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Total Place:

Seamless services, local control and cost savings?

INTRODUCTION

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In this edition of Policy Platform we discuss how local authorities can deliver improved services around locally determined priorities. This is in the context of the 'Total Place' pilot initiative currently underway which is looking to examine the total spend of all agencies within an area to aim to reduce cost and bureaucracy.

The first article is by Cllr David Parsons, the leader of Leicestershire County Council, which is a pilot area for the 'Total Place' initiative. He suggests that a focus on partnership with fewer directives from central government is the best way to shape services around locally determined priorities.

Cllr Parsons argues that the 'count' element of Total Place should not be underestimated as it has highlighted that funding passed down from central government through various quangos and departments accounts for approximately 20% lost to bureaucracy at each stage of funding allocation. He also estimates that approximately £14m has been spent by both central and local government in complying with various assessment regimes.

In the second article by John Seddon, the author of a book on systems thinking in the public sector, he argues that a focus on costs alone misses the point. He suggests that cost savings will fall out of a focus on outcomes rather than a focus on costs in itself. He describes a system whereby organisations focus on the 'demand' of the user rather than structures. In a similar vein to Cllr Parsons, he argues that "...the principal causes of sub-optimisation are in the top-down promulgated designs with their associated structures, budgets, requirements and measures."

There is no dispute to that conclusion in the third

article by Des McConaghy, a public servant who served under the Heath and Callaghan administrations. He suggests that the constitutional weakness of local government in the UK has undermined the kind of radical 'total approach' he argues for. He warns that the 'total approach' to the public sector is not new, and that when we were here before, nothing really changed.

There are a number of lessons to draw from these articles. Principally, we learn that whatever the benefits of the total place initiative in the coming years, we need to be aware that this is by no means the panacea for local government and the public sector. It may be able to highlight cost, but we are yet to see whether a focus on cost will deliver not only savings but improvements in outcomes and the kind of joined up approach many people at the local level are hoping for.

DAVID PARSONS CBE

Leader of Leicestershire County Council



In my view, the only way to deliver high quality services is through well led, locally relevant agencies providing the services that local people want and support. A strong relationship and trust between those agencies and their citizens and clients is vital.

Leicestershire County Council, which is a top performing authority, and other agencies all provide good services to local people. Leicestershire is two tier with seven district councils and the unitary Leicester City Council is at the geographic centre. There are two PCTs but the Police, Fire and two acute health trusts cover the whole sub-region.

Partnership working is good and I have an effective working relationship with Ross Wilmott, Leader of the City Council, despite our political differences. Leicester and Leicestershire have an MAA for economic development, reflecting their economic



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inter-dependence. We are a Total Place pilot area.

Both Government and opposition direction of travel towards localism is surely right. How can central Government identify the right priorities for the one million citizens of Leicester and Leicestershire? It has no direct democratic relationship, nor deep understanding of local people's needs. The County Council has 55 locally accountable members and, with partners, invests in consulting and engaging with people and businesses, developing citizen insight and analysing demographic and other statistics, providing the essential foundations for our priorities.

For example, I have been able to consult local people directly on their expenditure priorities by asking where services should be safeguarded and where reductions should be applied. They can reflect their views on the decisions my Administration takes at the ballot box in three years time.

It is also important that priorities are set for relevant areas. For example, economic development covers Leicester and Leicestershire - clusters like these are more relevant for policy and delivery than artificial regions. Leicestershire's 19 small and diverse areas of relative disadvantage present a different challenge. Here, we have brought in neighbourhood managers to work with neighbourhood forums and local service providers to fine tune services to local needs.

National government cannot have this understanding of place nor what is required in different geographical areas for different groups of citizens and clients.

“Central Government has no direct democratic relationship, nor deep understanding of local people's needs”

I do have two areas of concern where Government needs to help. Firstly, in two tier areas, there are often two layers of strategy either duplicating or contradicting one another. My solution would be to restrict this to County or sub regional clusters and for the district level to concentrate on co-ordinating local

delivery. Secondly, there is a continual tension between the local agency targets set by Government (or its national and regional agencies) and those we jointly agree are most important locally. Government must learn to be less directive if locality working is to be fully successful.

In the current environment, we cannot discuss delivering local services without acknowledging the problems caused by significant public expenditure reductions.

“20% of funding is lost to bureaucracy at each step meaning much less arrives at the frontline that should do”

We were the only area to set an efficiency target in our MAA for 15 local agencies. We recognise we need a step change in performance to achieve this and have established a formal Leicester and Leicestershire wide efficiency programme with three elements:

- Joint budget planning to avoid unintended consequences of reductions such as cost shunting.
- A prioritised set of back office single services.

