




Greater than the sum of its parts

Total Place and the future shape of public services

EXECUTIVE SUMMARY

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The background is a solid red color. It features several silhouettes of hands and gears. One hand is at the top, another at the bottom, and a third on the left side. There are several gears of different sizes scattered across the page, some overlapping the hands. The overall theme is mechanical and human interaction.

New Local Government Network (NLGN) is an independent think tank that seeks to transform public services, revitalise local political leadership and empower local communities. NLGN is publishing this report as part of its programme of research and innovative policy projects, which we hope will be of use to policy makers and practitioners. The views expressed are however those of the authors and not necessarily those of NLGN.

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Executive summary

Few Government initiatives or programmes in recent years have caught the imagination like Total Place. National and local politicians, public servants from Whitehall, the Town Hall and other local public agencies, commentators and journalists have all adopted the agenda with a surprising consensus. The key question is whether it lives up to the hype and whether the concept can practically be sustained.

At its most basic – the bringing together of public sector resources to be used more wisely in a local area – it is hardly a revolutionary concept. In fact, it seems little more than common sense. If so, the question should not be why or why now, but rather why not ten, twenty or thirty years ago.

The answer is that it has taken a financial crisis of gargantuan proportions to kick public services out of their collective slumber.

What has differentiated Total Place from its predecessors is the tangibility of the product; financial efficiency but also improved citizen outcomes within the context of a 'place'. Our research demonstrates that billions of pounds of public money can be saved whilst generating significant quality of life improvements across health, employment, drug and alcohol abuse, offender management and children's services with seamless government providing immediate resolution of problems and support at the right stage of citizens' lives.

The big questions that remain are: how can the concept be sustained? If the forces of resistance defeated so many previous attempts, how can we ensure this is different? And does this constitute the next and perhaps final stage of public service reform?

NLGN suggests a series of recommendations in response to these questions:

- a new Department for Devolved Government to subsume CLG and the Cabinet Office to drive devolution across Whitehall;
- devolution of accountability over public health and local policing to local councils;

- a new Place Proposition Agreement through which the national and local state can make deals on devolution of resource and responsibility;
- that all areas engage with mapping their resources and assets as a catalyst for change;
- a Collaborative Leadership Academy to develop, spread and share experiences across the whole public sector.

Converging challenges

There can be little doubt that society faces converging challenges: rising customer expectations; increased demands; a new range of issues such as climate change. However, though these issues should be viewed with increasing concern, they can hardly be considered new and have received continued attention from policy-makers.

Significant are three further dynamics. First, the financial constraint is hitting home. IFS predictions are putting financial cuts across the public sector at 11 per cent from 2011-12 to 2014 -15. Pilots are indicating that approximately £7,000 is spent per head of the population in each local area. In some cases, a handful of families can cost the state upwards of £250,000 each. This scale and intensity of spending is concentrating minds on whether there are smarter ways to use resources. Second, a belief is gaining ground that dependency cultures and traditional problem-solving public services are fundamentally the wrong approach. Recognition is gathering that by realigning the frontiers of the state and the nature of citizen-state interaction more can be done to prevent the occurrence of problems earlier upstream, and so breed independence and develop positive social norms. These challenges require renewed democratic legitimacy and leadership. Third, there is a growing appreciation among politicians of all persuasions that nationally-led improvement and innovation are inherently inadequate to meet these challenges. Thus we have seen the Prime Minister and the Leader of the Opposition alike heralding the benefits of devolution.

So does Total Place deliver on its promise?

Opportunities from Total Place

A bright light is being shone on wastage within the current structures, systems and cultures of government. Our current approaches often suffer from multiple, uncoordinated and duplicated interventions, followed by heavy-handed efforts at resolution. As the evidence below in the report suggests these can lead to inefficiency, inconvenience to customers and expensive unreconstructed services: ¹

- Those out of employment often receive up to 19 assessments and reassessments within a twelve month period.
- In the field of worklessness and skills policy in just one London borough there are over 120 projects or programmes, delivered by over 50 public, private or voluntary sector providers, with over 15 funding streams.
- In economic development (excluding education, skills and housing) one area has estimated that it costs national, regional and local organisations £135m to spend £176m on projects.

