

MAYOR & CABINET			
Report Title	Rewiring Public Services		
Key Decision	No	Item No.	
Ward	All		
Contributors	Executive Director for Resources and Regeneration		
Class	Part 1	Date:	13 November 2013

1. Summary

- 1.1 This paper outlines the Rewiring Public Services campaign being led by the LGA and seeks the Mayor's agreement to support the campaign and to propose that the LGA's report be debated at full Council.

2. Recommendation

- 2.1 The Mayor is recommended to agree to support the LGA Rewiring Public Services campaign and propose that the LGA's model council resolution be debated at the Council meeting on November 27.

2. Policy & Context:

- 3.1 The Rewiring Public Services campaign relates most directly to the policy objective *Empowered and responsible* and the policy priority of community leadership and empowerment. The successful outcome of the campaign would enable the council to better meet its core objectives and priorities in all areas.

4. Background

- 4.1 The Local Government Association's campaign Rewiring Public Services is the result of an extensive consultation of the organisation's English member authorities during 2012 and 2013.
- 4.2 Through a series of regional roadshows, the LGA sought to identify its members' concerns about the future of local government, and develop cross-party proposals for the future of local public services.
- 4.3 The culmination of this work was the publication of "Rewiring Public Services - Rejuvenating Democracy", the first in a series of papers setting out the LGA's vision, attached as Appendix A, supported by analysis in "Future funding outlook for councils from 2010/11 to 2019/20" attached as Appendix B.

4.4 Member authorities were asked to debate and support the proposals by passing a model Council resolution, attached as Appendix C.

5. The LGA Argument

5.1 The LGA's argument is made in full in the attached report. In brief, Rewiring Public Services has identified three major concerns for local councils and the people they represent:

- **English democracy is in crisis**, with voters disillusioned with major political parties and the wider democratic process as “they do not see what difference voting makes to their daily lives.” This is particularly acute in England, as voters feel devolution in Scotland and Wales have given voters there more power over their local area.
- The **economy is stagnant**, through a lack of investment in infrastructure and housing, with high levels of unemployment, particularly amongst young people.
- The **current model of public services is unsustainable**, with demand and costs going up but funding going down. The LGA calculates that nationally funding cuts and unavoidable growth pressures will lead to a funding gap of £14.4 billion by the end of the decade. At the same time, people perceive public services as remote, over bureaucratic and bogged down in process.

5.2 The LGA propose that “transformed and independent local government is needed to give the people of England what they want”, arguing that only by giving local councils more powers and freedoms can public services be made more efficient and responsive, local economies be revitalised, and local democracy be made more relevant.

6. The LGA Proposals

6.1 Rewiring Public Services makes ten propositions to achieve this vision:

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
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.

Further detail about these propositions can be found in Appendix A.

7. The Lewisham Context

- 7.1 The picture of local public services outlined by the LGA is a familiar one to Lewisham. The Council finds itself in a tough financial position, having reduced its budget by £82m over the past three years by implementing major organisational and service changes.
- 7.2 With local government having been allocated the highest percentage of budget cuts amongst the public sector, Lewisham will need to reduce our budget by a further £85m over the next four years.
- 7.3 At the same time, the challenges faced by the council are stark and complex. Lewisham's population stands at just over 281,500. By 2030, an additional 50,000 people are projected to live in the borough bringing our local population up to a total of 330,000. Lewisham ranks 31st for deprivation (one being the most deprived). This means that as a local authority, Lewisham is within the 20 per cent most deprived Local Authorities in the country. In 2007 Lewisham was ranked 39th.

Case Study – Work and Skills

- 7.4 To focus briefly on an area like employment, the council's Work and Skills Strategy notes that Lewisham residents are younger than the national average (33.5 years compared to 39 for England) and that the working age population is about 70 per cent of the overall population. By contrast the 65+ population has decreased both in terms of numbers (down just over 1,100) and proportion (from 11.0 per cent in 2001 to 9.5 per cent in 2012).
- 7.5 Nearly 32,000 Lewisham residents are in receipt of out-of-work benefits (16.2 per cent of the population aged 16 to 64) and although overall numbers of JSA claimants in Lewisham is falling, the claimant rate for 16-24 year olds, 50-64 year olds and people with disabilities are all above the London average.
- 7.4 Lewisham has already been looking at ways of tackling this challenge on a sub-regional whole-place basis. The Community Budget programme, developed jointly with Lambeth and Southwark, will see Lewisham working with the Public Service Transformation Network and local partners to develop a new delivery model to support people back into work.
- 7.5 The project aims to ensure that residents with the most complex needs get the 'right intervention at the right time', from universal credit application through to employment, supported by skills and training provision that meets the needs of the local and wider London labour market.

- 7.6 Lewisham does not sit naturally within any single sub-regional grouping in London. The work done on the community budget illustrates the importance of building partnerships with both our local partners and with other boroughs to enable us to face complex challenges in a more effective way.

Supporting Reform

- 7.7 At a pan-London level, Lewisham is supporting the work of London Councils in campaigning for further financial and wider devolution to London. This includes contributing to emerging proposals for a “Growth Deal” for London that seeks devolution of work and skills programmes, changes to housing investment policy and the implementation of a range of funding proposals made in the London Finance Commission.
- 7.8. The changes proposed by the LGA would mean for this borough a more sustainable and certain financial outlook, an improved ability to invest in the homes and infrastructure it needs, and freedoms and flexibilities to deliver public services in a more joined-up and responsive way.

8. Financial implications

- 8.1 There are no direct financial implications for Lewisham in this report.

9. Legal Implications

- 9.1 There are no direct legal implications arising out of the recommendation. The proposed campaign being run by the Local Government Authority would, if successful, result in major legal changes to the structure of government and local government in England.

10. Crime and Disorder Implications

- 10.1 There are no crime and disorder implications in this report.

11. Equalities Implications

- 11.1 There are no direct equalities implications in this report.

12. Environmental Implications

- 12.1 There are no environmental implications in this report.

Background Documents

- Rewiring Public Services – Rejuvenating Democracy (LGA)

Attached as Appendix A and available to download:

http://www.local.gov.uk/c/document_library/get_file?uuid=fb4998d8-626e-47a7-bf8c-46db971d356e&groupId=10180

- Rewiring Public Services - Future funding outlook for councils from 2010/11 to 2019/20 (LGA)

Attached as Appendix B and available to download:

http://www.local.gov.uk/c/document_library/get_file?uuid=b9880109-a1bc-4c9b-84d4-0ec5426ccd26&groupId=10180

- Rewiring Public Services Model Council Resolution (LGA)

Attached as Appendix C and available to download:

<http://www.local.gov.uk/documents/10180/49996/Rewiring+Debate+motion+%282%29/df0fa975-0174-4b6b-a420-74691b96e867>

For further information about this report please contact Sam Elliot on 020 8314 3862.