

Reimagining the local state

Friday 9 June 2023

Manchester

@reformthinktank
#localstate

Agenda

10.15 - 10.45

Registration and refreshments

10.45 - 11.00

Welcome and introductionCharlotte Pickles, Director, *Reform*

11.00 - 12.15

Panel one – Reimagining devolution: stronger communities at every scale

In partnership with



Devolution is fast becoming a central part of our national policy debate, but fostering local collaborations and aligning public services around a place-based economic strategy may require devolution to more local – even hyper-local – scales. Our traditional public services are facing a growing crisis, and so developing approaches that bring communities into the conversation, and devolve power to the right scale to enable communities to play their part, has never been more important.

Deborah Cadman OBE, Chief Executive, Birmingham City Council

Cllr Bev Craig, Leader, Manchester City Council

Ailbhe McNabola, Director of Policy & Communications, Power to Change

Jen Williams, Northern England Correspondent, *Financial Times*

12.15 - 13.00

Keynote speech – Reimagining the local state

Lisa Nandy MP, Shadow Secretary of State for Levelling Up, Housing and Communities

13.00 - 14.00

Break for lunch

14.00 - 15.15

Panel two – Reimagining the local social contract: from users to citizens

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In some places, the relationship between citizen and state is undergoing a radical shift. Instead of being cast as the passive recipients of services, local communities are stepping up to co-produce the outcomes that matter to them, and sharing an expertise about their own lives and areas that cannot be replicated. In this event, we will hear from some of the advocates and pioneers of these new relationships, and investigate the potential for deals, covenants, and charters in future.

Jo Gideon, MP for Stoke-on-Trent Central

Alison McKenzie-Folan, Chief Executive of Wigan Council, Place Lead for Health & Care Integration, Greater Manchester

Jason Stockwood, Co-Founder of Our Future, Chair of Grimsby Town football club

Rich Wilson, CEO of Iswe, Founder of Involve

15.15 - 15.30

Coffee break

15.30 - 16.15

In conversation with Mayor Andy Burnham

Andy Burnham, Mayor of Greater Manchester Combined Authority

16.15 - 16.20

Closing remarksDr Simon Kaye, Director of Policy, *Reform*

Our mission

Britain has endured a decade of disruption. With ongoing global tensions and deep uncertainty this era of crisis looks set to continue. Add to this the profound demographic and technological change already reshaping the nation, and it is clear that securing our future prosperity will require a fundamental rethink.

At *Reform*, we believe that Britain's prosperity is inextricably linked to the health of our public services and the effectiveness of the State. Yet the public service institutions and approaches we rely on are modified versions of those built as part of the post-war settlement. The aims and ambitions of those who designed them were inspiring, but the challenges that faced 1940s Britain are not those of today. Continuing to tweak a broken system, hoping for radically different outcomes, won't work.

Instead, we want to see a public service model that reduces demand rather than simply manages it. We want to see a settlement that recognises that the welfare of the people cannot – and should not – be delivered by the State alone. And we want to see a State that acts in the long-term interests of the nation, that devolves rather than hoards power, and that is agile and fiscally sustainable. dismantled to allow them to go further.

In practice we think that means overhauling the centre; dismantling top-down bureaucracies and building local capabilities; rethinking outdated institutions; and challenging existing funding models.

To this end, in Autumn 2022 we launched a new strategy, 'Reimagining the State', and the first two work programmes within it are 'Reimagining Health' and 'Reimagining Whitehall'.

We firmly believe that it is possible to have excellent public services within sound public finances, but that achieving it requires bold new thinking. Today's conference is one of the ways we are developing that thinking – by bringing together reform-minded leaders, experts and practitioners we know we will hear of innovative ways that local areas are already doing things differently, as well as the barriers that must be dismantled to allow them to go further.

Thank you for joining us.



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Our team



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Reimagining the local state



Dr Simon Kaye
Director of Policy
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We are overdue a moment of reflection about the nature and role of the state.

Brexit has evoked searching questions about the nature of our state and who ultimately has 'control'. The pandemic saw the state take on unprecedented new roles in our lives and revealed the massive capacity for spontaneous mutual aid in our neighbourhoods. There are yawning gulfs in opportunity, productivity, and wellbeing between different parts of our country, which contribute in turn to growing and complexifying demands on our public services. Collapsing trust in our key institutions contributes to a looming 'polycrisis', where environmental, social, and technological change will demand rapid innovation and genuine resilience.

