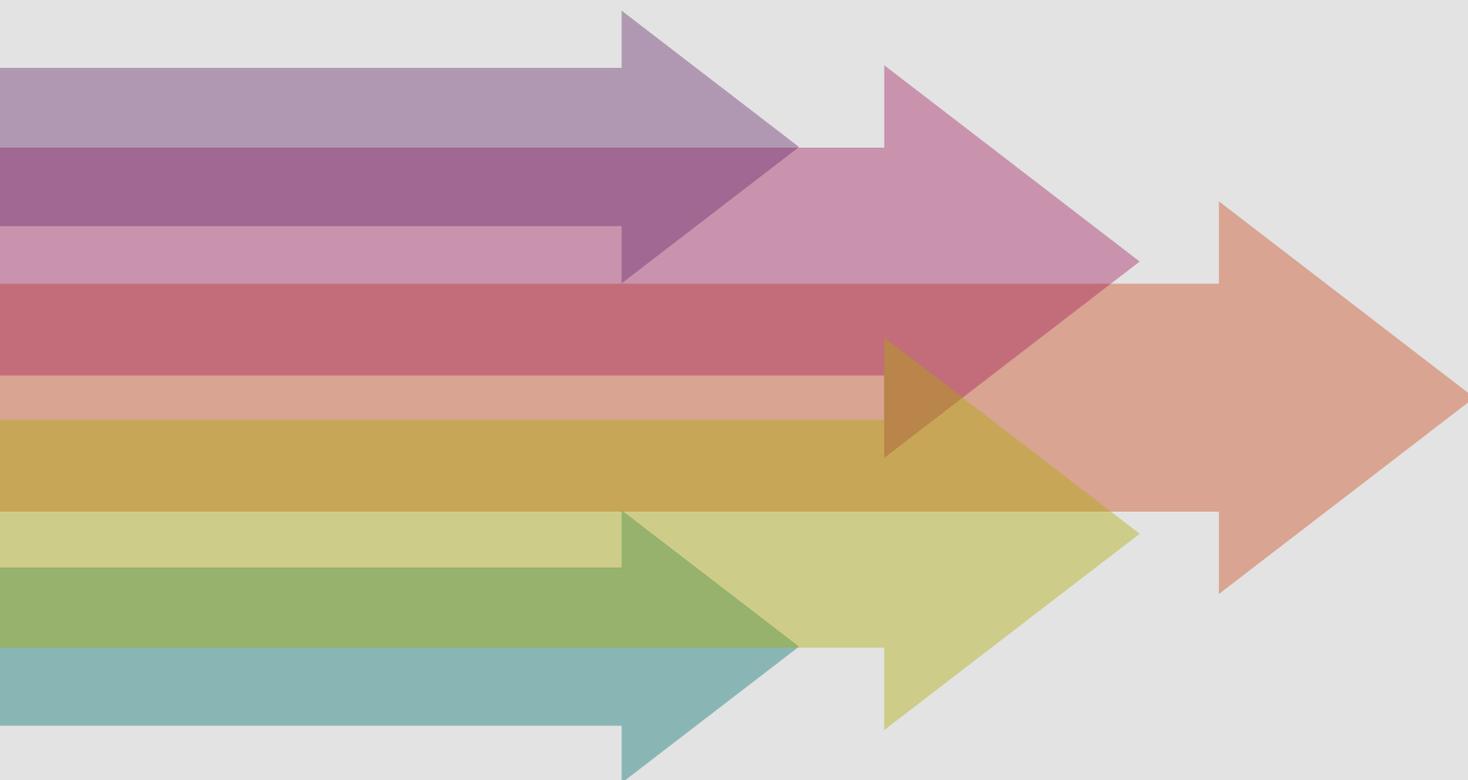


Local Government  
**Innovation Taskforce**

Final Report:  
**People-powered  
public services**



## **The Local Government Innovation Taskforce was set up by the Leader of the Labour Party Ed Miliband:**

“We can learn how to improve public services in tough times not just from our history but from our present. I am incredibly proud that Labour in local government is making a difference even in tough times. Let us pay tribute to all of those councillors for their work. And I want that work to shape the work of the next Labour government too.

So I've asked Sir Richard Leese, Leader of Manchester council, Sharon Taylor, Leader of Stevenage council and Jules Pipe, Mayor of Hackney to lead a new Taskforce to advise us on how we can make a difference even when there is less money around. These leaders have led the way in their own communities and they will now help shape our plans for public services for the years ahead.”

**Rt Hon Ed Miliband MP**

Speech to Labour's National Policy Forum

22 June 2013

### **Local Government Innovation Taskforce members:**

Sir Richard Leese, Leader of Manchester City Council (co-chair)  
Mayor Jules Pipe, Hackney London Borough Council (co-chair)  
Cllr Sharon Taylor, Leader of Stevenage Borough Council (co-chair)  
Cllr Kate Haigh, Leader of Gloucester City Council Labour Group  
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### **Acknowledgements**

We are grateful to the large number of Labour councillors, groups and councils and other organisations and individuals who responded to our Call for Evidence. Many individuals provided further contributions, suggestions and ideas to the Taskforce during the development of this report. Our thanks to everyone who took part and gave us their time and insight.

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## Foreword

The last few years have been very challenging for public services, with knock-on effects for the communities that they serve. There is a growing public sector crunch whereby many services are facing an emerging gap between growing demand and the resources required to meet it. For those of us who passionately believe in the core role good public services play in delivering social justice and ending the social determination of poor life chances, decisions taken in the next Parliament have implications for their future viability.

***'Our priority has been to set out a path for sustainable public services which effectively and efficiently meet people's needs and promote responsibility throughout the system'***

Our priority has been to set out a path for sustainable public services which effectively and efficiently meet people's needs and promote responsibility throughout the system. In this we have been aided by the numerous responses we received to our Call for Evidence, the conclusions from which were set out in our *First Report: The Case for Change*. The traditional top down silo-driven model of public service delivery is failing to meet the complex and overlapping challenges of today. Yet in difficult circumstances, local innovations are demonstrating impact and creating new solutions. They chart a new route for public services powered by human endeavour: with power devolved, not hoarded centrally, collaboration instead of fragmentation and a shift towards long-term prevention and away from high cost reaction.

Our approach to reform strikes a balance between the realities of the present and the needs of the future by being both pragmatic and radical. The proposals we set out build on what is already working well. Where local areas are already innovating, we have incorporated their lessons. Where national policies already have an impact locally, we seek to develop the ambition further. Our focus on pragmatic ways forward rather than structural reorganisations wastes no time or capacity in moving towards implementation. To secure the radical system-change that is needed, the route map we set out is designed to drive progress at the pace of the quickest and most agile areas, overcoming systemic inertia and institutional constraints to change. This will better enable, embed and spread innovation to lock in successes and overcome weaknesses.

We were tasked with examining how public services can deliver even when there is less money around, so that has been our focus. Our reforms sit in the context of the wider need to move towards growing, self-sustainable local economies, which would make a significant contribution to rebalancing our economy and overcoming inequality as a nation.

Since we are driven by Labour's values and priorities, our approach to reform is outcomes-driven, offering a future Labour government the means to deliver its agenda more efficiently and effectively. We take a practical approach to the redistribution of power and funding to localities, which is designed to make life better for people. This is based on the understanding that devolved mechanisms and new constitutional settlements probably mean very little to most people in their day-to-day lives. It would mean a lot more to many people to know they can rely on public services that provide value for money and give them the right support at the right time in their

lives. Local government is at the heart of our approach – we do not shy away from the strong faith we have in the role of a healthy, active local democracy to ensure public services work for and with the people who use them.

We hear a lot these days about alienation from politics, the lack of trust towards traditional institutions and growing disconnects between those who govern and those who are governed. In our communities we frequently encounter from people a sense of decisions being taken far away, at a remove from their lives. The approach we set out seeks to close these gaps by taking power closer to communities and putting it in the hands of people, building shared responsibility for outcomes. By creating more responsive institutions and enabling more active citizens, we believe we can renew our public services to improve life chances and deliver better outcomes for all.

It is impossible to prescribe innovation or to mandate it from the top down. Instead our proposals set out how the centre can incentivise and encourage local areas to innovate, build capacity and meet needs of their communities. This is an opportunity to build a system around people and places, which can more effectively and efficiently tackle the challenges of today and address the needs of tomorrow, without being bound by the inherited structures of the past.

**Sir Richard Leese**, Leader of Manchester City Council  
**Mayor Jules Pipe**, Hackney London Borough Council  
**Cllr Sharon Taylor**, Stevenage Borough Council  
*Local Government Innovation Taskforce Co-chairs*

# Executive Summary

Good public services are at the heart of any strong community. They shape the places people live and work; enable communities to be safe; support children to get a good start in life; provide the care people need as they grow old; and support families as they strive to make better lives for themselves. But these services are coming under increasing pressure. Growing demand at a time when resources are shrinking is pushing many services towards a tipping point. If public services are to remain affordable, they urgently need reform.

The current state was built to meet the needs of a different era. Power is concentrated at the centre rather than dispersed amongst communities and the people public services are meant to serve. This means public services are designed around Whitehall silos rather than needs of different communities. Too often these services are standardised rather than responsive; they react instead of prevent; treat illness rather than promote wellness; address single aspects of complex problems rather than devise whole solutions. This model of public service delivery is no longer affordable or desirable. Despite promising reform, the Government has opted to cut back services and pull the support provided to communities instead.

Ed Miliband has been clear that Labour must provide an alternative to this government's retreating state. Whilst a Labour government will not be able to simply spend more money to insulate families from these pressures; it will not accept that tighter fiscal circumstances means leaving people to sink or swim. A Labour government must advance social justice at a time when there is less money around. To achieve this means taking a different approach to public services. Old-style, top-down central control, with users as passive recipients, is no longer fit for purpose. Nor is the market-based individualism which says we can simply transplant the principles of the private sector into the public sector. Instead we need a culture of people-powered public services that puts power in the hands of people and disperses it within communities. Devolution will be central to achieving this and core to a Labour government's reform agenda in the next parliament. That means freeing places to prioritise public spending and deliver service reforms to achieve savings. And it means creating services that focus on what people need, and are capable of innovating and adapting to meet this.

To deliver on this reform agenda, the Taskforce proposes a New English Deal for communities across the country. This would mark a radical redistribution of power and resources from the centre to localities. At the heart of this 'New Deal' will be a commitment to deliver five pledges to communities up and down the country: (1) **provide people with the care they need to live independently**; (2) **give every young person the opportunity to get a decent job**; (3) **increase community safety and reduce crime**; (4) **help excluded families to overcome challenges for good**; (5) **give every child a good start in life**.

Power and funding should be transferred to local areas to create stronger levers to design more effective and efficient services that can deliver these outcomes in tough financial times. In return, local government, which is democratically accountable to local people, should take responsibility

for securing these outcomes in their communities. The bold package of devolution that underpins this deal would mark a step change in the relationship between the centre and localities and between citizens and the state. The Taskforce recommends that the key elements of this reform package should be:

- **Long-term funding settlements for local services** over the Parliament to provide the financial flexibility and certainty needed to redesign services and incentivise collaboration. And a commitment that additional savings achieved through reform should be retained locally and reinvested back in the community.
- **To provide people with the care they need to live independently**, local partners should be given greater powers to drive health and social care integration around the needs of the whole person through collective commissioning and a pooled budget based on 'year of care funding'.
- **To give every young person the opportunity to get a decent job**, skills funding for further education provision for 16–19 year olds and 19+ should be devolved to partnerships of local authorities at city and county region level. This should be combined with high quality independent careers advice and a new Youth Transitions Service for under-21 year olds, funded from existing resources, to help young people get the skills they need to move into sustained employment or to start-up a business.
- **To increase community safety and reduce crime**, local accountability for policing should be strengthened by abolishing the Police and Crime Commissioner model and replacing it with local authority Policing Boards with the powers to appoint and dismiss the chief constable and set policing priorities at the force level. To ensure policing at the very local level is responsive to communities, local authorities should have a say in appointing local police commanders, setting priorities for neighbourhood policing and be given new powers to commission local policing.
- **To help excluded families to overcome challenges for good**, a £1.5 billion five year fund should be pooled from existing funding in Whitehall departments and devolved to local areas so partners can develop effective localised interventions.
- **To give every child a good start in life**, Sure Start Centres should become hubs of support for children, with local services for health and family support having a duty to co-operate and co-locate to provide a single point of access in every community. Local authorities should also have a stronger role in brokering childcare provision for parents. And to strengthen local accountability for all schools, local authorities should have responsibility for appointing new Directors of Schools Standards and holding them to account, with local education panels supporting them to ensure high standards and constant improvement.

New powers under this deal should be available to all areas. But the pace of devolution to deliver for communities should move at the speed of the fastest, not the slowest. The Taskforce therefore recommends a twin-track process that enables some local areas to go further and faster as part of the deal. Where local authorities have a strong track record of successful delivery and effective statutory governance arrangements, they should be able to negotiate further devolution of powers and funding – working collaboratively where appropriate, such as through combined authorities and economic prosperity boards. This could include further integration to deliver whole person care by creating a single budget for all health and care spend; new

powers to tackle long-term unemployment by devolving the commissioning of the work programme; and devolving responsibility for commissioning probation services.

Change at the scale required will only be realised through determined commitment and leadership in both town halls and at Whitehall. Local government will need to demonstrate that it can handle more power and resources to deliver for people. Central government will need to stop falling back on fear of change as an excuse to avoid reform.

**To lead change locally requires:**

- Good local governance to drive reforms and leadership of place.
- A new college of local representation to support and empower councillors to engage residents and encourage participation in an active local democracy.
- Stronger, more visible local accountability over local public services through new Local Public Accounts Committees that assess value for money and performance of all public services in a place.
- Effective performance measures for local government that drive improvement and tackle underperformance.
- A new strategy for technology to support service innovation, including establishing new protocols for open data and data sharing between agencies.

**To lead change at the centre requires:**

- An implementation plan to put the reforms into practice with urgency.
- High-level political commitment and coordination across Whitehall to develop and sustain a shared commitment to devolving power.
- A review of Whitehall structures as reforms progress to evolve towards a more strategic central government with expertise and people that sit at the centre being moved out and located in local areas.

Everyone involved must challenge themselves to work beyond traditional boundaries and outside their comfort zones. If public services are to be fit for purpose and sustainable for the future, the status quo is not an option. This is not a 'nice to have'. This change is an urgent strategic priority. With power dispersed throughout the system rather than hoarded at the top, resources invested will maximise value for people. This will build on existing relationships, energy and networks in communities and foster longer-term resilience, to create genuinely people powered public services.

