

# ‘WHEN TOMORROW COMES’

The future of local public services

# Executive summary

## Setting the agenda

Building on the work of previous Governments, the Coalition has set about a bold programme of public service reform. From free schools to neighbourhood planning, service commissioning and the involvement of private and third sector providers - no citizen or public servant is immune to the Coalition's agenda. Driven by Localism and the devolution of power the reform programme promises a dramatically different system of public services.

Reform on this scale requires that we review our assumptions about public services, and, crucially who should influence them or has a right to them. At the same time longer term trends indicate increasing demands on public services and finances, challenging us to rethink and reshape established approaches to what we deliver and how.

Guided by its expert Commissioners from the worlds of academia, policy and practice, and working in collaboration with the think-tank Demos, the University of Birmingham Policy Commission examined the potential impact of a localist reform agenda, drawing conclusions and making recommendations to inform current debates and offering longer-term proposals for the future of local public services. Four key questions shaped the Policy Commission's work:

- How will public service roles and relationships be redesigned and what are the implications for citizens, service users and providers?
- What contribution can behaviour change approaches and techniques make to proposals for the future design of local public services?
- How can we reproduce success and mitigate failure in a localist system?
- What will local government's role be?

Young people were a key focus for the Policy Commission. They are an important constituency likely to be affected in multiple ways by the current reforms but their voice in public policy debates is not as strong as others'. The Policy Commission drew directly on

young people's experiences as service users, volunteers and citizens and explored their views about public services, Localism and the Big Society. It was advised by the National Youth Reference Group and worked closely with Envision – a youth empowerment charity.

## The shape of the agenda - questions, themes and issues

The combined impact of the Coalition's proposals could bring into being a new settlement of 'local public services' - with implications for local government, public service providers, workers and citizens. This required that the Policy Commission consider:

- The nature and significance of the 'local' dimension to public services.
- What it means for services to be 'public'.
- Whether the idea of 'services' is sufficient.

## Activating tomorrow's citizens - young people and public services

'Active citizenship' is at the heart of Localism and the Big Society. The prospect of citizens having power to do things for themselves, as well as doing more for, and with, others runs through Coalition proposals from personalisation through co-production to community control. The Policy Commission explored the implications of the Coalition's plans for public service reform on young people as civic actors, service users and volunteers.

The good news for policy makers' wanting to encourage 'active citizenship', is that young people are prepared, up to a point, to get more involved in shaping and running local services, for themselves and for others. The evidence presented to the Policy Commission indicates that policy makers need a range of strategies at their disposal to engage with young people in different circumstances and that those strategies must include provision for young people to develop themselves and their skills. Underpinning successful citizen-decision maker, user – provider relationships are shared commitment, mutual respect for

each others' expertise, appropriate resourcing, and a focus on lasting change in services and/or outcomes.

The bad news is that young people feel that they are excluded from decision making and not taken seriously by people in power. Changing this perception requires decision makers' to view young people differently and to develop new ways of engaging and working with them to generate positive outcomes.

The Policy Commission's recommendations are:

- Policy makers need to pay closer attention to the different local 'theories of active citizenship' that may be present amongst citizens, service users and public service providers and work with these rather than attempting to impose a single model.
- Policy makers should acknowledge the joint importance of activism as volunteer work in the service of others and activism as self-protective action and provide resources/make space for both to flourish.
- Continued resourcing of local infrastructure and support organisations that provide local citizens, including young people with the well balanced structured support they need to live 'everyday lives' and to become more actively engaged is essential to building a Big Society.
- The potential of 'asset' based approaches should be examined more fully to consider their applicability to a wider range of service areas.
- More evidence is needed of the impact of 'scaling up' of personalisation on service users, professionals, the management of risk, and outcomes.

- Public service providers need to improve their understanding of the ways in which co-production occurs to inform future decisions about public service design and delivery and the potential and limits of 'collective co-production'.
- Public authorities and service providers should focus on building the knowledge and skills associated with co-production and collaboration, identifying how these need to be distributed within their organisations and putting in place measures to support their development.

