.

New care models Emerging innovations in governance and organisational form	The King's Fund	October 2016	<u>Link</u>
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This report takes stock of commissioners' and providers' emerging approaches to the contracting, governance and other organisational infrastructure of the primary and acute care system (PACS) and multispecialty community provider (MCP) vanguards, that aim to bring together budgets and achieve closer integration of NHS services, in some cases also with social care.