This is our greatest hope of advancing social justice in what will be a challenging decade.

# 1. A pledge to local people

Good public services are at the heart of any strong community. They shape the places people live and work; enable communities to be safe; help children get a good start in life; provide the care people need as they grow old; and support families as they strive to make a better life for themselves. But, as the Taskforce's First Report found, these public services are under increasing pressure.<sup>1</sup>

As people are living longer and dealing with more long-term conditions, demand for health and care has grown. Complex social problems such as anti-social behaviour, substance misuse and low aspirations are putting further demands on the system. Costs are growing at the same time as unprecedented reductions in public spending. By the end of this parliament, £80 billion of spending cuts will have been made.<sup>2</sup> And the Government's failure to meet its own deficit reduction target means that spending reductions will persist well into the next Parliament. If public services are to deliver against this backdrop, they urgently need reform.

**'Power is concentrated at the centre rather than dispersed amongst communities and the people public services are meant to serve'**

The current state was designed to meet the needs of a different era. Power is concentrated at the centre rather than dispersed amongst communities and the people public services are meant to serve. Too often services are forced to tackle problems they were not set up to resolve: this means they frequently react instead of prevent; treat illness rather than promote wellness; address single aspects of complex problems rather than devise whole solutions. This model of public service delivery is no longer affordable, nor is it desirable. Despite promising reform, the Government has opted to cut back services and pull the support provided to communities instead. The end result is that people are increasingly left to cope on their own as they face growing pressures.

Ed Miliband has been clear that Labour must provide an alternative to this government's retreating state. Whilst a Labour government will not be able to simply spend more money to insulate families from these pressures; it will not accept that tighter fiscal circumstances means leaving people to sink or swim. A Labour government must advance social justice at a time when there is less money around. To achieve this means taking a different approach to public services. Old-style, top-down central control, with users as passive recipients, is no longer fit for purpose. Nor is the market-based individualism which says we can simply transplant the principles of the private sector into the public sector. Instead we need a culture of people-powered public services that puts power in the hands of people and disperses it within communities. Devolution will be central to achieving this and core to a Labour government's reform agenda in the next parliament. That means freeing places to prioritise public spending and deliver service reforms to achieve savings. And it means creating services that focus on what people need, and are capable of innovating and adapting to meet this.

The Taskforce believes that if a Labour government is to deliver this reform agenda, its starting point should be the things that make a difference to people's day to day lives: feeling safe in their homes and streets, support and education

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<sup>1</sup> See Annex 2 for the Executive Summary of the Innovation Taskforce's *First Report: The case for change*, Local Government Innovation Taskforce, March 2014.

<sup>2</sup> HM Treasury, Budget 2014, March 2014.

for their children, opportunities for young people; care when people need it; and a helping hand when their family is struggling. To make these a reality for people, the next Labour Government should devolve power and existing resources to deliver five pledges to communities up and down the country:

1. **Provide people with the care they need to live independently;**
2. **Give every young person the opportunity to get a decent job;**
3. **Increase community safety and reduce crime;**
4. **Help excluded families to overcome challenges for good;**
5. **Give every child a good start in life.**

These pledges are designed to improve outcomes and drive quality in services for people. Local government, which is democratically accountable to local people, should be at the heart of achieving them. Power and funding would be transferred to create stronger levers to shape more effective and efficient services around people and places. In return, local government would take responsibility for securing these better outcomes.

The Taskforce's proposed approach to reform is based on three core principles:

- **People power:** People should be more involved in the design and delivery of services, able to access information to inform decisions and empowered to hold local services to account. As they share in power people also share in responsibility for achieving sustainable outcomes: services should not be a one-way transaction that is "done to" people but should work actively with them to shape solutions.
- **Collaboration:** joining services up around people and working towards closer integration of separate services. At present many public services have strong organisational identities which are hard to shift. This can hamper collaboration around people and places to achieve sustainable outcomes. Tackling this will mean incentivising services to work differently and using different approaches to funding to drive integration.
- **Prevention:** shifting away from high cost reactive approaches towards investment in preventing problems before they occur or deepen. This means taking a more long-term view of public spending and a shift towards service interventions that can tackle the root causes of problems.

In turning these principles into reality, local government would need to actively engage and involve people in how this will work in their area. Devolution should not stop at the town hall: power passed down should also be pushed out into communities and to the hands of people. Measures to involve people, increase local accountability and to open up institutions go hand in hand with devolved power.

Local energy should be harnessed and existing capacity and relationships built on. This will ensure people are active participants in the achievement of better outcomes, rather than merely recipients. This will strengthen, not bypass, a healthy, vibrant local democracy which enables and encourages everyone to play their part.

This Final Report of the Innovation Taskforce shows how this can be applied in practice to create people-powered public services that achieve better outcomes and greater value for investment.

## 2. A New English Deal

To put communities back at the centre of public services, there needs to be a step change in the incremental, patchy pace of devolution. To achieve this, the Taskforce recommends that the Labour Party agrees to a New English Deal with all communities in its first year in government. At the heart of this deal will be a commitment by local government to deliver on five core pledges for their communities in return for greater power and local control over resources. This will shift to a new model of higher impact, better value public services, powered by people.

To achieve this, and as part of the new democratic spirit of devolution, local government would need to actively engage people in a discussion about how the New English Deal will work in their locality. People need to be involved not as passive consumers of provision, but as active citizens, shaping and influencing public services to meet their needs. This involves recognition that the state cannot solve everyone's problems: people-powered public services must work intelligently with people to promote individual responsibility and supplement rather than bypass their efforts and assets. This approach would create a new relationship between the centre and local areas, and between public services and people.

*'Harnessing innovative approaches and building in people's voice will begin the process of putting power and responsibility in the hands of people and communities'*

During the first year of the New English Deal, local government should actively consult and open out to local people to seek new ways of making reform a reality. New opportunities should be created for people to raise issues, participate in discussions and decide priorities. New techniques should be explored such as 'open innovation' whereby new ideas and external expertise are canvassed to tackle complex challenges. Harnessing innovative approaches and building in people's voice will begin the process of putting power and responsibility in the hands of people and communities.

### RECOMMENDATION

- 1. Agree a New English Deal with all communities based on a commitment by local government to deliver core pledges in return for greater powers and control over resources. This will recast the relationship between government at every level and citizens, based on active participation and sharing responsibility for outcomes.**

### New powers to deliver

Devolving new powers to local areas will rebalance their relationship with the centre. Instead of tightly prescribed priorities tied to ring-fenced funding streams which stifle initiative, new powers to organise services and resources to meet local priorities and needs will draw in people and practitioners to shape the future of their communities. The deal will create the incentives and conditions for people-powered public services.

#### *Longer term funding certainty*

To drive change, redesign services and incentivise innovation, local services should be given greater financial flexibility through funding settlements.

**'The Taskforce recommends that the starting point of the New English Deal should be an agreement with central government that future funding for local services should be allocated on a multi-year basis over the life of the Parliament'**

Short-term funding settlements for one or two years are barriers to long-term planning.<sup>3</sup> They make joint investment between services to support early intervention and prevention difficult as payback periods extend over a number of years.<sup>4</sup>

The Taskforce recommends that the starting point of the New English Deal should be an agreement with central government that future funding for local services should be allocated on a multi-year basis over the life of the Parliament.<sup>5</sup> This would apply to all local public services including local government, health, police and justice. To incentivise public agencies to reform, additional savings achieved from redesigning services over the parliament should be retained locally and reinvested back into the community. This should encourage a shift from high cost reactive services to incentivise more upfront investment in preventative measures.

#### RECOMMENDATION

- 2. Allocate multi-year funding settlements for the full Parliament for all local services as part of the 2015 Spending Review. Additional savings achieved from redesigning services over the parliament should be retained locally and reinvested back in the community.**

#### **PLEDGE 1: Provide people with the care they need to live independently**

People want health and social care services which work around them and their needs, but they are often left frustrated by services that are not joined up. As the health and care needs in our communities change, local services must be able to adapt. Care must be better coordinated around people to help them stay well, manage their conditions and live independently in their homes and communities for as long as possible. Therefore, in line with the recommendations of the Independent Commission on Whole Person Care, chaired by Sir John Oldham, health and social care budgets should be bought together to commission care that meets the needs of the whole person.<sup>6</sup> This will not only deliver a better service for people but it is the only realistic hope of moving towards a more sustainable system that supports a shift to community-based care. Locally-led integration of health and care services is already demonstrating how this could work in practice.<sup>7</sup>

<sup>3</sup> These have been the practice in recent years for local government settlements, which have been for one or two years but prone to adjustments after indicative amounts announced. Other locally delivered public services have one or two year allocations including clinical commissioning groups, the police and schools.

<sup>4</sup> See *Integration across government and Whole-Place Community Budgets*, House of Commons Committee of Public Accounts, Fourteenth report of the Session 2013–14, September 2013.

<sup>5</sup> Given the likelihood of a very difficult funding round in 2015, this commitment to hardwire long-termism into the system would potentially need to involve a mid-point review to reassess the financial context.

<sup>6</sup> *One Person, One Team, One System, Report of the Independent Commission on Whole Person Care for the Labour Party*, February 2014.

<sup>7</sup> Evidence from the Taskforce's First Report demonstrated how locally-led integration has been reducing demand for higher cost reactive services. See *First Report: The case for change*, 2014.

## CASE STUDY

### **Integrating health and care around people**

Greenwich Integrated Care is a partnership between the Council, Oxleas Community Health Services and the local CCG, based on the shared desire to integrate services to improve outcomes for users and use resources more efficiently. The approach was developed using full staff engagement to merge workforce cultures effectively. Six fully integrated teams provide a whole system response that offers seamless health and social care whilst maximising independence, including nurses, physiotherapists, occupational therapists, reablement workers, social workers and care managers. Outcomes as a result of the integrated approach include an average of 50 per cent fewer people entering full health and social care pathways; a 27 per cent decrease in the number of hospital admissions; a 13 per cent reduction in delayed hospital discharges; and a social care budget saving of £900,000.

*Source: Local Government Innovation Taskforce, First Report: The case for change.*

Health and Wellbeing Boards are already operating as forums for collaboration between local authorities, clinical commissioners and patient representative groups. To drive the system transformation that is needed, they should be given new responsibilities to develop a Whole Person Care commissioning plan for people with long-term conditions, disability and frailty.<sup>8</sup> They would treat the budget as a whole across health and care services, from which services would be commissioned based on a year of care tariff for those identified groups of people. This would involve identifying their support needs using risk tools and developing costed care pathways which inform commissioning plans. Local health and care commissioners should then have a statutory duty to enact these commissioning plans. This will better drive local systems to deliver according to locally set, needs-based outcomes.

Health and Wellbeing Boards would need to demonstrate capacity to undertake this role. They would need to operate as partnership organisations with strong and trusted relations between local hospitals, clinical commissioning groups, patient groups and the local authority, leading local conversations with people and providers about how resources should be allocated to meet needs.

Shifting towards year of care funding creates the scope to develop integrated services personalised around people. A pooled budget from across health and social care should be created on this basis to support the commissioning plan. This budget can be developed further with additional local resources as trust between partners and ambition grows.<sup>9</sup> Viewing health and care spend in this way would focus funding flows on incentivising a sustained shift from episodic treatment to whole person,

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<sup>8</sup> For more detail about how this would work in practice, see Annex 3 – Governance Arrangements.

<sup>9</sup> Evidence from incremental moves towards integration to date demonstrates local ambition is already further ahead of national commitment: CCGs and local authorities have already agreed to pool over a third more money than they are required to under the Better Care Fund. See “Additional £1.4bn boost for care integration”, Local Government Chronicle, 19 March 2014.

community-based care. In the short term, moving towards an integrated system with a greater emphasis on community and primary health will undoubtedly require an element of transitional arrangements to support the shift. This has the potential to unlock funding currently driven by reactive costs and shift this towards investment in prevention.

Cashable savings are not easily extracted, but a focus on prevention and early intervention will be essential to reduce further funding pressures on the NHS. This approach is designed to incentivise the collaboration that is needed to move beyond a system based on professional silos to one centred on the needs of people.

## RECOMMENDATIONS

- 3. Give Health and Wellbeing Boards new powers and responsibility to drive whole person care collective commissioning for people with long-term conditions, disability and frailty.**
- 4. Provide a pooled budget based on 'year of care funding' for people with long-term conditions, disability and frailty to drive commissioning for whole person care.**
- 5. Where local areas want to be more ambitious, legislate to enable them to move towards a single commissioning budget for health and care.**

## **PLEDGE 2: Give every young person the opportunity to get a decent job**

Public services have a responsibility to give young people the opportunity to get the skills they need to transition into decent jobs that will improve their life chances. But with 853,000 young people aged 16–24 unemployed, of which 240,000 have been for over a year,<sup>10</sup> the system is still failing many of our young people. The Taskforce's First Report identified the limitations of a fragmented nationally-controlled skills and employment system, which have resulted in mismatches between supply and demand in the labour market and too many young people being trained for jobs that do not exist.<sup>11</sup> The Blunkett Review noted the need to improve local accountability for training and further education providers to fulfil existing local authority duties to reduce numbers of young people not in education, employment or training (NEET).<sup>12</sup>

To provide a better offer to young people, that is focussed on their needs at key transition points, communities need a more locally-driven approach.<sup>13</sup>

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<sup>10</sup> Youth Unemployment Statistics February – April 2014, House of Commons Library, 11 June 2014.

<sup>11</sup> For example, analysis has shown that in one year 94,000 people were trained in hair and beauty for just 18,000 jobs in that sector, whilst 123,000 people were trained for 274,000 available jobs in construction. *Hidden Talents: Skills Mismatch Analysis*, Gardiner L and Wilson T, Centre for Economic and Social Inclusion, 2012. See *First Report: The case for change*, 2014.

<sup>12</sup> *Review of education structures, functions and the raising of standards for all*, A Labour Policy Review report by Rt Hon. David Blunkett, April 2014.

<sup>13</sup> Evidence presented in the Taskforce's First Report identified the value locally devised approaches can bring in delivering better results than national programmes. See *First Report: The case for change*, March 2014.

