

# Local government and the public reform agenda

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An LSIS Brief Guide

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## Introduction

1. Since the election in May 2010, the Coalition Government has moved quickly to introduce reform of the public sector. The steady stream of government announcements and proposals is typical for a new administration but, together with significant budget cuts, the climate is driving councils to look at a more radical narrative for public service delivery, both for their own business models and for their work with local partners.
2. This briefing gives details of changes, setting them in the wider context and offering reflections on the direction and implications for local practice. (Note that all footnotes include hyperlinks which can be accessed in the electronic version of this briefing.)
3. The key areas covered are:
  - Localism and the Decentralisation and Localism Bill;
  - The general power of competence for local authorities;
  - Local Enterprise Partnerships;
  - Community Budgets;
  - The Public Services Reform White Paper;
  - The Health and Social Care Bill; and
  - Big Society.
4. As well as summarising the main developments and latest position under each heading, this brief guide provides examples of how local authorities are responding to the developing agenda, and begins to identify some implications for the sector and for LSIS. Changes in local government inevitably affect the local context and circumstances in which further education and skills is promoted, planned and delivered. While local authorities' commissioning role in relation to the sector has been withdrawn, their role in commissioning other public services has implications for the way in which the sector interacts with the wider public service landscape. This continues to be a key area of interest for LSIS and we hope this brief guide will stimulate further dialogue and suggestions about what LSIS can do to support the FE and skills sector.

# Background

## Localism

5. The commitments set out in *The Coalition Government: Our Programme for Government*<sup>1</sup> indicated that there would be a radical devolution of power and greater financial autonomy for local government and community groups. Some elements of this programme continue the trajectory of the previous government – a less top down approach, more citizen-driven services and an emphasis on the use of markets and competition. The Labour government called for a double devolution of power from Whitehall to the town hall and from the town hall to citizens and local communities. The Conservatives used the term ‘localism’ in their Green Paper<sup>2</sup> (published in opposition) to describe the decentralisation of power down to the lowest possible level. This move to accelerate the role played by local communities is now being translated into law through a wide-ranging and weighty Bill.

## The Decentralisation and Localism Bill

6. The Bill<sup>3</sup> was published in December 2010 and is likely to be enacted later this year. The main measures in the Bill are intended to:
  - give councils a general power of competence;
  - empower local people through:
    - giving residents the power to instigate local referendums on any local issue and the power to veto excessive council tax increases,
    - giving voluntary and community groups the right to challenge local authorities over their services;
  - introduce a simpler and more local housing and planning system;<sup>4</sup>
  - create Local Enterprise Partnerships (replacing Regional Development Agencies) to promote economic development;
  - allow the Secretary of State to put in place shadow elected mayors in 12 city councils and to initiate a mayoral referendum; and
  - abolish the existing ethical governance framework, replacing this with a duty to promote and maintain high standards of conduct and a power to adopt a voluntary code of conduct.

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<sup>1</sup> **The Coalition Government: Our Programme for Government, HM Government**, 20 May 2010

<sup>2</sup> **Control Shift, returning power to local communities**, Conservative Party, February 09

<sup>3</sup> See the latest version of the **Decentralisation and Localism Bill**, together with the Department of Communities and Local Government’s **Essential Guide** to the Bill, 13 December 2010

<sup>4</sup> Full details are set out in the Secretary of State’s Budget **announcement** of 23 March ’11 on housing and planning changes. The Chancellor also announced plans to streamline planning applications, including a 12 month guarantee for processing all applications and appeals and a fast track for major infrastructure projects.

