

Report of the Assistant Chief Executive (Customer Access and Performance)

Report to Executive Board

Date: 11 April 2012

Subject: Commission on the Future of Local Government – Progress Update

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The Commission is exploring the concept of Civic Enterprise as a way to respond to the extreme change and challenges facing local government. This paper provides an update on recent progress of the Commission and the issues emerging, giving councillors an opportunity to discuss how Leeds can increasingly use the concept of Civic Enterprise to help deliver the city and council ambitions.
2. The Commission presents a significant and timely opportunity for local government to play an active role in contributing to the definition of its future role. It is hoped that the Commission will ultimately influence ministers and other key stakeholders at a national level, as well as locally. The final meeting of the Commission is on 23 April 2012, and the report will be published in July 2012.
3. A range of work locally has a “civic enterprise” feel to it, such as neighbourhood networks, the approach to apprenticeships, potential community asset transfers, and some locality working approaches. This approach to embracing the strengths of everyone who can contribute, and the Council not necessarily playing the leading role, is the most likely route to improving outcomes in the medium to long term.

Recommendations

Executive Board is asked to:

- Note the work of the Commission and receive further updates as the Commission progresses.
- Engage with the process and provide evidence on one or more of the three themes of:

- The role of Elected Members
- Citizen engagement
- The economic potential of local government
- Consider what real and pressing local issues may benefit from a civic enterprise approach to enable improvement for our citizens.

1.0 Purpose of this report

- 1.1. This report is to update Executive Board with the recent work of the Commission on the Future of Local Government, which Leeds has initiated. The Commission is exploring the concept of Civic Enterprise as a way to respond to the extreme change and challenges facing local government. This paper provides an update on the progress the Commission has so far made and the issues emerging so that councillors can consider the best way for Leeds to increasingly use the concept of Civic Enterprise as a way to help deliver the ambitions for the city and for the council.

2.0 Background information

- 2.1. Local government and the environment in which it operates is currently undergoing a period of huge transformation. A range of international and domestic issues – political, economic and social – are the catalyst for a fundamental rethink of its role, purpose and activity.
- 2.2. The Commission is seeking to help structure this process with a particular focus on the current and future role that civic enterprise can play within new models of local government and governance. It aims to build on other relevant research to provide evidence for a credible platform for change to re-energise the local democratic leadership role, as a catalyst for making local relationships work for the benefit of local people.
- 2.3. This concept of civic enterprise is based on the premise that services built on real partnership between the public, private and third sectors will lead to an enhanced quality of life for local people. This means pooling the sectors' combined strengths to bring greater efficiency and dynamism to service delivery while ensuring fairness and accountability throughout and ensuring that each sector learns from the expertise and strengths of the other.
- 2.4. Factors shaping the work of the commission include:
 - There is currently an ongoing debate around the future of the UK. While the long term challenges in Wales, Scotland and England remain the same, the pathways chosen have been very different in the devolved administrations from the Whitehall model. This has resulted in a significant divergence in the political and policy context, particularly in terms of the power and role of local government in relation to the centre.
 - Recent prominence through LGA campaign activity and the inquiry by the Political and Constitutional Reform group about Prospects for codifying the relationship between central and local government.
 - Cuts in funding are forcing councils to reduce staff numbers and review service provision in terms of both 'which' and 'how' services are provided.

This includes considering how to manage and reduce demand by fostering a culture of increased self reliance and independence from state provision.

- A period of major government policy change is already underway. This includes the Localism Act, the promotion of academies, open public services, benefits changes and NHS reform.
- New structures for economic development are now in place and councils have already expanded their roles in terms of economic intervention. This includes temporary business rate relief, job creation programmes on Green Deal, core strategy and affordable housing policies and apprenticeships.
- Next year the amount of business rates collected by the government will for the first time in decades be greater than central government grants to local government. This may bring greater policy responsibilities for local councils and it would make sense if these included powers for the local authority to stimulate their local economy.
- The ability of local government to build on the excellent examples of collaboration and partnership working that are evident across the sector, to transfer learning and develop new models of delivery. The success of local government to adapt to its new environment will to a large extent depend on its value base and the quality of its partnership work across the sectors.
- The current, largely untapped, potential of local government to be a major force in terms of its contribution to dealing with the major issues facing the UK, including the financial crisis, low carbon agenda, ageing population and the potential crisis of confidence in democracy.

2.5. The Commission, though initiated in Leeds, has its own identity and is not focusing solely on the Leeds context. The focus is national in order to create a blueprint on behalf of the sector that can be used in discussion with ministers and other stakeholders. However, the learning and insight this provides places Leeds in an excellent position to understand how to practically exploit opportunities to embed civic enterprise across the city and improve outcomes for local people as a consequence.