***'This would ensure commissioning across the age range offers coherent post-school pathways linked to local opportunities, creating and smoothing the education to labour market transition for young people pursuing vocational routes'***

#### *Access to a better skills system*

Labour has set out an ambition for a skills system that meets the needs of the 'forgotten 50%' of young people that do not go to university by boosting the quality and quantity of vocational and technical education delivered by schools and colleges and supporting more high quality apprenticeships. To more effectively create opportunities for young people to gain skills that will help them find a decent job, whilst resolving skills mismatches and responding to what local employers need, the Taskforce supports the intention set out in the Adonis Growth Review that the next Labour Government should devolve the adult skills budget for those over the age of 19 to partnerships of local authorities at city or county region level.<sup>14</sup> The Taskforce would go further and recommend that 16–19 further education commissioning should also be devolved to this level, creating strong levers to fulfil existing duties to tackle NEETs, raise the participation age and help young people transition into work. Responsibility for commissioning colleges and training providers should sit with groups of authorities and partners at city and county region level. This would ensure commissioning across the age range offers coherent post-school pathways linked to local opportunities, creating and smoothing the education to labour market transition for young people pursuing vocational routes.

The starting point for local delivery in this new devolved system would be a commissioning and outcomes plan that would be developed and agreed with local businesses in the Local Enterprise Partnership (LEPs).<sup>15</sup> The plan would focus on delivering a pattern of education and training provision which fits what is needed locally. To do this, groups of authorities would need to analyse and understand demand from across the travel-to-learn area and reconcile this with employer need and sector priorities for more high quality vocational training provision. Local partners will then collectively determine how and where to fund an appropriate mix of provision to deliver the agreed outcomes across the area.

This approach has the capacity to deliver significant efficiencies, by improving the capability to plan provision in ways that reduce expenditure on low value courses; tackling the 'churn' of young people taking courses that do not lead to sustained employment; and creating the flexibility to respond rapidly to job opportunities and sector growth when and where they emerge. While budgets to deliver commissioning plans would be devolved, a single national funding framework would remain to ensure providers receive comparable rates for provision.

#### *A new Youth Transitions Service*

A new Youth Transitions Service, starting with a focus on those aged 21 and under, should be created to offer young people tailored support to find a decent job or start their own business. The focus of Jobcentre Plus on getting people off benefits as soon as possible does not respond to the fact that too many young people lack the skills they need for work, with the latest census data showing that 64 per cent of young unemployed

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<sup>14</sup> *Mending the Fractured Economy, Smarter State, Better Jobs*, Final Report of the Adonis Growth Review, July 2014.

<sup>15</sup> For more detail on how this would operate in practice, see Annex 3 – Governance Arrangements.

people have skills below level three.<sup>16</sup> Long waits for referrals and lack of integration with other local services like health, justice, housing and social care mean that the current Work Programme is often poorly equipped to give the holistic support more vulnerable young people need to tackle barriers to employment. Young people who have failed to get the skills they need to work while at school can face a confusing mix of skills and training options, worksearch and support that tackles other barriers, leaving them with no clear pathway.<sup>17</sup>

A Youth Transitions Service would have a clear mandate to help young people get the skills they need to move into sustained employment or to start-up a business, underpinned by effective, integrated support to meet their specific needs. A share of the existing funding for adult, mainstream employment services and programmes currently spent on those under 24 should be allocated to support a service in a separate, positive environment. A dedicated team drawn from Jobcentre Plus (JCP) and local authorities across a functional economic area – such as city or county regions – would be created to deliver the service. Every young person going through the service would be given a personal adviser who can engage fully with their needs and aspirations and broker effective support. This would support Labour’s plans to ensure that young people without the skills they need for work are in training rather than on benefits, with the service given the responsibility to ensure that good quality, work-focused training and work experience is in place for them.

The Youth Transitions Service would be supported by a wider partnership of LEPs, further and higher education providers and schools. This partnership would be responsible for ensuring that the organisations they represent are working effectively with the service, and integrating programmes and support for young people across the place where possible to maximise impact. The service could play a role in delivering Labour’s Youth Jobs Guarantee for those who have been unemployed for a year<sup>18</sup> by building trust and brokering training opportunities with employers to boost take-up and supporting young people through placements to maximise the benefit of the experience and the chances of it leading to sustained employment.

#### *High quality, independent careers advice*

Independent, professional careers advice for all young people should be provided to ensure they have the information and support they need to make positive career choices. This would reverse the collapse in quality

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<sup>16</sup> *Qualifications and Labour Market Participation in England and Wales*, Office for National Statistics (2014).

<sup>17</sup> Research for the Hidden Talents programme, led by the LGA, in 2013 found as many as 35 different national schemes seeking to address youth unemployment have been identified, across 13 different age boundaries, funded by eight different national departments, costing £15 billion per year. Yet the number of young people starting nationally-funded employment and skills provision has fallen by 10 per cent since 2009/10. See *First Report: The case for change*, March 2014.

<sup>18</sup> Labour’s Youth Jobs Guarantee offers 18–24 year olds out of work for a year a job funded for six months. This would be on the basis of 25 hours of work a week and the employer would have to guarantee compulsory training.

careers advice the current government has presided over,<sup>19</sup> which has increased the risk of significant inefficiencies as more young people lack access to good, independent careers advice and risk entering training for jobs that do not exist.

Local partnerships of local authorities, schools, further and higher education providers, and local businesses should be given responsibility for commissioning an independent careers advice service that is locally designed and delivered, staffed by trained professionals and drawing in a range of expertise. Young people themselves should be involved in shaping the offer and how it is delivered to meet their needs. This would ensure that careers advice is designed with the labour market in mind and with the active engagement of young people and employers. By working closely with employers, the service should seek to expand the offer from information and advice to work placements, job tasters, mentor pairing, business start-up support and other forms of work experience. This service can also take advantage of digital tools and social media to create a new, accessible and relevant offer for young people to support informed, positive choices.

To be effective, the careers advice service would need to be sufficiently resourced. The Taskforce recommends that current school spend on careers advice, existing local authority provision where Connexions or similar support have been maintained, and local business contributions through LEPs should be pooled to support this service locally. This would create a pooled pot that could be used to kick-start a service that can grow over time.

## RECOMMENDATIONS

- 6. Devolve skills funding for further education provision for 16–19 year olds and 19+ to groups of local authorities at city and county region level and give them responsibility for commissioning provision within their area.**
- 7. Create a new Youth Transitions Service for under-21 year olds to provide more effective support for young people transitioning from education to employment.**
- 8. Create a new, high quality, independent careers advice service for young people to have access to information, advice and work experience to help them make positive future choices.**

### **PLEDGE 3: Increase community safety and reduce crime**

People want to feel safe in their homes and communities. To ensure this, policing must be responsive to local people, rooted in and accountable to the communities they serve. People should also be able to rely on appropriate measures taken to prevent crime before it happens.

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<sup>19</sup> In *Careers guidance for young people: The impact of the new duty on schools* (2013), the Education Select Committee received evidence that the decision to transfer responsibility for careers guidance to schools resulted in a deterioration in the overall level of provision and noted concerns about the consistency, quality, independence and impartiality of careers guidance to young people. Ofsted found that careers advice from schools was inadequate and not sufficiently independent. See *Going in the right direction? Careers guidance in schools from September 2012*, Ofsted 2013.

The Independent Police Commission, chaired by Lord Stevens, set out a comprehensive package of reforms to policing, including democratic governance which it identified as a core component of credible and legitimate policing.<sup>20</sup> The Taskforce supports the Commission's analysis of the Police and Crime Commissioner (PCC) model introduced by the current Government as "systemically flawed" and the conclusion that they are a "failed experiment" which should be discontinued.<sup>21</sup> The 'single individual' model of accountability creates distance between a PCC representing an entire force area and the many communities within it. The result is less opportunity for local engagement and weakened accountability to local people who are detached from existing structures. The separation of police accountability from local government also reduces the scope to align decision-making and resources to produce better outcomes.

The core recommendations made by the Stevens Commission to strengthen the democratic governance of policing should be pursued by the next Labour Government. The Taskforce proposes ways in which they can be put into practice to ensure accountability is embedded in policing at every level – from streets and neighbourhoods, towns and cities to police force level.

#### *Accountability and priority-setting of local policing*

To bring decision-making over policing priorities to tackle crime in communities closer to people, lower tier local authorities (district and unitary level) should be given new powers to hold policing to account and to set priorities. In line with the Stevens Commission recommendations, this would be achieved by:<sup>22</sup>

- Legislating to give local government a say in the appointment of local police commanders which would embed responsive and effective police work locally.
- Enabling lower tier councils to retain a proportion of the police precept of the council tax which they will use specifically to commission local policing from their force in line with local priorities.
- Giving lower tier councils the power to set priorities for neighbourhood policing and the policing of anti-social behaviour and volume crime (for example shoplifting or burglary) by agreeing policing plans for their area with local police commanders.

***'This approach is designed to create space for new innovations to be developed locally to capture people's voice and ensure this informs priorities'***

To fulfil the pledge to improve community safety as well as reduce crime, councils and local police commanders will need to ensure people's concerns and priorities actively shape policing plans and that they have frequent opportunities to engage. This approach is designed to create space for new innovations to be developed locally to capture people's voice and ensure this informs priorities. Local areas should be responsible for developing new ways of engaging communities, but this could involve more open forums, participatory budgeting or citizens' juries – good practice should be developed and spread.

<sup>20</sup> *Policing for a Better Britain: Report of the Independent Police Commission, 2013.*

<sup>21</sup> The Stevens Commission identified six reasons the PCC model is flawed: scope of role/size of constituency; invisibility; weak democratic legitimacy; lack of representativeness; lack of transparency; and opaque arrangements for appointing and dismissing Chief Constables.

<sup>22</sup> *Policing for a Better Britain: Report of the Independent Police Commission, 2013.*

Individual councillors and neighbourhood policing teams will need to work closely at the ward level to engage local residents so that local issues are captured and responded to in an effective and timely way. To build in better prevention, policing plans should be aligned with parallel local strategies to tackle substance misuse, mental health and domestic violence for example, with potential to jointly commission services where priorities are shared. This can be supported by stronger collaboration at senior management level across local authorities and the police.

#### *Policing governance at force-level*

Governance and accountability of policing at force-level needs to be improved and strengthened. Despite Labour PCCs working hard and doing some good work within the current system, the Taskforce agrees with the Stevens Commission proposals that the PCC model should be abolished and replaced with new, strong collective accountability.<sup>23</sup> New force level Policing Boards should be created, composed of leaders of each local authority within the force area, bringing high calibre accountability and building in strong community representation to governance.<sup>24</sup> They would have the power to: set the overall budget for the police force area; appoint and dismiss the chief constable; and formulate and agree with the chief constable the force level policing plan that sets out the strategic priorities for the force.

Replacing the 'single individual' model of policing accountability which fragments local government and police governance, with the collective responsibility of a Policing Board will ensure a more robust approach to accountability with stronger checks and balances in the system. The Policing Board Model<sup>25</sup> has a number of benefits:

- **Strong leadership:** By being composed of local authority leaders in the force area, high-level political representation is built in and ensures profile and public visibility of proceedings locally. The collective nature of the board brings a stronger local element to the governance, representing each part of the force area directly and ensuring different priorities from each area inform the overall strategic direction.
- **Build in people's voice and local accountability:** The Policing Board and proceedings would be open and transparent with opportunities to engage in the decision-making process. Meetings would be held in public with publicly available papers and decisions so local people have more access to information and the ability to engage with the decision-making process. The Boards would need to be backed up by strong ongoing community-based engagement with people in each area to directly discuss issues, develop ideas and inform priorities.
- **Operational independence:** There is a clear separation between the democratic accountability of the Policing Boards and the operational decisions of the police with operational responsibility resting with the chief constable.

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<sup>23</sup> Ibid.

<sup>24</sup> The Taskforce proposes that these principles would apply to all areas but recognise there are particular arrangements in London where accountability rests with the Mayor. We would therefore expect a future Labour Government to consult fully with London boroughs on the applicability of any proposed reforms to this area.

<sup>25</sup> For more detail on how the Policing Board model would operate, see Annex 3 – Governance Arrangements.

- **Enhanced partnership:** Replacing fragmentation between local government and policing, the boards will enhance local partnerships by aligning decision-making in a place. More scope is created for opportunities to jointly commission and deliver services across police, council and other service boundaries such as health, which can strengthen preventative approaches to tackling crime.
- **More efficient:** By discontinuing PCCs, a separate tier of governance is removed and replaced with a board whose members should be unremunerated. This will be more efficient and effective route to robust policing governance which maintains a focus on resources on the frontline.

#### *More effective rehabilitation for young offenders*

A significant impact could be made on crime now and in the future by focusing resources more effectively on reducing reoffending by young people. The youth justice system has been the most successful part of the criminal justice system in recent years, which has achieved a fall in both offending and custody amongst under-18 year olds.<sup>26</sup> A key feature of the approach is the use of multi-agency Youth Offending Teams (YOTs) composed of professionals from police, probation, health, education and social care services, which enable a more holistic approach to dealing with a young person's unique circumstances. There is a strong element of supervision through regular contact with a lead caseworker and greater use of diversion and restorative justice for young offenders.

This approach should be extended to include young adults up to the age of 20 so they would be managed by YOTs rather than being part of the adult system.<sup>27</sup> This will enable the complex needs of this particular age group, which covers the peak age for offending, to be met more effectively. An approach focused on triage, multi-agency working and a lead professional can work more intensively to secure better outcomes and turn behaviours around before they have made the transition to full adulthood.

## RECOMMENDATIONS

- 9. Devolve more powers to lower tier local authorities (district and unitary) to have a say in appointing local police commanders and set priorities for neighbourhood policing, backed up by new powers to commission local policing.**
- 10. Abolish the PCC model and create new Policing Boards at strategic force level, with powers to appoint and dismiss the chief constable, agree a policing plan with strategic priorities and set the overall budget for the area.**
- 11. Extend Youth Offending Team support to young adults aged 18–20 to strengthen effective local approaches to reducing reoffending.**

<sup>26</sup> The number of young people who were first time entrants to the criminal justice system fell by 67 per cent from 2002/03 to 2012/13 and of those who have received sentences, the number sentenced to immediate custody fell by 61 per cent over the same period. See Youth Justice Statistics 2012/13, England and Wales, Youth Justice Board / Ministry of Justice Statistics Bulletin, 30 January 2014.

<sup>27</sup> This was proposed in *The Condition of Britain*, ippr 2014, and was estimated to require approximately £11 million in extra resources, which was identified from projected benefit savings that would arise from other measures proposed in the report.

