

Council – 13th January 2014

Notice of Motion - Rewiring Public Services Campaign

Service: All

Wards: All

1. Summary

The Local Government Association (LGA) has launched a campaign “Rewiring Public Services” which looks to provide solutions on how to deliver public services within an ever tightening fiscal environment. Their objective is to lobby for a radical transformation of the way local government works and its relationship with Whitehall.

The publication looks at ways to enhance the quality of life of everyone in England by:

- rejuvenating democracy and giving back to people real reasons to participate in civic life and their communities.
- transforming public services so they prevent problems instead of just picking up the pieces
- boosting economic growth in a way that offers prosperity to every place.

Following several months of discussions with LGA members, they have drawn up a list of key propositions they want to see adopted in full or part within party manifestos and implemented by whoever forms the next Government in 2015.

2 The LGA Argument for changing public services

- 2.1 According to the LGA, People increasingly feel that English democracy faces a crisis. Voters increasingly express frustration that Scotland and Wales have more power over what happens in their places than England do. Voters want a bigger stake in public debate and MORI polling shows 79% of people trust councils to make decisions about the future of local services.
- 2.2 The economy is stagnant and too many people are without jobs and without hope of a better future. People want well targeted and planned investment in growth, training and help that really leads to jobs and an adequate supply of affordable homes.
- 2.3 The current public services model is not sustainable. Demand is going up whilst funding is going down and concentrate on trying to handle failure rather than prevention. People want affordable services which are built around them and their needs.

2.4 A transformed and independent local government is needed to:

- make public services effective, efficient and locally responsive through place-based budgets, bringing all spend into one place
- revitalise local economies by targeting and planning investment better, matching training and skills with employer based need and unlocking barriers to building homes
- rebuild democracy to make it meaningful again

3. Ten big Ideas for rewiring public services

3.1 In order to enhance the quality of people's life and transform local government, ten key propositions have been put together by the LGA:

- 1) Give people back a meaningful local vote on a wide range of tax and spending decisions, to establish a level of decision-making that allows each place to act as its own local treasury, managing local tax and spend and driving growth.
- 2) Drive local public service effectiveness and end waste and red tape at all levels by bringing local services and decisions together in one place, for each place, for issues ranging from economic development to health and law and order
- 3) Reduce bureaucracy and remove artificial Whitehall silos by merging six government departments and creating a single England Office. Under this proposal the Department for Communities and Local Government, Department of Transport, Department for Environment, Food and Rural Affairs, Department of Energy and Climate Change, Department for Culture, Media and Sport and relevant parts of the Home Office would be combined.
- 4) Share money fairly around the UK by scrapping the outdated Barnett formula and replacing it with needs-based funding.
- 5) Share money fairly around England by taking financial distribution out of the hands of Ministers and replacing it with an agreement across English local government.
- 6) Strengthen the say of local people by reducing Ministers' powers so that they cannot intervene in local democracy, boundaries and decisions.
- 7) End flawed and bureaucratic tick-box inspections and replace them with a process where genuine consumer champions' focus on the service local people receive from schools, hospitals, policing or care homes.
- 8) Boost investment in infrastructure by re-creating the thriving market in municipal bonds which England once had and most other counties still have.
- 9) A multi-year funding settlement aligned to the end of the next parliament which will enable councils to invest in economic growth and prevention rather than cure.
- 10) Put this settlement beyond future Whitehall revision by giving formal constitutional protection to local democracy.

3.2 The document also details the 6 key challenges facing local government which the LGA are looking to change, propositions for each and what these proposals will deliver:

- Independent local government, revitalising democracy
- Economic growth and welfare reform, building resilient communities
- Adult social care and health, caring for the vulnerable
- Children's services, nurturing our future
- Financial sustainability, supporting people and places
- Transforming local government to take on the challenge

3.3 Independent local government, revitalising democracy: These proposals include giving back a meaningful local vote on a wide range of tax and spending decisions; reducing bureaucracy and creating a single England office; sharing money fairly by replacing the Barnett formula; transforming local government with a new framework for public services; and aligning parliament and local government through greater inclusion of MP's in council decision making.

Why? - The LGA believes that the above proposals will make elections matter to people because they will have a personal and financial interest in the outcome. It will allow national Government to focus on national policy and legislation and not on local matters and will address English voters' disillusionment with the unequal devolution settlement.

The greater inclusion of MPs in council decision making and the involvement of leading councillors in the House of Lords will align Parliament and local Government more closely by ensuring that a proportion of the House of Lords is there by virtue of their electoral mandate and their knowledge of the impact of legislation on people and communities.