3.0 Main issues

3.1. The Commission consists of a number of experts (see Appendix 1) who began work in Autumn 2011 with the concept of civic enterprise and some local examples to illustrate the concept. It was agreed that civic enterprise provided a route for improving service delivery but there was a need to develop an evidence base and practical resource in order to underpin it.

3.2. A very general call for evidence was issued following the first meeting (in November) and this generated varied insights and examples. These were reviewed and the analysis, along with research into the wider context, informed the discussion that was held by the Commission at their meeting in January 2012.

3.3. This second meeting of the Commission generated a number of key discussion points/observations:

- There is a need to ensure that local government is perceived as an asset rather than a liability. Whilst decision makers centrally often see local government as the “Achilles heel” in terms of policy development and implementation, there is evidence that local people do have growing levels of trust in local government.
- There remains a need for local government to change. New aspects of leadership and some attitudinal shifts will be needed in order to make this a reality.
- Similarly, other sectors will need to engage in new ways, to create different kinds of relationships, between the state, the citizen, the private and third sectors. A good practical suggestion of losing the labels of "sectors" has also been made, that would help with this attitudinal shift.

3.4. Out of the Commission discussion emerged a number of specific areas where it was felt that the concept and content of civic enterprise should be further explored:

3.4.1. **Values and Culture**

Most of our solutions are in people, as citizens and across our collective workforce. We need to value and support people, including young people, more explicitly so that they fulfil their potential in meeting the challenges of today and the future.

Culture, values and ethos that ensure a civic enterprise approach can give us the ‘x-factor’ of bringing the best of all sectors together, power sharing for the benefit of the local area.

Public services should be commitment driven rather than target driven, looking at the best way to meet local needs regardless of who provides.

3.4.2 **Economic role**

Sustainability requires growth in particular areas, because economic growth cannot be at any cost, for example in new utilities, such as low carbon, digital, social infrastructure and health.

Local authorities can stimulate this growth by bringing businesses together that benefit a whole place. Local government can look ahead to see the opportunities for businesses already established in their areas and businesses that may have a role in the future. Local authorities can influence skills and the readiness of the local population with its education and other partners.

Local authorities, especially when collaborating across a wider geographic area, can be a catalyst for major new infrastructure developments that benefit local economies and local people.

With a high credit rating and low borrowing, local authorities can be a guarantor, because they are one of the few constants in an unstable world.

3.4.3 Citizen and community relationship

Listening to the voice of local people and finding ways to co-produce services with local people is a way to improve outcomes, ensure value for money and reduce waste.

There is evidence that the public are prepared to do more for themselves and in their communities, so developing a new relationship with the state. The public trust local government to understand their needs and plan services to meet them, thereby avoiding fragmentation and enabling coherence.

3.4.4 Governance and delivery

The role of elected members as the voice and champion of our diverse communities is critical. They provide accountability, ask the moral questions and ensure that the voice of the most vulnerable is heard. There is likely to be a shift to more participatory democracy, as an ongoing process of engagement, rather than simply representative democracy reflected in the more isolated act of voting.

New models of service delivery are emerging, some of which frame local government as the 'convenor', delivering services through others.

Furthermore, refreshed and mature relationships within city-wide partnerships, that build on the many examples of good practice, can add value and 'overcome traditional barriers' to be the thread that connect the pearls within a location.

At a more local level shared governance can be achieved through 'community hubs' that bring together councillors, GPs, headteachers, community leaders, local businesses and other providers who can understand needs and combine resources to improve outcomes.

- 3.5. The Commission will continue research into these areas from the evidence it already has, and has also made a further, more focused, call for evidence in order to inform this. The search for relevant material and good evidence will continue through to the end of the Commission. Documents are available on the website www.civicenterpriseuk.org.uk.
- 3.6. The last meeting of the Commission is scheduled for 23 April 2012 and it is intended that the final report will be launched in July. The report will be 20-30 pages long with approximately 10 major recommendations, supported by a well researched, practical library of resources to help others to understand not only what has already achieved elsewhere but how this was made possible so it can be replicated.
- 3.7. It is important that Members and Officers engage with the work of the Commission so we are able to showcase the excellent work already underway in this city and

increase the awareness and potential for civic enterprise to enable everyone to contribute improved outcomes for our local communities.

4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The Commission continues to be in the consultation and engagement phase, both nationally and locally. The second call for evidence has once again welcomed simple and concise submissions, ideally no more than two pages, around the following areas of interest:

a) Role of Elected Members:

There is a clear need for high quality leaders that can provide strong and connected leadership and voice/perspective of citizens at a community level. Models of democratically elected leadership have to be developed to ensure they are sufficiently participatory.

b) Citizen engagement:

Local government exists to meet the needs and realise the aspirations of local people and communities. Citizen perspectives enrich local decision making by providing experience, insight and expertise, and contributing solutions to complex challenges, it is therefore vital to understand their views.

c) The economic potential of local government:

The potential of local government to increase the economic prosperity of a locality should not be underestimated. The relationship between local government and business requires further attention and development. How can local government work collaboratively with business and others to harness its economic potential for the benefit of citizens? How can it maximise its contribution in a period of low economic growth?