## PLEDGE 4: Help excluded families to overcome challenges for good

Successive governments have rightly recognised the need to provide effective and proactive support for families with the most complex needs and chaotic lives. Beyond the moral case for ensuring everyone has the best chances in life there are huge costs to the public purse from the failure to tackle the needs of families that face exclusion.<sup>28</sup> The Government's Troubled Families Programme focuses on 120,000 families using a keyworker-led model to deliver improved outcomes. This is the right approach in principle, but it has had patchy success in practice.<sup>29</sup> Its impact has been reduced by a number of factors:

- Central government provides only £4,000 of the £10,000 intervention cost per family and local partners are expected to pool funding locally to cover the rest. But persistent service silos are a barrier to brokering partner involvement and securing the upfront investment needed. Lack of buy-in from local partners, and weak incentives to drive this, means that local authorities are bearing most of the upfront costs, although the benefits will be reaped by other services. This has limited the scope of the current approach.
- Rigidly-set criteria<sup>30</sup> for identifying families create artificial barriers to families accessing the programme. This is also a barrier to partner involvement, since the programme is not flexible enough to align to other local priorities.
- The transactional reward structure of the current payment-by-results model can incentivise a "tick box, make claim" approach to family interventions rather than a sustained one that mitigates against families regressing after the claim has been made.

The Taskforce proposes a reformed approach to tackling the most excluded families in society, which provides more flexibility and funding to local areas to develop effective interventions over the longer term and build in a shift towards prevention. Partnerships to support excluded families should be created to bring together local authority, health, employment, education, skills and police representatives across a place to agree joint criteria for identifying excluded families locally.<sup>31</sup>

A more ambitious single pooled fund of £1.5 bn over five years should be created, top-sliced from Whitehall departments responsible for services

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28 Based on analysis by the Social Exclusion Taskforce from 2007, the Troubled Families unit identified 120,000 "troubled" families and estimated the cost of their unmet needs public services at £9 billion a year (or £75,000 per family), £8 billion of which is spent on reactive interventions. DCLG, *The Troubled Families Programme: Financial Framework*, 2012.

29 Evidence has found that only a third of troubled families have been "turned around" according to the Government's measures, and of those that have met the indicators three quarters have persisting problems of crime, truancy or worklessness. Councils have reported more "troubled" families who would benefit from support in their areas than the Government's estimates predict. See "PM's flagship scheme not reaching three quarters of troubled families", *The Guardian*, Monday 16 June 2014.

30 The three criteria are: involvement in crime and anti-social behaviour; children truanting from school; and one or more adults on out-of-work benefits. A fourth criteria can be determined locally.

31 For further detail on how this would work in practice see Annex 3 – Governance Arrangements.

that are impacted by demand pressures caused by these families.<sup>32</sup> Local areas would then identify and target families that need support, based on an approach agreed with central government, and design local schemes that align with other employment, health and crime reduction programmes. The fund would be collectively owned by the excluded families partnerships which would jointly commission interventions to support target families, opening up the role of the voluntary sector to add value to tackling problems.

The partnership would be responsible for tracking progress, extracting savings where possible and building the case for further investment in prevention. A clear sanctions regime should be in place for families that do not want to engage and a reformed payment-by-results model should be built into the commissioning process. This would involve measures to reward more sustainable whole family outcomes (for example a 'year on' deferred element of the payment to ensure families do not slip backwards) and community-based outcomes (such as overall reduction in incidences of anti-social behaviour to ensure progress is felt across the community).

## RECOMMENDATIONS

- 12. Empower local areas to develop effective localised interventions for families facing exclusion.**
- 13. Create a new £1.5 billion fund, top-sliced from existing funding in Whitehall departments and devolved to local areas to support sustainable outcomes for excluded families.**

**'Local government must be given the tools and levers it needs to fulfil existing duties and ensure every child is able to access support to get the best start in life'**

### **PLEDGE 5: Give every child the support they need to get a good start in life**

Public services have an important role to play in giving children a good start in life, from health checks at birth to child care and education. But support to children is fragmented and can be poorly co-ordinated across communities. This is stretching declining resources<sup>33</sup> and creating gaps in support to children. Local government must be given the tools and levers it needs to fulfil existing duties and ensure every child is able to access support to get the best start in life.

#### *Sure Start Centres*

The last Labour Government sought to provide effective, targeted support to the most disadvantaged children, whilst maintaining universal services for all children in the community. This was achieved through a universal building-based service for all – Sure Start Centres – and a programme of targeted support for children and families who need it most. This aim and purpose should be renewed. Sure Start children's centres should become hubs of support for children in every community. Relevant services in the area should have a legal duty to co-operate and co-locate in Sure Start

<sup>32</sup> This should comprise funding from the Department of Health, the Ministry of Justice, the Home Office, the Department for Education, Business Innovation and Skills and Communities and Local Government.

<sup>33</sup> It has been estimated that by 2013/14 funding pressures caused spending on children's centres to have been reduced by a total of 28% since 2010. See *Centres of Excellence? The role of Children's Centres in early intervention*, Waldegrave, H, Policy Exchange, September 2013.

Centres to provide a single point of access for children and their families. This would be for local areas to coordinate according to need, but could include:

- **Health and wellbeing:** co-locating children's health and wellbeing services to better facilitate targeted interventions.<sup>34</sup> Pre- and post-natal support from midwives and health visitors linked in to centres would create opportunities to better engage with harder to reach families who may distrust more formal support structures.
- **Employment advice:** existing employment and skills support, such as from Jobcentre Plus, could be co-located more systematically in children's centres. This would enable advice to be offered in a more relaxed setting for parents who may not use traditional employment services or may need early guidance about returning to work.
- **Whole family support:** A full range of support including parenting skills and confidence building, domestic violence support, training including English language and literacy/numeracy, debt and other advice services and a range of voluntary sector provision, could be co-located or sign posted from children's centres.

## CASE STUDY

### Developing a place-based offer for early years across services

Greater Manchester is developing an Early Years New Delivery Model to improve school readiness. Based on evidence of the crucial development window from late pregnancy to age three in which the foundations for life are set – including physical and mental health, social, language and communication skills, behaviour and academic success – the approach is a core part of a wider strategy to achieve sustainable growth and reduce dependency. Currently 40 per cent of children are assessed as not school ready at the end of reception year. A 10 per cent improvement in school readiness is projected to ultimately lead to a rise in earnings of 2.5 per cent and a fall in youth unemployment by 1 per cent across the authority. Modelling has shown other partners would receive fiscal benefits including schools, health, criminal justice and police, and local authorities.

The model involves a shared outcomes framework across all partners; a universal eight stage common assessment pathway at key points in development; evidence-based assessment tools to identify families with risk factors and referral triggers; evidence-based and sequenced interventions; use of daycare settings to drive engagement; a new workforce approach and better shared data systems. Outcomes will be measured at the individual and population level and to measure effectiveness of separate interventions to support a developing evidence base. For the approach to realise its full potential, local services such as schools and others that would benefit from improved school readiness need to invest upfront.

*Source: Greater Manchester Growth and Reform Plan; Local Government Innovation Taskforce First Report: The case for change.*

### Supporting childcare

Local authorities already have a duty to secure sufficient childcare, but existing levers to support this are weak and should be strengthened. Labour has committed to 25 hours of free childcare for three and four year

<sup>34</sup> *One Person, One Team, One System, Report of the Independent Commission on Whole Person Care for the Labour Party, February 2014.*

olds and wraparound childcare in primary schools from 8am-6pm. To deliver this locally and boost take-up, local authorities should work through their schools forums to determine local funding arrangements with providers. For wraparound childcare, councils should support all schools in an area by developing the provider market, negotiating block contracts and payments with schools.

To develop the role local authorities can play in brokering and enabling access to provision for parents, all childcare providers should have a duty to cooperate with their local authority. This would mean they must notify the council of what provision they offer so councils can more effectively sign-post parents to available places. It would also mean local authorities would be able to play a stronger role in ensuring that providers work together to meet demand gaps by, for example, getting providers to accept more children if they have the space. Any future measures to boost supply-side funding<sup>35</sup> or extend childcare guarantees<sup>36</sup> should be coordinated through councils to direct funding where provision is needed most to fill current demand gaps, promote take-up and to reflect parental preferences locally.

#### *Quality and accountability in education*

Parents need to be able to rely on effective local oversight of all schools to ensure they are of a high standard, constantly improving and supporting the best possible education for all children. The two-tier system of schools accountability advanced under this Government has centralised decision-making about new schools<sup>37</sup> and removed local oversight in the education system.<sup>38</sup> This is creating a fragmented local education system and has weakened local accountability to assure quality in schools and intervene when things go wrong.

***‘Since all state-funded schools are public institutions, not private operations, they should not operate in isolation from the wider family of local schools’***

School autonomy is an important principle which has characterised education for decades and should continue to do so. This does negate the need for a clear system of local accountability, intervention and responsibility, which contains appropriate checks and balances that parents can rely on to maintain standards and understand how to engage with if they have concerns. Where schools do perform poorly, the response must be swift and effective. Since all state-funded schools are public institutions, not private operations, they should not operate in isolation from the wider family of local schools, the community and the range of local services that operate around schools to support children’s life chances. Reforms to strengthen local accountability must create the conditions for effective local leadership and build on, rather than bypass, existing local capacity.

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35 A number of recent reports have concluded that there is a strong case for additional support for childcare provision to be directed at providers, funding supply rather than demand-led measures like vouchers. See *Careers and carers: Childcare and maternal labour supply*, Cory, G. and Alakeson, V, Resolution Foundation, January 2014; and *Childmind the gap: Reforming childcare to support mothers into work*, Thompson, S and Ben Galim, D, ippr February 2014.

36 *The Condition of Britain*, published by ippr, proposed that an affordable childcare place should be guaranteed for all parents of preschool children from the age of one, with a universal entitlement to free, part-time, year round care for all aged between two and four. See *The Condition of Britain: Strategies for social renewal*, ippr, June 2014.

37 Analysis by the LGA showed that two in three councils in England could see more children looking to start primary school in their area by September 2016 than they currently places available for. “Councils warn of rising demand for primary school places”, 3 September 2013.

38 “Restore intervention powers to councils to bring stability”, Local Government Association, 14 June 2014.

The Blunkett Review recommended that Labour overturn the current top-down, fragmented approach to education and replace it with more robust local accountability for all schools regardless of structure.<sup>39</sup> Under these proposals, independent Directors of School Standards (DSS) would be responsible for driving up standards in schools at the local level. If this approach is pursued, the knowledge and capacity of local government will be essential to making the local oversight system work effectively. Timely local data, intelligence and analysis will need to be used to assure quality provision, challenge all schools to be ambitious and identify where pupils are not achieving their full potential. Where schools cause concern, interventions would need capacity, coordination and targeted support around the school to tackle and overcome problems.

The role of local authorities in appointing the DSS and of local education panels in helping to hold them to account will be integral to a robust and transparent system of checks and balances. These panels should bring together a range of local education stakeholders – including lead members for education, Directors of Children’s Services, and head teacher, school governor and parent representatives. Strong democratic representation should be present on the panels and they would be responsible for supporting the DSS to develop a long-term strategic plan for education and ensuring commissioning decisions are taken in line with that plan.<sup>40</sup> The plans would set local education targets, identify local needs against which provision would be commissioned and publish information for parents to easily access and understand about the local education offer.

The statutory role for local authorities to broker collaboration between schools will ensure local democratic accountability plays a constructive role in developing a local family of schools, sharing best practice and creating local self-supporting improvement systems and networks of professional peer support and challenge. This should also involve ensuring all schools play a full part in wider community programmes that give children the best start in life, such as the Excluded Families programme.

## RECOMMENDATIONS

- 14. Renew Sure Start Centres as hubs for support for children in communities by creating a duty for services to co-operate around and co-locate in centres.**
- 15. Strengthen the role local authorities can play in brokering childcare provision for parents by establishing a duty to co-operate to support children’s life chances across all public services and childcare providers.**
- 16. Build robust local accountability of all schools through Directors of School Standards appointed and held to account by local authorities and supported by local education panels to ensure high standards and constant improvement.**

<sup>39</sup> *Review of education structures, functions and the raising of standards for all*, A Labour Policy Review report by Rt Hon. David Blunkett, April 2014.

<sup>40</sup> For further detail about how local education panels could work in practice, see Annex 3 – Governance Arrangements.

*'The pace of devolution to deliver for communities should move at speed of the fastest, not the slowest'*

### **A right for councils to go further, faster**

The New English Deal should be available to all councils – unitaries, counties and districts. But the pace of devolution to deliver for communities should move at speed of the fastest, not the slowest. The Taskforce therefore recommends a twin-track process that enables some councils to go further and faster as part of the deal. Where local authorities have a strong track record of successful delivery and effective statutory governance arrangements – working collaboratively where appropriate, such as through combined authorities and economic prosperity boards<sup>41</sup> – they should be able to negotiate further devolution of powers and funding.

This second track would involve long-term deals intended to drive reform at greater pace and scale to tackle high cost, complex demand pressures in the system. In order to negotiate the deal, local areas would need to demonstrate that they have a coherent plan for delivering at scale, shared investment agreements with local partners and a robust approach to tracking the impact on outcomes.<sup>42</sup> For some of these services, commissioning could be done at a larger scale with delivery at the individual local authority level.

The Taskforce has identified three priority areas where more ambitious local areas may want to take the opportunity for further devolution at this level and set out how this might work in practice.

#### *Whole person care*

A more ambitious model would be for a single budget covering all health and care spend in an area, including NHS (acute and primary), social care and public health, to be allocated on the basis of a five year deal. This would need to be predicated on agreement and support between all partners in a local area – including health and wellbeing boards, CCGs and local NHS England area teams – and on appropriate accountability arrangements being in place. This would enable integration of services around whole person care at much greater scale and has the potential to deliver more efficient resource allocation.<sup>43</sup> Where this was proceeded with through governance arrangements across a larger geography, such as a combined authority, it would cover a wide healthcare economy with the range of tertiary care, and individual health and wellbeing boards would maintain a focus on quality of care and promoting integration through delivery. Initially, this would necessitate working within existing architecture to avoid structural reorganisation in a very difficult financial context, but the approach would set the conditions for closer collaboration leading to sustainable integration in the medium term.

The deal would enable new ways of working to be developed between partners across the area to increase impact of funding on health outcomes, whilst ensuring shifts in provision from reactive to preventative services.

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<sup>41</sup> Current legislation relating to combined authorities and economic prosperity boards, which may also need redesignating, may need amending with regard to functions and to facilitate the ability for two-tier areas to fully participate in public service reform.

<sup>42</sup> For a model accountability agreement demonstrating how this would work in practice, see Annex 3 – Governance Arrangements.

<sup>43</sup> Analysis of health and social care integration plans developed under the Whole Place Community Budget pilots suggested potential aggregated national net 5 year benefit of £5.8–12 billion to the Exchequer if the approach was pursued systematically. See *Whole Place Community Budgets: A Review of the Potential for Aggregation*, Ernst & Young for LGA 2013.

