

Public Service Transformation

Purpose

To update on progressing the Board's work programme for public service transformation and ensuring that this agenda is firmly locally-led.

Summary

This paper mainly updates Members on progress with the One Place One Budget research project to refresh the evidence and develop a model for public service transformation across the local public sector in non-metropolitan and city areas. It also briefly updates Members on the Independent Service Transformation Challenge Panel report, which was published in November.

Dr Jeremy Lonsdale, Senior Research Leader at RAND Europe (the LGA's external research partner for the One Place One Budget project) will attend the Board and update Members on progress. The Leaders of Surrey County Council, Cornwall Council and Derbyshire County Council will also share their emerging transformation case studies at the Board.

Recommendation

That the Board notes the progress update on public service transformation, which will be taken forward as part of the LGA's wider work on devolution, and gives any further steer.

Action

Officers to progress the project as directed by the Board.

Lead Member: Cllr Neil Clarke, MBE
Contact officer: Laura Caton
Position: Senior Adviser
Phone no: 020 7764 3154
Email: Laura.Caton@local.gov.uk

Public Service Transformation

Background

1. There is widespread agreement and clear evidence that rewiring public services around people and places can drive public service transformation, improve outcomes for residents and businesses, and save money for the Exchequer.
2. Members agreed that the public service transformation strand of the Board's work programme had two objectives:
 - 2.1 To set out a way forward for the transformation of public services in the geographies represented on the Board** (the findings will of course be relevant to other places); **and**
 - 2.2 To ensure that the future momentum of service transformation is locally and democratically led.**
3. In order to progress the first objective, Members agreed to commission independent research to work with a small number of places to develop further an evidence-based way forward for public service transformation and what can be achieved for residents through a community budgeting type approach at the local level.
4. In order to progress the second objective, as well as publishing new independent research in early 2015, Members identified an early opportunity to influence the Independent Service Transformation Challenge Panel.
5. The current debate on the future of English governance has thrown into even sharper relief the LGA's calls for a constitutionally independent and rejuvenated local government that is genuinely free to lead public service transformation.

Progress update

One Place, One Budget Research Project

6. At the Board meeting in June 2014, Members agreed the following headline objectives:
 - 6.1 Work with a small number of non-metropolitan and city places to provide an independent and compelling new suite of place-based evidence in support of a community budgeting type approach and the outcomes for residents that it can deliver;
 - 6.2 Use the evidence base to develop a model for what a public service reform deal might look like that other places can learn from and adapt;
 - 6.3 Identify and make recommendations on which national legislative and regulatory barriers, and cultural blockers, must be removed in order to fully realise the benefits from a locally-led community budget type approach.
7. The project is being taken forward jointly with the City Regions Board. It is also relevant to the Improvement and Innovation Board and complements work being done to support councils to innovate and transform services. This includes, for example, the One Public Estate Programme, mapping and supporting shared services, leadership development

and supporting councils to engage with the Communities and Local Government Public Service Transformation Fund. Members have also highlighted the need to complement the work of the Government-led Public Service Transformation Network, which is working with around 30 places to support and share different approaches to leading transformation.

8. Following a competitive process, we appointed RAND Europe as our external work research partner. RAND Europe is a long-established, not-for-profit research institute whose mission is to help improve policy and decision-making through independent and objective research and analysis. They work with a wide range of government, private and third sector bodies, and have significant experience of working with a range of local government organisations.
9. In line with Lead Members' steer, we invited eight non-metropolitan and one urban area to participate in the research and all responded very positively. During November and early December, RAND Europe and the LGA met in person or remotely the nine councils to discuss the project in detail, and agree the focus of the case studies. Following the meetings, the councils shared existing data and evidence with RAND Europe, and a small number of follow-up interviews took place with each council. The focus now is on developing the case studies and policy analysis that will be brought together in the final publication.
10. The table at **Annex A** gives a brief overview of the case studies which will be written-up during January and signed-off by the councils. The table also summarises the cross-cutting themes which are starting to emerge and will form the basis of an overview of the building blocks for successful locally-led public service transformation. The publication will share a variety of approaches at different stages of development, reflecting a range of policy themes, governance arrangements and scale. The case studies will map these different approaches in order to provide insights into how a community budget or similar approach can lead to improved outcomes for residents, as well as allowing us to explore the barriers and enablers to this way of working.
11. The next steps are as follows:
 - 11.1 14 January - workshop for the nine places to share findings, reflect on common issues, barriers and enablers of change in each case study. The workshop will also enable us to test how a locally flexible "deals" model for successful community budgeting could be designed.
 - 11.2 30 January - RAND Europe will submit the final draft report to LGA.
 - 11.3 February - publish the report. The report will be central to LGA influencing the next government's first spending review, providing the evidence base to inform longer-term LGA lobbying for ambitious public sector reform and sharing learning with other councils.
12. **Members are invited to note the progress update and to offer any further steer on the emerging cross-cutting themes. At the Board, the Leaders of Surrey County Council, Cornwall Council and Derbyshire County Council will share their outline case studies, following which Members may wish to share any reflections from their council's approach to transformation in order to help shape the final report. This work will be taken forward in line with the LGA's wider work on devolution.**