7. The Bill emphasises the role of markets and introduces the possibility of raising the proportion of services to be provided independently. Voluntary and community groups, parish councils and local authority employees will be able to take over the running of local public services. The Government is also attempting to remove some of the obstacles (for example, VAT, pension transfers etc) to charities entering the public service market, a move which has been broadly welcomed.<sup>5</sup>

## The general power of competence

8. For local authorities, one of the more interesting aspects of the Bill is the proposed general power of competence. When local authorities take new action they have to ensure there is a legal power to cover what they would like to do and to use it properly. The Local Government Act 2000 introduced a discretionary power to allow councils to promote or improve the social, economic, and environmental wellbeing of their area. It was a broad enabling power, sometimes described as a 'power of first resort'. Local authorities were previously limited in what they could do as all their actions and decisions had to be tied to specific statutory legal powers granted by Parliament. Any action taken outside this statute would run the risk of legal challenge.
9. The so-called wellbeing power was seen as removing the uncertainty over the scope for action by councils outside specific statutory powers. It enabled councils to undertake previously difficult new partnerships, for example:
  - Torbay council used the power to set up a public-private partnership and transfer assets to Torbay Development Agency, a limited company which managed tourism, economic development and regeneration for the development of Torbay harbours; and
  - Greenwich council established an arms length, not-for-profit employment agency, Gateway Employment, to address local unemployment and decades of de-industrialisation.<sup>6</sup>
10. However, some councils approached the power with caution and viewed it as insufficiently robust when the Appeals Court in 2009 ruled against a group of London boroughs which had created a joint insurance mutual designed to reduce their premiums. (Interestingly this decision was overturned in February 2011, but only after the Trust set up to manage the mutual had gone into liquidation. The overturning of this ruling indicates how disputed the legal territory remains.) Many viewed a power of 'general competence', already available to some regional and local tiers of government outside the UK, as a more effective vehicle for innovation. The general power of competence proposed in the Localism Bill will give local authorities the same power to act as an individual.
11. In a time of significant budget cuts, many councils are looking at new business models, including shared services, employee mutuals<sup>7</sup>, outsourcing and widespread commissioning of functions. Councils will be able to use the new power to set up businesses and innovate in new ways, exploring new revenue streams and sources of income and seeking new partnership opportunities in their area. (The wellbeing power enabled councils to trade more freely than before, but has still denied them the ability to raise money.)

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<sup>5</sup> See **Public Finance**, 24 February 2011

<sup>6</sup> **Practical Use of the Wellbeing Power**, CLG, 2008

<sup>7</sup> Francis Maude, the Cabinet Office Minister, announced the formation of a new **Mutuals Taskforce** to help public sector workers create mutuals (like the John Lewis Partnership) to deliver public services. He highlighted work in Swindon, where the Borough Council and NHS Swindon have commissioned Intermediate Care Centre as part of one of the first Mutual Pathfinders.

12. However, there are questions over whether the power of competence will be sufficient, without a reversal of the current legal framework, which specifies what councils are allowed to do, rather than defining what they may not do and thus permitting them to take any other action outside this. Tony Travers (Director of the Greater London Group at the London School of Economics) and others argue that genuine localism can never be realised unless central government gives up its control of tax sources.<sup>8</sup> Their view is that local government will otherwise remain dependent on the whims of central government. Currently council tax provides about a quarter of the funds local authorities spend on running services (excluding council housing)<sup>9</sup> and councils are therefore dependent for the majority of their spending on the policies of central government.<sup>10</sup>
13. The New Local Government Network argues that if the new power is set up imaginatively and designed correctly, there are a number of new ventures and activities for local authorities to consider, including:
- offering banking, insurance and credit services to local businesses and residents;
  - grouping together in innovative partnerships to drive efficiencies and generate income or to devolve powers and responsibilities to the neighbourhood level;
  - trading and selling a wider range of products and expertise (such as recruitment services, energy, communication and business services) to the private sector as well as other public agencies;
  - varying charging rates for planning and licensing fees to reflect local circumstances and costs; and
  - adjusting tax rates and reliefs to incentivise behaviour on recycling, business development or property usage.<sup>11</sup>
14. The ambition and aspiration of local communities will shape how effectively the power helps to improve the lives of people in local communities. There is an opportunity here to accelerate new ways of working in partnership with other local bodies and services, but the new power will require careful navigation by lawyers.

