

# THE COUNCIL AND THE COMMON

LOCAL GOVERNMENT IN 2020

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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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I am particularly grateful to James Trotter and Amey for supporting this work. They were prepared to support an unusually broad and vague project idea and I hope the result meets their expectations. As usual, my team at NLGN provided their usual mix of challenging feedback and slick production support.

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NLGN

# 1 BUDGETS OF HOPE AND CHARITY

Local government has been engaged in what is starting to feel like a phoney war against its budget cuts. Municipal budget reductions have been deep and remorseless, but so far most services in most parts of the country have held up remarkably well. Central government support for councils will fall by something like 40% in real terms by the end of this parliament, yet only a third of the public has so far noticed the difference.<sup>1</sup>

This is partly because some council services do not directly affect people's everyday lives – cuts in planning and culture and waste collection often go unremarked in the short term, while reductions in social care can have a huge impact, but only on a small minority of the population. It is also, in part, because of successful investment in prevention and supporting independence, keeping older people in their own homes.

But phoney wars are generally a prelude to the real thing, and it is becoming increasingly clear that the next five years will be very difficult indeed for local government. Many councils estimate that they will almost halve in size over the present decade. They are barely halfway through the process of fiscal consolidation and those cuts that some the public have failed to notice have put very real strain on public servants. In some areas, a tipping point is approaching as staff exhaust their ability to soak up ever more work.

Many councils have produced analyses which show that at some point over the next five years, they will no longer have the money to meet all of their nearly 1,300 legal obligations<sup>2</sup>. In these circumstances, it is not surprising that some authorities are describing their forward plans as a mix of 'hope and charity'. They need a number of risky projects to pay-off if they are to balance the books and, even if those projects work, they still face difficult decisions about which services bear the brunt of austerity.

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<sup>1</sup> Zurich Municipal/Ipsos Mori, *New World of Risk: Change for Good*, 2014, available at: [http://www.zurich.co.uk/NR/rdonlyres/2EB6EE74-84B1-4085-9A8F-BDE8884CD75E/0/C53943\\_Local\\_Authority\\_Report\\_A4\\_INTERACTIVE.PDF](http://www.zurich.co.uk/NR/rdonlyres/2EB6EE74-84B1-4085-9A8F-BDE8884CD75E/0/C53943_Local_Authority_Report_A4_INTERACTIVE.PDF), accessed on 10/9/14

<sup>2</sup> CLG, Summary of the review of statutory duties placed on local government, available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7541/1934356.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7541/1934356.pdf), accessed on 10/9/14

This paper aims to provide a snapshot of how councils are preparing for the future. Based on interviews with senior officials from across the country, it provides a high level overview of how a number of authorities are going to manage their cuts, an assessment of what local government will look like as a result and a discussion of the steps councils will need to take to secure a decent future.

It is hard to avoid feeling a little depressed by the findings set out herein. There is simply no way that local government can reach 2018, let alone 2020, while still delivering the full range and quality of services currently on offer.

On present trends, rising demand for adult social care will soon start to choke off funding for many other local government services. Councils and their residents will have to accept more litter on the streets, fewer libraries and theatres, call centre operatives being replaced by websites and parks that are left to turn into wild meadows. The future may be one of private affluence and public squalor. The only safety valve is council tax, and some local authorities may be forced to hold a referendum on a very large increase to balance their books.

But at the same time, the cuts are acting as a powerful accelerant to innovation. If there is a global race on to reinvent government for the 21<sup>st</sup> century, then English local authorities stand a good chance of winning it as long as they do not collapse before the finish line. The new model that is emerging from our interviews involves a potent mix of technology, preventative investment, integration of council services with those of the NHS and others, and the creation of a new deal between local government and its citizens about who does what.

Key areas for innovation we have identified include:

- **Customer contact:** many councils are about to engage in a breakneck dash to digitise their services, radically reducing face-to-face contact and replacing staff with automatic processing.
- **Health and social care:** most councils are seeking ways to deeply integrate their services with health, to the extent of merging with local CCGs, while also shifting funding decisively towards prevention through early intervention and better housing.

- **De-municipalisation:** some councils are seeking ways to hand parks and cultural services to the community, spin off leisure services into self-financing trusts and support greater social action in their neighbourhoods. A few are considering whether they will still be able to clean the streets.
- **Commerciality:** many authorities are setting up profit-making businesses in fields such as energy generation and seeking to use their economic growth strategies to attract groups such as young couples who use fewer services but pay the same council tax as everyone else.