### Influencing tomorrow's behaviour - options and evidence

Behaviour change strategies and approaches are important elements of the Coalition's agenda for public services. Typified by 'nudge', but embracing a wide range of activities, behaviour change is an influential factor in proposals for designing and redesigning services. The Policy Commission examined the efficacy and evidence base for behaviour change approaches and techniques

The Policy Commission concludes that we still know too little about whether and how behaviour change interventions 'work', and that too often assertion is mistaken for evidence. The complexity of factors influencing an individual's decision making were emphasised to the Policy Commission by the reflections of the NYRG - young people who have been on the receiving end of a variety of attempts to influence their choices. In addition the emphasis that young people themselves place on the role of the family and not the state as the legitimate source of influence suggests that moves to 'professionalise' character development maybe misplaced. Finally, the Policy Commission is concerned that the political, moral and ethical dimensions to behaviour change strategies risk getting

lost in focus on the 'science' of strategies such as 'nudge' etc. The Policy Commission concludes that there is a need for clear principles to inform

decisions that public authorities and other organisations might make about appropriate interventions.

The Policy Commission's recommendations are:

- The Policy Commission warns against too powerful a role for the state but urges politicians to encourage debate that goes beyond technical considerations of having good evidence to explore who is responsible for behaviour change in the interfaces between the national and local state and its various agencies, the individual and her or his local community, family and other networks.
- Interventions should be designed and implemented at a local level, where joint/dual strategies that i) use deliberative approaches within local contexts to come up with the desired outcomes (giving them legitimacy) and then ii) use approaches that encourage those outcomes.
- There is a need to map the wide spectrum of behaviour change approaches, and to consider their value within specific contexts, for particular behaviours. This could be done by central government or by an independent academic/research institution.
- Behaviour change mechanisms have to be situated within a broader governance context, where outcomes are identified and agreed through the practice of politics, and where the politics of behaviour change occurs within an agreed framework of governance principles that shape how resources are allocated and needs/aspirations are to be met.
- Interventions should not be based primarily on 'measurable' capabilities or skills since this encourages reductionist forms of training.
- Central government should scrutinise developments in economic modelling to assess the costs and benefits of behaviour change interventions as they could have significant implications for future public investment.
- The Policy Commission asks whether there needs to be a body similar to the Campbell Collaboration, to arbitrate debates about behaviour change interventions, and to identify principles and criteria for designing, implementing and evaluating appropriate interventions.

### Designing tomorrow's services - changing roles and relationships

The Coalition's ambition is to extend private and third sector engagement in the delivery of public services and to reduce direct provision by the public sector, permanently reconfiguring patterns of public service delivery, and redefining public sector organisations as commissioners rather than direct providers of services. The Policy Commission examined the capacity of public, private and third sector organisations to work in new ways and with different resources.

The Policy Commission concluded that how far and in what ways public authorities and organisations should diversify service supply must be driven by the desire to improve outcomes for service users and communities whilst protecting social cohesion. Greater diversification will require improvements in commissioning practices and changes to service provider behaviours – both of which are significant challenges. If diversification is to lead to pluralism rather than privatisation then the Policy Commission believes that diversification needs to be more locally grounded and with a stronger democratic dimension.

The Policy Commission's recommendations are:

- Public authorities and commissioners need to be confident in their rationale for service diversification based on a clear understanding of the action required to achieve service and community outcomes and an awareness of the challenges.
- Public service commissioners need to ensure that the model of commissioning they adopt is appropriate to the circumstances, that commissioners have the necessary skills and that in cases of joint or shared commissioning involving potential providers, robust accountability arrangements are in place.
- Public service providers, from whatever sector, need to develop new ways of working that are more open, responsive and connected to a locality or service area in order to meet the challenges of joint or shared commissioning.
- Public authorities need to think more broadly and creatively with users and providers about what kind of support is required to achieve outcomes and who and how can best offer that.
- Form, mode and instrumentation should follow function in the design and delivery of services but without risking accountability or the viability of potential providers.
- As policy interventions become more complex to address particularly challenging outcomes, particular attention needs to be paid to the capacity of users to influence the design and delivery of these programmes and for politicians to hold providers to account.
- As users and other citizens play greater roles in the future in the co-commissioning, co-design, co-management, co-delivery and co-assessment of public services, clearer protocols will be needed to ensure that the governance of co-production is appropriate. In particular, it should not become a requirement, should not disadvantage those who cannot contribute, and should not become exploitative, pressurising the weak and vulnerable to give more of their time and energy than they wish.
- Third sector representative organisations need to monitor the impact of Big Society and 'public service' proposals to assess how far they act to enhance or limit the capacity of the third sector to fulfil its advocacy role.
- Public authorities and service providers develop an understanding of the knowledge and skills associated with collaboration and commissioning, identify how these need to be distributed within their organisations and put in place measures to support their development.
- All of those engaged in the delivery of public services, should be identified as 'public servants' who work from a common set of principles rooted in a shared ambition to improve outcomes for citizens and service users.

### Supporting tomorrow's learning – success and failure in localism

The radical policy changes proposed by the Coalition in relation to behaviour change, Localism and diversification of service supply will stimulate a range of experiments in local public service design and delivery. Some of these experiments will fail and others will succeed. The Policy Commission reviewed existing evidence about how and why different approaches to delivering local public services fail and succeed, and considered how this can be used to anticipate and mitigate 'failure' as well as account for success in local public services and civic action.

The Policy Commission concludes that putting in place appropriate and sufficient resources to enable decision makers to make informed judgements about the success or failure of experiments is essential to maximise use of scarce resources. This will require drawing on a range of evaluation approaches and techniques. Learning more about and from failure will become more important in a context where we have few blueprints to guide us so making failure more likely, and where experimentation is occurring across and between sectors and will include experiments in self-help and self-organisation. This will require more openness on the part of 'failed'

initiatives or organisations. It will also require a cultural shift in public and policy makers' attitudes towards failure.

The Policy Commission's recommendations are:

- Commissioning processes should be regularly reviewed for intelligence about how they facilitate successful initiatives or contribute to failures. These reviews should involve providers and users in addition to commissioning staff.
- There is a need for evidence to be collected about the failure of self-help and self-organising initiatives in communities and neighbourhoods to assess what the potential and limits of self-help might be and what kinds of additional support might be needed in specific circumstances.
- The move from 'cost' to 'price' based contracting should be reversed if it adversely impacts either on smaller third sector providers or on service quality.
- There should be ongoing micro and macro evaluation of the respective impacts of public, private, third sector or hybrid service provision in terms of value for money, quality of provision, equality of access and user experience in order to inform future decisionmaking about the extension/contraction of particular initiatives.
- Public resources should be moved from ineffective programmes to evidence based ones, accompanied by clarity about what is acceptable as evidence, including young people's perspectives, and attention to questions of fidelity of programme design and impact of local contextual factors on implementation.

- Independent evaluation of interventions is a priority. It is essential that evaluations are clear about who is commissioning and funding them and that governments support and resource independent evaluations of proposed interventions.
- Central government should make funding available to support public service (re)design experiments, to encourage public service commissioners and providers to pursue new ideas, in a context of shared risk and rewards (through learning and transferability of successful initiatives).
- There is a need for a nationally co-ordinated system of support to aid the design, development and evaluation of public service experiments, the innovations that arise from these experiments, and their application in local contexts.
- Computer modelling and simulation could offer important insights into the potential and limits of proposed experiments, so helping to refine them prior to testing on the ground. Partnerships of public service commissioners and providers and universities and other research institutions should be encouraged to pursue these possibilities and take advantage of European and other funding where appropriate.
- Universities and other research and intelligence organisations should invest directly in working with service users and community groups to support the development of their capacity to undertake research and evaluation activities on their own behalf, enabling them to develop ideas for public service experiments as well as contributing their own evaluations of experiments in practice.