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<sup>8</sup> See *Genuine localism* in **Redefining local government**, Public Management and Policy Association, April 2011.

<sup>9</sup> Source: **oneplace**

<sup>10</sup> A root-and-branch review of local government finance is to take place which will enable others - including the FE and skills sector - to comment. **The Local Government Resource Review**, DCLG, 17 March 2011, announced on 17 March, will consider ways to establish a new system for Business Rates and Government Grant. It is intended to protect the interests of taxpayers, reward local growth and job creation, and deliver a more self-sufficient income for councils.

<sup>11</sup> **Going Nuclear? A general power of competence and what it could mean for local communities**, Nigel Keohane, NLGN, August 2010

## Local Enterprise Partnerships

15. The Bill will also dismantle the existing regional structure of economic development, replacing England's nine Regional Development Agencies with a sub-regional model. At the time of writing the Government had invited 34 Local Enterprise Partnerships (LEPs) to set up their Boards for recognition, of which 12 have already achieved this. The creation of LEPs takes forward another plank of the Government's devolution of power, yet the agreement of boundaries has been problematic in some areas, delaying action to stimulate growth and involving Whitehall rather more than may be implied by devolution.
16. A few LEP boards include some higher education membership, but further education will wish to find ways of ensuring its voice is heard. The Association of Colleges confirms that engagement between colleges and the emerging LEPs is patchy: 86% of colleges responding to a survey commissioned by the AoC<sup>12</sup> considered that their college had a strategic role to play in their local economy, yet only 9% of respondents felt fully engaged in their LEP.
17. Ministers have stepped back from scrapping the duty to produce a Local Economic Assessment, the detailed assessment of the strengths and weaknesses of local economies which will underpin the work of LEPs. However, the accompanying statutory guidance has been removed, allowing local interpretation of the breadth of the assessment.

## Community Budgets

18. Community Budgets are intended to put councils and their partners in the driving seat in tackling social problems relating to families with complex needs. For each area a number of strands of government funding will be put into a single funding pool. Developing the Big Society narrative (see below), Ministers are aiming to give communities more power to target spending on key local priorities, despite significant reductions in spending. Communities are to hold their councils to account, making sure tighter funding gets spent better.
19. The first sixteen Community Budget areas were launched in April 2011 after weeks of negotiations over submissions and 'asks' for change, such as greater ministerial leadership to help drive cultural change across Whitehall departments and the civil service and an increase in flexibility and fiscal devolution. The Government intends to roll out community budgets nationally by 2013-14, building on the evidence of the first sixteen. A root-and-branch review of local government finance<sup>13</sup> will address the role of community budgets. Phase 1 will complete by July 2011 and phase 2, which started in April 2011, will focus on community budgets in parallel with the planned roll out.
20. The government estimates that around £8 billion a year is spent on some 120,000 families that have multiple problems, with funding only reaching local areas via hundreds of separate schemes and agencies. The intention is to see services join up and intervene earlier so that families are given the chance to turn their lives around. The ambition is that this integrated, early intervention approach will also drive down costs.

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<sup>12</sup> **The involvement of colleges in Local Enterprise Partnerships**, AoC, March 2011

<sup>13</sup> **The Local Government Resource Review**, DCLG, 17 March 2011

21. The sixteen Community Budget areas are:

Birmingham*	Leicestershire*
Blackburn with Darwen	Lincolnshire
Blackpool	London Borough of Barnet
Bradford*	London Borough of Croydon*
Essex	London Borough of Islington
Greater Manchester** (a group of 13 councils)	London Borough of Lewisham*
Hull	The London Boroughs of Westminster, Hammersmith and Fulham, Royal Borough of Kensington and Chelsea and Wandsworth
Kent*	Swindon

\* These authorities were also Total Place pilots.

\*\* Manchester City Region and Warrington formed a Total Place pilot.