The big question now is whether these innovations will be sufficient to create a sustainable new approach to delivering local public services. The paper concludes by arguing that they will not. Ultimately, the only route to sustainable services is to look beyond the public sector to wider society. Councils must take on a much bigger role in facilitating civic action, building stronger communities and encouraging the emergence of the new social economy. The next phase of public service reform will not be about public service reform.

The essay is structured around three ideas, each of which represents a possible outcome for local government. The first is the idea of the wasteland. This is a world where poorly-prepared councils are forced to cut services back to the bone. Councils will find it much easier to cut those areas which most contribute to quality of life – parks, theatres, street cleaning.

The second is the idea of a wild meadow. This is a world in which councils withdraw back to their core functions and hope that a rough spontaneous order emerges to replace declining local authority services. This is a world in which some services effectively cease to be run by the council, and the remainder are more focused on prevention and self-help, with highly targeted support for those who need it most. We should not underestimate the level of innovation necessary for councils to reach this world, but neither should we pretend that the wild meadow is a satisfactory final destination.

The final idea is that of the common. This expands the focus of the report from councils to places, asking what would happen if local government moved from a position where it has the primary responsibility for maintaining

the public realm to one in which it shared those responsibilities much more fully with communities and business. What would happen if we all expected each other to do our bit to maintain the places where we live and work?

The common is an optimistic – some might say slightly utopian - future in which cuts are a catalyst not just for innovation in public services, but for the building of a stronger social and voluntary economy. If we are to have less government, then one way or another we will need a stronger society. A key question for further discussion is whether the wasteland, wild meadow and common are really different trajectories that places can aim to follow, or whether they are actually a series of stages through which most councils are currently passing?

This paper has a number of clear limitations. It represents the views of strategic managers, rather than those of frontline staff, service users or politicians. We have taken this approach deliberately; our aim is to provide a helicopter view of the future of the sector at an early stage in the planning cycle and that means talking to technocrats. But in doing so, we have undoubtedly failed to capture the difficulty and frustration felt by many at the sharp end of the cuts. Neither have we considered the challenges that councils will have to overcome to implement their visions. Suffice to say that they are manifold.

Finally, the paper focuses on local government's role as a service provider and has less to say about its critical role in driving economic growth. This is because these two facets of council activity operate in different financial universes. Capital spending has remained steady over the past four years<sup>3</sup> and councils are currently benefiting from additional central government investment from city- and growth-deals. The two agendas are linked by the fact that growth can deliver extra council income, and this point is considered below.

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<sup>3</sup> DCLG, Local Authority Capital Expenditure and Receipts in England: 2014 to 2015 provisional forecasts, 2014, available at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/285065/2014-15\\_Provisional\\_Capital\\_Forecast\\_Statistical\\_Release.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/285065/2014-15_Provisional_Capital_Forecast_Statistical_Release.pdf), accessed on 12/9/14



## 2 WASTELANDS AND WILD MEADOWS

The overall spending challenge for local government is very clear – estimates suggest that the sector as a whole faces a £12.4bn spending gap by the end of the decade<sup>4</sup>, driven by a mixture of budget cuts and rising demand. The Office for Budget Responsibility has shown that, on current trends, ageing will push up the costs of social care by 1.1 points of GDP over the next 50 years<sup>5</sup>. The big question for this report is about the impact this spending gap will have in individual services.

The answer is that councils are seeking to cut less visible services which the public will not notice in the short term. Among upper tier authorities, funding for planning services has been cut by nearly 40% since the start of the decade, culture by nearly 25%, housing by more than 20% and highways by nearly a quarter.<sup>6</sup>