This approach should be based on a single outcomes framework, developed in the context of clear national entitlements and standards. This would ensure partners from health and care professions are freed up to work together to deliver better, whole person outcomes. Partners across the area would need to establish joint protocols to develop a stronger culture and practice of sharing data to support the integration of services around whole person needs and more effectively target interventions where needed. In addition, new contracting arrangements would need to be developed to incentivise a shift from episodic treatment to whole person care.

## CASE STUDY

### **Health and social care integration in Greater Manchester**

Greater Manchester's reform plan for community based care estimates a financial challenge across health and social care of £1,075 million over five years to 2017/18 based on the gap between demand and funding. They have set out an ambition to reduce mortality rates by 18 per cent by 2020. A strategy developed across the place to integrate all health and social care services – including primary, acute and community-based health and social care – to provide person-centred packages of support, is projected to reduce future admissions to hospital and long-term residential care. As these roll out across the combined authority to operate at a greater scale, more of the potential savings become cashable.

Target cohorts for new models of care across the 2.6 million population of Greater Manchester have been defined including frail elderly; older people with dementia; older people with long-term conditions and adults at the end of their lives. Different localities have also targeted other specific cohorts according to local priorities including adults with long-term mental health problems, with drug and alcohol addictions and children with long-term conditions. Lower risk groups that could progress to higher risk without intervention have also been identified.

New delivery models being co-designed include:

- Multi-disciplinary teams that bring together health and social care providers and develop a single care plan around the patient and prioritise early diagnosis and case finding, single assessments and provision of aligned services.
- 24/7 health and social care triage and rapid response services to provide swift and appropriate intervention at times of high need or crisis.
- Central resource centres or hubs that provide a single point of contact for patients and promote community assets such as voluntary and community sector provision and self-care.

A variety of approaches to primary care innovation are being tested in different GM localities to improve quality and safety, with improved access through extended hours and seven days a week a common feature across GM. A set of community-based care standards has been developed and agreed by partners across the health and social care sector and will be embedded across localities and in delivery models.

*Source: Greater Manchester Growth and Reform Plan, Annex: Health and Social Care Integration, March 2014.*

### *Tackling worklessness*

Responsibility for supporting long-term unemployed people back into work, currently resting with the Work Programme, could be devolved to local areas as part of the second track of the deal.<sup>44</sup> The poor performance of the nationally-designed Work Programme provides poor returns on public investment, with more people returning to Jobcentres after being on the programme than finding a job, and those with the most complex barriers to work are being failed the most.<sup>45</sup> There is evidence of providers simply “creaming and parking” those individuals most difficult to help.<sup>46</sup>

Combined authorities or economic prosperity boards should take on responsibility for delivering the replacement to the Work Programme, with central government providing funding to the authority on the basis of their success in helping people to access sustained employment, in the same way as prime providers are currently funded now.<sup>47</sup> This will create the scale across a functional economic area for strategic commissioning, combined with delivery through component local authorities at a more localised level. This would align the programme with resources and provision already in operation in local areas that support people who are long-term unemployed. It would enable more effective integration with wider local services that can remove barriers to work such as physical and mental health support. Local areas would be empowered to integrate health, skills, debt advice and childcare services to strengthen networks of delivery around people’s lives. New opportunities for efficiencies could also be explored by co-locating building-based services such as Jobcentre Plus with local authorities. It would also align strategies to reduce long-term unemployment with those that address skills and boost growth, to ensure that these are integrated across the functional economic area, maximising opportunities across a place.

There would be a clear set of minimum standards for employment support and national benefit entitlements would be retained, but the approach enables services and support programmes to be better aligned and integrated with local capacity and opportunities.<sup>48</sup>

Work Programme provision has worked particularly poorly for people claiming Employment and Support Allowance, who cannot work due to sickness or disability. Local areas should be able to commission provision for this group, to enable a greater role for smaller specialist providers that can often provide more appropriate support, but have been squeezed out of the Work Programme. Enabling those with health barriers to access work may require more up-front investment than provision for other jobseekers.

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44 For evidence of better outcomes from locally provided employment programmes, see *First Report: The Case for Change*, 2014.

45 Just five per cent of Employment and Support Allowance claimants on the programme have moved into jobs. See *Work Programme Statistics*, DWP 2014.

46 *Can the Work Programme work for all user groups?* Work and Pensions Committee First Report, 2013.

47 The nature of the devolved agreement would be set out in an accountability agreement, including identified cohorts based on needs; a labour market agreement covering aims, volumes, targets and funding; financial risk-sharing and evaluation of impact. See Annex 3 – Governance Arrangements for a model accountability agreement.

48 Analysis of Whole Place Community Budgets estimated the aggregated potential net benefit from scaling up integrated employment and skills approaches to be £3.1–5.9 billion to the Exchequer. See *Whole Place Community Budgets: A Review of the Potential for Aggregation*, Ernst & Young for LGA 2013.

Funding to support this group into work should therefore be front-loaded, with the option of clawing back a proportion of the payment if progress is not made towards employment outcomes.

## CASE STUDY

### **Integrating employment and skills in Lambeth, Lewisham and Southwark**

Three London boroughs are developing a transformational approach across the current landscape of welfare, employment and skills provision that includes Jobcentre Plus, Work Programme, the VCS and local authority-run programmes. The approach aims to ensure that every pound spent improves employment outcomes for residents: partners will work together to commission an integrated system of support. With a particular focus on those with the most complex needs, the approach aims to get the right intervention at the right time, from universal credit application through to employment, supported by skills and training provision that meets the needs of the local labour market. Three areas of focus guide the creation of new delivery models: Universal Credit front end support based on a locally agreed services framework to assess individual needs and tailor support appropriately; increasing access to adult skills and employability training that is employer-led; and removing barriers to work by developing more appropriate customer journeys through pathways to employment. The three authorities are uniquely placed to join up the whole public service system and have a strong ambition to transform and integrated services to benefit their local residents.

*Source: LLS Employment & Skills Community Budget Business Plan.*

### *Reducing reoffending*

Responsibility for rehabilitation of offenders could form part of the second track of the deal for local areas. Systemic failures to sustainably rehabilitate offenders impact on crime rates<sup>49</sup> and impose significant costs on society.<sup>50</sup> The reforms being pursued by the current government will introduce a national commissioning model that fragments responsibility for offender management and creates a siloed approach to provision.<sup>51</sup> High risk of harm offenders will be centrally managed while support for the majority low- to medium- risk offenders will be contracted out to private or voluntary providers who are not obliged to integrate with local services. This creates artificial gaps in the system with fragmented supervision and information exchange that could create unnecessary public safety risks and weaken the impact of support.

Responsibility for commissioning probation could be devolved where there is sufficient scale between partners for strategic commissioning, combined with

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49 Figures published in 2013 showed that the reoffending rate of those released from custody was 47 per cent. Proven Re-offending *Statistics Quarterly Bulletin; October 2010 to September 2011, England and Wales*, Ministry of Justice Statistics Bulletin July 2013.

50 According to the Home Office and Ministry of Justice, half of all crime is committed by people who have already been through the criminal justice system, at an estimated cost of £9.5–13 billion a year.

51 For further discussions of these, see for example, *Many to Many: How the relational state will transform public services*, Muir, R. And Parker, I, Ippr 2014; 'Transforming Rehabilitation: A joint response from The Probation Chiefs Association and the Probation Association', PCA and PA, 22 February 2013; *Primary Justice Reloaded: A model for localised probation services*, LGIU 2012; and *Reducing Reoffending in London: Why investing in local solutions will deliver*, London Councils 2013.

localised delivery of services.<sup>52</sup> This would enable local areas to bring together probation, housing, health and employment services to provide integrated and targeted support so that people have stronger routes out of criminal activity.<sup>53</sup> Single accountability for offender management across a place would also overcome artificial gaps created in the system between low/medium and high risk offenders. Commissioning at this level would create opportunities to reward outcomes that matter for communities, taking into account not just frequency but also severity of offences, for example. This approach would also support a larger number of smaller providers that are often better equipped to meet the needs of individual offenders and their families.

#### *Integrating the youth justice system*

For areas assuming responsibility for reducing reoffending amongst adults, there could also be the option of fuller integration of the youth justice system. Local authorities are already required to pay the cost of young people's remand. In future, government could explore full devolution of youth custody budgets to local areas, meaning the authorities would be responsible for the costs of detention for under-18 year olds.<sup>54</sup> This would provide local areas with an incentive to invest in strengthened alternatives to custody and more effective early intervention for young people at risk. Currently three out of four under 18 year olds who receive a custodial sentence go on to commit further offences,<sup>55</sup> so this measure by potentially reducing young adults' reoffending also has the potential to save the taxpayer a considerable amount of money.

The devolution of this budget over five years would enable areas to develop preventative approaches integrated with local public services that can provide appropriate support and re-engagement, such as health, education, social care and intensive support for excluded families. A more integrated approach across the youth justice system and across a place would be designed to deal directly with negative behaviours in a more sustained way and effectively support routes out of criminality for good.

### CASE STUDY

#### **Criminal justice system redesign in Greater Manchester**

Through a partnership approach across agencies in Greater Manchester, a new framework for criminal justice system (CJS) redesign was developed and catalysed by the Local Justice Reinvestment Pilot they participated in. This set out an evidence-based strategy for reducing demand by diverting individuals from the CJS at key transition points: arrest, sentence, release (for adults and youth) and the transition between youth and adult systems. This transition points

52 See *The development and Year One Implementation of the Local Justice Reinvestment Pilot*, Sheffield Hallam University/MOJ 2013, for a further discussion on how this might work in practice.

53 The National Offender Management Service (NOMS) outlines seven pathways to reduce reoffending: housing and accommodation; education, training and employment; health, including mental health; substance misuse treatment; help with finance, benefits and debt; strong relationships with family and children; and individuals' attitudes. Many of these are tackled through other local services so probation support should not operate in isolation.

54 See *The Condition of Britain: Strategies for Social Renewal*, ippr, 2014.

55 The figures show that 72.3 per cent of under-18s reoffended within 12 months of being released from custody for the year ending September 2011. See *Re-offending Statistics Quarterly Bulletin, October 2010 to September 2011, England and Wales*, Ministry of Justice Statistics Bulletin July 2013.

framework was replicated through local reducing reoffending strategies and a dedicated data and design group between local partners including the local authorities, the police, probation, Youth Offending Teams and VCS agencies improved data coordination and analysis to support a developing evidence base. The approach evolved to focus on three cohorts: female offenders; young offenders aged 16–21; and offenders being managed under IOM arrangements.

A variety of interventions in place for young offenders included youth custody triage, restorative justice and prevention and pre-court work for young people at risk. Results have shown the benefits of targeted approaches to reducing reoffending. For example, good outcomes through Intensive Community Orders have been achieved: with an overall 52 per cent reduction in number of offences committed by a cohort of young men aged 18–24 in the twelve months after intervention, compared to the twelve months before. The offences committed were generally less serious with an 80 per cent reduction for some of the most serious offences.

Sources: *The development and Year One Implementation of the Local Justice Reinvestment Pilot*, Wong et al, Sheffield Hallam University and MOJ, 2013; and Greater Manchester Combined Authority.

## RECOMMENDATIONS

**17. A right for local areas with a strong track record of delivery and effective statutory governance arrangements to negotiate further devolution of powers and funding to tackle high cost, complex demand pressures on public services.**

*'In devolving power and resources to communities in return for a commitment to deliver on core pledges for people, the New English Deal will shift towards a new model of high impact, better value public services, powered by people'*

In devolving power and resources to communities in return for a commitment to deliver on core pledges for people, the New English Deal will shift towards a new model of high impact, better value public services, powered by people. The approach set out will mobilise local energy, networks and resources to add value so that services do not bypass local capacity but reinforce it. By including a second track for areas willing and able to go further faster and drive service reform to tackle high cost complex demand pressures, the deal will enable innovation to develop, spread and embed more quickly.

With power devolved throughout the system, innovation to meet people's needs and organise services to drive out inefficiencies will be incentivised and enabled. To realise the full potential of the reforms will require effective and committed leadership locally and at the centre.

### 3. Leading change locally

As part of the New English Deal, which transfers powers and resources to local areas, parallel measures would be needed to empower local leadership across places, support collaboration between and innovation within services, strengthen local accountability and assure good performance in a more decentralised system.

#### Good local leadership and governance

With local government at the heart of a devolved system, using new powers to drive innovation, it will be important that councils demonstrate an ongoing commitment to collaborative and effective governance. The Taskforce sets out key principles for good local democratic governance which all councils should fulfil:

- **Outcomes:** delivering what matters for people to improve their lives;
- **Collaboration:** working with partners in a place to develop and deliver a shared vision;
- **Empowering people:** pushing power out to communities and sharing responsibility;
- **Innovation:** creatively adapting to local circumstances and opportunities;
- **Continuous efficiency:** driving value for money for residents, sharing services where possible;
- **Transparency and accountability:** opening up decision-making and evaluation.

*'Leadership of the council will be increasingly about leadership of place'*

These principles of good local governance set out a standard of community engagement in which power devolved from the centre does not stop at the town hall but is pushed out to communities. This moves beyond the traditional corporate governance model for councils and takes the focus out into communities: leadership of the council will be increasingly about leadership of place. This means creating and articulating a shared local vision for public services with local residents and partners. It will involve a willingness to take tough decisions and take on the risk to make change a reality. This would underpin a relentless focus on finding new opportunities to collaborate and find efficiencies with other services by sharing, co-locating and integrating. New techniques to encourage innovation can be explored, such as open policymaking where external expertise is mobilised to respond to challenges and provide new insights to develop solutions. And finally, it will mean more outward facing institutions of local government, less focussed on internal procedure and more focussed on engaging residents in a more active, participative local democracy.

#### *Governance in two tier areas*

For two tier areas, effective local governance will mean stronger collaboration across authority boundaries. Whilst top-down reorganisation would take time and capacity away from the priority to deliver for people, joint working across tiers should still be formalised to deliver better outcomes for people. In areas of two-tier government, statutory joint committees comprising all leaders of districts and the county should be established as a clear forum for joint planning and decision-making. This should replace existing multiple separate forums of cross-boundary collaboration to establish a comprehensive single forum for joint working.

Component tiers would retain their unique roles,<sup>56</sup> but joint committees would be charged with developing and delivering a strategic plan for the county and making collective decisions on delivering public services locally. Joint committees will create stronger, democratically accountable forums for decision-making in service areas that impact each other. For example a wider shift towards community-based care cannot be pursued in isolation from decisions on appropriate housing.