A series of frontline service 'deep dives', based on Total Place thinking, identifying how better outcomes can be achieved with less investment.

The 'count' element of Total Place has already provided some strong pointers to the efficiency challenges and barriers that Government needs to address.

The sheer number of local agencies we've mapped means higher aggregate costs of being in business and a greater local effort to fix the complexity of budget holding and decision making.

Our maps show funding starts from a multiplicity of Government departments and flows through national agencies and regional middlemen before finally arriving with numerous local agencies. The Audit



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Commission has identified that 20% is lost to bureaucracy at each step meaning much less arrives at the frontline than should do.

Government should also simplify and remove arrangements and legislation that makes it more difficult to be effective locally. For example, as PCTs, Police, Fire and local authorities have three different Equality Frameworks set by different Government departments, it's very difficult to provide the local single support service we want to. With the other Total Place pilots, we'll be providing Government with a long list of such barriers.

We have chosen two themes to 'deep dive' in our Total Place pilot - drugs and alcohol and accessible services. Uniquely, we've used our current cohort of Leadership in Partnership managers to help develop proposals. This group of future leaders from all sectors of the local public and voluntary sectors are learning management and leadership techniques and challenges together at Warwick Business School.

"We need a new framework supporting joined up services in achieving locally agreed outcomes and serving local people rather than the machinery of Government"

Initial results from our drugs and alcohol project show that diverse funding arrangements and ring fencing are major problems. Innovative reinvestment and redistribution solutions will provide better outcomes but demand is such that overall savings won't be forthcoming in the short term. One solution is an inter-agency service, adjoining emergency departments, to provide specialist care, targeted preventative interventions and education and a place of safety as an alternative to police custody.

Cost savings are achievable when looking at accessible services and we've set a target of 25%. A single service approach is most likely to produce this

and help join up approaches across agencies.

We chose to look at accessible services because the comprehensive area assessment process had identified it isn't as joined up in Leicestershire as elsewhere. Some external inspection is needed but we need a new framework supporting joined up local services in achieving locally agreed outcomes and serving local people rather than the machinery of Government.

The current overall burden of inspection is too great and we've carried out work to assess these costs for all agencies in Leicester and Leicestershire. Collectively we employ 100 people to gather data and send returns to the Government at a cost of about £3.5m and spend at least another £3.5million on various inspection regimes. Presuming Government uses similar resources to carry out the work, the total cost is about £14m, most of which would be better saved or spent elsewhere.

Place-driven cross-agency approaches will be more effective than national silo-management but constraints must be removed. We are making progress in localities and can do more but the Government must make some adjustments if outcomes are to be improved whilst big savings are being made. A reduced number of local organisations and a single service/single budget approach by those that remain is essential. The Government's challenge is - can it create more joined-up national Government to support these changes?

JOHN SEDDON

Lead consultant, Vanguard



In thinking about how to deliver improved services around locally-determined priorities, we have to address two separate but related issues: how we determine priorities and how we design services. Here I shall argue that understanding demand is the key to both.



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Comprehensive Area Assessment (CAA) encourages leaders of the various public services in an area to determine local priorities; in practice this means they meet. No doubt 'obvious' and 'known' problems become the basis for a plan – anti-social behaviour is often localised, while obesity is a general problem, for example. Typically the chosen foci are taken back to each organisation and they become the basis for planning what contribution each (police, local authority, education, health and so on) can make. The contributions are planned and executed, producing an audit-trail for inspectors. But in the end does all this activity actually make any difference?

“A growing percentage of local authority budgets are being allocated to ‘influencing’ what we now term as ‘place’. At the same time services are poor from the users’ point of view”

I always ask that question in a different way: Have the activities produced to fulfil the plan changed the demand itself? Are there fewer obese people or anti-social acts as a result of what we have done? No one knows. There are on the other hand plenty of reasons to question the efficacy of what is going on: Trading Standards officers visiting fish-and-chip shops to ask the owners to reduce the size of the holes in their salt-shakers (their 'contribution' to the plan); everyone (not just those who need to be) being cajoled to change their habits through indiscriminate – and to some people – intrusive communications and social controls.

A growing percentage of local authority budgets are being allocated to 'influencing' what we now term as 'place'. At the same time services are poor from the users' point of view. The argument here is that it would be more parsimonious to focus our efforts on providing services that work. And to do that we need to understand demands – the things citizens want from services. Subsequently we need to study how the various agencies respond to those demands, to

understand the sub-optimisation created by current arrangements. From this position better services can be designed to meet what are known to be local priorities.