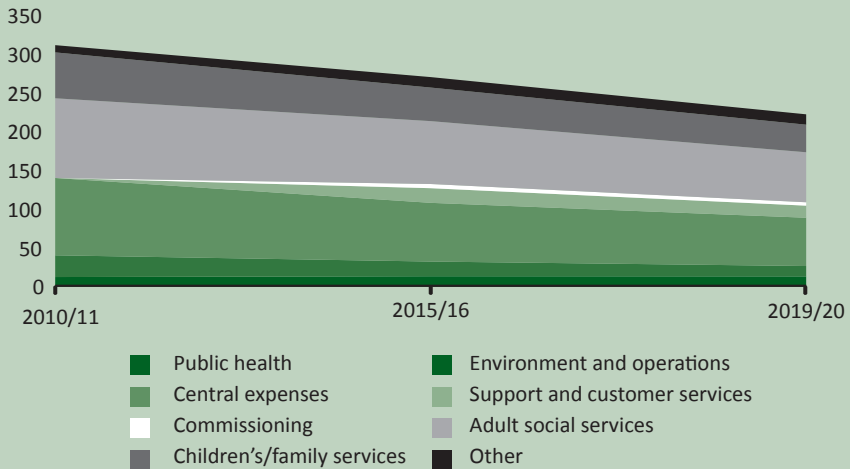
The impact of ongoing cuts can be seen in figure 1, which shows how one London Borough is planning to manage its budget up to 2020. Perhaps the most striking thing about the chart is the fact that each core service maintains roughly the same share of the overall budget – there are few significant shifts of emphasis here. Perhaps the biggest are environmental services – which drop from 9% to spend to 6% – and public health, which increases from 4% to 6%.

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4 Local Government Association, Future Funding Outlook 2014, available at: <http://www.local.gov.uk/documents/10180/5854661/L14-340+Future+funding+-+initial+draft.pdf/1854420d-1ce0-49c5-8515-062dcca2c70>, accessed on 10/9/14

5 Office for Budget Responsibility, Fiscal Sustainability Report 2014, available at: <http://cdn.budgetresponsibility.org.uk/41298-OBR-accessible.pdf>, accessed on 10/9/14

6 Audit Commission, Tough Times 2013, available at: <http://www.audit-commission.gov.uk/2013/11/toughtimes2013/>, accessed on 10/9/14

**FIGURE 1** A London Borough's budget

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This represents a microcosm of the way that cuts will change the spending profile of local government as a whole. Within a shrinking spending envelope, money will flow towards the very old and the very young and away from everything else. If this flow cannot be stopped, the place-shaping services that many councils regard as being core to their very existence will be hit hard. This effect can clearly be seen in the approach councils are already taking to the cuts. As previous NLGN work has shown, the likely implications are that a whole swathe of discretionary services will have to either be stopped or delivered through radically different models<sup>8</sup>.

This path leads to what the economist JK Galbraith once termed 'private affluence and public squalor'<sup>9</sup>. As the economy returns to growth, the private

7 Anomalies on the chart are explained by restructuring within the council which means that 2015/16 budget lines cannot always be compared to their 2010/11 equivalents. This is particularly true for the council's new commissioning function and its transformed support and customer services.

8 Manning, J, *Gaming the Cuts*, NLGN, 2013

9 Galbraith, JK, *The Affluent Society*, Houghton Mifflin Harcourt, 1998

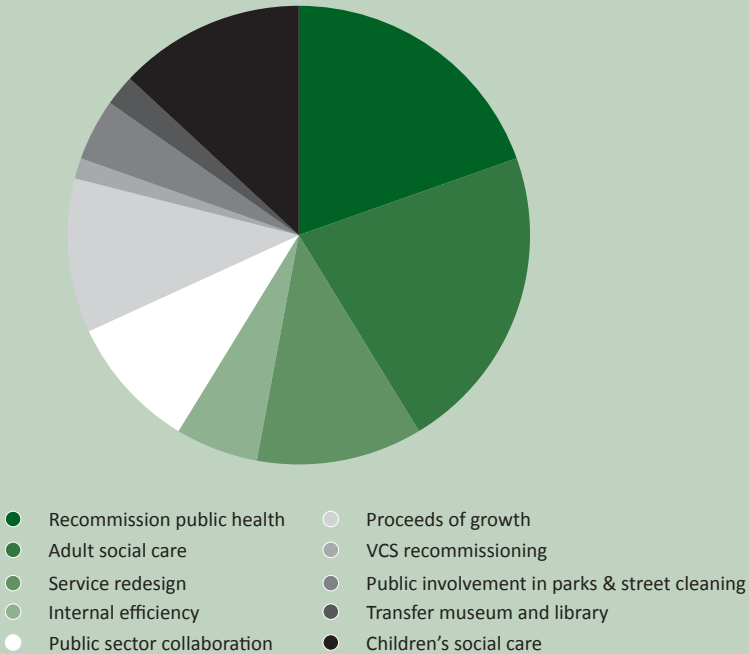
sector will resurge while local public services and the public realm itself start to look shabby. Fortunately, there are other ways to address the challenge.