## CASE STUDY

### **Two-tier collaboration in Derbyshire**

A joint committee across ten authorities in Derbyshire – one county, one unitary and eight district and borough councils – is securing stronger collaboration based on shared recognition between the authorities they can achieve more together by joining up strategies. Whilst maintaining the democratic integrity of the individual authorities, it is providing the foundation for increased alignment and possible integration of services. Through the joint committee the authorities are building closer alignment between housing, health and social care. A new triage service is supporting older people to remain independent at home, including support for home maintenance and fast-tracking Disabled Facilities Grant improvements. The councils are working with housing developers, Care & Repair England and through the planning system to encourage adoption of the Lifetime Homes Standard in new homes. This collaborative approach rationalises existing procedures by streamlining existing joint working arrangements and reducing the number of single-issue meetings, committees and partnership boards. It demonstrates the agility and potential for more coordinated decision-making in multi-tiered local government.

*Source: Derbyshire County Council evidence to Local Government Innovation Taskforce.*

This would enable two-tier local government to work within existing structures and focus capacity on the front line, whilst ensuring effective collaboration on the basis that no place is in a position to “go it alone” in a time of scarce resources. Government should retain a reserve power to revert a council back to a one-year funding cycle if it refuses to participate in a joint committee since the offer of long-term funding certainty is offered as part of the deal. The expectation would be that this is for two tier areas, but all local authorities including unitaries would be expected to work beyond their boundaries where a functional purpose is served. This means that new opportunities to share services, co-locate provision and collaborate for better outcomes should be constantly sought.

### *Leadership of place*

The role of the councillor is essential to good local governance since they have the mandate and responsibility to play a leadership role in the places they represent. In pushing power out to places and closer to people, the New English Deal involves a revitalised external role for local councillors as active community champions. The demand challenges that exist in communities require all councillors to work with residents to problem solve, advocate and to challenge local public services to improve. Councillors need to be empowered and, where necessary, supported to acquire the skills

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<sup>56</sup> District councils would remain responsible for managing local services such as leisure and housing, and the county would remain responsible for services such as social care and education.

needed to develop active communities – engaging residents and promoting participation.

The Taskforce proposes the creation of a new sector-led College of Local Representation to support local councillors to develop and perform their role effectively. This would involve:

- A small national spine organisation developing mostly online, accredited courses, advice and information exchange for all democratically elected local representatives.
- The creation of role profiles regardless of political affiliation, and courses designed to develop skills and techniques needed to deliver local representative roles effectively including community leadership, demand management, robust scrutiny, negotiation and practical dialogue.
- Best practice engagement and innovation techniques such as local awareness campaigns, open-policymaking, supporting volunteering, ward budgets, neighbourhood forums, regular communications, social media or youth councils.
- Bespoke support for councillors from underrepresented groups including women, people with caring responsibilities, young people, ethnic minorities and people with disability.

***'With more power devolved locally and increasing integration between services, people need to be able to rely on stronger accountability relevant to their place'***

### **Stronger accountability for public services**

With more power devolved locally and increasing integration between services, people need to be able to rely on stronger accountability relevant to their place. To achieve this, new powerful, independent Local Public Accounts Committees (LPACs) should be created to provide oversight of new working arrangements in local areas.<sup>57</sup> This would overcome the deficiencies in the present system with national silos replicated in communities.<sup>58</sup> In parallel to decentralisation this will build more effective local accountability to ensure joint investment and collaboration drives financial value and achieves planned outcomes.

LPACs would establish clear accountability and be highly visible to the public, building on existing scrutiny functions and potentially complementing and extending existing audit committee functions.<sup>59</sup> Their remit should focus both on assessing the value of existing integrated arrangements between all local public services and identifying new opportunities for increased joint working, co-location and integration. To ensure they can effectively “follow” the money in the local system and provide challenge to leaders and managers of public services, they would have three core powers applicable to any organisation delivering publicly funded services:

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<sup>57</sup> This proposal, based on the national House of Commons Public Accounts Committee, was put forward by the Centre for Public Scrutiny and submitted to the Taskforce during the Call for Evidence. It continues to be developed separately by the CfPS.

<sup>58</sup> The Taskforce's First Report identified the challenge of traditional vertical accountability of public services to respective Whitehall departments. See *First Report: The case for change*, March 2014.

<sup>59</sup> For more details about how Local Public Accounts Committees would work in practice, see Annex 3 – Governance Arrangements for more details on how Local Public Accounts Committees would work in practice.

- The power to have access to any papers, accounts or information and to require senior officials or accountable executives to give formal evidence to inquiries.
- An 'enter and view' power, with a right to access real time information and to directly access and talk to staff and service users.
- A power to use this evidence to make recommendations to improve impact, effectiveness and efficiency of public expenditure to any local public service commissioner or provider, to which they would be obliged to respond within a set timescale.

LPACs would be designed to strengthen local democratic accountability by having a majority councillor membership drawn from backbenchers to maintain the separation from executive functions. Active involvement of local people and public visibility of LPACs would be essential to them providing effective and responsive challenge. People can be involved directly with provision for lay representation on the committee itself. Any review of a service must have representation from service users or relevant user-led representative organisations on the panel. All meetings and evidence sessions would be held in public, with forward agendas and reports publicly available and easily accessible. Their inquiries would need to produce a more meaningful understanding for local people about how public money is spent in their area, and the social and financial value produced from integrated public investment.

LPACs would cover the largest local electoral division in an area,<sup>60</sup> unless there were statutory or other formal cross-boundary arrangements for place-based budgets such as combined authorities, in which case their boundary would reflect those areas. This provides an opportunity for strengthened collective accountability over collective decision-making structures.

Localised networks of stronger accountability over service collaboration can improve the ability of the national system overall to track public money and achieve outcomes. It would strengthen the local-national democratic interface by enabling MPs to draw on a stronger local evidence base to support their representative role at Westminster, and they could have a right to refer casework issues and appear as witnesses in inquiries. LPACs could have a formal link with the national Public Accounts Committee and NAO if systemic or national issues emerge from local challenge.

By putting strong local scrutiny across all public services on a statutory basis, LPACs have the potential to drive improved performance and accountability of all publicly funded local institutions. This will create new opportunities for people's engagement in decision-making processes, increase the transparency of public investment and improve the assessment of financial and social value.

### **Driving up quality in local government**

Allied to new powers to deliver for their residents, there would be new responsibilities for councils to demonstrate that they are committed

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<sup>60</sup> Except in London, where the largest electoral boundary is the GLA. LPACs would be aligned to borough boundaries unless there were joint working arrangements in place between boroughs.

to constant self-improvement and a focus on driving up standards, responsiveness and transparency within local government.

For local authorities, a robust approach to performance is part of the new deal: they would need to demonstrate they are delivering for people using new powers and funding. The next government should review existing data reporting requirements to ensure they are fit for purpose in a more devolved system. This should focus on fewer strategic outcomes rather than a larger number of narrowly defined targets. Local authorities would need to publish data on outcomes being delivered in their communities in a clear, comparable and accessible way so that they can be held to account by local people for their performance. Since many local issues are socio-economic and historic, measures that acknowledge direction of travel from a baseline would be more meaningful and track real time performance and progression.

In addition to accountability by people, a “light touch” approach to performance management would need to be agreed with central government. This would seek to detect and respond appropriately to underperformance:

- **For authorities improving outcomes:** no need for any action.
- **For authorities not improving outcomes:** a toolkit of options would be available which range from self-improvement measures to peer challenges, which have been shown to effectively drive improvement by identifying unique issues with a council’s performance and taking bespoke measures to overcome them.<sup>61</sup>
- **For authorities persistently failing to make progress:** the centre retains reserve powers to intervene as a last resort. Options would be available to initiate appropriate special measures such as the direct appointment of time-limited commissioners, a boundary review or a governance review.

The Taskforce recommends a separate and more intensive approach to challenging safeguarding to ensure standards are monitored and constantly driven up. Safeguarding peer challenges (both child and adult) should be conducted every three years, and the challenges should cover all services with safeguarding responsibilities in the area including the council, health bodies and police.

### **Technology and local innovation**

Fully harnessing the power of people, capturing their voice and preferences to drive change, requires new techniques. New digital technology is creating new opportunities to access information, voice preferences, facilitate interaction, track progress and hold decision-makers to account. This has great potential to rebalance the relationship between the citizen and the state and to develop bold new solutions to social problems. This potential has yet to be fully imagined, let alone realised: there are opportunities to unlock value, improve service responsiveness and drive change.

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<sup>61</sup> *Supporting councils to succeed: Independent evaluation of the LGAs corporate peer challenge programme*, Cardiff Business School 2014. For more detail on how peer challenges work in practice see Annex 3.

**'In the context of devolved powers, the role of the centre should be to encourage and challenge local areas to develop tech capability'**

New technology will play a core role in solving many of the challenges outlined in this report. As power is devolved, technological innovations have the potential to re-engineer traditional systems and create new ways to bring public agencies and people together at a local level. Delivering high quality services at a low cost is a tech challenge as much as a service challenge. If this area is not to become the preserve of big service companies that can lock in a lack of innovation through large scale, long-term contracts, the system needs to find new ways of opening out in a flexible way to encourage disruptive innovators.

Local authorities are in a position to fundamentally reshape public services for the benefit of residents and businesses through the strategic development of their digital assets, and drive significant savings over the course of the next decade. Local government needs to develop an IT capability that is disruptive, that can develop its own solutions and designs services differently, centred on people. New opportunities to share IT services between local authorities, on a bigger scale and through digital centres of excellence should be pursued.

## CASE STUDY

### Digital innovation in Camden

Camden Council's digital strategy sets out how its digital ambition will be used to support all of its key policies and strategies. The strategy identifies how the council's democratic leadership can be strengthened through greater information transparency and accessibility tools, and how across the borough new solutions can be developed with partners to integrate services across functional and geographic boundaries. New initiatives are driving new approaches to policy priorities:

- A big data hackathon involved tech experts, businesses and residents, drove a new approach to outcomes-based budget to start in 2015.
- The council is using open innovation to create and develop new ideas from local people and outside expertise to tackle social challenges. The Camden Challenge, in collaboration with FutureGov, used tech as a driver to develop ideas to tackle two challenges: making better use of space and supporting people on low incomes to thrive.
- The Public Service Launchpad, in partnership with Hub Launchpad, is working with public sector workers to invite and develop further ideas for social change.
- The council aims to be 'open by design' in IT procurement and disrupt the existing local government software and services market by promoting an Open Systems Alliance for public bodies and partners. This would overcome supplier capture by enabling IT standardisation, code sharing and service integration, promoting decentralisation and creating more choice and value.

Sources: *Digital Camden: A new approach to digital change in our borough, Camden Council 2014; Lessons learnt from a public-private big data hackathon, Sonia Sousa, Big Innovation Centre, July 2013.*

The next Labour Government should work with local partners to develop a strategy for technology that supports good local governance and drives service innovation. In the context of devolved powers, the role of the centre should be to encourage and challenge local areas to develop tech capability.

To drive interoperability, capacity and learning locally, lessons could be learned from the Government Digital Service (GDS) to lever in new ideas and support the development from the ground up of systems designed around the needs of users and open platforms to provide information and data in an accessible way. This should be aligned with wider efforts to improve technology as part of Labour's zero-based spending review.

This new strategy should include a review of how we use data as well as establish new protocols for sharing between agencies and publishing non-personal datasets so that there is more open access to its use and ability to mine and analyse. This should involve clarity about the use of personal data and people's access to their own data. It should also explore how the use of predictive data analytics and other data methods can provide more sophisticated analysis of how to drive efficiency and effectiveness of services for public benefit.

All local services could be required to publish and stream data in accessible formats which could create the conditions for disruptive innovation whereby people and start-ups can use that data to create apps and develop new tools that give people more power, access and information over services. To realise the full potential of big and open data for service innovation will require the development of new skills, capabilities and new ways of working.

## CASE STUDY

### **LG Inform: using data for comparability**

LG Inform is a website developed by the LGA, working with partner local authorities, which presents up to date published data about a council area so that people and local authorities can review and compare their performance. It is a practical response to the need for the sector to take responsibility for its own improvement and increase transparency with the public. Over 2,000 items of relevant contextual and performance data enable users, both in councils or the public, to access, compare and analyse data. Users can type in their postcode and find out information about a range of outcomes in their area including educational attainment, unemployment, childhood obesity and recycling rates. The information is presented in reports or a dashboard, indicating how this compares to authorities in the rest of the country. Local authorities can use embedded charts from the tool in their own website, so that the public can see the results without needing access LG Inform directly.  
*Source: <http://lginform.local.gov.uk/>*

## RECOMMENDATIONS

18. Strengthen local governance to drive reforms and leadership of place.
19. A new sector-led College of Local Representation to support councillors develop skills required to represent residents effectively and strengthen local democracy.
20. Create powerful independent Local Public Accounts Committees to assess value for money and performance of all public services in a place.
21. Embed effective performance management for local government to drive improvement, strengthen accountability to local people and tackle underperformance.
22. Develop a new strategy for technology to support service innovation, establishing new protocols for open data and sharing data between agencies, and new platforms to build interoperability and promote access.

## 4. Leading change at the centre

For decentralisation to succeed, determined political commitment and strong leadership to follow them through will be necessary right across Government, from the Prime Minister and across ministers in all Whitehall departments.

Analysis of previous attempts to devolve power found that while political parties can make commitments in opposition, governments have found it hard to implement this in practice.<sup>62</sup> Key obstacles can be lack of trust in competence and accountability for failure at the local level and reluctance to give away powers. By outlining a strategy that explicitly strengthens local accountability, drives performance improvement and creates new ways to increase impact and outcomes for public investment, the Taskforce's approach tackles these barriers to devolution head on.

***'The reform package proposed in this report means that national leaders will be given the confidence to push power downwards and challenge traditional assumptions about resource allocation'***

As part of the reciprocal new deal, local leaders need to demonstrate that they are ready to apply new powers and resources and will be held to account for this by local people. The reform package proposed in this report means that national leaders will be given the confidence to push power downwards and challenge traditional assumptions about resource allocation. Risk of change can no longer be used as an excuse to maintain the status quo and cling to old mechanisms despite evidence they are poorly suited to tackle the demand challenges of today. The deal is greater freedom in return for accountability. National leaders will not be expected to command and control – instead they will need to influence, enable and challenge. Devolving power should not be seen as zero sum game that relinquishes everything at the centre – this approach requires power to be exercised in a different way, one which shares it and creates more impact for people and communities.

