

REWIRING PUBLIC SERVICES





CHAIRMAN'S

FOREWORD

Chairman's foreword	1
The argument	5
Building blocks for a future deal	7
Independent local government	9
Growth	11
Adult social care and health	13
Children	15
Financial sustainability	17
Transforming local government	19
What <i>Rewiring</i> means to politicians	21
Acknowledgements	25

This country faces challenges which require a game-changing response at a national level.



This paper sets out the changes needed at both a local and national level so that public services can help communities to meet people's future needs and aspirations. It is a proposition which shows how public services can be transformed through

local leadership by rebuilding democratic participation, fixing public services and revitalising the economy. The approach contains important challenges to local government, to our communities, to our partners, but most of all to central government.

The current model we have for local government set in the context of a highly centralised national state will not see us through for very much longer.

We have travelled up and down the country over the past year garnering the views of colleagues in local government – both politicians and officers. We have heard consistently of the issues that most concern local people. Now, we urgently need to address how councils can better lead economic growth, social



AS A SECTOR WE MUST
STAND SHOULDER TO
SHOULDER ON BEHALF
OF OUR COMMUNITIES AND
FORGE A NEW DEAL

care, health and children's services – with all local services putting citizens and not institutions at the forefront. Underpinning this approach is the need to provide strong community leadership through an independent local government that is properly and fairly funded.

We have set out an approach that is innovative, deliverable and sustainable, which will tackle long-term structural issues far beyond a shopping list of obvious one-off savings. We have been impressed by the ambition of leaders, leading councillors, chief executives and others from across England. They have helped us to shape the detail and ensured that we brought local and regional perspectives to these big issues.

Across the country, in all regions these matters have been raised as a 'fairness issue for England'. Colleagues are clear that we must look at the 'English question' in the context of wider devolution within the United Kingdom. People in Scotland, Wales and Northern Ireland already have a much greater say over everything from health to transport. Yet local government in England is still battling for the same freedoms to tackle national and local priorities. The LGA's Welsh membership is also in discussions about the future form for local government in Wales and we are keen not to hinder that process. Accordingly, this proposition focuses on England and not on our Welsh members.

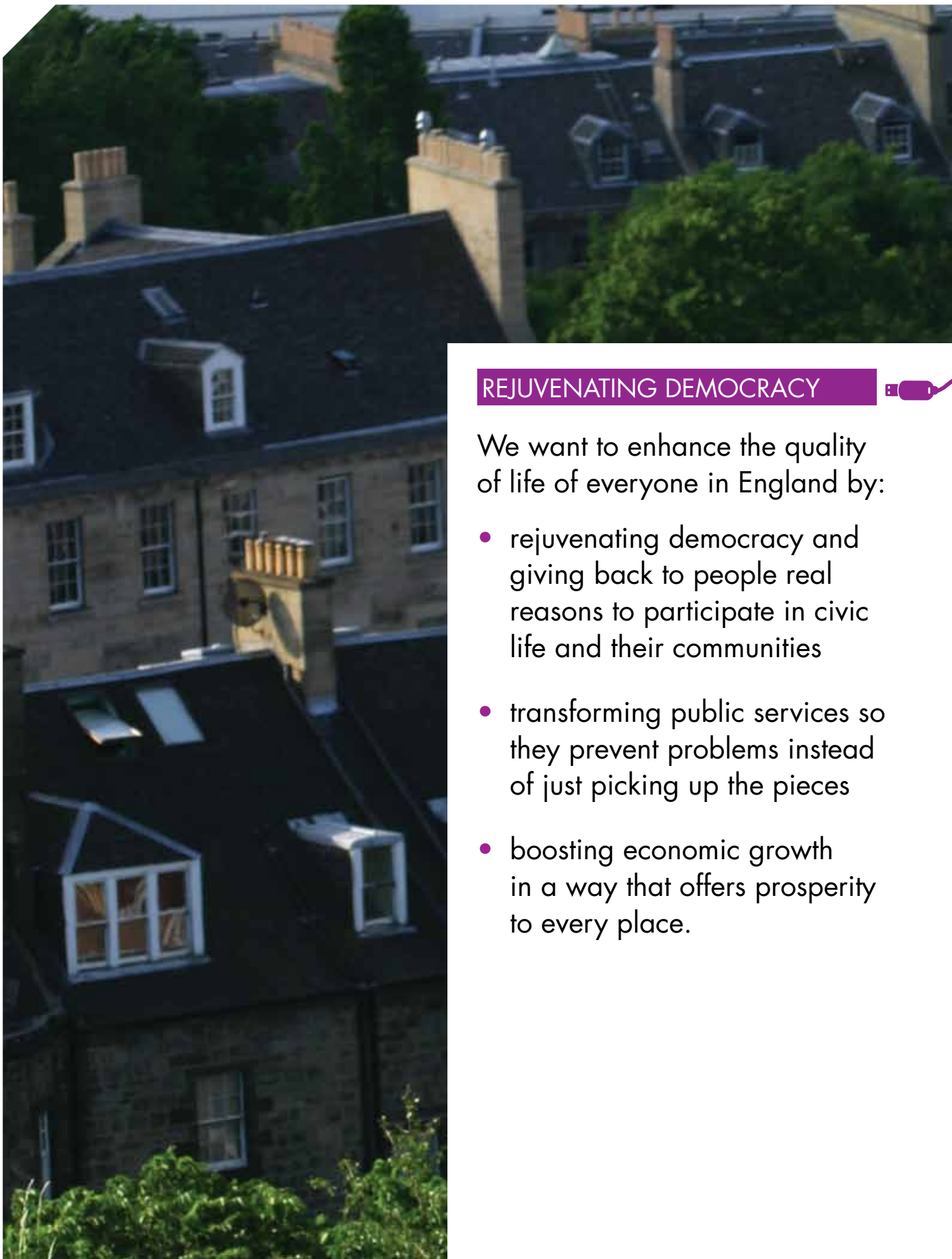
We all came into public service with a strong and clear ambition – to make a positive difference and help improve people's lives. That ambition continues despite the challenge of current times.