The approach that many councils are taking to the 2020 challenge might be termed a 'wild meadow' strategy. This was a term used by one of our interviewees to describe the impact of cuts on local parks, but it also serves as a broader metaphor. A wild meadow is a place that is not intensively cultivated or managed, but which nonetheless sustains a rough sort of spontaneous order. In some parts of the country, public services will be forced to pull back from their places and try to hand responsibility for delivery of some services to other players, such as business, communities or social enterprise.

This kind of approach can be seen emerging clearly in some smaller unitaries, which had relatively small budgets in 2010 and so have fewer places to look for savings as they seek to cope with demographic and other demand pressures. One such northern borough's medium term financial strategy sets out the wild meadow approach in microcosm. Its plans for the next two years include (fig 2):

- Transferring its museum and a library to an external partner and cutting all council funding by 2016.
- Engaging the public in looking after their own parks, reduce street cleaning and ask the public to drop less litter.
- Much closer working with the local CCG to save overhead costs, recommissioning public health spending to save money and working differently with the local voluntary sector to cut costs.

What is striking about the proposals is the lack of discussion about whether all of this will work. The council is clear that its plans must deliver if the books are to balance. For instance, when it comes to cutting street cleaning the council wants to engage business and citizens in litter picking campaigns and shift social norms so that residents produce less litter in the first place. But officers clearly understand that this will take time and that 'in the first few years we may have more litter and less well-maintained open space'.

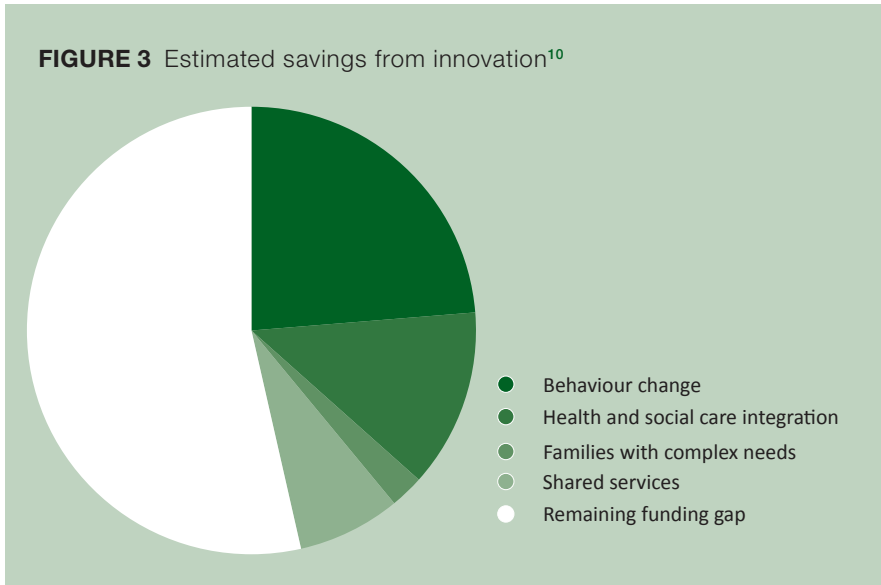
**FIGURE 2** A small northern authority's route to a balanced budget in 16/17

This may sound like an easy way out for local government, offering councils an opportunity to simply hand the problem over to someone else. Nothing could be further from the truth. Keeping even stripped back public services working will require a great deal of innovation. Councils are counting on very significant savings from new approaches to delivery – about a third of those we surveyed in 2013 expected to make up more than half their savings through innovation and nearly two thirds expected to find more than a third of their cuts in this way.

This is not completely unrealistic. Figure three shows the LGA's estimate of the local government spending gap for 2020 compared with estimates of the potential savings from service integration, demand management and shared back office services. These sorts of figures are notoriously unreliable, but they give a sense of the impact that innovative new approaches could have over

the coming years. Perhaps a third of local government's £12.4bn spending gap could be tackled through these techniques.

