Public services and civil society working together

Promising ideas for effective local partnerships between state and citizen

About the Young Foundation
The Young Foundation has a 50 year history of successfully meeting social needs, mainly through creating new enterprises and promoting new ideas. We start from the big questions of our times – how to cope with ageing; how to engage teenagers bored by school; how to reduce conflict within communities; how to meet the needs of people living with chronic diseases?

And we then work with others to design practical solutions which we can then implement, often starting on a small scale. Some of these turn into new organisations; some feed into public policy; and some get taken up by existing organisations.

Foreword

Every part of the public sector is now grappling with how to save money, and how to do 'more for less'. Some of the responses will be driven top down. But experience shows that many of the most creative answers come from involving people on the front line, both the providers working in public services, and citizens, volunteers and community groups. They can often see more clearly than anyone else where resources are being wasted and where new opportunities exist.

This paper – and the work that lies behind it – is designed to help mobilise community intelligence in new ways, to make much better use of underused buildings, land, time and ideas.

Anyone with any involvement in community life will be able to picture pretty quickly how some of these ideas could work, and how much enthusiasm and energy they could unlock.

This is a very practical paper and many of its ideas look set to move quickly into practice. We're delighted that a number of local authorities that had early sight of this work – Barnsley, Essex and South Tyneside – are already looking to pilot some of the ideas working with the Innovators Council. If they succeed they'll not only save money and deliver better results: they'll also create a stronger relationship between public services and the communities they serve.

Geoff Mulgan, Director
Young Foundation

Summary

1.1   From pupil attainment, to recovery rates from surgery and pre-venting graffiti – anecdotal and empirical evidence suggests outcomes are improved when public services and civil society work hand in hand.

1.2   However, the evidence base is thin, largely because most initiatives are small and localised and operate under the radar of formal evaluations. There is much stronger evidence to suggest that the overall approach improves citizen satisfaction with services and the degree to which residents feel they can influence decisions.[1]

1.3   The landscape in which public services operate is shifting rapidly. Budget pressures, rising demand and changing public expectations mean local public services are being asked to do more with less. Efficiencies and collaborative work between agencies will help make savings, as the Total Place pilots seek to demonstrate.[2]

1.4   But the scale of the challenge means public services cannot do this alone. Public servants must do more to leverage the capacity and resources of civil society to meet local needs and achieve better outcomes. This will mean a new relationship between the state and the citizen – one of mutually reinforced rights and responsibilities to meet social needs.

1.5   The various proposals set out here are all designed to make it easier to creatively mobilise underused resources in the community – of time, commitment, land or buildings – to achieve common goals. They are also each designed to help the state make significant financial savings in the long run.

Why do local partnerships work for some, but not others?

1.6   Whilst some Headteachers, Police Sergeants, Neighbourhood Managers, GPs etc excel at building relationships with civil society, others do not. For some this is because of a lack of training or skills. Some need a better range of tools to do so. Others are dis-incentivised by the lack of connect between investment of time and personal reward, savings or improvement in the performance measures by which their local service is judged.

1.7   Equally, areas with high levels of social capital and clear community leaders are more successful in permeating public services – spreading good ideas and user feedback, navigating pubic funding regimes and setting up enterprising approaches to support citizens. Yet in all too many areas users and the Voluntary and Community Sector (VCS) are deterred from getting involved by red tape, consultation fatigue and a lack of personal or community reward for their efforts.

Sources
1 Savage, V. (November 2009) Public services and civil society working together: an initial think piece, Young Foundation: London
2 See Total Place, http://www.localleadership.gov.uk/totalplace/ [Accessed 02.03.10]

1.8   Amidst this complicated picture one thing stands out – connections are key. The best local partnerships between civil society and the public sector manage to connect the time, energy and creativity of users, volunteers and community groups with the capacity and strategic networks of the public sector. When they do so they connect unmet social needs with underused resources and assets, transforming unproductive (and sometimes zero sum) or conflicting relationships into dynamic ones that achieve results.

Transforming local partnerships

1.9   Embedding this approach is challenging. Working with civil society is too often seen as an optional extra by hard working public servants, many of whom already feel over stretched and time poor. To foster mutualism clearer information about the evidence for investing in this approach is needed, as well as rewards (both service wide and personal) for doing so.

1.10   A new call to action is also needed for civil society – the opportunity to be rewarded for effective local work, or the ability to reclaim and access public assets for community benefit – as part of an agreement to take on more personal and community responsibility. The London Borough of Lambeth looks set to be the first council to pilot such an approach, with council tax rebates for citizens that agree to take on more responsibility.[3]

1.11   In particular strong relationships between civil society and public servants are needed to debate the hard choices ahead. Should it be the state or the citizen who takes responsibility for gritting the pavements or caring for vulnerable adults if the public sector can no longer afford to do so? We need communities that have the capacity to discuss issues like making personal sacrifices to help tackle climate change, or make choices about priorities in health care. Fostering a sense of localism and building links to local priority setting and democracy can only aid this effort.