Independent Service Transformation Challenge Panel

13. The Independent Service Transformation Challenge Panel was set up by the Treasury and Communities and Local Government in April 2014 to report on a way forward for service transformation. The Panel was co-chaired by Pat Ritchie, chief executive of Newcastle City Council, and Sir Derek Myers, former joint chief executive of the London Borough of Hammersmith & Fulham and the Royal Borough of Kensington & Chelsea. Michael Lockwood, LGA Executive Director, was an adviser to the Panel. The Panel invited written evidence from councils and others over the summer and undertook a number of visits around the country to learn more about locally-led transformation.
14. The LGA's submission set out the compelling evidence-based case in favour of faster and deeper devolution to councils and showcased how many non-metropolitan areas have already adopted a community budget-type approach to service transformation that is improving outcomes for residents and saving money for the taxpayer.
15. The Panel published its report in November and made 20 recommendations grouped around six key characteristics, which the Panel believes underpin successful transformation:
 - 15.1 A new approach to people with multiple and complex needs.
 - 15.2 Flexible and longer term funding with stronger local accountability.
 - 15.3 Smarter use of assets and more enterprising places.
 - 15.4 Information sharing: better, bolder use of smart data and digital technology.
 - 15.5 Adapting proven delivery models to suit local needs.
 - 15.6 Better collaborative leadership.
16. In response, we said that:

“This report is an important step forward in setting out a clear map to overcome some of the blockers to locally-led service transformation. We have long called for multi-year financial settlements, improvements to information sharing and more integrated funding. We want to build upon the Panel's recommendations so that every area has the opportunity to negotiate a genuine place-based budget with decisions made locally based on individual need.”
17. In the Autumn Statement on 3 December, the Chancellor responded to the Panel's recommendations by saying that the Government will look to develop and extend the principles of the Troubled Families programme to other groups of people with complex needs from the next Spending Review. The LGA's Autumn Statement One the Day Briefing said that:

“We welcome the recognition of the success of the council-led Troubled Families programme. The expansion to new groups of people is an important step towards the LGA's vision for devolved place-based budgets that will enable the local joining-up of public services to better meet the needs of people and places.

Any expansion must recognise the existing work of councils and their partners through the many local and national programmes already underway. Councils must be involved

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at an early stage of development to ensure that this extension builds on and does not duplicate this important work, and that learning from current programmes about the complexity of existing systems is reflected in the design.”

18. The Panel’s full report can be viewed at:
http://publicservicetransformation.org/images/2902929_ChallengePanelReport_acc3.pdf
19. **It is suggested that Members use the forthcoming One Place One Budget publication to keep up the momentum on making the case for devolved place-based budgets and to continue shaping how this and the next government responds to the Panel’s recommendations.**

Council	Theme for case study	Brief overview	Emerging cross-cutting themes (please note these will continue to be refined)
Surrey County Council	Surrey Families Programme	Building upon Surrey's response to the Troubled Families programme, this case study will focus on how transformation is leading to innovative approaches in service delivery that will improve outcomes for residents with complex needs.	<p>Locally flexible governance arrangements and approaches – all nine places have developed their own structures and approaches to transformation that reflect local circumstances. Within this variability, some common themes are emerging, including: building on existing projects and partnerships, integrating networks and collaborations, developing agreements on pooling resources and staff and practical solutions that can be implemented quickly.</p> <p>Shared outcomes – agreeing with partners key indicators of progress to enable a shared focus on service improvements for residents. Many partners felt this was an essential enabler of pooled budgets and transformation.</p> <p>Innovative use of evidence and data management – a robust analysis of information on public services and local need was the starting point for all of the places. In many places transformation has been a key driver of new and multi-agency</p>
Essex County Council	Skills for Growth	This case study will allow us to show how implementing a whole-place community budget approach can help to drive local growth by using devolved funding to achieve a better match between local skills provision and the labour market.	
Suffolk County Council	Lowestoft Rising	Drawing upon the Our Place neighbourhood community budget project, the Suffolk case study will explore how pooled funding in one locality enables public agencies to better meet very local challenges and how transformation can be a vehicle for regeneration.	
Cheshire West and Chester Council	Integrated and early support for people with complex needs	The Cheshire West and Chester case study will enable us to examine how public agencies working together across services within an integrated case management system can offer improved services for people with complex needs and achieve efficiency savings through early intervention.	
Derbyshire County Council	Public assets and geospatial mapping	This case study will focus on the use of public assets in Derbyshire and how geospatial mapping and customer segmentation tools are enabling the council to better understand how well the supply of assets is meeting demand from residents and to plan strategically.	

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Devon County Council	Local communities identifying and solving their needs	We will focus on Devon County Council’s “Delivering Differently” programme, which is a community-led conversation in three towns on public service transformation and the role of communities. This will allow us to focus on approaches to supporting and involving local communities in identifying needs and services, reflecting local characteristics.	<p>In turn, this enables a fuller understanding of the challenges to be addressed, and underpins collaborative working.</p> <p>Culture and behaviours – the wider shift towards multi-agency working is resulting in changes in organisational culture and behaviours. In particular, more collaboration and willingness to compromise. Many places emphasised the importance of “bottom up” change that increases the willingness of staff, external partners, and communities to engage with the transformation process.</p> <p>Leadership – effective senior leadership was a key factor identified in many places. Enablers include a willingness to collaborate and base discussions on the wider evidence available, providing staff with the skills that empower them to understand and act upon the change process and encouraging external expertise and approaches.</p>
Cornwall Council	Integrated health and social care	This case study will examine how Cornwall is approaching health and social care in Newquay, with a view to scaling it up and rolling out across the county. This will enable us to focus on how multi-agency working can better enable prevention and early intervention and approaches to scaling-up transformation initiatives.	
West Yorkshire Combined Authority	Partnership and demand management	Building upon successful collaboration on economic growth, this case study will identify the key lessons to date and share how the Combined Authority is moving into a new phase of deeper joint working, starting with a shared understanding of demand for key services and what this might reveal about different and more efficient ways of organising services.	
Cambridgeshire County Council	Growth and associated challenges	This case study will focus on economic growth. By analysing partnerships between the county council, city council, district councils and neighbouring Peterborough Council, it will enable us to draw out learning on cross-border transformation and insights into cooperation that are highly relevant given the current debate on greater devolution.	