Whole public service reform can unlock clear benefits to the citizen. These vary from saving taxpayers' money through opportunities to share back office functions or assets through to radical redesign of services where outcomes can be improved at reduced cost.

- Kent's Gateway approach in one area has seen customer satisfaction rise to 98 per cent, from 75 per cent;
- Greater choice and discretion can be given to end users;
- Assessment costs in some service areas can be halved by coordinated action;
- London Councils has calculated that £11 billion could be saved in the capital alone;
- Other areas are estimating savings of 10 per cent or over in service areas such as worklessness;

¹ Unpublished Pilot Reports; Leicester and Leicestershire, *Total Place Final Report* (2010), p. 6.

- Pilots are indicating that ten per cent can be realistically saved from asset management budgets;
- Birmingham City Council has gauged that the authority's investment in early intervention for children and families will yield £10 to the city for every £1 it spends.

Finally, it is clear that devolution can deliver on its promise. It is the local dimension of the approach that allows a proper citizen perspective to take effect. The pilots are revealing that innovative solutions, rationalising of state activity and service re-design can best be undertaken at the interface with society.

What lies in the way?

Our research, which has included all the official Total Place pilots and many other areas, together with opinions from national politicians and civil servants, reveals the scale of the challenge faced by public services as a whole in adopting better models. Major cultural, operational and architectural barriers exist throughout the public service organism at every tier of government and operations. Most damaging, are the vertical interests that cut through and undermine the interests of 'place' – these take the form of Whitehall departmental thinking, ring-fenced budgets, professional, organisational and sectoral cultures, performance targets, specific departmental budgets programmes, and a reluctance within the centre to let go. In a local area these same silos are replicated through the dependencies in government agencies, in departments within local authorities, between local public sector delivery agencies, and within professional groupings. Each of these spawns its own processes, vested interests, programmes, assessments and interactions with the citizen. Therefore, inherently it results in duplication and fails to consider the whole system.

However, local government currently remains constrained by a structure that leaves it dwarfed by over three to one in terms of the resource that it can bring to bear in its local areas compared to the rest of the public sector. In fact, even of this small budget it is estimated that only a fraction is actually within their discretion.² These are all symptoms and conditions of our inherited top-down

² Michael Burton, 'Council leaders step up call on local spending', *MJ*, 3 November 2009

approach to government where responsibility and resource remain too distant from the people being served.

Past reforms have failed to confront these powerful dynamics. None have succeeded in establishing a sustainable model of public service improvement. Too little credibility has been given to the advantageous position of the local state and to the leadership required to drive change. Instead political theories have either – as in the case of New Public Management – positively reinforced the hierarchical and vertical cultures and systems of bureaucratic professionalism and command and control or – as in the case of network governance – played an affirmative (horizontal) game within an unsympathetic (vertical) architecture. It is not that the work locally has been wrong but that our partnerships have not been given the freedom to operate.

Over the years, cultural, architectural and operational dynamics have formed themselves into a vicious circle which will remain unresolved without bold and committed action. The scale of the challenge suggests that we should seek both to remove impediments to collaboration whilst also establishing a more conducive environment within which closer collaboration and partnership across the whole state, local leadership and citizen focus can thrive.

Putting democracy at the heart of Total Place

So, how can we sustain the concept?

Many of the decisions thrown up by Total Place are inherently political, and rightly so. Resource allocation, early intervention and decommissioning are all sensitive subjects that should raise highly moral or political debates with which service recipients and citizens should be engaged fully. What if early intervention methods presupposed fewer bobbies on the beat or more problem children in our schools? What if tackling alcohol and drug abuse among a small minority of society implied more expensive liquor for everyone? Have we been overly precious about our treatment of professional groups in the past? Our reforms should seek to set these out in the open. But, this can only be done if resource and responsibility are connected properly across the state.