The traditional institutions in Whitehall may not see things this way, and the levers of power remain irresistible even though they have few strings attached underneath. To put this strategy into practice, it must be pursued with determination and urgency. To that end, the Taskforce has set out an indicative Implementation Plan for the first year of the next government (see next section). This identifies the need for joint working across the Cabinet team to implement this deal across respective departments. To this end, the reform agenda should be driven by a Cabinet sub-committee, chaired by the Prime Minister or Chancellor, with relevant Secretaries of State represented. The sub-committee would be supported by a dedicated team of civil servants at the centre (based in the Treasury or Cabinet Office) tasked with driving this agenda across Whitehall.

### *Moving to a more strategic centre*

The Taskforce's approach is not to begin with structural reform per se, but to proceed with taking pragmatic steps towards implementation. This is because structural reform pursued in isolation from wider purpose will always have limitations: organisational cultures act as barriers or enablers to reform. That is where new leadership is required: to relentlessly get

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<sup>62</sup> *Achieving political decentralisation: Lessons from 30 years of attempting to devolve political power in the UK*, Gash et al, Institute for Government, 2014.

around obstacles. Symbolic structural change will not in itself facilitate innovation and could leave old behaviours and practices intact.

It is clear that in a more decentralised system, in which devolution becomes a default assumption and local capacity is strengthened, there will be a need for a smaller, more strategic central government architecture. The next Labour Government should review capacity at Whitehall after the first year to establish what is necessary at the centre and what capacity could be further devolved down. As deals with councils and combined authorities take shape, expertise and capacity will be required in local areas to a greater extent than it will be at the centre.

The role of the centre will increasingly become one of facilitator and quality assurer, working in a more networked way reflecting the needs of localities and more sophisticated service integration. The centre will be required to link with places not in a multitude of departmental silos, but in a single conversation that encompasses the range of issues they are responsible for.

This means that Whitehall expertise must itself be distributed to localities. Many of the best and brightest should be encouraged to take up post in local areas rather than pursuing careers solely at the centre. The administrative barriers between Whitehall and local government should become more porous, and that in itself should develop greater trust, shared ambition and understanding. Cabinet ministers should be relentlessly challenged to demonstrate how they are distributing power to achieve outcomes instead of managing everything through Whitehall and its executive agencies or quangos.

Everyone involved will need to challenge themselves to work beyond traditional boundaries and outside existing comfort zones. The risks of doing nothing are far greater than the rewards of fundamental change. This is not a 'nice to have'. This change is an urgent priority. With power dispersed throughout the system rather than hoarded at the top, resources invested will maximise value for people and communities, increase local capacity and foster longer term resilience. This is our greatest hope of advancing social justice in what will be a challenging decade.

## RECOMMENDATIONS

- 23. Proceed immediately with an Implementation Plan for the first year of the next Labour Government to put the New English Deal into effect.**
- 24. High-level political commitment and senior co-ordination at Whitehall to develop and sustain a shared commitment to devolving power when in government.**
- 25. A review of Whitehall structures after the first year of implementation to evolve towards a more strategic central government architecture with expertise at the centre devolved locally.**

## 5. Implementation plan

The programme of change set out in this report will deliver a new settlement between the centre and localities. The reforms for a New English Deal are ambitious and will require changes in behaviours, cultures and relationships. They will need leadership to be driven through and shared commitment between all involved. Such is the urgency of the challenge, the Labour Party would need to begin planning before the next government in order to hit the ground running from Day One of a new government in 2015 and overcome institutional barriers to reform.

The Taskforce sets out a proposed implementation plan for the recommendations contained within the report that would act as a framework for action.

### **PHASE 1: Preparatory phase up to May 2015**

Redistribution of power to people and places would form a core plank of Labour's offer to the country for the General Election in May 2015. Working towards this would involve:

- Labour local government leaders and Shadow Cabinet members working together to agree shared priorities for reform.
- Labour councillors using key landmarks including the National Policy Forum, Annual Conference and the manifesto development process to embed recommendations in this report as Labour's policy.
- Local authorities that wish to move towards the second track of the deal immediately to organise themselves and ensure strong governance, such as combined authority arrangements and develop business cases.

### **PHASE 2: First 100 Days of the next Labour Government**

- Convene a Cabinet Sub-Committee chaired by the Prime Minister or Chancellor, including the Chief Secretary to the Treasury (who would have a particular responsibility for driving change through departmental spending plans), the Cabinet Office and relevant Secretaries of State from Whitehall departments with public service. This committee would be charged with driving plans for devolution during the first spending review.
- A new cross-Whitehall unit of both civil servants and external experts should be formed at the centre, reporting to the Cabinet Sub-Committee, with responsibility for coordinating and driving through devolution plans across Whitehall Departments.
- Draft and bring forward a Communities Bill that would set out the legislative underpinning of Labour's devolution agenda in England.
- Begin negotiations with local areas that wish to proceed with a deal that goes further faster.
- All local authorities should begin consulting locally about how to implement the New English Deal and embed good local governance principles.

### **PHASE 3: First year of a Labour Government**

- A Comprehensive Spending Review in 2015 should be used to signal a commitment to hardwire long-termism and devolution into the system.
- The CSR should confirm a multi-year settlement for all local services and the Budget in March 2016 should announce the detail of devolution deals with local areas.
- As the New English Deal takes shape, civil servants should be seconded on a longer term basis to local areas to provide policy and analytical expertise to build capacity.
- At the end of the first year, proceed with a review of required capacity at Whitehall to establish what is necessary and what can be devolved to local areas.

## ANNEX 1 – List of recommendations

1. Agree a New English Deal with all communities based on a commitment by local government to deliver core pledges in return for greater powers and control over resources. This will recast the relationship between government at every level and citizens, based on active participation and sharing responsibility for outcomes.
2. Allocate multi-year funding settlements for the full Parliament for all local services as part of the 2015 Spending Review. Additional savings achieved from redesigning services over the parliament should be retained locally and reinvested back in the community.
3. Give Health and Wellbeing Boards new powers and responsibility to drive whole person care collective commissioning for people with long-term conditions, disability and frailty.
4. Provide a pooled budget based on 'year of care' funding for people with long-term conditions, disability and frailty to drive commissioning for whole person care.
5. Where local areas want to be more ambitious, legislate to enable them to move towards a single commissioning budget for health and care.
6. Devolve skills funding for further education provision for 16–19 year olds and 19+ to groups of local authorities at city and county region level and give them responsibility for commissioning provision within their area.
7. Create a new Youth Transitions Service for under-21 year olds to provide more effective support for young people transitioning from education to employment.
8. Create a new, high quality, independent careers advice service for young people to have access to information, advice and work experience to help them make positive future choices.
9. Devolve more powers to lower tier local authorities (district and unitary) to have a say in appointing local police commanders and set priorities for neighbourhood policing, backed up by new powers to commission local policing.
10. Abolish the PCC model and create new Policing Boards at strategic force level, with powers to appoint and dismiss the chief constable, agree a policing plan with strategic priorities and set the overall budget for the area.
11. Extend Youth Offending Team support to young adults aged 18–20 to strengthen effective local approaches to reducing reoffending.
12. Empower local areas to develop effective localised interventions for families facing exclusion.

13. Create a new £1.5 billion fund, top-sliced from existing funding in Whitehall departments and devolved to local areas to support sustainable outcomes for excluded families.
14. Renew Sure Start Centres as hubs for support for children in communities by creating a duty for services to co-operate around and co-locate in centres.
15. Strengthen the role local authorities can play in brokering childcare provision for parents by establishing a duty to co-operate to support children's life chances across all public services and childcare providers.
16. Build robust local accountability of all schools through Directors of School Standards appointed and held to account by local authorities and supported by local education panels to ensure high standards and constant improvement.
17. A right for local areas with a strong track record of delivery and effective statutory governance arrangements to negotiate further devolution of powers and funding to tackle high cost, complex demand pressures on public services.
18. Strengthen local governance to drive reforms and leadership of place.
19. A new sector-led College of Local Representation to support councillors develop skills required to represent residents effectively and strengthen local democracy.
20. Create powerful independent Local Public Accounts Committees to assess value for money and performance of all public services in a place.
21. Embed effective performance management for local government to drive improvement, strengthen accountability to local people and tackle underperformance.
22. Develop a new strategy for technology to support service innovation, establishing new protocols for open data and sharing data between agencies, and new platforms to build interoperability and promote access.
23. Proceed immediately with an Implementation Plan for the first year of the next Labour Government to put the New English Deal into effect.
24. High-level political commitment and senior co-ordination at Whitehall to develop and sustain a shared commitment to devolving power when in government.
25. A review of Whitehall structures after the first year of implementation to evolve towards a more strategic central government architecture with expertise at the centre devolved locally.

## ANNEX 2 – Executive Summary of Local Government Innovation Taskforce *First Report: The case for change*, published March 2014

**The financial context for our public services has changed fundamentally in recent years: all public services are being required to deliver with less resource.** There is now a clear choice:

1. To continue to salami-slice Whitehall budgets, squeezing separate public services and tinkering round the edges of traditional modes of delivery.
2. A radical reconfiguration of the system which links public service reform to growth; invests in people to become more productive and equipped to take advantage of future opportunities; and over time reduces demand by shifting from high-cost reaction to long-term prevention.

**The Tory-led Government has pursued the first option: salami-slicing budgets rather than radically reconfiguring the way services are designed and delivered.** Despite having promised to push power down, they have not delivered this in practice: power and resources remain concentrated at the centre. In the absence of reform, demand for services is outstripping the resources available to deliver them, and the public sector is facing a crunch.

**It is clear that the status quo is no longer affordable:** carrying on “business as usual” will lead to the steady decline, retrenchment and residualisation of public services. This has now become the riskier option to fundamental reform.

**A traditional, largely centralised model of service design has reached the limits of its efficacy.** It is failing to deliver in the context of dwindling resources. Standardised approaches are struggling to deal with complexity or difference. Silos are causing inefficient duplication and creating barriers to innovation. And people are not sufficiently engaged and involved in service design.

**We need to reconsider at what level public services should be designed and delivered to maximise investment and effectiveness.** The starting point for this should be examining what is working well and why.

**Evidence from local government suggests that a strategy for public services based around place provides an opportunity to be more efficient.** Evaluation of community budget pilots showed that if all places adopted the approaches on health and social care, troubled families and work and skills, there is the potential for better services and savings of between £9.4 billion and £20.6 billion over five years.

**It also has the opportunity to ensure greater fairness for everyone.** Evidence from cross national comparisons show correlations between devolved governance and lower levels of inequality overall, and there is evidence that over-centralisation is constraining economic development outside London.

**And it charts the way for delivering a new approach to public services based on three core principles:**

- Power for people to shape their services in response to their specific needs and those of their communities.
- Collaboration and co-operation between public services and organisations to stop inefficient duplication.
- Investment in prevention, early intervention and promoting independence to avoid the costs of failure.

Across the country there are examples of Labour councils putting these principles into practice. For example:

- **People given more power to shape services:** Where the Youth Contract has been devolved, services have been shaped to local circumstances and results have delivered close to double the level of success. Nationally the programme has helped 27 per cent of young people into work or learning, while in Leeds, Bradford and Wakefield 57 per cent, and in Newcastle and Gateshead 47 per cent, have been supported into work or learning. The Young Lambeth Cooperative hands power to commission play and youth services directly to young people, their families and wider communities.
- **Stronger collaboration and co-operation between services:** Greenwich Integrated Care, a partnership between the council, the CCG and the local NHS foundation trust is showing how an integrated whole system response to care needs can improve health and independence, reduce the need for more expensive types of care and support, and save the social care budget £900,000.
- **Investment in prevention and early intervention to avoid the costs of failure:** Oldham Council estimate that as a result of improvements in outcomes for the “troubled” families they have worked with and the reduced need for reactive services such as police call-outs, A&E attendances and school attendance support, there is a potential cost saving across the public sector of £1.1 million if work is scaled up across the borough.

**These innovations demonstrate the potential of a reformed approach to public services based around places to overcome the barriers inherent in the current system.** They are showing the value of local approaches to ensure more productive places, people equipped to take advantage of opportunity and over time tackle demand pressures by shifting towards prevention.

**This is a clear opportunity for Labour nationally to take a radically different approach to meet its ambitions for a stronger, fairer society in which everyone can play their part.** Reform will need to alleviate the pinch points identified and devolve power to local areas where national programmes are ineffective.

**Radical reform will involve changes for all involved – both for central government and for local government.** This will involve a clear framework of national entitlements and outcomes, which should form the basis of a devolved approach and then enable greater scope for local areas to innovate to meet needs, more comprehensively tackle demand pressures and ensure no community is held back.

## ANNEX 3 – Governance arrangements

The following provides further detail about local governance arrangements that would underpin new devolved powers.

### I. A New English Deal

#### **PLEDGE 1: Provide people with the care they need to live independently**

New responsibilities for Health and Wellbeing Boards, composed of local authority elected members and officers, clinical commissioners and patient representative groups, to develop a collective commissioning plan for people with long-term conditions, disability and frailty would mean:

- Health and wellbeing boards would have operational responsibility for driving integration and be accountable to the council for a costed commissioning plan focussing on developing service integration driven by the needs of identified cohorts.
- Health and Wellbeing Boards would need to use risk stratification to identify local cohorts with long-term conditions, disability and frailty to whom year of care budgets would be provided. They would need to identify how the local health and care system can collectively respond to these needs and aggregate this to produce a Whole Person Care commissioning plan for the area that focuses on developing service integration around the needs of people who use them.
- There would be a retained role at the centre to quality assure robust local plans, to agree outcomes targets and timetables for integration within these plans.
- Providers would need to be actively involved in the production of plans – both NHS acute trusts and independent care providers – to ensure whole system engagement and buy-in locally, which is vital to the viability and sustainability of integration. Formal consultation methods could be explored as part of the process of developing commissioning plans.
- Local health and care commissioners would have a statutory duty to enact this plan to deliver whole person care.
- The impact of this approach on shifting acute care pressures would need to be tracked so that potential savings and sustainable resource reallocation within in the system could be identified. Identified savings would only be cashable and reinvested elsewhere once provision is no longer required.

#### CASE STUDY

##### **Using risk stratification**

Wigan has developed a tool that considers 67 criteria to give a predictive risk score of emergency admission to hospital within the next 12 months. Initial targeting has focussed on the 4,776 residents with a risk score of more than 30 per cent (1.5 per cent of the local population). Integrated neighbourhood teams are providing bespoke packages of support for those at high risk of readmission to hospital. Early findings from the first year of working with these individuals have found a 41 per cent reduction in non-elective admissions, a 38 per cent reduction in A&E admissions and a 17 per cent reduction in outpatient attendance.