### **Inventing tomorrow's local government – challenges and opportunities**

Local government is facing a number of challenges. Proposals for Localism and the Big Society challenge its authority, budget reductions challenge its capacity to act, and longer term political trends challenge its legitimacy. To meet these challenges local government will need to reinvent itself. The Policy Commission explored what we know about local government's capacity for reinvention and the options available to it.

The Policy Commission concludes that local government needs to reinvent itself as local community leader to meet the

demands of future local public governance. To secure this role local government needs legitimacy with other public, private and third sector actors based on its capacity to act competently, justly and in the interests of local well-being in a context of scarce resources. It also needs democratic legitimacy with citizens and communities in a context where faith in representative politics and institutions is declining. This means developing meaningful roles for local councillors and going beyond representative institutions to work directly with and alongside citizens and communities to shape the values, policies and outcomes that will define the locality.



The Policy Commission's recommendations are:

- National and local government should work together to develop a vision for the future role and purpose of local government in a new environment. This should include a review of local government finance to give local government sources of finance which are driven more by local decisions and are more independent of central government interference.
- As community leaders local authorities should provide a democratically anchored framework within which local priorities can be set, reviewed and renewed. These need to be considered in the context of support that must be provided, support that is locally needed and support that could be provided. Citizens and users need to be involved in the processes of priority setting in a truly interactive fashion so that there is space for views to be represented, heard and opinions changed or new opinions formed.
- Local government has a key role in promoting citizenship amongst young people. It needs to acknowledge through its actions that young people are part of its communities and not separate from them. It needs to support citizens to become independent actors able to critique public policy and public services. It also has a role in reviewing the use of 'nudge' tactics to change young people's behaviour to ensure that they are being used appropriately.
- Improvements to transparency need to be accompanied by a more expansive and robust expression of accountability that go beyond the financial/ performance measures to embrace narratives of why things happened and what might be learned. Local councillors have a key role as ward representatives, mediators of local interests and scrutineers of the actions of local government and other providers.
- Local authorities should consider whether it is easier for councillors to perform their democratic role if services are commissioned externally – does this avoid conflicts of interest for councillors or does it reveal a lack of capacity on their part to be responsible?

### Shaping tomorrow's Localism – From deliberation to design

The Coalition's package of reforms for public services if implemented in full will bring into being a new settlement of 'local public services' - with significant implications for how we define and describe public services in the future, for any emerging social contract, and for local government, public service providers, workers and citizens. At present some of these proposed reforms are 'paused' and it is possible that the Coalition's proposals will suffer the same fate as previous attempts and fail to generate the kind of 'transformation' that some supporters wish. The lack of any clearly defined formal framework for the current array of proposals arguably implies that they deserve this fate.

The Policy Commission takes a rather different view. While not wishing to deny

the significance of the public spending squeeze in general and the dramatic impact of front loaded local government spending cuts in particular, and regretting the apparent lack of coherence in thinking about the impact of the Coalition's public service reforms on localities, the Policy Commission does believe that the demands of the future will require public services to be delivered in different ways.

The Policy Commission's response is to propose a system of Local Public Support which continues to acknowledge the vital importance of an active state but also recognises that fulfilling citizens' aspirations and meeting their needs in the future will require the provision of new kinds of resources, interventions and/or services, involving citizens in new ways as well as contributions from the public, private and third sectors.

### Local Public Support – a system for tomorrow

The Policy Commission advocates a system of Local Public Support that **co-ordinates all available resources (public, private, civic and personal) to offer 'helpful acts' of various kinds (connections, ideas, interventions, products, resources, services) to promote individual and collective well-being.**

Seven re-design principles underpin the system of Local Public Support which should be:

- Citizen centred
- Cost effective
- Democratically accountable
- Legible to citizens and users
- Outcome orientated
- Socially just
- Sustainable

Systems of Local Public Support will be as diverse as the range of localities, neighbourhoods, regions etc. but each should include the following features:

#### Democratically determined rights and entitlements to local public support

In a system of Local Public Support rights and entitlements to support are decided and determined through democratic deliberation involving the whole community. All democratic deliberation needs to be undertaken in the context of the principles of social justice and sustainability and public authorities, particularly local government, will have a responsibility to ensure that weaker/unpopular 'voices' are not marginalised in these deliberations.