We have a vision of how to change public services; giving local people a clear say in the important matters that face them and their local communities, and a local vote that matters once more.

Whilst we won't agree politically on every issue, idea and solution, this is a moment for us to be leaders of local government first and national party members second. Rightly, we believe in the power of politics, but we need to take a step back and work together as a sector for the wider benefit of our communities and our country.

As a sector we must stand shoulder to shoulder on behalf of our communities and forge a new deal for our citizens.

Councillor Sir Merrick Cockell
Chairman, Local Government Association



REJUVENATING DEMOCRACY

We want 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.



OUR TEN BIG IDEAS FOR REWIRING PUBLIC SERVICES

- 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 for 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 countries 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.



THE ARGUMENT

People increasingly feel that English democracy faces a crisis.

People – especially younger people – are disillusioned with all the main political parties because they do not see what difference voting for them makes to their daily lives. This feeds disillusion with the whole democratic process.

English voters increasingly express frustration that their Scottish and Welsh counterparts have more power over what happens in their places than they do.

People do not like being disillusioned. People tell us they want a reason to care about voting and a reason to feel positive about belonging to their community and its civic life.

They want more of a stake in public debate. Election turnout figures tell us clearly that democratic engagement rises when voters feel something really is at stake when they vote.

Recent national MORI polling shows that 79 per cent of people trust councils to make decisions about the future of local service. Yet the public trust in central government to take decisions over local services is just 11 per cent.

The economy is stagnant and too many people are without jobs and without hope of a better future.

- We underinvest in economically productive infrastructure like roads and utilities.
- Not enough homes are being built and those that are, are unaffordable to most buyers.
- Employers have chosen not to hire the graduates of our schools and colleges. Youth unemployment is at levels that threaten not only those young people but the nation's future productivity.

What people tell us they want is well-targeted and planned investment in growth, training and help that really leads to jobs, and an adequate supply of affordable homes.

Today's model of public services is unsustainable.

- Demand and costs are going up but funding is going down.
- Public services concentrate on trying to handle failure rather than on preventing it.
- People perceive public services as remote, over bureaucratic and bogged down in process.



PEOPLE TELL US THEY WANT WELL-TARGETED AND PLANNED INVESTMENT IN GROWTH, TRAINING AND HELP THAT REALLY LEADS TO JOBS

What people tell us they want is services that are affordable, built around them and their needs, and that visibly make their areas better to live in.

Transformed and independent local government is needed to give the people of England what they want.