A fundamental shift is needed. It would be a mistake to assume that it will emanate from the centre.

The hard work of reimagining the state is underway already at the scale of communities and localities. In some places, the local state is conducting radical experiments in self-governance, deep partnership with communities and civil society, and the direct participation of citizens. Citizens' assemblies are being organised by councils that wish to find new ways forward. Some local authorities are explicitly rebuilding the 'deal' between residents and state. Communities are managing their own local assets, and playing a direct role in the design and delivery of services.

An extraordinary prize is possible if these

approaches prosper: more preventative, connected, and collaborative public services – with communities taking their part in setting priorities and taking decisions locally.

Yet at a certain point, such innovative approaches will necessarily be constrained by our over-centralised system. Effectively redistributing power beyond Westminster and Whitehall, instead of assuming that control is held by the centre by default, could be the key to a reimagined state. Combined Authorities and their directly elected mayors are now finally beginning to wield more significant powers.

Devolution policy stands at a clear turning point. Will we look back in ten or 20 years and see this moment as the beginning of a great redistribution of power throughout England – not only to Combined Authorities, but also beyond them, to local authorities and communities themselves? Or will we see this moment as an isolated island of radical possibility in a sea of centralism? Much will hinge upon the answer to this question.

For us at *Reform*, these are pivotal policy debates – not only for realising the best possible outcomes for local communities, but also for transforming central government by addressing its micromanagement, power-hoarding, and detachment from people's lives. That is why we have placed the goal of decentralising power at the core of our ongoing Reimagining Whitehall programme. If you have ideas, we would love to hear from you.

Reimagining the local social contract: from users to citizens

Embracing a new social model



Jo Gideon, MP for
Stoke-on-Trent central
@jogideon

Watching the recent Coronation celebrations, it was clear to see that our sense of community and nationhood runs deep.

As the Member of Parliament for Stoke-on-Trent Central, I have spoken to many residents since the COVID-19 lockdowns about how views of their local area were transformed by the opportunity to spend more time with family and the wider community. I know they are not alone in recognising the way neighbours and local businesses have stepped up to support each other through recent challenges.

It is vital that we embrace this attitude rather than letting it slip through our grasp. Adopting local, community-led solutions challenges the narrative that answers to inequality lie in growing ever larger, top-down controlled public services. Rather

than undermining the power of communities to support their own health and wellbeing, stifling any philanthropic approach, let's embrace a new social model which treats citizens not as customers of services, but as members of empowered communities.

Through this, we can repair the social fabric of our communities together. We can make sure that small organisations, which often provide the best solutions, don't miss out. Currently, too many people feel they have no influence over local decision-making. However, it is my belief that those best placed to design programmes that ensure the best outcomes are often those embedded in the community. Trusting and enabling entrepreneurs, business leaders, employees and neighbourhood champions will help us to put power into the hands of the British public as we look to reimagine the state.

A new vision for local government

Reimagining the local state is something we have been working on at Wigan Council for some time now, so it's a real pleasure to be part of today's *Reform* conference.

A decade ago, our team responded to austerity by reimagining our relationship with our residents and our approach to local government. Rather than a top-down corporate strategy, a movement for change emerged – underpinned by a commitment to innovate and by political backing to think creatively and long-term.

The approach, which we called 'The Deal', has remained the underlying philosophy for Wigan Council over the past ten years. Key to its success has been its longevity and ability to flex with emerging issues.

Like all movements it became a simple way of describing things that were complicated. Crucially, it wasn't owned by anyone, or the creation of anyone – it was picked up, adapted and owned by various organisations and groups.

The Deal was founded on five key principles:

- An asset-based approach that recognises and nurtures the strengths of individuals, families and communities to build independence and self-reliance.
- Permission to innovate through a culture that encourages new ways of working and supports frontline teams to think differently, reimagining how they work based on conversations with residents, communities and businesses.



Alison McKenzie-Folan
Chief Executive of Wigan
Council, Place Lead for
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@AlisonMc_F

- Investing in communities by moving away from doing things to them and instead getting alongside them, whilst building capacity in community organisations through long-term, dedicated investment.

- Co-located place-based teams built around primary care and schools as the key anchor points in communities that have full resident coverage – promoting a long-term ambition to switch to a largely preventive approach.

- A commitment to ‘Be Accountable, Be Courageous, Be Positive and Be Kind’. At Wigan, we now want to recommit to our

shared purpose while understanding what must be done differently to tackle the new challenges we face.