Five promising ideas

1.12   We need new tools to build 'relational capital' (or strong networks of relationships) between public services and civil society. Here we explore five of the most promising ideas from *Public Services and Civil Society Working Together – An initial think piece*.[4]

1.13   Firstly a series of roles for scouting good ideas and entrepreneurial capacity – **local innovation brokers**.

1.14   Secondly **Community Dividends**, a tool to incentivise more local action and reward both the citizen and the state for improved outcomes.

Sources

3 Stratton A, (17 February 2010) Labour to rebrand Lambeth as 'John Lewis' council, London: The guardian, http://www.guardian.co.uk/politics/2010/feb/17/labour-rebrand-lambeth-john-lewis-council [Accessed 18.02.10]

4 Savage, V. (November 2009) Public services and civil society working together: an initial think piece, Young Foundation: London

1.15   Thirdly opportunities to **'sweat' public assets** – sharing the public estate with civil society to bring more disused buildings, play areas and land into temporary community use for delivering local outcomes.

1.16   Fourthly **new local and national performance measures** to reward the building of quality relationships with civil society and develop a better blend and balance of perception based measure of personal capability, resilience, influence and satisfaction.

1.17   **And finally, a continued spur to improve local partnerships** – better equipping individual public servants with training, tools and discretionary funding to make excellent partnerships a practice of the many, not the few.

The benefits and savings

1.18   We think these five ideas have the potential to do three things. Firstly, to build better local partnerships between citizen and state – where social needs are met more creatively and services are transformed – through the development of relational capital.

1.19   Secondly, to create significant savings for the state. There are genuine opportunities to make medium and longer term savings – either by refining existing public service provision (through cheaper more efficient models) or removing the need for it (by building community capacity to improve local outcomes with less state intervention). While we suggest some up front investment is needed to pilot the ideas and prove the concepts, the thrust of this paper is not a call for government to 'invest to save'. Rather, we suggest that by more readily utilising the capacity of civil society, there are realistic opportunities for the public sector to make savings or to use existing spending in different, more effective, ways.

1.20   And thirdly, to build satisfaction and trust with local services, where citizens feel connected to the design and delivery process. Such measures are both increasingly important ways of judging service performance and vital for re-engaging communities in local democracy.

Recommendations for government

1.21   Each of these five initiatives is a tool to make working with civil society easier and more rewarding for local public servants. Many can be acted upon now, or the principles behind them used to refine existing practice. We are pleased to hear that Barnsley, Essex and South Tyneside have already expressed an interest in rapid pilots during 2010.

1.22   But there is also scope for government to act. In particular we recommend:

1.22.1   Supporting a fast pilot scheme for each of the five initiatives, to demonstrate the benefits to local public servants and refine the proposals. This will require upfront investment from government and so each must demonstrate the capability to significantly improve outcomes and to save the money.

1.22.2   Developing a Community Entrepreneurs scheme as a demonstrator model for other local authorities, including national guidance for others to follow.

1.22.3   Agreeing a number of test areas to rapidly deliver a series of Community Dividend schemes. A simple toolkit, summarising the lessons from past community contracts and neighbourhood agreements, and explaining the hypothetical process for local brokering and sign off could be produced in less than three months, enabling communities to act by themselves before the summer.

1.22.4   Creating a new national narrative on the use of public buildings by the community – backing new rights for communities to reclaim under-used assets. This will require:

- a new role for local authorities to map and share information on public assets;
- a new 'community benefit test', possibly backed up by legislation;
- an audit of local government powers to assess vacant land and bring it into community use; and
- a demonstrator model to test the concept of an asset broker.

1.22.5   Developing a new approach to measuring performance to sharpen the focus on quality local relationships. This will require:
- a demonstration project in three local areas to test new individual and service wide performance measures based on local public servant's personal performance in building local relationships;
- the opportunity for pilots to opt out of other service measures during such a trial; and
- a better blend of national indicators for assessing public services. We suggest piloting based on a number of subjective outcomes like satisfaction, resilience and capability.

1.22.6   Simple steps to improve hyper-local partnerships:
* improving the dissemination of good practice by rationalising the number of good practice guides and
* creating clear and accessible methods, evidence and advice on co-production;
* mandating at least a day a year of training with local groups or entrepreneurs for all local public servants; and
* increasing the opportunity for local discretionary spend by giving neighbourhoods the right to levy local charges or create financially backed pledge banks.

Conclusions

1.23   There are many inspiring local public servants and effective hyper-local partnerships. But more can be done to connect the resources of volunteers and community groups with the strategic infrastructure of the public sector.

1.24   Investing in a relationship with civil society can seem like an additional burden to many local public servants. To generate a step change in the working practices and culture of local public services more needs to be done to demonstrate the links to improving satisfaction and trust.

1.25   Many of the initiatives we have outlined will require up front investment, but will also generate savings. For example, there is the potential for a community dividend scheme to reduce the number of local arson attacks in a neighbourhood and therefore the need for local fire services. A community entrepreneur and their local work to strengthen volunteer involvement in mentoring and parental involvement in schools could reduce need for some classroom assistants in the local school.