It can **make public services effective, efficient and locally responsive** through place-based public service budgets, bringing together public service spend in one place by making:

- services more responsive and less bureaucratic
- services more preventive and positive
- the local public sector financially sustainable both through place-based public service budgets and localised taxation and borrowing.

Transformed and independent local government can **revitalise local economies.**

- It will target and plan investment better.
- It will match training and skills with employer need and involve schools better in vocational training.
- It can unblock barriers to housebuilding.
- It will deliver simpler regulation for business.

And it can **rebuild democracy** to make it meaningful again.

- It will address democratic disillusion by fixing the inequities of the current devolution settlement.
- It will make voting at local elections a must-do because of the impact on tax and service decisions.
- Communities will be stronger where people come together to make local decisions.

This is a radical proposition by local government to transform public services and democracy **by transforming itself.**

We think the scale of the challenge is big enough, the size of the prize is worthwhile, and we are optimistic and bold enough to be ready to make this leap into a more grown-up relationship between central and local government.

This will be a more exciting and less risk averse relationship with the people who elected us.



BUILDING BLOCKS FOR A FUTURE DEAL

Individual people, families and local communities are the building blocks of our society and their health and welfare is vital to future prosperity and wellbeing.

Local identity in Britain is diverse and many-layered, reflecting wide variations in lifestyles from world cities to rural hamlets.

Many forms of local government have sought to provide leadership, look after the needy, ensure public health and develop local economies.

England's booming visitor economy generates nearly a tenth of national income and employment, precisely by driving value through exploiting local difference.

It creates a virtuous circle between the quality of a place, economic growth and quality of life for local people.

This varied patchwork of place has been catalogued since the Domesday Book and local government is largely permitted and organised by statute rather than existing as of right.

We think that the challenges that the country faces require a different approach reflecting the local needs of communities, based on joined up services, economic vitality and a new democratic deal.



CHALLENGES THAT THE COUNTRY FACES REQUIRE A DIFFERENT APPROACH REFLECTING THE LOCAL NEEDS OF COMMUNITIES

The Local Government Association (LGA) has been considering the future for local government.

We have concluded that things have got to change, because the current operating model for local government in England is broken.

Our member councils agree and all the evidence that we have seen confirms this view.

So we have been engaged in debates with councils across the country, with partners and with policy specialists to suggest a way forward that will benefit our communities.

We have looked at a range of solutions which make a compelling case to government, to business, to our partners and most importantly to our residents.

This is not about how we might cope or get through the tough times of the next couple of years but looking ahead.

It is a fundamental look at what we will need to do to change local government to meet local needs but also the national challenges through the next decade.

Although they vary slightly from council to council, there is a consistency of issues and so we have adopted these as our main priorities for the LGA for the coming year.

The following sections set out how this can be taken forward at the local level, addressing specific challenges:

- 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.



INDEPENDENT

LOCAL

GOVERNMENT

> Our propositions

- 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.
- Reduce bureaucracy and remove artificial Whitehall silos by merging six government departments and creating a single England Office.
- Share money fairly around the UK by scrapping the outdated Barnett formula and replacing it with needs-based funding.
- 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.
- Strengthen the say of local people by reducing Ministers' powers so that they cannot intervene in local democracy, boundaries and decisions.
- Transform local government with a new deal: a new framework for public services which is able to be both strategic and locally responsive.
- Align parliament and local government through greater inclusion of MPs in council decision making and ensure the involvement of current leading councillors in the House of Lords.
- Put this settlement beyond future Whitehall revision by giving formal constitutional protection to local democracy.



ALIGN PARLIAMENT AND LOCAL GOVERNMENT THROUGH GREATER INCLUSION OF MPS IN COUNCIL DECISION MAKING

› **These proposals** will help rebuild democracy by making elections really matter to people because they will have a personal and financial interest in the outcome.

Joined-up government locally will reduce bureaucracy and allow national government to focus on developing national policy and legislation rather than engaging in local matters for local people.

The proposals will also address English voters' disillusionment with the unequal devolution settlement, and in turn provide the opportunity for the local government sector to ensure that councils reach sensible deals between themselves on distribution.

The national framework of local democracy needs to be renewed ensuring local decisions about local arrangements are made by people who are accountable to local voters.