22. Community budgets built on the concept of Total Place. Launched in April 2009, Total Place was a national initiative that looked at how a ‘whole area’ approach to public services could lead to better services at less cost. It sought to identify and avoid overlap and duplication between organisations – aiming to deliver a step change in both service improvement and efficiency at the local level, as well as across Whitehall. The approach also drove a new understanding of locality leadership. Total Place itself emerged following twin projects called Calling Cumbria and Counting Cumbria, which analysed how public money from national, regional and local public sectors was deployed in Cumbria and how local public, private and voluntary organisations could work more effectively together on issues ranging from worklessness to climate change. The findings prompted questions about local accountability, duplication and efficiency, identifying £7.1 billion worth of potential improvements and efficiencies which could be made.<sup>14</sup>
23. The contribution of partners was integral to the Total Place pilots. Further education colleges were closely involved in some areas, although there were large variations in the scale and scope of that involvement. LSIS has highlighted the opportunities and challenges for FE colleges in *The involvement of colleges in the Total Place pilots*<sup>15</sup>. The series of case studies (Coventry, Solihull and Warwickshire; Kent; Lewisham; and Worcestershire) illustrates four potential positive outcomes: financial, reputational, freedoms and flexibilities, and expansion of influence.

<sup>14</sup> **Calling Cumbria and Counting Cumbria**, Cumbria County Council and the Local Government Leadership Centre, December 2008

<sup>15</sup> **The Involvement of Colleges in the Total Place Pilots**, AoC/LSIS, July 2010

24. New Government Ministers were sympathetic to the achievements of Total Place and its further potential, and have developed the approach. When Community Budgets were announced weeks after the general election, they were viewed by some as a missed opportunity, with a narrower focus on the needs of families with complex needs and without the predecessor programme's potential to capture the totality of public expenditure in an area. The concept of Community Budgets promises a great deal and raises substantial issues that will need to be addressed in relation to accountability, funding routes and potential results.
25. Moreover, early indications suggest many local authorities are welcoming the flexibility of Community Budgets, which is enabling new ideas to grow as barriers and financial problems are removed. Early work on offender management programmes points to the introduction of new ways of working and the opportunity to explore Government proposals to pay providers by results in the reduction of reoffending.<sup>16</sup>

## The Public Services Reform White Paper

26. The Prime Minister has said that "complete change" is needed in the public sector to improve standards for users.<sup>17</sup>
27. The changes, which are likely to be set out in a White Paper, may allow non-public providers to run schools, hospitals and council services such as parks, adult social care, special schools and roads maintenance etc. The publication of the White Paper has been delayed a number of times, caught in a debate within government over the extent to which a presumption in favour of non-public sector provision should be introduced. Media speculation<sup>18</sup> suggests the Government will not be returning to a wholesale outsourcing to the private sector, particularly in the light of financial problems at Southern Cross, the care home provider. Publication of the White Paper is seen as unlikely before at least July 2011.

## The Health and Social Care Bill

28. A further Bill was introduced in January 2011, which will change councils' responsibilities: the Health and Social Care Bill<sup>19</sup>. In addition to restructuring health care services, councils will have a role in health improvement and the coordination of health and social care. The Bill:
  - devolves power and responsibility for the commissioning of NHS Services to GP consortia;
  - creates a new role for local authorities in Public Health; and
  - sets up new accountability and scrutiny arrangements.

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<sup>16</sup> Further information can be found on the Local Government Leadership Centre's Total Place and Community Budgets online [community of practice](#) (requires sign in)

<sup>17</sup> How we will release the grip of state control, David Cameron, [Daily Telegraph](#), 20 February 2011

<sup>18</sup> See the [Financial Times](#), 1 June 2011

<sup>19</sup> See the Department of Health [webpage](#) on the bill

29. Local authorities will be given responsibility for the health improvement role currently carried out by Primary Care Trusts, working with Public Health England, a new national public health service. Councils will be under a duty to establish local health and wellbeing boards (many are already in place). The boards will bring together relevant health, children's and adults' services, producing a local strategy which commissioners will be required to take into account.<sup>20</sup>
30. Health Watch England will be established as the national voice of patients and the public and Local Involvement Networks (LINKs) will be replaced by local Health Watch organisations.