We must decide how best to balance the mandates that national and local government enjoy independently and thus unleash the ambition of local democratic leadership with the resources that they need to serve the citizen.

This research concludes that it is time for a new model of public services to emerge which can centre its entire focus on the citizen. The very best in local practice is evolving a new style of highly-connected leadership of place, which is increasingly well positioned to confront the difficult challenges that many communities face. This is raising the notion of 'leadership of place' to a new level. This democratic leadership should seek to transcend organisational frontiers, administrative boundaries and imposed time limits. In short, it needs to rise above the artificial parameters established by our historic patterns of government. To succeed leadership must be embedded: rooted democratically in the context of 'place' and within the needs and aspirations of the community; nurtured through close contact and acquaintance with the issues facing residents.

In centring activity in the 'place' wholly on the citizen new connections become possible – frontline managers with access to the full range of funding streams and discretion to act; more meaningful choice across a new range of services; access to community gateways where not one but forty or fifty related problems can be resolved. And new models of support can emerge – where the state seeks to help its citizens avoid major life problems.

Crucially, however, the hindrances that have got in the way in the past must be removed. Local leadership must be empowered by Whitehall devolution and assisted by a willingness within the centre to proactively support collaborative local approaches to circumvent the barriers that stand in the way.

Reforms to embed the new model

Short of wholesale devolution of all public services or comprehensive structural reorganisation, major phased reform is necessary. The long-term ambition should be a mutual and equal partnership of trust and collaboration between central and local government in responding to the challenges in each place, where Ministers feel able to devolve and refrain from intervention in local issues. More immediately, it is necessary to demonstrate realism about the financial savings that Total Place can and should make to public sector budget cuts, whilst sustaining the conditions for enduring solutions to surface. The financial constriction presents both challenges and opportunities. Preventative and early interventions approaches can deliver major savings in the medium to long-term. But we should not simply put them to the bottom

of the pile as we search for more immediate efficiencies. The key is to set them running whilst we seek to unlock more operational savings in the more immediate term.

This is, therefore, a long-term game which requires clear and unequivocal statements of intent and leadership from all concerned: from localities that they can aspire to assume additional responsibilities; from the centre that it is ready to devolve and offer a more coherent strategic vision; from the whole of government that it is ready to focus on the needs of citizens and overcome the structural and cultural barriers that stand in the way. Below we set out some of our key recommendations for change.

Commitment to a ‘place’-based approach: pooling responsibility and resource at the local level

As Part III of this report sets out, many of the conditions for failure stem from the centre. In fact, Whitehall reforms and commitment are fundamental to changing the culture of public service management so it is more genuinely oriented around the needs of place. The current architecture of Government departments and processes lacks the ability to execute change across the totality of central functions; it is not enough to have a ‘lead department’ at CLG imploring other departments to ‘do the right thing’. We have therefore concluded that CLG needs to be radically transformed and expanded beyond its current role as cheerleader for community policies and local authorities, and into a core department able to drive change across the whole of Government in the interests of place.

- We propose that a new **Department for Devolved Government**, encompassing the Cabinet Office, Scotland and Wales Offices and the constitutional elements of the Ministry for Justice, should be merged with the existing CLG team.

This new Department for Devolved Government would have one clear and overriding goal: to identify and devolve the powers held in Whitehall relevant to service delivery and improvement, and vest these as appropriate in the executive leadership arrangements of localities. Such a ‘super department’ with a dynamic objective at its heart would have greater cross-cutting authority, would provide clear strategic input into Treasury funding commitments and would be a more powerful device than a simple additional cabinet committee for total place. Whilst we advocate that in the interim

period the Treasury should continue to lead the Total Place programme, we urge the political parties to reflect seriously on this proposal.

To assist further in the concentration of responsibility and resource in the hands of local leaders we should look to re-balance the state and give local politicians sufficient accountability, discretion and resources to act in the interests of their communities. We therefore recommend that local decision-making and leadership should be strengthened and empowered as stepping stones to fuller accountability at the local level. In turn, local areas should articulate their commitment and readiness to establish greater executive accountability.