**FIGURE 3** Estimated savings from innovation<sup>10</sup>



Councils are already planning a significant shift in this direction. Based on in-depth interviews with six authorities plus numerous discussions with other councils, we can identify four key areas for change. It is important to emphasise that this section describes a composite of ideas from lots of different councils. While these ideas are under discussion, some are not yet official council policy and it seems very unlikely that any one authority would implement all of them at once, if only because its ruling councillors would almost certainly lose the next election. Finally, it is worth noting that many of these plans are still being developed, so detailed descriptions of what the council is doing are not yet available.

<sup>10</sup> This chart draws on independent estimates to provide an illustration of the scale of savings achievable from particular types of innovation. It is designed to provoke debate and discussion. Figures taken from:

- Ernst and Young, *Whole Place Community Budgets: a review of the potential for aggregation*, 2013, available at <http://www.lgcplus.com/Journals/2013/01/10/c/1/x/LGA-and-EY-Community-Budgets-Report-.pdf>, accessed on 10/9/14
- IMPOWER consulting, *Changing the Game*, 2012, available at: <http://www.impower.co.uk/wp-content/uploads/impowerchangingthegame.pdf>, accessed on 10/9/14
- Symons, T, et al, *Shared Necessities*, NLGN, 2011

## DE-MUNICIPALISATION: NEW MODELS FOR DELIVERING CULTURE, PARKS, LEISURE

As the northern council examined above suggests, many councils are examining how they can effectively withdraw from some areas of service provision. This approach is proving most popular for those services that support the quality of the public realm – areas like street cleaning, parks, libraries, culture and leisure.

A few parts of the country are starting to plan difficult conversations with their residents about these services. They are setting out a notional budget for all the environmental services provided in a neighbourhood and then asking councillors to work with local people to decide what should stay and what should go. Local people might want to keep their parks open and maintained by the council, but have to accept less gritting and a shift to alternate weekly bin collections in return. Or they might decide to accept less street cleaning in return for more support to their libraries.

Some councils are discussing whether they should withdraw their financial support from parks altogether. Instead of being tended by council staff, they would be paid for with private sector sponsorship or handed to communities to be looked after by volunteers. If neither of these solutions work, then the park might be left to become wild, with the council paying someone to run a strimmer down the paths every few months.

Local authorities are legally required to provide a library service, but many councils find themselves under huge pressure to scale back their funding in this area. Suffolk County Council has already transferred all of its libraries into a not-for-profit trust and is slowly reducing its subsidy to the service. At least one council is considering cutting its library service by 80% to force new thinking about how it could be delivered. Some libraries might have just one paid member of staff, children's centres could be adapted to include children's books and the council would drive a major shift towards e-readers.

Arts support is already well on its way to becoming a de-municipalised service. With council spending on arts and culture plummeting by 20%, many councils have radically reduced the grants they give for things like festivals

and theatre and replaced them with very small teams that help creatives find cheap or free venues and offer help with writing funding applications to organisations like Big Lottery and the Arts Council<sup>11</sup>.

Leisure centres are also in the firing line as councils turn them into stand-alone social enterprises and trusts, increasingly receiving little or no public subsidy. In a few areas, council officers are considering closing some leisure centres entirely and instead offering local people discounted passes to the local private gym. In leisure as in so many other areas, the role of the local authority is shifting from being a provider or even a commissioner of services, into a partner which subsidises and facilitates social businesses.

## **DIGITISATION: FROM CALL CENTRES TO SELF-SERVICE**

Many councils are preparing to transform the way that we access public services. Out go the town hall waiting rooms and call centre queues, and in come better websites providing citizens with the information they need to pay their bills, assess their needs and access the right service to meet them. This will be combined with investment in assisted digital services to make sure that older people can use the new online platforms.

As one authority put it: “We’re looking at closing the call centre completely and moving to assisted digital support. The call centre won’t be an option in the future. We want to keep people away from human voices and hands.” This is an unusually radical stance to take, but numerous authorities are already restricting face-to-face customer contact to appointment only and many more are hoping that designing excellent websites will draw people away from the phone. One authority has already driven a 40% increase in traffic to its call centre and 60% to its website, leaving its customer access point empty for large periods and potentially allowing for its closure.