We are therefore undergoing a refresh of our philosophy, to deepen our commitment to creating stronger, fairer and more engaged communities and to utilise the powers devolution offers to areas like ours.

We hope this new vision will demonstrate what the future of our council, and possibly even local government, could look like.

People-powered governance



Rich Wilson,
CEO of Iswe,
Founder of Involve
@RichWilson

Demands on the local state have never been higher and will only grow, driven by an ageing society and rising costs from health, social care, energy and the impacts of climate change. We need an extraordinary expansion of civic action to meet the challenges of future decades.

The problem is that transactional public services and top-down local politics systematically deactivate people, eroding self-efficacy. Meeting this means building new civic infrastructure explicitly designed to generate and harness people power.

This infrastructure can be built in two domains: citizens’ assemblies and people-powered public services, what we call Good Help. These are rarely seen as interdependent aspects of local people-powered systems, but they are, and when recognised as such, they can be key to unlocking the civic energy we need. Here’s how.

In most citizens assemblies (CAs), around 40-100 demographically representative citizens are selected at random to deliberate on an issue, making recommendations to local decisionmakers. CAs are effective at generating practical policy and activating participants.

The problem is that too few people participate for recommendations to get real political traction and there are too few assemblies to activate the citizens we need. The ‘tipping point’ for initiating cultural change is around

25 per cent of the population. For a local authority of 100,000, 25,000 people need to start becoming active citizens.

The 2018 Good Help report described a national movement committed to making public services engines of civic confidence and action. The Good Help project did not start life as a public service reform initiative; it was the conclusion of a post-Brexit inquiry into why growing numbers of people felt ‘excluded’ and wanted to ‘take back control’. It turns out, if you want to help people take control of their lives, public services can be key drivers for achieving this.

The pandemic has seen a rapid growth of Good Help organisations as public service commissioners start to wake up to their potential. Clean Slate, the employment support organisation, grew from 15 to 53 staff in two years, with annual financial gains of nearly six times pre-pandemic. Organisations like Grapevine and Community Catalysts tell a similar story. What has not yet happened is a realisation that if CAs are the beating heart of people-powered places, then Good Help public services are the lifeblood, supplying activated citizens to rise to the challenges we face and make the brave decisions we need.

This is not an argument for replacing politicians with citizens. It is a practical plan for ensuring that people take their rightful place at the local governance table.

Reimagining devolution: stronger communities at every scale

Revamping the state apparatus



Deborah Cadman
Chief Executive,
Birmingham City
Council
@Cadman1Deborah

The challenges of our age are remarkably diverse. How can we return economies to sustained growth after a long period of stagnation? How can we level up and enable communities? And are we able to tackle inequalities or face down the existential climate threat?

A common reflex is to reach for the national response or the macro lens. But these complex and intersecting challenges require a place-based approach that provides integrated solutions.

The current system inherently undermines this approach. The UK is the most centralised of any industrial nation, something which holds back localities and the country at large. This is why we need to reimagine the state.

Centralisation works against the ever-more-complex demands facing public services, by relying on government silos, rather than a citizen-centric and integrated place approach. The pandemic only emphasised government's 'centre is best' approach, with local insights and expertise overlooked, undermining effective responses.

This becomes clear when you look at productivity too. Outside of London, almost all our large cities have high levels of lost productivity, wasted potential that could have been realised. Fixing this means early intervention and prevention, active labour market approaches, local development programmes, inward investment and

infrastructure integrated at a place level to accelerate growth.

For too long, centralised funding processes have failed to engender certainty or leverage private sector investment. A lack of local authority revenue-raising or retention hampers action, while competitive pots leave projects on hold and create more losers than winners. At long last, devolution deals are loosening the shackles, with additional funding and powers.

A significant gain in our deal is the ability to establish levelling up zones with retention of business rate growth for 25 years to invest in infrastructure and economic development. The deal is welcome and I recognise the important strategic role of Combined Authorities (CAs) – I was the CEO of one – but devolution must involve local delivery at the most appropriate level.

CAs don't yet exist for most of the country. And it is local authorities not CAs that are the stewards for their areas, with a democratic mandate and convening power to foster local collaboration, as well as to co-design preventative and innovative public services. Local authorities hold significant assets and are major employers: they have a key role in stimulating economic development and activating growth.

Revamping the state apparatus can truly fire up the potential of our places and people. Ultimately, it is not a zero-sum game. After all, we all want the same thing.