We can align delivery arrangements with electoral accountability so that voters know what they are voting for at general and local elections. By doing so local democratic decisions can also be protected from national intervention.

Align parliament and local government through greater inclusion of MPs in council decision making and ensure the involvement of current leading councillors in the House of Lords.

This would ensure that a proportion of the House of Lords would be there by both the virtue of their electoral mandate and their knowledge of the impact of legislation on people and communities.

Linking local democracy to key local decisions will make public services sustainable again; and will revitalise the economy by clearly linking local economic development to local government's income, promoting competition and competitiveness.



GROWTH

› Our propositions

- 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.
- 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. Including:
 - a local treasury to provide the incentive for a local budget for growth and choice, rather than silo budgets to fund services. This would have the ability to flex business rates and other taxes including, for example, 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 coherent employer-led programmes linked to the needs of the local economic sub-region and orchestrated through local government
 - a place-based public service budget for infrastructure
 - localised and simplified regulation linked to clearly defined vision for the community and place.



REVITALISE LOCAL ECONOMIES BY ENABLING BETTER TARGETING OF INVESTMENT IN PROJECTS THAT WILL UNLOCK GROWTH

► **These proposals** would help revitalise local economies by enabling better targeting of investment in projects that will unlock growth potential and improve productivity.

These include house building; ending a top-down bidding culture and refocusing decision-making decisively on local employer-led priorities; enabling the public sector to provide a better tailored service to local businesses; putting school-leavers' work-readiness higher up educational priorities; and retaining and recycling the proceeds of growth, including tax receipts, into local economies.

They would help make public services increase the focus on early intervention to ensure education and training made young people employable, and by putting local employers more powerfully in the driving seat of infrastructure investment and skills provision.

They would also create the opportunity, with a place-based public service budgets model, to ensure that the new welfare system develops appropriately.

If the welfare system is to evolve away from tolerating the costs of social failure into something that supports work and builds social capital, we need to see it primarily as that social agent.

If Universal Credit succeeds, it should move the focus onto the personal experience of people looking for work and their families, and the collective effort government, councils, and communities make to prevent exclusion and social fracture.

They would help rebuild local democracy by putting the tax and spending bargain between the public sector and local taxpayers, especially business taxpayers, back at the centre of local democratic debate.



ADULT SOCIAL

CARE AND HEALTH

› Our propositions

- 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.
- All health and social care should be consistently coordinated around the needs and wishes of the individual, with an approach that supports the whole community, by:
 - focusing on the capabilities and resources of individuals rather than what they can't do
 - using 'personal wellbeing budgets' to provide choice and control to individuals for the services and support they require to improve their health, wellbeing and independence – enabling people to make choices that sustain their independence
 - recognising and supporting the crucial role of family, carers and neighbours in keeping people independent and within their community.
- Place-based public service budgets should be the main mechanism for addressing local service requirements so that:
 - local commissioners can direct resources to have the greatest impact on the health and wellbeing of local communities
 - ring-fenced budgets become irrelevant as an unnecessarily restrictive means of funding local services
 - savings in acute services from more effective prevention and re-ablement can be reinvested in better support in the local community.



WE NEED TO ACT NOW TO INTEGRATE THE COMMISSIONING OF SOCIAL CARE SERVICES AND PRIMARY HEALTH CARE

- 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.
- Health and wellbeing boards should be strengthened to extend their leadership across local services to ensure child and adult health and wellbeing is at the top of local agendas by:
 - involving the full range of health services including community, mental health and acute trusts
 - signing off health and care commissioning plans to ensure alignment with democratically-mandated local services
 - extending joint commissioning across core social care and health budgets.

› **These proposals** will rebuild democracy through a new settlement between communities and the state. Growing dependency on intensive support for people is often an indicator that we have collectively failed to provide the right support early enough. We all have a part to play in supporting families and the crucial role of carers' needs to be much more widely recognised and celebrated.

Of course, the state will always need to provide a safety net for the most vulnerable, but we need to get the balance right. As part of this, we want to see personal budget approaches extended for carers, patients and service users.

Services need to work with people: as individuals in their family context, not as a series of specific problems or life stages.

We also know that designing and delivering services with people themselves can be more effective than 'doing to' them.

Place-based public service budgets will enable services to work together to see the whole person, join up across service boundaries and ensure that savings in acute health services can be used to fund better support in the community.