#### Local priority setting in a democratic framework

The system of Local Public Support is driven by the local community priorities negotiated and agreed within a democratic framework that is anchored in the representative institution of local government.

#### Outcome based commissioning

Outcome based commissioning provides the mechanism for deciding what support will be offered and by whom. It should promote testing of a range of approaches to establish which work best.

Outcome based commissioning demands new behaviours and approaches from commissioners and providers, from whatever sector, particularly where commissioning is joint or shared. Openness, responsiveness and connectedness are key features of commissioner-provider relationships in a system of Local Public Support.

### **Co-production in the design and delivery of support**

This is a way of saving scarce resources, by getting individuals and communities to make more of a contribution to their own and possibly others' well-being, e.g. using less and recycling more.

The experiences of some of the young people who gave evidence to the Commission suggested that engaging in co-production with service providers not only helped to create a better system of support but also enhanced their sense of being independent and responsible individuals, attributes they prized.

### **Dedicated resources for citizen/ community action**

A system of Local Public Support is one which makes resources (human, physical and financial) available for citizens and communities to take action on their own behalf.

Some of these resources will be made available by or transferred from local public authorities or public service providers. However, as important will be the resources that are available from other sources e.g. the private sector and third sector, that enable citizens and communities to improve their own and others' well-being.

### **Combining preventative and responsive activity**

A system of Local Public Support focuses on preventative activity as this can provide a more direct route to achieving positive outcomes and can reduce the need for expensive responsive interventions so saving scarce resources.

There is scope here to explore the potential and limits of behaviour change approaches and to examine the likely contribution of working with asset based

models of intervention and support. A key instrument for such approaches is likely to be 'capabilities analysis', which explores what local people can do and are willing to do to contribute to local public support, without reducing either to measurable and trainable 'skills', to set alongside more traditional 'needs analysis'.

### **Plural provision where this supports outcomes**

Form follows function in a system of Local Public Support. Who supplies support, of what type, in what way and how funded are all questions that are answered in relation to what offers the best outcome for individuals and the wider community.

There are opportunities here for innovations in new kinds of supply arrangements involving public, private, third sector and community bodies.

### **Local public support budget**

A local public support budget operates flexibly. It makes use of the range of financial resources available from private, charitable and philanthropic sources.

There are opportunities for experiments in new kinds of funding for local public support including payment by results, social impact bonds, Tax Increment Financing, new local government fees and charges and more joined-up central government funding.

### **Powerful local politicians**

A system of Local Public Support requires powerful local politicians who are able to shape and guide the system in ways that reflect local community priorities. They need to represent the views of those with limited resource power in decision making; and provide a robust framework for local accountability.

### **Systematic and shared learning**

There should be multiple opportunities for systematic and shared learning in order that different aspects of support can be regularly reviewed and revised or replaced if they are not contributing to individual and community well-being.

### **Making the system work - the conditions for success**

A system of Local Public Support will make new demands of citizens, outline new roles and skills for a more broadly defined group of public servants in the public, private and third sectors, place local government and local democracy at its centre, and require a new settlement between communities and central government.

### **Citizens as genuine co-authors of their well-being**

A system of Local Public Support is based on the idea that citizens are genuine co-authors of their well-being. By this we mean that citizens are active contributors to creating and sustaining the good outcomes that they wish for themselves and their wider communities, but crucially, that they do not do so alone, but in conjunction with family, friends, state, third sector and the market.

### **The conditions for this to work are:**

- **Capacity.** To act as co-authors citizens need agency; the wherewithal to act on their own behalves in relations with others. Agency is an expression of personal power which is linked to an individual's competence, capability and confidence and which may be expressed directly or through advocates.
- **Connectedness.** Connections with others can increase the resources, such as expertise, time and support that citizens have at their disposal to contribute to their well-being. Understanding how individuals are connected to each other and to wider society opens up discussions about belonging, fairness and solidarity and what it means to be a citizen 'co-author' whose actions impact both on individual and community well-being.
- **Control.** Co-authorship implies a degree of power and control, both over your own actions but also in exchanges with those who have traditionally exercised power on behalf, of or over, citizens. If citizens are to be active contributors to their own well-being then this requires that politicians, professionals and practitioners give up

control over decisions, budgets and services and help create the conditions for co-authorship to flourish.