3.4 Economic growth and welfare reform, building resilient communities

3.4.1 Proposals include:

- A local treasury to provide the incentive for growth and choice, rather than silo budgets to fund services. Ability to flex business rates and other taxes including tourist or sales taxes to support local economies
- An agreement between local government and local taxpayers on the level of local taxation and their choices on spending decisions
- A changed relationship between universities and local government to link education more strongly to local economies
- Development of clearer employer involvement in schools' work on education outcomes and as an introduction to the world of work
- Local leadership of skills and jobs initiatives through employer-led programmes linked to local economic needs
- A place based public service budget for infrastructure
- Localised simplified regulation linked to clearly defined vision for the community and place

Why? - The LGA believes that the above proposals will help revitalise local economies by enabling better targeting of investment in projects that will unlock real growth potential, including house building; provision of a better tailored service to local businesses; putting school-leavers; work readiness higher up educational priorities; and retaining growth income in the local economy. That an increased focus on early intervention will ensure education and training will make young people employable.

3.5 **Adult social care and health, caring for the vulnerable, and Children's services, nurturing our future**

1. All health and social care should be consistently co-ordinated around the needs and wishes of the individual, with an approach that supports the whole community.
 - Focusing on the capabilities and resources of individuals rather than what they can't do
 - Using 'personal well-being' budgets to provide choice and control to individuals for the services and support they require to improve their health, wellbeing and independence
 - Recognising and supporting the crucial role of family, carers and neighbours in keeping people independent and within their community
2. Place based public service budgets
 - Local commissioners directing resources to have the greatest impact
 - Ring-fenced budgets becoming irrelevant
 - Savings in acute services from more effective prevention and re-ablement can be invested in better support in the community
 - Allowing greater investment in early intervention
3. Health and wellbeing boards strengthened to extend their leadership across local services to ensure child and adult health and wellbeing is at the top of local agendas
 - Involving the full range of health services including community, mental health and acute trusts
 - Signing off health and care commission plans to ensure alignment with democratically-mandated local services
 - Extending joint commission across core social care and health budgets
4. Give councils the flexibility to redesign services around individual and family needs and promote effective early intervention.
5. Rebuild the role of families and communities in supporting each other
 - Raise expectations that communities will help families and families will help each other
 - Ensuring young people understand the rights and responsibilities of government and citizens
 - Recognise crucial support of extended family members who care for children
 - Incentivise businesses to support children and young people in their locality
6. Strengthen links between the local community and schools
 - Give local people a more direct say in how schools buildings are used out of hours
 - Developing clearer employer involvement in schools work on education outcomes
 - Remove the ring-fencing of schools budgets
 - Reverse the decision which prevents schools pooling budgets

Why? The LGA believes these proposals will reduce dependency on intensive support, whilst offering a safety net for the most vulnerable and will allow services to work with people as individuals in their family context and will allow services to be designed and delivered *with* people and therefore be more effective. Integrating social and health care can save money and improve

outcomes. The promotion of healthier lifestyles will improve productivity and reduce the tax-drain.

A better connection between schools/education providers and employers will help revitalise local economies. A place based budget approach to boost early intervention and prevention to make children and families resilient but allow children and parents to get the help when it is needed, regardless of whether it's from children's centre, social worker, school, GP, etc.

3.6 Financial sustainability, supporting people and places: Create a local treasury, multi-year funding settlements and recreate thriving market in municipal bonds.

1. Give people back a meaningful local vote on a wide range of tax and spending decisions.
 - A self-funded local government through council tax, business rates and other taxes including local control over these, the right to determine new local taxes and to set fees and charges to fully recover costs
2. A multi-year funding settlement
 - An agreement tied to the life of Parliament for any services remaining funded by central Government to allow greater innovation and pursuit of longer term objectives
3. Recreate the thriving market in municipal bonds
 - Free local government borrowing from Treasury restrictions
 - Allow access to alternative forms of finance
4. End waste and red tape
 - A place-based public services budget approach to the integration of public services in every place providing fluidity between currently protected and non-protected budgets to support locally agreed outcomes
 - Financial incentives for government departments to overcome inertia to place-based funding reforms
5. Share money fairly around England by taking distribution out of the hands of Ministers and replacing it with an agreement across English local government.

Why? The LGA believes these proposals will help revitalise local economies and make public services sustainable by putting councils onto a self-financing footing. The proposals would help rebuild local democracy by putting the link between tax and spending decisions at the centre of local democratic debate.

3.7 Transforming local government; a new framework for public services which is able to be both strategic and locally responsive with significant devolution of powers to a local level.

Why? People would see where accountability lies and what the local risks are.

Background papers

More details on the campaign can be found at www.local.gov.uk/campaigns

The document "Rewiring Public Services" can be found at:

http://www.local.gov.uk/web/guest/publications/-/journal_content/56/10180/4047947/PUBLICATION

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3rd January 2014