Some authorities are planning to automate the way people pay their council tax, business rates and other charges, ensuring that this is all done electronically and so removing the need for a tranche of so-called ‘middle office’ staff who current deal with transactions over the phone. Others are

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<sup>11</sup> See, for instance, Mansfield, Dr C, On With the Show, NLGN, 2014

planning to adopt massive use of telehealth and telecare to support older and vulnerable people remotely. Assessments of older people would start by asking whether they could make use of digital support, at which point they might be prescribed a broadband connection and asked to use the internet to access local support groups, talk to medical staff and send medical information such as regular diabetes readings.

## TRANSFORMING HEALTH AND SOCIAL CARE

Given the very large sums that councils spend on social care, it is unsurprising that this should be a major area for innovation. Practically every upper tier council is currently focused on integrating health with services for older people, but a few are looking at going further and creating new governance structures which give the council a stronger voice in the health economy. For instance, at least two authorities are in the process of what will likely become mergers with their local CCGs.

Over time, this process of integration is likely to give rise to new governance structures and perhaps whole new organisations to bring health and social care together. One shire chief executive talks of his plans to work with local health providers to take on real local leadership of the health system. Over time, he sees a new set-up in which his council will take on far more responsibility for commissioning primary care and help drive the NHS towards greater efficiency, more investment in community services and, ultimately, a health service that is far more focused on prevention and wellbeing.

Social care is itself undergoing a process of transformation. We have already seen how some councils are trying to use technology to transform their services for older people. Northamptonshire is going a step further by developing a plan to remove itself from direct provision or commissioning of elderly care altogether. It plans to shift its care users on to personal budgets and have them spend the money through an e-marketplace called Breeze-e. The council's role will become about accrediting new providers and ensuring the existence of a thriving marketplace. The Care Act provides an opportunity for Northamptonshire to push self-funders through Breeze-e, ensuring that the site generates transaction fees that make it profitable.



Other councils are starting to look very carefully at services for adults with learning disabilities. This is the second biggest area of adult care spending and the cost is growing rapidly. Some councils are seeking ways to make the learning disabled more independent. This includes ethnographic research to understand missed opportunities to support independence among young people and payments to families and care providers to help them build social networks around the learning disabled. This will all be incorporated into a 0-25 youth service with the aim that people leaving at 25 should cost no more than the average adult social care user.

In some areas, a new generation of demand management practices are starting to come to the fore. One council estimates that it can reduce by as much as 30% the number of looked after children it deals with through better targeting. It plans to work harder to identify struggling families and provide them with redesigned early help services to stop their children falling into the care system. The same council is developing a new approach to approving foster parents, estimating that it could save nearly £1m a year if it could approve 47 further families a year.

## COMMERCIALITY

Many councils are starting to shift their attention towards their income as well as their expenditure. This generally involves some mix of attempting to reshape their demography, growing their economy to benefit from government incentives such as retained business rates and, finally, creating trading arms to generate profit that goes back into council coffers.

A number of northern authorities are currently engaged in trying to attract a different mix of people into their area in the hope that this will improve their revenue base. The goal is generally to create jobs and homes that will attract younger and wealthier people who pay high levels of council tax but use relatively few services. Done effectively, this younger demographic can provide a counterweight to some of the problems posed by an ageing population.

This strategy is generally combined with the almost universal approach of accelerating local growth to benefit from a mix of retained business rates and

new homes business. Telford and Wrekin, for instance, has used a massive redevelopment of its town centre to deliver some £15m of additional revenue, more than a third of the cuts it faces over the coming years.

A few councils are busily inventing new trading arms. Some of these are designed to do business with other parts of the public sector – for instance Norfolk county council's Norse Group. But while a few organisations have proven very successful at inter-authority trading, this market is still bedevilled by the problem that most councils want to sell and very few want to buy.

In response to this, some councils are setting up new businesses that will deliver entirely new services and compete in the marketplace, usually aiming to solve a social problem while generating income. Peterborough council's energy services company is a prime example, using solar to save the authority money on energy costs and tackle fuel poverty. Oldham's plans for a refurbished white goods store which provides an alternative to expensive consumer credit is another example.

## EMERGING PRACTICES

While these are the big trends emerging from our conversations, there are numerous new ideas emerging in individual councils or regions that are worthy of note. For instance, many northern authorities are starting to consider how they can improve their financial base by accelerating housing development to attract young couples and families into their area. This demographic pays the same council tax as everyone else but consumes fewer services, helping to balance the costs of an ageing population.