- We propose that **accountability over public health budgets and local policing** should be devolved immediately to all local areas and relevant performance priorities be channelled only through the LAA.
- We propose that councils should strengthen existing Local Strategic Partnership arrangements and move towards more focused **Public Service Boards** which should be invested with statutory powers to allow them to assume greater responsibility over these and additional services. These should have strong democratic input and oversight. Areas should also consider seriously the benefits of **strategic commissioning** approaches to maximise larger pools of resource and achieve economies of scope.
- We propose that to cut out unnecessary bureaucracy and to allow full discretion over spend across regeneration, transport and housing, a **single capital pot** with greater longer term certainty should be given to local areas.

‘Place’ approaches in the context of budget cuts

Beyond this range of forces drawing responsibility and resource to the correct tier of government, areas should aspire and be encouraged to broaden their ambition to reflect their strengths and ability to address local challenges. In this respect, the financial crisis provides an opportunity to both take steps towards the ‘place’ approach and also unlock efficiencies. The mapping exercise has proved a catalyst for change and should act as a first step to longer term transformation whilst opening up the first tranche of efficiency measures.

- We propose that all areas undertake **ongoing total counts and mapping of capital assets and revenue resources** across their local areas to drive collaborative approaches to public resources and **asset management**. These will open the prospect of significant financial savings without major risks and the prospect of more convenient services for citizens.

Local areas should also look to maximise the contributions of the private and third sector in the area. However, perhaps the most compelling opportunity facing government in a period of restricted finances is the prospect of a more co-ordinated approach to service delivery and resources. Through the lens of Total Place, NLGN argues that new avenues should be explored for the central and local state to meet their shared objectives. In so doing, such methods would allow national government to realise its goals through the more effective medium of the local place. The evidence is clear in a number of service areas such as worklessness and skills where the place can coordinate activity more coherently.

- Recommendation: we propose that the Government should establish a model of **Place Proposition Agreements**, which would be shared agreements between the national and local state to devolve responsibility and resources down to the local level. These should include hard edged deals on responsibility over agreed outcomes, risk and reward on the basis of a robust business case.
 - We propose that a **Treasury-led Cabinet Sub-Committee** be responsible for executing the negotiations on behalf of Whitehall and making the deal.
 - We propose that a **Total Place Progress Joint Committee**, comprising a representative from each existing Regional Leaders Board and the Chairs and vice-chairs of the Treasury, CLG and PASC Select Committees, should be constituted to sit six times a year in public to scrutinise progress and obstacles in the Total Place agenda. This Committee would represent a **new constitutional departing point**, synthesising **national and local scrutiny**.
 - We propose that a **minimum mandated five per cent of total revenue expenditure be dedicated year on year** through these

channels from all domestic departments of state for the first three years of the scheme.

- Methods for **providing assurance to central government** should be explored so that Ministers can be encouraged to delegate responsibility. These should include the possibility of developing legitimate methods of redress, intervention and support within the local government family, with the establishment of an LGA Rapid Response Team.

At the same time, we cannot allow the immediate financial crisis to derail the longer-term goal of better outcomes for lower cost that can arise through preventative methodologies. Such approaches can make major contributions to saving money and enriching lives across acute health, public health and social care, family support services, employment services, offender management and drug and alcohol abuse reducing dependency. However, in many service areas, return on investment in early intervention is often a longer term game. Therefore, organic implementation through effective evidence-gathering, exploiting emerging financial opportunities and composing robust business cases should underpin our approach. These efforts should run in parallel to the reforms we set out above.

- We propose that **five per cent of all savings** made through Total Place approaches should remain in local early intervention pots for future investment.
- We propose that methods be explored to identify common tools and methodologies that can be transplanted to develop **early intervention cost-benefit analysis**. Consideration should also be given to developing outcome and performance metrics that would facilitate potential private sector investment into these schemes and / or would give the certainty to public sector organisations as to how, where and when benefits would be reaped.