Adult care provides one illustration. Studying demand for care services reveals predictable volumes of need for routine things like bathing and feeding. Yet when the progress of the demands is traced through the multiple agencies responsible for responding to them, what claimants experience is anything but routine. They are subject to serial assessments, every function in each organisation carrying out its own exercise, with no one responsible for seeing or treating the whole person. The duplication represents massive waste, creates very long end-to-end times, confuses and sometimes confounds those in need, and many who need help deteriorate over time. Each service-provider gate-keeps, to protect its budgets; arguments about 'care' versus 'health' needs and thus whose budget should be used to contribute to delays; services provided are often constrained by what has been 'commissioned', meaning the service does not fit well with the need; and all of this is maintained and further exacerbated by activity-reporting to the centre.

“People want services that work. Designing services against demand ensures they do – from the users’ point of view”

In line with the CAA requirement to be seen to listen to 'local' needs, we see 'access' (opening call centres) being confused with service (people in the call centres can't help); giant plasma screens installed in waiting rooms and pregnancy-scanning services; elaborate focus groups set up to establish the views of the public who, in truth, just want services that work; all 'evidence' and thus grist to the inspector's mill, but of no value in improving the services.

Unfortunately, local 'initiatives' are driven by the way the money works, not by clinical need. So equipment



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budgets are spent on smoke alarms (a tick for 'helping people live at home' – an initiative with its own 'indicator set' – and another tick for working in 'partnership' with the Fire Service) and there is no money left for equipment to service current demands. Likewise we see nurses responding not to clinical demand but instead engaged in activities that meet the GP's need to maximise income.

In short we learn that the principal causes of sub-optimisation are in the top-down promulgated designs with their associated structures, budgets, requirements and measures.

Experiments with designing care services against demand have shown impressive results, saving costs in administration, disabled facilities, and management. Further, and much larger (although invisible), savings can be anticipated through avoiding unwanted and costly institutional care (residential care homes and hospitals).

“Each service-provider gate-keeps, to protect its budgets; services provided are often constrained by what has been “commissioned”, meaning the service does not fill well with the need”

These designs work by bringing the right expertise to the point where people first present a need, to ensure fast and accurate assessment and provisioning. One plan (not many) and continuity of relationship with care-providers means lowest-cost and more effective care provision. The designs point the way to changes to support and management roles, to be rooted in adding value to the work. What they do *not* call for includes 'strategic' roles, policy units, massive investment in IT (relatively), and duplication of management across multiple local organisations – PCT, Social Services, Hospital, Mental Health, and so on.

While these designs are in their infancy in care services, evidence from Portsmouth City housing, where all services have been designed against demand and, as a consequence show dramatic improvements, also shows that better services lead to more responsible community engagement – an unanticipated but natural consequence.

People want services that work. Designing services against demand ensures they do – from the users' point of view. Better services at lower costs meet the need and aspirations of other 'stakeholders' – taxpayers especially. It is a shock to many, particularly managers, that lower costs follow. Much of the work of the massive management factory sitting over public services has been preoccupied with trying to drive down cost, yet managing cost has driven cost up while making services worse. Demand is the one lever that is attached to the things that matter; the ones pulled by the centre drive public services in the diametrically wrong direction.

DES McCONAGHY,
Former Senior Civil Servant under Heath and Callaghan



The “Total Place Initiative” (TPI) will identify all the public resources spent in 13 pilot authorities and it will spend another £5m to see how the locality can be better managed. The initiative will probably survive the election since it attracts a wide political consensus. Clearly it could cover most of the issues raised by the Localis report [“Can Localism Deliver”](#), and by David Cameron's Policy Paper “Returning Power to Local Communities.” But before running riot in the springtide of emancipated emotions we should pause to consider an earlier “Total Approach” which I helped to promote some 37 years ago.

Effective localism would change all of government – and paradoxically it cannot happen without forging a new strategic dialogue with the centre. Indeed localism must address a vacuum; the problems which arose from the lack of any formal written British



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constitution or guaranteed local powers. Thus while global economic trends have encouraged centralisation everywhere, in Britain this has proceeded apace and in a relatively unchecked way. And paradoxically, too, while some Ministers have always wanted to decentralise (and seek relief from the accumulated burdens at central levels) they have found it impossible to do so while, of necessity, retaining "strategic control" at the centre. This was already a national problem before Peter Walker announced his "total approach" in 1972.

"Parliament must have the ability to validate and approve strategic financing otherwise there will be no effective decentralisation"

It was the same idea; to take six cities and to examine the "total resources" being used and "how to transform them". But Ministers move on, new governments take over and bureaucracy has an inherent resistance to change. Meanwhile the macro imperatives towards centralisation continued without any constitutional resistance – all exacerbating problems of coordination in an overstretched Whitehall itself inherently weak in any interdepartmental response. Thus Walker's 1972 "total approach" was fiercely resisted under Ministers that didn't want to change much. Officials assigned different objectives to pilot cities and delegated progress to consultants – all militating against reaching general conclusions let alone addressing a major constitutional weakness.