A few councils are also considering new approaches to budgeting that revolve around a small number of outcomes the authority wants to achieve. The number of outcomes selected varies from 5-30 and generally includes priorities such as creating jobs, healthier communities and safer neighbourhoods. The idea is to work through each line of spending to assess whether it contributes to the outcomes, cutting or scaling back work which does not make a significant impact on the council's goals.

Many councils are looking at a wide range of straightforward cuts to less visible services – shutting down CCTV or asking the police to pay for it, cutting numbers of councillors and the level of member allowances, switching off or dimming street lighting in the early morning.

## 3 COMMONS

**Local government has become very good at internal efficiency and transformation. It is starting to get a lot better at working with partners such as the NHS, police and the Job Centre network. It is less good at working out how to engage citizens in the debate over the cuts. Indeed, very few of the people interviewed for this report brought up the question of civic or social action, except in the limited sense that it was seen as a way to counter a particular proposed cut. One of the results of this is that, as we have already seen, something like two thirds of the public have not noticed the changes happening around them and are therefore unprepared for the shock of the next few years.**

This is a problem because the most hopeful scenario for local government is to shift the way that both councils and their citizens understand their places. It is arguably the case that at the moment we regard places as something we use and enjoy, and which we pay the council and other public services to maintain. This is the attitude that recently led one frazzled chief executive to suggest that if he were to set up a nose blowing service, he would have queues around the block within weeks.

Instead, we may need to start viewing places more as commons, by which I mean those things that we all use but which none of us straightforwardly owns. This is a pre-industrial term which has acquired fresh meaning in the internet age, when the idea of a piece of land shared by all suddenly came to seem relevant to other common goods such as peer-produced software like the linux operating system. Indeed, some theorists have argued that the networked collaboration that makes linux such a powerful open source product represents a new form of economic activity taking place outside the market and the state.

The great myth of commons is that they represent a tragic waste of resources. In this account, individuals who share a piece of land which none of them owns have every incentive to overuse the resource, for instance by grazing too many of their animals upon it. The result is that the shared resource becomes

depleted. Better to enclose it and give the owner a stake in maintaining it. The problem is that the supposed tragedy of the commons is neither very prevalent nor all that difficult to solve. Medieval farmers had strict rules about the use of the common, just as 70s Californians found ways to manage scarce water and traditional societies steward their rivers and streams.

If we saw places as commons, we might do a few things differently. Firstly, we would come to see that one of the key roles for councils is to encourage a massive increase in the kind of social action that happens outside of market and state. Rather than simply encouraging citizens to contribute to social care, or grass cutting, councils would step up their work to develop their social economy. This could be done through the development of schemes which part-fund young people to return home after university to set up social enterprises, through schemes for engaging retiring baby boomers in voluntary work or through turning the council's customer contact service into a team that helps people solve their own problems.

Economic growth and procurement strategies could also promote the emerging social economy – that burgeoning subculture of innovative social enterprises beavering away at the fringes of the public sector and developing some of the public service solutions of the future. These organisations represent an opportunity to develop a family of cheap or free preventative services which can cover a significant share of their own costs. Experiments such as Haringey's Future Fund – which invested £1.5m in local social enterprises – are a good starting point. This is far more than just new economy hype – 15% of all SMEs in the UK are estimated to be social enterprises and the number of co-operatives has increased by more than 25% since 2009<sup>12</sup>. Something is going on.

In a commons-based world, we might also start asking a wider range of players to contribute to the quality of place – or, in the words of Oldham's statement of corporate values – the council and the community would expect everyone to 'do their bit' for the shared resource of a place. Local businesses would be asked to align their corporate social responsibility plans to the needs of the places where they operate. Councils might take action against companies that exploit the commons by setting up social enterprises to

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<sup>12</sup> Social Economy Alliance, Manifesto, September 2014

outcompete the private sector – we are already seeing examples of locally-run white good shops, payday-lenders and energy co-ops challenging big business and generating revenue for the council<sup>13</sup>. Voluntary sector commissioning would shift from a narrow focus on service provision towards a broader mission to encourage civic action. Housing associations, the NHS, schools and the police would be involved in a conversation about their potential contribution.