## The Big Society: empowering local people

31. The Big Society was the flagship policy idea of the 2010 Conservative Party general election manifesto and forms part of the legislative programme of the Coalition Government. The stated aim is 'to create a climate that empowers local people and communities, building a big society that will take power away from politicians and give it to people'.<sup>21</sup> Moves to reduce the size of government are to be balanced by an increase in the role of wider society.
32. A number of policies are being set in place as part of a comprehensive government programme. In addition to those already described above in the Localism Bill, the Government is proposing to:
  - Encourage people to take an active role in their communities (by encouraging volunteering and the transformation from civil to civic duty by bringing in National Citizen Service);
  - Support charities, mutuals, co-operatives and social enterprises; and
  - Increase data transparency, by creating a new 'right to data' so that government held data sets can be requested and used by the public and then published on a regular basis. The police will also be obliged to publish local crime data monthly and councils are now expected to publish detailed expenditure data (including on the voluntary and community sector).<sup>22</sup>
33. Cabinet Office Ministers have also unveiled a new strategy to grow the social investment market<sup>23</sup>, giving charities and social enterprises access to new, potentially multi-billion pound capital. It will ultimately be financed by an estimated £400million from dormant bank accounts, accessing up to £100million in its first year, as well as an additional £200 million given by the UK's largest banks. The intention is that the bank will co-invest, underwrite or guarantee investments along with private sources of capital. Ideas include 'social ISAs' and a social enterprise stock exchange.

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<sup>20</sup> It's worth noting that Councillor David Rogers OBE, who chairs the Local Government Association's Community Wellbeing Board, is also a Board member of NIACE and is involved in the review of informal adult and community learning.

<sup>21</sup> **Number 10**, 18 May 2010

<sup>22</sup> See **Local Government Improvement and Development** website for more details

<sup>23</sup> **Cabinet Office**, 14 February 2011 and **Cabinet Office** 9 May 2011

34. New forms of funding are likely to be both enablers of innovation and innovative in their own right. Social impact bonds are behind a scheme to cut reoffending rates in Peterborough prison, which the architects of the approach believe could be used to attract investment from outside government for preventive schemes that aim to tackle challenging social problems.<sup>24</sup> The Young Foundation<sup>25</sup> sees the key innovation of social impact bonds as linking three elements: investments, a programme of actions to improve the prospects of a group and a commitment by government to make payments linked to outcomes which improve people's lives.
35. Thinking is evolving about what the Big Society means for local government. For many councillors, the principles of the Prime Minister's vision complement their existing role in the community: not only do councillors represent the views of their constituents in shaping local services, but they often act as community leaders, a role which was strengthened by the 2007 Local Government and Public Involvement in Health Act<sup>26</sup>. Most councillors aim to act as advocates, working closely with local individuals and groups to take their views into account. The empowerment of local people is central to this view of participative democracy.
36. Westminster City Council was an early adopter of the Big Society, launching in September 2010 ten principles to turn the ideals into practice<sup>27</sup>. Measures included: developing a network of volunteers, delivering some local services through community based budgets, moving to community-led commissioning and hosting annual celebrations of achievement.
37. In other areas there are tensions in developing the Big Society agenda, particularly where services are being reduced or phased out due to budget cuts. Liverpool was one of four pilot areas for the scheme and Council Leader Joe Anderson endorsed the policy, 'Liverpool has been doing the 'big society' for many years. We call it 'working with our communities' and it is something we are very much committed to.'<sup>28</sup> However, the Council withdrew from the scheme, citing the cause as the loss of more than £100m of Area Based Grants (a general grant allocated directly to local authorities as additional revenue funding to particular areas). Support for many voluntary and community organisations would reduce, at a time when the policy was intended to help more communities do more for themselves.
38. The challenge for councils and their partners will be how to navigate their way in previously uninvited spaces, doing business in a way that builds, rather than reduces trust with local communities.