TPI will have a job avoiding a similar cul-de-sac. Meanwhile it is depressing to find that I proposed some decades ago all the ideas in the recent Localis publication "Can Localism Deliver" Indeed in 1971 Michael Heseltine considered my plans "Utopian" for "one stop shops" and for co-ordinated local information systems. And no Minister has been consistent in encouraging locally elected institutions. Thus even the 1980 Local Government Act had one section for sensible new local expenditure based

planning while another promoted centrally imposed Urban Development Corporations. Two staples held the Act together.

Then, too, from 1974 onwards both the main Parties used housing to bypass councils as we promoted the voluntary and privatised state – and elected local authorities lost much executive "hands on" knowledge and their direct feel for local services. Grossly generous 100% capital and 100% revenue deficit central grants were initially deployed to housing associations, and other local services followed a similar route. Even the co-operatives we pioneered in the late sixties, were once deliberately manipulated in party political battles against local councils as the centre actually attacked local government at its electoral and financial roots. Finally we arrived at the present forest of centrally financed quangos; some competing with each other within the local budgetary haze.

My proposal to Ministers in 1972 was a system where the new local authorities (1974) would rely on local taxation and charges and the usual equalisation rate support grant. Routine services would be devolved to the most local area management levels but I also envisaged a Cabinet Office operated system of strategic joint resource planning for financing a really exceptional concentration of problems or tasks across the country. Later Scotland proposed a similar notion of joint resource planning with the central government – with most remarkable staff work by Scottish officials at that time. But all this called for a degree of central coordination that was not forthcoming.

And the strategic initiative had already been lost in Ted Heath's otherwise imaginative and bold 1970 reorganisation of central government. That had also set the scene for the later 1974 reorganisation of English local government; the largest since 1888. And Ted Heath had indeed recognised the need for a central strategy unit – which became the famous Central Policy Review Staff (CPRS) in the Cabinet Office. But, crucially, this CPRS had no ongoing or systematic link to the public expenditure round (PESC) – and no strategic capacity is worth a damn outside the budgetary system. The same was true for



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later No 10 Policy Units.

Thus the 1974 local government reorganisation and subsequent reorganisations all failed to resolve central local relationships in any secure way. Thus, too, it was no great tragedy when Michael Heseltine and Margaret Thatcher abolished the GLC and Metropolitan Counties. Without any clear "strategic financing" capacity there was simply little conclusive for "strategic" counties to do that could probably not be done as well at some other level or some other way. Meanwhile the local fog became general throughout the land.

"Effective localism would change all of government – and paradoxically it cannot happen without forging a new strategic dialogue with the centre"

It still seemed a good idea to at least record all money spent locally and so I set up a voluntary team to do this across all English local authorities in 1984 and 1986. This was well before the Internet but we user-friendly routines which could show anybody who was getting what across all jurisdictional or geographical boundaries. We were routinely used by diverse people and agencies and by the House of Commons Library and I had extended the system to Northern Ireland before being stopped by new 1986 DTI regulations which required that Whitehall itself seek the maximum commercial return on any tradeable official data.

That perverse 1986 ruling may shortly be reversed as the 2009 EU "INSPIRE Directive" comes into effect. And so there's no good reason why this aspect of the TPI should be limited to the 13 official pilot areas. If my small voluntary team could cover the whole country officialdom could now surely do the same.

Better still just let the charity "My Society" loose on the data and the sectoral and the constituency implications of public policy will soon be clear to all.

But all this leaves one hurdle blocking the way to a truly "Total Approach"- this time at the centre of our

constitutional architecture. We still have no systematic parliamentary approval of the money used to run the country. Parliament must have the ability to validate and approve strategic financing otherwise there will be no effective decentralisation. Ministers will go on playing with the bricks themselves and the Bedlam of crude "sofa government" will continue.

Here the Treasury's present "Alignment Project" hardly begins to fit the bill – and neither does Kenneth Clarke's "Power to the People" Review. We now face a structural problem at a critical time for consensual government. Only a total reform will do.

FOR MORE INFORMATION

Localis is an independent think-tank dedicated to issues related to local government and localism more generally. We carry out innovative research, hold a calendar of events and facilitate an ever growing network of members to stimulate and challenge the current orthodoxy of the governance of the UK .

For more information, please visit www.localis.org.uk or call 0207 340 2660.

To find out more about the work of John Seddon, please visit www.systemsthinking.co.uk. To learn more about Leicestershire County Council, please visit www.leics.gov.uk.