Best delivered locally



Cllr Bev Craig,
Leader, Manchester
City Council
@bevcrraig

Inclusion and empowerment are values core to Manchester's history. In recent years, our city's population has grown rapidly, from around 420,000 people in 2001 to almost 600,000 today. At the same time, our communities have become even more diverse. The 2021 census showed that 43 per cent of residents are from Black, Asian and Ethnic Minority communities, versus 33 per cent in 2011, with almost 200 languages now spoken in our city.

Our key challenges include building a more inclusive economy and tackling inequality. Even as our economy has developed, with record numbers of jobs and businesses, 42 per cent of children still grow up in poverty and 25 per cent of residents are not paid the real living wage. The Council is leading by example as a real living wage employer, and more than half our budget goes to supporting those most in need. But we, like all our partners, need to do more.

We have recently launched 'Making Manchester Fairer', our action plan for tackling health inequalities, and our 'Anti-Poverty Strategy'. Too many Mancunians die too young, many from diseases that can be prevented with the right support at the right time. Our plan sets out key actions on eight themes that need to be progressed together: poverty, work and skills, children and young people, homelessness and housing, health and preventable deaths, environment and climate

change, structural discrimination and racism, and communities and power.

Our work on reforming public services has delivered significant preventative impacts already. For example, evaluation of early help for 7,700 children and families over ten years has shown reductions in social care demand (83 per cent of families did not subsequently need statutory intervention), as well as domestic violence and mental health issues.

We know public services are best delivered locally, led by engaged and empowered communities from the outset. So, since 2016, we have taken the 'Our Manchester' approach – working with people, starting from strengths, genuinely listening, and collaborating to make a difference. We are pleased to be part of the recently announced Greater Manchester devolution trailblazer. Its approach of devolving power to communities and reducing competitive silo-based funding has to be the right approach.

The key test will be whether this delivers more for the people of Manchester. Can it build on the excellent work of partners, engaging with our diverse communities – and delivering even more in tackling inequalities, reducing poverty and building a more inclusive, stronger economy?

Moving power closer to the people

When the time comes to assess the legacy of the current Conservative government, English devolution is likely to be picked out as an enduring, positive achievement.

Since 2014, devolution has seen power shifted to Mayoral Combined Authorities, with nine deals implemented between 2015-19. The levelling up agenda has only added fresh impetus to this. The Government plans to devolve powers to other parts of England and has agreed trailblazer deals – deals with additional powers attached – with Greater Manchester and West Midlands Combined Authorities.

The progress made by the Conservatives has been met, rhetorically at least, by the Labour Party's call for a Take Back Control Bill to shift power out of Westminster.

This progress should be applauded. Too many decisions in this country are made too far away from communities. Polling for Power to Change by Savanta ComRes found that 75 per cent of people feel 'not very much' or 'no control' over the decisions affecting their lives. Addressing this means moving power closer to people, giving them greater influence over the decisions that affect them – in turn



Ailbhe McNabola
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addressing the disempowerment people feel. Many of the decisions that affect people at a regional, local or neighbourhood level are not best made far away in Westminster. As the most centralised country of its size in the developed world (according to Professor Philip McCann), the UK's entrenched economic and social problems have not been solved via a centralised approach.

The current devolution agenda has shifted some power to the regional level. But this needs to go further. At Power to Change, we know that it is communities, often via community businesses, who can help decide what's best for their local area. We need to ensure power and resources reach these community-level institutions and make double devolution a reality.

This requires a clear sense of what powers should rest at different levels of government – a question we've been working on with *Reform*. But we also need to explore what neighbourhood-level structures can enable power and resources to be passed down to ensure greater accountability and legitimacy.

Devolution might not be the issue that decides the next election. But it will determine whether the next government can govern effectively and address the disempowerment people have felt for far too long. The progress made so far gives us cause for optimism, but we must keep beating the drum to ensure power and resources reach communities.



Image from Power to Change

Join us in 2023

As an educational charity, *Reform* produces robust, evidence-led research with innovative but implementable policy solutions; and we convene reform-minded people from across the political spectrum to advance open debate and generate fresh thinking.

In a nutshell, we are home to bold ideas and big conversations.

We bring together like-minded individuals and organisations who share our commitment to finding innovative solutions to public policy challenges. Our Corporate Partnership programme is part of this impactful network.

We value the commitment of our partners very highly. We pride ourselves on building strong and mutually beneficial relationships, and work with our partners so they can get the most out of joining our network.

To find out more, please contact india.woodward@reform.uk.