## How are local authorities responding to the developing agenda?

39. The Local Government Association (the membership body representing councils) has responded by offering to try and deliver more services with less money – but in return for a genuine and radical decentralisation for a more effective and affordable state.

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<sup>24</sup> See Alan Travis's report in the **Guardian** newspaper, 6 October 2010

<sup>25</sup> See the **Young Foundation**

<sup>26</sup> **Strong and Prosperous Communities**, the 2006 Local Government White Paper, strengthened local leadership and enhanced the role of backbench councillors. The scope of Local Area Agreements was widened, local strategic partnerships were strengthened and there was a stronger role for scrutiny. The **Local Government and Public Involvement in Health Act 2007** introduced a duty to co-operate between councils and local partners.

<sup>27</sup> See Westminster City Council **press release**, 7 September 2010

<sup>28</sup> **BBC News**, 3 February 2011

40. Pushing for a reduction in the burden and frequency of inspection, the Association has developed detailed proposals with councils for a system of sector self regulation. This will replace the recently abolished Comprehensive Area Assessment – the area based performance regime introduced in April 2009. (Some colleges and learning providers will have contributed to the area assessment component). Councils are to collaborate to create better services by sharing knowledge, undertaking peer review and challenge, providing councillor and officer peer support and benchmarking against each other. *Taking the Lead*<sup>29</sup> includes a commitment to regular self-evaluation and to peer challenge, involving sector peers, partners and local people. The system will be voluntary and will be supported by the Local Government Group<sup>30</sup> (the six national bodies working across the sector) to help councils reduce costs and improve productivity.
41. Many councils have started exploring alternative business models for local government. The recession has fuelled this debate, although council leaders had been pursuing a range of options since the early days of the banking crisis.
42. An increasing number of councils are putting in place arrangements to share services, whether at chief executive level (for example Adur and Worthing councils, Teignbridge and Torridge councils), in the back office (the Worcestershire Hub is the first point of contact for county and district services across the area) or in front office transactional services (Tameside council and the Pensions Service established a joint team to deal with a range of benefits through home visits and the council's customer service network).<sup>31</sup>
43. The quest for new, more innovative ways of working is also visible at individual service level. Councils have long wrestled with how to give effective support to families at risk, who can absorb disproportionate resources from multiple agency interventions. Westminster City Council's Family Recovery Programme<sup>32</sup> pioneered a new intelligence sharing approach between public agencies dedicated to tackling persistent problem families. In an assessment of the most challenging cases, the City calculated that there were around 40 families in the city responsible at any one time for the vast majority of extreme anti-social behaviour and who displayed strong criminal tendencies and a further 600 families at significant risk of displaying symptoms caused by social breakdown. They estimated that these families were responsible for 80 per cent of children's social care spending in the City, as well as placing disproportionate pressures on local health and policing services.
44. Some councils are exploring alternative business models for the whole council or area. For example, Lambeth Council last year drew together a local commission of national opinion formers and experts from several sectors, which recommended a community-led approach to commissioning services and diversifying providers, under the banner of the Co-operative Council<sup>33</sup>. The recommendations included financial incentives to build community capacity, for example through a citizen time bank model and training opportunities. A number of early adopters are starting to make changes to the ownership of services in areas such as youth work, an adventure playground and a children's centre.

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<sup>29</sup> See **Taking the Lead**, Local Government Association, February 2011

<sup>30</sup> The **Local Government Association, Local Government Improvement and Development, Local Partnerships, Local Government Employers, Local Leadership and Local Government Regulation**

<sup>31</sup> See further examples in the **Front Office Shared Service (FOSS) Project**, Local Government Improvement and Development, 2010 and on their **shared services pages and map**.