- **Context.** Citizens' capacity to act as co-authors will be influenced by the social, cultural and economic conditions of their neighbourhoods, localities or regions. Discrimination, poverty and inequality will place significant limits on the 'scope of possibility' for some individuals and communities.

### Creating twenty-first century public servants

Public services have continued to be designed around professional specialisms even though the silo institutions these ideas created have long since ceased to be useful in achieving local results. They have continued to be viewed through the lens of the public sector even though voluntary and latterly private sector providers are well established in many areas of service delivery.

The Commission outlines its proposals for a new 'Twenty-first century public servant':

- **Who are they?** Twenty-first century public servants may be: professionals, managers and/or practitioners from across the public, private and third sectors who are working in a system of Local Public Support.
- **What do they do?** Twenty-first century public servants fulfil a combination of roles, some of which are new, some evolving and some longstanding. Key new roles include: **storyteller**, communicating stories of how new worlds of local public support might be envisioned in the absence of existing blueprints; **weaver**, making creative use of existing resources to generate something new and useful for service users and citizens; **architect**, constructing coherent local systems of public support from the myriad of public, private, third sector and other resources; and **navigator**, guiding citizens and service users around the range of possibilities that might be available in a system of Local Public Support.

Twenty-first century public servants need key skills including:

- Interpersonal skills specifically facilitation, empathy and political skills
- Synthesising skills, including sorting evidence from a range of sources, analysing, making judgements, offering critique and being creative.





- Organising skills for group work, collaboration and peer review.
- Communication skills, making more and better use of new and multi-media resources.

Also crucial is a Government that publicly values and supports public service and promotes careers in public services. Educational and training programmes for public servants at all levels, including at national level, will need to be redesigned to accommodate these new roles and skills and to address the existing skills gaps.

### **A connected and connective local government**

Local government will become more important in the future. The redesigned system of Local Public Support that we are envisaging provides important opportunities but also presents difficult challenges. Local government will need to manage these different tensions as well as changing the way it relates to citizens. To achieve this local government needs to be both connected and connective.

In its relationships with citizens and service users:

- Local government needs to be connected directly into local communities in order to develop a deeper understanding of their aspirations and concerns and the outcomes which they most value, to be better able to connect them to resources that can offer appropriate support to mobilise for those resources to be developed where they are not available. This requires that local politicians are perceived to be both credible and legitimate by their constituents.
- Local government needs to be connected to the views and experiences of those accessing local public support in order to develop a better assessment of how the system works and to hold service and support providers to account.
- Local government needs to be connected to the range of potential providers of local public support in

order to improve its commissioning capacity and connect existing resources together more effectively. This includes identifying opportunities for co-production and ensuring plurality of provision.

- Local government needs to develop a way of governing that engages individual citizens and communities and providers in the construction of a larger project of social solidarity.

### **A new national government/ community settlement**

Flourishing systems of Local Public Support require changes in the way that central government relates to local government and other local public institutions. Some of these actions are about the appropriate use of power to effect change that is beyond the scope of systems of Local Public Support. Other actions are about changing the culture of public debate.

Central government must acknowledge the contribution of nationally organised public services and systems of Local Public Support to the public who benefit directly from them, but also to creating the conditions for a prosperous private sector and wider social cohesion. This includes acknowledging the contribution of all 'public servants', whichever sector they happen to be delivering services and support from.

Localism should result in a much clearer framework of responsibility and accountability between the 'centre' and 'localities'. These divisions need to be made clear to the public. Where responsibility and accountability is located within localities central government should respect that and not seek to intervene unless there are legal breaches or concerns about public safety.

Moving from our existing system to towards a system of Local Public Support requires action across a range of areas. The Policy Commission's recommendations highlighted earlier in this summary will help localities make that move.

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