4.1.2 Via this second call for evidence the Commission continues to very proactively engage with and consult a wide range of stakeholders at a national and local level. Examples include, but by no means are restricted to:

- Drawing on material available about public perception, through MORI
- Summary notes of meetings and the second call for evidence issued to all stakeholders using tailored e-mails and letters as appropriate
- Member seminars and briefings
- LGA round table discussion in Leeds linking the work of the Commission with their campaign on Independent Local Government
- Forging links with IPPR North and their Northern Economic Futures Commission
- Meetings with and joint business forum discussions with the national and local Chamber of Commerce as well as the CBI
- Setting up a joint 3rd sector and business round table discussion

- Coverage in publications such as LGC and SOLACE weekly notes to local authority Chief Executives.
- Continuing updates on the www.civicenterpriseuk.org website and managing related twitter activity on: @civic_uk
- Commission members raising awareness amongst their networks

4.1.3 A significant amount of local stakeholder engagement has been done, and Leeds submitted the most responses to the first call for evidence. This engagement will continue to generate good examples, and to encourage use of the concept locally.

4.2 **Equality and Diversity / Cohesion and Integration**

4.2.1 At this stage there are no specific issues other than trying to ensure that the call for evidence comes from all sectors, with particular emphasis being placed on hard to reach groups, and covers how equality and diversity issues are tackled. An equality impact assessment will be completed once there are specific proposals available.

4.3 **Council Policies and City Priorities**

4.3.1 The Commission offers the opportunity to find new ways to deliver the ambitions of the city and the council.

4.4 **Resources and Value for Money**

4.4.1 The Commission is being managed from within existing resources and against the financial backdrop will limit spend wherever possible. The Commission is being supported across its membership, particularly through Glasgow and Cardiff City Councils, DCLG and the LGC, as a way of sharing work and drawing on relevant material resources.

4.5 **Legal Implications, Access to Information and Call In**

4.5.1 At this stage there are no specific implications.

4.6 **Risk Management**

4.6.1 There are risks associated with delivering the Commission, such as lack of engagement both nationally and locally, lack of buy in from stakeholders and the complexity of the scope. The team are working to mitigate the impacts of these risks.

5.0 **Conclusions**

5.1 The work of the Commission could be tremendously beneficial to the local government sector and the city of Leeds and support the delivery of improved outcomes for our citizens. The Commission will stay focused on producing practical recommendations, but this is a significant and timely opportunity for local government to play an active role in contributing to the definition of its future role. The insight gained from leading on the Commission potentially puts Leeds in an enviable position of being able to take early advantage of the concept of civic enterprise to drive forward and accelerate delivery of our ambitions for the city.

6.0 Recommendations

6.1 Executive Board is asked to:

- Note the work of the Commission
- Engage with the process and receive further updates as the Commission progresses.
- Consider what real and pressing local issues may benefit from a civic enterprise approach to drive improvement for our citizens.

7.0 Background documents ¹

7.1 Executive Board paper – December 2011
Commission for the Future of Local Government.

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.

Membership of the Commission is as follows:

Member	Title and organisation
Cllr Keith Wakefield (Chair)	Leader, Leeds City Council
Tom Riordan	Chief Executive, Leeds City Council
Cllr Gordon Matheson	Leader, Glasgow City Council
Jon House	Chief Executive, Cardiff City Council
Will Hutton	Executive Vice Chair, The Work Foundation
Dame Jo Williams	Chair, Care Quality Commission
Lord Laming	Expert in Children's Social Care
Prof Sir Tim Brighouse	Ex-London Schools Commissioner
Prof David Begg	Chairman, Commission for Integrated Transport
Lord Victor Adebawale	Chief Executive, Turning Point
Tony Travers	Director, Greater London Group at the LSE
Emma Maier	Editor, Local Government Chronicle
Andrew Murphy	Retail Operations Director, John Lewis Partnership
Baroness Margaret Eaton	Ex-Chair, Local Government Association
Helen Bailey	Chief Executive, Local Partnerships
Sally-Anne Greenfield	Chief Executive, Leeds Community Foundation
Christine Adshead	Partner, PwC
Prof Michael Arthur	Vice-Chancellor, University of Leeds
Simon Parker	Director, New Local Government Network
Rashik Parmar	Chief Technology Officer, North East Europe, IBM
Phil Collins	Chair, Board of Trustees, Demos
Dr Mike Grady	Principal Adviser, Marmot Review Team
Patrick White (Observer)	Director of Policy, Department for Communities and Local Government