<sup>32</sup> Westminster City Council's **Family Recovery Programme**, September 2010

<sup>33</sup> The **Lambeth Co-operative Council** Commission launched a consultation in May 2010 and reported in January 2011.

45. The move to broaden local involvement in service commissioning is echoed in what are seen as more radical approaches to increasing the volume of services commissioned externally. Suffolk County Council attracted debate in seeking to become an 'enabling' council, providing fewer services directly and placing budgets and some services in the hands of communities and organisations. The overriding message of the New Strategic Direction<sup>34</sup> programme was one of community empowerment. However, plans were placed on hold, following the election of a new Council Leader in April.
46. Suffolk was not in isolation in this approach: Brighton and Hove, Barnet, Bury and other councils have deliberated outsourcing on a large scale. The decision to outsource was not new for local government, but the scale of such proposals has sometimes surfaced concerns about job losses, the extent of citizen and public service user involvement, the likelihood of achieving savings and the accountability of services: councillors would be accountable for the commissioning and management of contracts, but no longer for the actual delivery of services. The benefits of such initiatives might be realised in longer term public service reform but their development will clearly be dependent on obtaining the necessary local democratic mandate.

## Implications for the sector

47. The Government's public services reform agenda offers a future in which reduced inspection and regulation, together with greater local flexibility, provide a more fertile context for colleges and providers to step into strategic partnership roles in their localities. There is potential for the sector to shape a new vision with partners that locates education and training at the centre of approaches to economic and social renewal, and to play a key role in enabling partnerships to flourish which are more focused on outcomes than institutions. The following suggestions are some of the areas in which this might be pursued.
48. The existing strategic partnerships between local government and further education providers offer a platform on which to build a shared agenda forged out of the challenges both sectors currently face. The past emphasis on national performance regimes, reinforced by the requirement to participate in Whitehall programmes and comply with new initiatives, has tended to reward incremental improvement in the public sector. The value attached to innovation is now increasing, with the recognition that new approaches are needed to address future social needs. In local government, clear leadership by councillors and managers acts as a driver of innovation in tackling entrenched local challenges such as worklessness or rural isolation, and yet the political character of local government means that the adoption of new ideas can take time as new policy ideas are debated by Cabinet and may need public consultation. In working closely with councillors and offering insights about innovations from the FE and skills sector, there may be opportunities for further education to shape the collective conditions for innovation to flourish.
49. The proposals for reform of the planning system may offer FE colleges in particular opportunities to review their own property portfolios, where they themselves have significant public assets subject to local planning requirements. Generous policies on access to premises for partners/community groups can also promote effective relationships, which will be a prerequisite for effective collaborative and strategic approaches to shared agendas.

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<sup>34</sup> Suffolk County Council: **New Strategic Direction**, autumn 2010

50. LSIS's summer policy series for 2011<sup>35</sup> has offered space for the sector to think critically about the Big Society concept, challenges and opportunities. In terms of working with local government, it has been suggested that, with schools moving out of local government control, it's a good time for FE to grasp its links with local communities and develop effective links with local politicians. There may also be potential for the sector to further develop partnerships with the informal learning community - involving libraries, museums or other cultural centres, including working with and supporting the development of volunteers in these services.
51. The sector – colleges, work based and adult and community learning providers - might also wish to explore how it could support the employee development needs of council workers, whether within the local government sector or as employees in a range of services seek to establish new social enterprises.
52. Clearly, there are opportunities here for FE colleges and learning providers to lead and steer new ways of working to benefit local learners, but collective vision and dialogue will be needed to effectively counter the dangers of a risk-averse climate left by the budget deficit. LSIS continues to support sector providers to explore and develop opportunities to work strategically with local authorities. We would be very pleased to hear from you about how changes in local government are having an impact on your work with communities and what further support you would like from LSIS to help you respond to and shape new local arrangements.

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<sup>35</sup> For more details, follow this link: <http://www.lsis.org.uk/Services/Policy/Policy-Seminars/Pages/FE-contribution-social-economic-life.aspx>