We need to act now to integrate the commissioning of social and health care. We know it can save money and improve outcomes: there is no excuse for waiting. We want to see much stronger joint arrangements through health and wellbeing boards.

Local economies will be revitalised because local political leaders will promote healthier lifestyles, encourage local people to support each other and will lead difficult decisions through health and wellbeing boards, which prioritise the right services to secure value for money.

All of these will improve productivity and reduce the tax-drain. Local leadership can make a real difference to change behaviour and help people support each other.



CHILDREN

› Our propositions

- 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.
- Give councils the flexibility they need to redesign services around individual and family needs, and promote effective early intervention, by:
 - making place-based public service budget arrangements the norm for service delivery in local areas; bringing local services and decisions together in one place, for each place, including education and children's social care; allowing greater investment in early intervention
 - giving people back a meaningful local vote on a range of tax and spending decisions to reinvigorate the civic and community involvement that people want and public/children's services need
 - making the most of the transfer of public health for young children to local government; ensuring Health and Wellbeing Boards are strengthened to extend their leadership across local services and keep children's health and wellbeing at the top of local agendas.
- 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.



➤ GIVE COUNCILS THE FLEXIBILITY THEY NEED TO REDESIGN SERVICES AROUND INDIVIDUAL AND FAMILY NEEDS

- **Rebuild the role of families and communities in supporting each other, by:**
 - recognising that “it takes a village to raise a child”, raise expectations that communities will help families and that families will help each other – building on the strengths we already find in communities and in families themselves
 - renewing civic education in our schools, ensuring young people understand the rights and responsibilities of government and citizens
 - recognise the crucial support offered by extended family members who care for children who might otherwise be in the care system
 - incentivising businesses to support children and young people in their locality, making it a standard part of corporate social responsibility.
- **Strengthen links between the local community and schools by:**
 - giving local people a more direct say in how school buildings are used out of hours
 - developing clearer employer involvement in schools’ work on education outcomes and as an introduction to the world of work
 - removing the protection and ring-fencing of the schools’ budget which creates an obstacle to better working between schools and local agencies
 - reversing the decision which prevents schools from pooling budgets, so they can cooperate with and support wider services for children and families to improve child development and attainment.

➤ **These proposals** would help revitalise local economies by enabling a better connection between schools and other education providers and the needs of local employers.

They would help make public services stronger again by using a place-based public service budgets approach to boost early intervention and prevention. Children, families and communities need to be resilient enough to cope with life’s challenges. But when children and their parents do need help, they should get it early on, so that the situation can be improved as soon as possible. This should be done in a way that makes sense to them, with their voices at the core of decision making.

Not jumping through the bureaucratic hoops of different organisations, but getting what they need, when they need it, regardless of whether it is from a children’s centre, social worker, the school, their GP, a more specialist health service, or some combination.

When there is no choice but to take children into care, we want to give them a model of stable, loving homes and wider support networks which give them the very best chances in life. The propositions would allow better use of staff and other public sector assets. They would make it harder for weak service provision to shelter behind formal compliance with paper processes.

They would help revitalise local democracy by making it clear that schools have a core job to educate and develop our future active citizens.




FINANCIAL

SUSTAINABILITY

› Our propositions

- Give people back a meaningful local vote on a wide range of tax and spending decisions, and create a local treasury for local services, including:
 - self-funded local government through council tax, business rates and other taxes including local control over council tax and business rates, the right to determine new local taxes and to set fees and charges which fully recover costs.
- 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.
 - an agreement tied to the life of the Parliament for any services that remain funded by central government to allow greater innovation and pursuit of longer term objectives.
- Re-create the thriving market in municipal bonds which England once had and most other countries still have:
 - free local government borrowing from Treasury restrictions because it already complies with appropriate prudential rules
 - allow access to alternative sources of finance including the creation of a local government bond agency and the right to develop earn-back deals. These would allow places to reinvest the proceeds of additional growth in local services and measures to promote further growth.



**GIVE PEOPLE BACK
A MEANINGFUL LOCAL
VOTE ON A WIDE
RANGE OF TAX AND
SPENDING DECISIONS**

- End waste and red tape 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, including:
 - a place-based public service budgets 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, to integrate services and to focus on people and places.
- 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.

➤ **These proposals** would help revitalise local economies by enabling better targeting of investment in projects that will unlock growth potential and improve productivity.

