

At your service

People-based public services are the way forward and local authorities need to embrace the concept, argues **Adam Fineberg**

Now that the dust has settled on the issue of business rates, it is clear that the overall growth, devolution and combined authorities agenda has a clearer context in terms of local administration and provision.

Local authorities will be required to fund some of their services from the dividend that is business rates income arising out of growth. This will require a step change in the way councils are orientated and the nature of their service provision. Government commissioned enquiries over the last decade or so have been pointing in this direction.

The Treasury papers on *Productivity in the UK*, specifically the fourth paper in the series *The local dimension* called for a single local strategic body to ensure that the value of local public expenditure was captured for the benefit of economic growth. The Cabinet Office's *Improving the prospects of people living in areas of multiple deprivation in England* review called for an economic driver in local efforts for regeneration. *The Lyons Inquiry into Local Government*, specifically its extended remit and focus on the role of local authorities in fostering local economic growth called for an economic stewardship locally driving the 'place-shaping' agenda. I'm now advising the current government on this agenda.

I was recently commissioned by the Government to produce an essay *Growth Coalitions: a "whole-system" approach to city development and economic growth*. It addresses the

potential and contribution that reformed, people-based public services can make to cities' growth and development. The piece considers the trajectory that such services might take to 2065 in the context of dwindling public resources and international competition from newly emerging, rapidly growing and people-productive cities worldwide.

The essay also considers the potential that growth-orientated public service reform for place and people development has in fostering strengths-based individual, household and community resilience and behaviours for enterprise and prosperity, meaning local development.

Key findings and recommendations include:

- Areas' productivity can be maximised by capturing and investing place and people-based public spend according to an overarching growth objective
- A single 'growth coalition' between the public, private and other sectors incentivises the integration of all partners' investments, building mutually reinforced development
- 'Growth coalitions' enable the collaborative development of a tailored, strengths-based growth strategy for mainstream area, sub-regional and regional economies

- A citizen focus enhances peoples' resilience and contribution to the economy, promoting changed behaviours and lower demand for public services
- 'Growth coalitions' facilitate the realisation of this 'whole-system' public service reform and transformation in the context of dwindling resource
- Areas' growth potential is unlocked and realised, ambition becomes the driver arising from embedded growth cultures
- Growth, in turn, funds areas' public services.

Clearly, there are specific challenges to address budget shortfalls, most commonly around social care spend, and developing 'whole system' locality models of provision with health. The realisation of efficiencies and enhanced outcomes arise from a consideration of these two elements as one system.

The systemic approach takes in the themes of prevention, early intervention, managing demand and changing behaviours. However,

future challenges can be addressed by adopting an economic approach to local administration and provision.

Ultimately, it is citizens and the degree and nature of their engagement and contribution to the economy that will significantly influence productivity rates. A people-focus optimises the opportunities for accelerated local and national economic growth and enhanced productivity rates arising out of physical developments and fiscal investments.

Citizen-centred, local, integrated and strengths-based

people services are seen as the outcomes, making the whole gamut of public services and physical investments as one 'system' working better for local people, economic growth and enhanced productivity levels in cities. This will also realise efficiencies, benefitting the public purse.

Given the fiscal challenges, public services and local leaders need to work smartly and be driven by the need to support citizens to realise the benefit arising from their potentially enhanced contribution to the local economy. Economic resilience and independence amongst citizens results in a decreased demand for public services, aiding local and national authorities' efforts to drive higher levels of growth and productivity.

The current trajectory for many areas sees a greater demand for costly and currently complex, disparate services with no collaborative growth focus in the context of physical and infrastructure investments. The pointers for future service provision in the current fiscal climate are indicating there is a real risk that there will soon be a significant crisis in service provision. ▸

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impact of services we currently commission and what is needed in future.

Sutton Council has been sharing services with other organisations to save money and improve performance as far back as 2005. We set up Safer Sutton, a unique, award-winning partnership between the council and the Metropolitan Police Service to improve community safety across the borough.

With more than a decade of hands-on experience and staff who have been trained and accredited by shared services architects, we are getting better at delivering projects of this nature and see a place for shared services as part of the strategic collaboration taking place within and across our councils. There is a *Memorandum of Understanding* across the four south-west London boroughs – Kingston, Merton, Richmond and ourselves – to share a clear vision of delivering high-quality, cost-effective services through strategic commissioning, while ensuring delivery is anchored in democratic accountability.

We now have around 15 shared services. They include South London Waste Partnership – a collaboration between Croydon, Kingston, Merton and Sutton, which will save £200m over 25 years – a shared ICT service with Kingston and a shared legal service with Merton, Kingston and Richmond.

Next we are about to share our highways, transport and regulatory services with Kingston, which will save £500,000 by 2017/18.

There is no doubt that our commissioning work, particularly on shared services is saving us millions of pounds from our annual budget. Savings through shared services to date currently stand at £8.5m – with more coming each year – and we have secured funding from the Department for Communities and Local Government to support this work.

While this is absolutely necessary in the current financial climate, we believe that it is essential that we see things from a citizen or user perspective. That way we make sure that despite making savings, people and retaining a quality of service remains at the heart of what we do. ▸

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