*Source: Greater Manchester Growth and Reform Plan.*

## **PLEDGE 2: Give every young person the chance to get a decent job**

Responsibility for commissioning further education provision for 16–24 year olds would be devolved to groups of local authorities through combined authorities or economic prosperity boards where they exist, working with LEPs who will set out priorities for the commissioning plan. This would mean:

- Local authorities would be accountable for outcomes. They would need to work collaboratively together and with LEPs and other relevant partners including further education providers, schools and the third sector, to make collective decisions about a skills commissioning and outcomes plan relevant to their functional economic area.
- The local skills plan would be informed by an analysis of learner demand, employer need and strategic sectoral priorities for the area. This intelligence-led approach based on quality and up-to-date information would be developed and agreed with LEPs.
- Providers would be required to design their training and skills offers against this commissioning plan.
- Each area would be allocated a budget based on their plan agreed with government. Funding would be based on a national funding formula to ensure providers receive comparable rates for comparable provision and ensure transparency nationally.
- The devolved approach requires a smaller national spine agency responsible for providing funding allocations, maintaining budgetary control and providing light-touch oversight.

## **PLEDGE 3: Increase community safety and reduce crime**

PCCs would be abolished and replaced with new Policing Boards convened at force level and charged with holding the police to account for their performance. This would involve:

- Leaders of all local authorities within a police force area – unitaries, districts and counties – would comprise the Policing Board, ensuring senior political representation.
- The clear separation between the democratically accountable Policing Boards, which would hold the police to account for their performance, and the operational independence of the police with operational responsibility resting with the chief constable.
- In two police force areas, Durham and Wiltshire, these comprise only two local authorities: Durham and Darlington, and Wiltshire and Swindon. This would mean that the Policing Board in each case would comprise just two leaders: in these instances the Taskforce would propose a Policing Board with lead member representation in addition to leader representation. The Taskforce notes that these recommendations are not applicable to London, in which accountability of policing is placed with the Mayor.
- Unlike PCCs, positions on Policing Boards should be unremunerated, the responsibility resting alongside other executive functions performed by leaders and mayors.

#### **PLEDGE 4: Help families facing exclusion to overcome challenges for good**

Funding topsliced from existing Whitehall departments will be devolved to partnerships locally to provide more effective support for excluded families. This would involve:

- New partnerships formed at the upper tier local authority level to bring together the local authority, the Health and Wellbeing Board, police force, probation, schools and Jobcentre Plus. There would be an option for groups of local authorities to come together in partnership across a wider geography where that is determined to be most effective.
- The pooled budget would be devolved to cover upfront investment required and would involve a deferred element of the payment to reward sustainable outcomes and better share risk between local partners.
- Local partners would agree criteria for determining families facing exclusion between each other, and in agreement with government. Local agencies would then share intelligence to identify them, and develop integrated service models that can improve outcomes.
- The partnerships would need to monitor and track progress on outcomes against core indicators common across all areas, ensuring national consistency of data gathering to measure progress, combined with local flexibility in how the incentives structures are managed to deliver those outcomes.

#### **PLEDGE 5: Give every child a good start in life**

Local authorities would be responsible for appointing Directors of Schools Standards. New local education panels would be responsible for supporting Directors of Schools Standards to develop a long-term strategic plan for education. This would involve:

- The local education panel would include relevant local authority, school and parent representatives. The panel would work with the DSS on the developments of a long-term plan for raising standards in education in the area.
- The panel and the DSS should work closely with others across the community to draw in wider expertise from early years, further and higher education, business and health to ensure education plans are devised in the context of wider concerns that impact on a child's life chances and progression through education.
- The local education panel and the DSS could work together to publish an annual report setting out progress over the last twelve months, areas for improvement and plans for the coming year, which would enable parents to gain a greater qualitative understanding of provision in their local area and different educational opportunities for their child.

### **II. A right for councils to go further faster: Accountability arrangements**

Deals for councils able and willing to go further faster will require new place-based accountability arrangements which would establish responsibility for securing outcomes over the life of the deal. Accountability agreements would be established between the local authorities and central government based on a business case for reform. These would set out the following:

- **Statement of ambition:** objectives agreed between local authorities and local partners across the place.
- **Definition of the problem:** the case for change, identifying the financial challenges including demand pressures in the system, the “business as usual” costs of doing nothing and high level outcomes projected from reform.
- **Cohorts:** how groups of people that would benefit from reformed services would be defined and identified across the place, including volumes, needs and key transition points.
- **New delivery models:** co-designed with partners for the identified cohorts, to develop service integration around individuals and families, focussed on identified needs. These would use evidence-based interventions and packages of support, effectively sequenced to maximise impact.
- **Financial models:** a shared investment agreement sets out who invests over what period between the local authorities and central government, with shared risk and reward to match upfront costs and projected returns. The ability of the local authorities to retain savings achieved from service improvements and sustainable outcomes secured would be balanced with financial penalties or clawbacks for lack of service improvement.
- **Evaluation and performance:** use a Cost Benefit Analysis Framework<sup>63</sup> as the basis for tracking impact on a small number of core outcome metrics over time, with appropriate arrangements for managing and mitigating risk. Modelled assumptions would be replaced with actuals over time as reforms embed, an evidence base is developed and informs the scaling up of successful models.

Instead of being layered on top of existing departmental accountability arrangements, these new accountability agreements would need to replace them. By carving out separate place-based accountability for the deals, this avoids the need to set up costly workarounds that divert capacity to fulfil existing national accountability requirements that can be conflicting and aligned to siloed working.

### III. Leading change locally

#### *Local Public Accounts Committees*

The Taskforce proposes new Local Public Accounts Committees to be established to scrutinise and account for the financial and social value of integrated spending on public services in an area. In order to fulfil their purpose effectively, their three new statutory powers would be:

- The power to have access to any papers, accounts or information held by anybody involved in delivering public services and to require representatives to give evidence, either written or in person by attending hearings. The FOI Act definition of ‘delivering functions of a public nature’ and other FOI definitions and exclusions would determine who and what would be covered by this.
- An ‘enter and view’ power over any organisation delivering publicly funded services, with a right to access real time management information and to directly access and talk to staff and service users. This power is

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<sup>63</sup> See Greater Manchester Cost Benefit Analysis: Technical Specification, New Economy Manchester and AGMA, March 2013.

currently held by local Healthwatch organisations over health and social care providers to fulfil their patient and public involvement responsibilities.

- A power to use this evidence to make recommendations to any local public service commissioner or provider, to which they would be obliged to respond saying which recommendations they accept and what they plan to do in response, and if they do not accept any recommendations they must give reasons why not. The LPACs could have the right to refer any refusal to implement a recommendation they regard as crucial for good governance to a relevant body for determination or further investigation – either the national PAC or a relevant Secretary of State.

Local Public Accounts Committees would need to be sufficiently resourced to provide meaningful, evidence-based challenge, in particular being able to draw on financial expertise in the same way that the national PAC can call on analysis from the National Audit Office. Arising from existing scrutiny functions potentially enables some existing support to be diverted, but other public services would need to contribute financial analysis, expertise and support for LPACs' mandate to assess the effectiveness of integration across services. For Combined Authorities, there is more potential for more significant pooling of resources at scale, and LPACs should be established alongside any new governance arrangements. If Local Public Accounts Committees are proceeded with, further plans for effective resourcing would need to be developed, and there is potential for the newly established local public audit regime to tie in with this in the future.

#### *Driving up quality in local government*

The Taskforce proposes a model of strong local government collective responsibility as part of the first stage of intervention if local authorities are not delivering outcomes. This is based on existing local government peer challenges:

- Currently voluntary, existing peer challenges involve a team of politicians and officers from other local authorities carrying out a comprehensive review of all aspects of a council's work.
- The scope of the challenge includes political leadership, management and finance, and requires full access to all staff and partners as part of the process to identify areas for improvement. The challenge team could also meet with a random selection of local residents to ensure the public's perception of the council and place is heard.
- In a more devolved system, the peer challenge teams could address how the council is performing against key metrics covering financial management, social value and public involvement in decision-making. The membership of the teams could also be extended to include other representatives from health, voluntary and community sectors and the business sector.
- The process would be quality assured nationally but led by local government collectively to engage with specific performance assessment requirements.
- The peer challenge team's conclusions would focus on specific recommendations the council needs to make, and would be published on the council's website for public access.
- Councils would be required to report back on measures taken to respond to the recommendations, and a second follow up peer challenge to assess progress should be scheduled within 18 months.

## ANNEX 4 – Call for Evidence participants

The Local Government Innovation Taskforce held a Call for Evidence as part of its inquiry. The following organisations and individuals submitted evidence as part of this:

Accelerating Innovation in Local Government Research Project  
Association of Chief Executives of Voluntary Organisations (ACEVO)  
Association of Employment and Learning Providers (AELP)  
Association for Public Service Excellence (APSE)  
Mr Harry Barnes  
British Medical Association (BMA)  
Calderdale Council  
Camden London Borough Council  
Carillion Plc  
Confederation of British Industry (CBI)  
Centre for Cities  
Centre for Public Scrutiny (CfPS)  
Cllr James Alexander, Leader of City of York Council  
Co-operative Councils Innovation Network  
Core Cities Group  
Crisis  
Derby City Council  
Derbyshire County Council  
Design Council  
Cllr Simon Henig, Leader of Durham County Council  
Early Action Taskforce  
Early Years Foundation  
Exeter City Council  
Merseyside Fire and Rescue Authority (MFRA)  
Gateshead Council  
Gloucester Labour Group  
Halton Borough Council  
Haringey Council Labour Group  
Health Foundation  
Home Group  
Institute for Public Policy Research (ippr)  
Islington London Borough Council  
Joseph Rowntree Foundation  
Kirklees Metropolitan Council Labour Group  
Knowsley Metropolitan Borough Council  
Lambeth London Borough Council  
Lewisham London Borough Council  
Cllr Mark Ingleby of Lewisham London Borough Council  
Local Government Association (LGA)  
Lichfield District Council Labour Group  
Cllrs Steve Munby, Anne O'Byrne and Nick Small, Liverpool City Council  
London Councils  
London Early Years Foundation (LEYF)  
Manchester City Council  
Manchester Labour Group  
National Housing Federation  
Newcastle upon Tyne City Council

Sir Robin Wales, Executive Mayor of Newham London Borough Council  
New Local Government Network  
NHS Confederation  
Nottingham City Council  
Oldham Metropolitan Borough Council  
Oxford City Council Labour Group  
Public and Commercial Services union (PCS)  
Plymouth City Council  
Cllr Peter Rankin, Leader of Preston City Council  
Royal College of Nursing (RCN)  
Rotherham Council Labour Group  
Royal Town Planning Institute (RTPI)  
Cllr Geoff Smith, Sheffield Labour Group Secretary  
South Gloucestershire Council Labour Group  
Cllr Iain Malcolm, Leader of South Tyneside Metropolitan Borough Council  
Cllr Peter John, Leader of Southwark London Borough Council  
St Helens Metropolitan Borough Council  
Stoke-on-Trent City Council  
Sunderland City Council  
City and County of Swansea  
Telford and Wrekin Council  
Unite the Union  
Cllr Mark Rusling, Cabinet Member for Economic Development and  
Corporate Resources, Waltham Forest London Borough Council  
Warrington Borough Council  
Martin Willis, Director of the West Midlands Local Enterprise Board  
Wirral Council  
Wolverhampton City Council

The Taskforce also held a series of evidence sessions with Labour councillors. Representatives from the following local authorities participated:

Aylesbury Vale District Council  
Barking and Dagenham London Borough Council  
Barnet London Borough Council  
Barnsley Metropolitan Borough Council  
Basingstoke and Deane Borough Council  
Birmingham City Council  
Bolton Metropolitan Borough Council  
Bracknell Forest Borough Council  
Bradford Metropolitan District Council  
Brent London Borough Council  
Bromsgrove District Council  
Burnley Borough Council  
Bury Metropolitan Borough Council  
Cambridge City Council  
Camden London Borough Council  
Cheshire East Council  
Cheshire West and Chester Council  
City of York Council  
Corby Borough Council  
Coventry City Council  
Croydon London Borough Council  
Derby City Council

Derbyshire County Council  
Doncaster Metropolitan District Council  
Dover District Council  
Durham County Council  
East Lindsey District Council  
Exeter City Council  
Gedling Borough Council  
Hackney London Borough Council  
Halton Borough Council  
Hampshire County Council  
Haringey London Borough Council  
Harrow London Borough Council  
High Peak Borough Council  
Hounslow London Borough Council  
Hull City Council  
Islington London Borough Council  
Knowsley Metropolitan Borough Council  
Lambeth London Borough Council  
Lancashire County Council  
Leeds City Council  
Leicester City Council  
Lewisham London Borough Council  
Lichfield District Council  
Liverpool City Council  
Manchester City Council  
Merton London Borough Council  
Newcastle-under-Lyme Borough Council  
Newcastle upon Tyne City Council  
Newham London Borough Council  
North East Lincolnshire Council  
North Tyneside Council  
North Warwickshire Borough Council  
North Yorkshire County Council  
Norwich City Council  
Nottinghamshire County Council  
Oldham Metropolitan Borough Council  
Oxford City Council  
Oxfordshire County Council  
Preston City Council  
Redditch Borough Council  
Rochdale Metropolitan Borough Council  
Rossendale Borough Council  
Rotherham Metropolitan Borough Council  
Royal Borough of Greenwich  
Royal Borough of Kensington & Chelsea  
Rushmoor Borough Council  
Salford City Council  
Sandwell Metropolitan Borough Council  
Sefton Metropolitan Borough Council  
Sheffield City Council  
South Kesteven District Council  
Southwark London Borough Council  
St Helens Metropolitan Borough Council  
Stafford Borough Council

Staffordshire County Council  
Stockport Metropolitan Borough Council  
Stockton-on-Tees Borough Council  
Stoke-on-Trent City Council  
Stroud District Council  
Surrey County Council  
Surrey Heath Borough Council  
Tameside Metropolitan Borough Council  
Telford & Wrekin Council  
Trafford Metropolitan Borough Council  
Walsall Metropolitan Borough Council  
Waltham Forest London Borough Council  
Wandsworth London Borough Council  
Warrington Metropolitan Borough Council  
Warwickshire County Council  
Watford Borough Council  
West Lancashire Borough Council  
West Somerset District Council  
West Sussex County Council  
Winchester City Council  
Wolverhampton City Council  
Worcester City Council  
Wyre Forest District Council