These are not new ideas. Indeed, they share some commonality with both the Tory ‘big society’ agenda and Labour’s ‘one nation’ agenda. More importantly, local government has always played a role in developing communities, it has played a pioneering role in the development of the social economy and it has started to develop a culture of co-producing services with citizens. But a shift to a view of the world centred on places as commons would take this sort of work from the periphery of what councils do to the heart of the organisation. The Italian city of Bologna shows just how different this approach might be – they are creating a central team to map, manage and support social action, creating a civic crowdfunding platform and running peer-to-peer workshops to bring together local innovators to rethink their education system.<sup>14</sup>

There are numerous examples of these approaches starting to work in practice. FutureGov’s Casserole Club initiative, for example, encourages people to cook meals for their elderly neighbours. There are numerous examples of communities taking on parks and finding ways to raise money for them either through voluntary contributions or through leasing the park for events. Many people are trying to reinvent libraries through the simple insight that they need to become as much about what local people make and give as about the books and knowledge they withdraw. Colchester’s Waiting Room is a prototype in which local people are encouraged to use the facilities to produce words and items using free resources, provided they leave the plans behind for anyone else to use.

What is the benefit of all this to local public services? If we are looking for a direct business case which traces a line from civic commons to the council’s

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<sup>13</sup> See, for instance, Bereford, M, Better Business, NLGN forthcoming

<sup>14</sup> Feola, A, *Cities as Commons*, available at: <http://www.labgov.it/cities-as-commons-the-italian-constitution-find-application-in-bologna/>, accessed on 10/9/14

bottom line we are likely to struggle. The real case lies in building stronger and more resilient communities which can do more for themselves, and perhaps in adapting public services to a world in which around 70% of people distrust both the big state and big business<sup>15</sup>. Where the big society agenda unsuccessfully invited communities to step into the gaps left by retreating public services, a commons-based agenda would support civic action for its own sake, in the knowledge that active and engaged older people tend to use fewer local services and that higher social capital is the nearest thing we have to a social policy silver bullet.

Ultimately, a commons-based view of the world might require us to rethink our understanding of a public service. The role of a council might increasingly become to provide services which support the public through subsidy, advice and convening. This is a formulation that the municipal pioneers of the early 20<sup>th</sup> century would have instinctively understood. Figures like Bermondsey's Dr Alfred Salter saw their role as being to organise the community to help itself. It would only be later that local government became primarily a cluster of nationally-mandated statutory services funded by hefty national equalisation schemes.

There is a legitimate question to be asked about whether it is really local government's role to build local commons. Isn't this something communities have to do for themselves? This is probably true. Councils are large organisations based around services, not around the demands of community building. Many community activists are suspicious of working too closely with the state. They are right: for all their strengths, local authorities are large, complex organisations that often struggle to engage with the fine grain of community life.

Local authorities cannot unilaterally create communities, but they can help to enable social action by providing moral support, time, buildings and publicity. They also have a key role in ensuring that social action does not become limited to enclaves defined by class or faith, but instead is open to everyone. This means encouraging multi-faith get-togethers, or ensuring that transferred sports and social clubs are available for a range of activities to all local

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**15** Saatchi, M, *The Road From Serfdom*, Centre for Policy Studies, 2014, available at <http://www.cps.org.uk/publications/reports/the-road-from-serfdom/>, accessed on 12/9/14

people. It is a fundamentally political role, which requires councillors to act as framers and guardians of the common good, telling the story of their place back to local people.

Over the coming year, NLGN will be researching many of these areas to establish a firmer agenda for a commons-based approach to local service delivery. We think there are several areas where councils can make progress – from growth strategies for the social economy, to transforming customer services, to new models of delivery for services like leisure, culture and parks and working differently with schools and housing associations. The cuts pose us a tough choice about the kind of society we want to be. Will we choose the wasteland or the common?



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**Local government has been engaged in what is starting to feel like a phoney war against its budget cuts. Municipal budget reductions have been deep and remorseless, but so far most services in most parts of the country have held up remarkably well. Central government support for councils will fall by something like 40% in real terms by the end of this parliament, yet only a third of the public has so far noticed any change.**

This paper aims to provide a snapshot of how councils are preparing for the future. Based on interviews with senior officials from across the country, it provides a high level overview of how a number of authorities are going to manage their cuts, an assessment of what local government will look like as a result and a discussion of the steps councils will need to take to secure a decent future.

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