These would include house building; ending a top-down bidding culture and refocusing decision-making decisively on local employer-led priorities; and retaining and recycling the proceeds of growth, especially tax receipts, into local economies.

They would also enable greater investment by councils in the provision of social housing, helping to de-risk the government's welfare reform programme.

They would help make public services sustainable again by putting councils onto a self-financing footing. Through the place-based public service budgets model it would enable local public service collectively to find savings both through taking out duplication and inefficiency, and by rewiring public services around people and places to invest in early intervention and reduce demand for services in the medium and long term.

The current financial position of most councils is unsustainable in the long term. Unless something changes, communities will fail solely because of financial instability.

This is indicated by what we know from the preparations for the one year spending round in 2015/16 and the likely position of local government in the Spending Review following the general election. The proposals would help rebuild local democracy by putting the vital link between tax and spending decisions at the centre of local democratic debate.

Post Office
Library
Cycleway
In
O
P
C

TRANSFORMING LOCAL GOVERNMENT

› Our proposition

- Transform local government with a new deal: a new framework for public services which is able to be both strategic and locally responsive.

Research shows both that local government is more trusted than national government and that resident satisfaction with councils is high.

Recent national MORI polling shows that 79 per cent of people trust councils to make decisions about the future of local services. Only one in 10 people blame councils for cuts in local services.

Our own research supports this with 70 per cent of people saying their council is doing a good job and 82 per cent satisfied with their local area.

Yet the public trust in central government to take decisions over local services is just 11 per cent (MORI).

We are in a strong and credible position to develop a workable model for the delivery of local public services.



POLLING SHOWS THAT 79 PER CENT OF PEOPLE TRUST COUNCILS TO MAKE DECISIONS ABOUT THE FUTURE OF LOCAL SERVICES

Economic revitalisation and service effectiveness will be promoted through a new way forward based on place-based public service budgets, the development of city deals and single pot arrangements to facilitate growth across the country. The extension of this approach across the country suggests an emerging framework of coalitions of place based upon:

- logical communities
- different local governments and departments some within combined authorities
- economic sub-regions
- health economies
- voluntary sector frameworks
- locally raised finance and appropriate distribution or equalisation.

› **These proposals** will lead to an improved local deal and would revitalise democracy because people would see where accountability lies and what the local risks are. The distance between people and the decisions which affect them would be much shorter.

This implies significant devolution of powers from Westminster to a more local level. There would consequently be a real need for a national network of support and a sector-wide workforce strategy to address change and build resilient organisations.

Such an approach to devolution would also provide a solution to the 'English Question'. It would address current unfairness by giving England powers and control, which is similar to that of the three other UK countries.

Previous thinking tended towards a one-size fits all approach, but what is right for Birmingham will not necessarily be right for Norfolk. Accordingly, there is a need for a new framework which unlocks potential for a settlement which has real meaning for local people in very different settings.

All of this will require strong and vibrant political and managerial leadership to deliver real change.



WHAT *REWIRING* MEANS TO POLITICIANS



**Councillor
Gary Porter**
LGA Conservative
Group Leader

This document is the product of extensive discussions with our member councils over the past year and reflects many of the contributions that

were made by colleagues at the recent regional roadshows.

We all know that funding reductions would have occurred whichever party won the last election but, as is made clear, without a radical reform of local government finance councils will struggle to deliver discretionary services in the near future.

Crucially, we are offering positive solutions to the problems that we identify. For example, we clearly explain how the introduction of community budgets nationwide would save billions of pounds and result in more joined-up and better quality services for the public.

Equally, we want to work with government to actively promote economic growth. As the report emphasises, City Deals, Local Growth Deals, Lord Heseltine's review and a wealth of academic literature have all clearly shown that devolved decision making can boost economic performance.

Councils are up for the challenge locally but we need government to be bold nationally. For example, we are calling for a review of the ring-fencing of the schools budget since we believe that parts of this funding could be more effectively spent on council services such as early intervention for vulnerable children.

The current government's localist agenda must go further if we are to fully realise the ambitions that we have for the people and places that we represent. This document clearly outlines the path that local and central government should take together in partnership.