Forming and sustaining the conditions for cultural collaboration and leadership

Embedding the vision of new public services will require major capacity building, support and an exposition of a new type of leadership. As set out earlier, Total Place requires stronger, more transparent and more connected local leadership. Leadership abilities will take on a new premium

in the context of the political challenges that will emerge in the longer term, and the financial pressures that will be felt in the short to medium term. Local areas will need to establish methods to bring new experiences into the everyday practices of politicians and public servants which can root their perspectives in the lives, challenges and aspirations of their local communities. But, public sector leadership also needs to broaden its compass across the whole of government to inspire a cohesive and collaborative approach. Immediate steps should also be taken to instil specific **skills and capacity building** around citizen engagement and financial, project and change management.

- We propose that the Leadership Centre for Local Government and the National School for Government should establish a **Collaborative Leadership Academy** to spread learning, experiences, networks and expertise and allow interplay between senior Whitehall staff, other public agencies and local councils. This should include a significant element of **experiential learning** and could include exchanges and placements on the Proposition projects set out above.
- We propose that a **Governing Britain Fast Track Scheme** should be introduced along with cross-sector talent management. In the longer-term, local areas should consider **integrated local public service workforces**.

These reforms offer a natural test-bed through which national and local politicians and partners can establish greater shared trust and mutual interdependence. In time, the reforms we set out above can allow the state to be not only more operationally efficient but also open to major political decisions that confront the public sector and society.

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We have a strong track record of working in partnership with local authorities at a time when local government is facing unprecedented challenges, requiring a significant step change in performance and strong leadership. The financial pressure on councils over the next few years means that there must be a radical review of how services are delivered. Demographic changes will result in a significant increase in demand for social care which will present challenges to services and workforce planning and capacity building. Expectations of public services are growing and delivering on Single Outcome Agreements and Local Authority Agreements will require a shift to operational and performance models based on demonstrable outcomes for people who use services. To achieve this effectively increased multi-agency collaboration is essential.

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Leadership Centre for Local Government

Great leaders great places

Great places require visionary leadership that paints a picture of the locality, inspiring and carrying with it local residents' hopes and happiness. Today's local leaders are at the heart of their communities and it is up to them to provide the imagination and inspiration to create a community out of a place. The Leadership Centre supports local government leaders to create the future by enhancing the political process and building effective and efficient partnerships, improving the lives of local people.

Place is a contested space for local government leaders, so our work focuses on the unique realities of the people and relationships involved to help local government leaders and chief executives to lead beyond their authority, literally so they can shape their places through engaging the voters.

The Leadership Centre is pioneering a variety of national programmes to reinvigorate local democracy and encourage talent and diversity in the next generation of local government leaders, ensuring the councils of the future are genuinely representative of, and connected to, their communities. In particular the Be a Councillor campaign is designed to encourage and inspire talented people to become local councillors, and the Next Generation programme for already high flying councillors helps develop their leadership capacity and gives them the skills to create and support thriving and prosperous communities. As part of our commitment to creating a greater sense of civic pride we are also partners in developing a Civic Skills Programme to increase the participation of Muslim women in civic society and we are partners in a high power network of senior female leaders from across the public sector.

For more information, please visit www.localleadership.gov.uk.



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We develop policy and do all we can to help our boroughs improve the services they deliver. We also run a range of services ourselves, all designed to make life better for Londoners.

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Few Government initiatives or programmes in recent years have caught the imagination like Total Place. When finances are under pressure, the bringing together of public sector resources to be used more wisely in a local area makes even more sense, offering not simply financial efficiency but also improved outcomes.

Based on in-depth research across the country, this report analyses how the concept can be sustained. It argues that the behavioural and systemic barriers that stand in the way should be tackled head on and a more conducive environment be created for local areas to respond to the needs of their communities.

It concludes that significant change to the architecture and culture of government and its partners is necessary both within localities and in Whitehall. Only then will the public sector be able to think and act as one.