**Councillor
David Sparks**
LGA Labour Group
Leader

Never has localism been so important to our services, politics and finances. We are faced with profound financial problems and increasing demand. Caught in that pincer movement, local government as it stands is under threat – and more importantly with that the ability for people to have a real say over how their area is run.

To overcome the challenges we face, we need an ambitious long term vision for how we can reinvigorate local democracy, innovate to save money and improve the services people use. We also need a clear strategy for how we will deliver this vision. This document begins to sketch that out.

Local government has to adapt to our new circumstances in terms of our relationships with our residents, the ways in which we organise ourselves to collaborate better and in our relationship with central government.

This document sets out some new terms in our relationship with government, one that is more mature and one that benefits people, going straight to the heart of addressing democratic deficits.

Local government can be the engine of a country-wide economic revival. One that is not dependent on one area or one industry. This document sets out what local government can do and what we need in order to do it.

This document is an important first step in the conversations we need to have in local government between councillors, with our residents, staff and partners on what our vision looks like and I look forward to having those discussions.



Councillor Gerald Vernon-Jackson
LGA Liberal Democrat Group Leader

The 1963 Luchino Visconti film, *The Leopard*, has a line that is relevant to local government right now: "For things to remain the same,

everything must change."

The sector has made a massive contribution to reducing the national deficit, cutting a third of its spending over four years – with more funding reductions expected. But the scale of these cuts – for many authorities – is beyond merely trimming back. In order merely to continue with the way things are, everything has had to change.

But even this isn't enough given the scale of the ills we face as a country – the economy, the continuing jobs shortage and the lack of faith people have in our politicians and institutions to solve our problems.

This cross-party LGA publication prescribes a radical change in power distribution as a treatment for the nation's symptoms. It reflects what Liberal Democrats have long argued for - more powers to local communities and to local government.

But this isn't theoretical now – this isn't a subject to be classified under 'constitutional reform'. This is a matter that pervades all policy areas and especially jobs, the economy and the public's control over their lives.

Local government has undergone massive changes and shown it can transform itself to deliver what is required by Britain.

Whitehall doesn't have a good track record in trusting local government with power. But the severity of the problems the country faces means central government must change its approach - after all, to evolve leopards do in fact change their spots.



**Councillor
Marianne Overton**
LGA Independent
Group Leader

This is a brave bid for devolution at a time when there is a dramatic change in local government and a window of opportunity.

Whilst demand increases and resources drop, we have to find a better way to do business that still puts local government at the heart of leading our communities.

The cross-party LGA councillor and officer workshops I joined across the country were vibrant with lively ideas and discussion, putting a huge collective brainpower into redesigning local government. Now it is up to the hundreds of councillors at the annual conference. This is nothing if not a democratic and inclusive process. Yet the recommendations are still radical and ones we can all agree.

Why not have a local funding mechanism that provides for local services? Why not bring more of public services together under democratic control? Why not have a clear identification of our roles as distinct and separate from central government?

I recently met a delegation from the Council of Europe considering how far we had got with implementing our charter for local democracy. Our government already agreed years ago to properly fund local government to carry out our statutory duties and that we should have a constitution of our own. The door is more open now.

Our proposals show that local government stands ready to play its part in leading and refreshing England's economic prospects, public wellbeing and civic engagement.

This will not be created through central control, but can be achieved by every community contributing to renewal and creating an English state which reflects the needs of the 21st century.

Inevitably our proposals would mean enormous change for public services as a whole and local government in particular. However, we believe that this is a prize worth pursuing because it provides a real opportunity to improve the quality of life of our communities and make England fit for the future.



ACKNOWLEDGEMENTS



The LGA would like to thank and acknowledge all those who have participated in our road show and deep dive events earlier this year.

It has been an invaluable way for us to work with our local government colleagues to reassess the way we work and set out plans for what we believe will be a sustainable future.

For a full list of participants in the roadshows and deep dives please visit:

www.local.gov.uk/campaigns

To find out more about Rewiring Public Services or to read our four supporting documents visit:

www.local.gov.uk/campaigns

- Adult social care and health
- Children's services
- Economic growth
- Financial sustainability

Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Telephone 020 7664 3000

Fax 020 7664 3030

Email info@local.gov.uk

www.local.gov.uk

© Local Government Association, July 2013

For a copy in Braille, larger print or audio,
please contact us on 020 7664 3000.
We consider requests on an individual basis.

L13-524