1.26   While such savings will be welcomed by public purse holders, they may be locally contentious and politically challenging. Government – central and local – needs to be prepared to hold honest conversations and debates with communities and local public servants to face the challenges ahead.

1.27   The real financial rewards though lie in the potential for each of these initiatives to harness the talents of citizens operating at the very local level to work alongside local public servants like GPs and Headteachers. Mobilising existing assets and capacity in communities is the only sustainable way to meet rising social challenges like the economic slowdown, the demands of an ageing population, the effects of climate change and increasing isolation.

2. Context

how public services and civil society work together

2.1   Civil society continues to flourish in Britain. Citizens and communities are bringing their own insights, time and energy to the most pressing needs in their community like child poverty, chronic illness, pupil attainment or mental health.

2.2   Engaging communities in service delivery has long been the business of government. A surge towards customer focus, devolution, user involvement, co-production etc over the last 10 years has now expanded to include strategies for changing behaviour and building independence, choice and personal resilience. Most services offer multiple ways to give feedback and a myriad of options for getting involved. In fact when you map the interactions of civil society and the state you can be left with a confusing picture.

2.3   Civil society works with the state in three broad ways: through user engagement with services, volunteering and service provision by local voluntary and community groups and social enterprises. For example, a local GP wishing to harness the talents and resources of individuals, local community groups and social enterprises at a very local level, might build a network of civil society around him or her which comprises different ventures in each of these three categories as shown below. After all improving public health is a goal which cannot be achieved by frontline staff like GPs and their services alone.

Figure one: a hypothetical civil society network to support a GP

2.4   Empirical evidence suggests that where civil society and the state work together there is an improvement in outcomes, be it pupil attainment, patient health or cleaner streets. For example, *Lovelewisham.org*, which encourages residents to report graffiti and fly tipping for quick removal, has led to an eight per cent decrease in graffiti and a further 30 per cent drop in complaints about it.[5] And early evaluations of the Expert Patient programme (a peer support network for patients) showed outpatient visits reduced by 10 per cent and Accident and Emergency visits by 16 per cent, whilst also building the quality of life and wellbeing of patients and their confidence in managing the condition themselves.[6]

2.5   However, few practitioners and policy makers have managed to convincingly measure the impact of participation in civil society on those who participate, the society itself and the services delivered within it.[7] In particular it is difficult to find quantifiable evidence of the tangible benefits of community engagement initiatives to service providers, due in part to a lack of appropriate and viable indicators that take into account the scope and quality of various engagement initiatives.[8] Overall the evidence base is thin and uneven, largely because most initiatives are small and operate under the radar of formal evaluations.

2.6   But there is much stronger evidence to suggest that such interaction improves citizen satisfaction with services, the degree to which resident's feel they can influence decisions and their confidence and capacity. For example, Balsall Heath, a diverse and largely deprived neighbourhood in Birmingham, has a thriving civil society. A recent opinion poll for Birmingham City Council showed that the neighbourhood ranked the highest of the city's 25 priority areas for NI4 'do you agree you can influence decisions' (75 per cent agreed), NI5 'do you feel satisfied with your local area' (87 per cent agreed) and 80 per cent of residents agreed they felt safe after dark.[9] These figures suggest the community has high levels of trust, a reflection of the investment and dedication of the local community organisations there.

2.7   Over the last 12 years government has invested in strengthening civil society through a wide range of policies and programmes, including the introduction of gift aid, volunteering initiatives and *Time Banks*, commissioning frameworks for the voluntary sector and much more. But some barriers to participation remain – from frustrations with red tape to an understanding of personal responsibility, as well as the capacity of local public servants to deal with this agenda.

Sources
5 Data from an internal Lewisham report (unpublished). For more information see Love Lewisham, http://www.lovelewisham.org [Accessed on 17.11.09]
6 Rogers, A et al (2006) The National Evaluation of the Pilot Phase of the Expert Patients Programme, London: National Primary Care Research an Development Centre. Also see Horne, M and Shirley, T (2009) Co-production and public services: a new partnership with citizens presentation, London: Cabinet Office
7 Ipsos MORI http://www.ipsos-mori.com/researchspecialisms/socialresearch/specareas/pu/whatarewedoing.aspx [Accessed on 11.11.09]
8 Ipsos MORI http://www.ipsos-mori.com/researchspecialisms/socialresearch/specareas/pu/whatarewedoing.aspx [Accessed on 11.11.09]
9 BMG Research (2008) Annual opinion survey, Birmingham: Be Birmingham

2.8   As we suggested in our initial think piece, *Public services and civil society working together* (2009), there is significant scope for government to harness the talents of citizens operating at a very local level to work alongside local public servants.

2.9   The five ideas we present in this paper are designed to help make such interactions as simple as possible – to minimise the red tape and the disincentives, and encourage more quality connections. If implemented each will help government to encourage and support the GP to link with volunteers in the community, or the local PCSO build a relationship with nearby youth clubs or a headteacher to make better use of parents as a resource.

3

Local Innovation Brokers

3.1   The ability to link civil society, public services and good ideas is a core component of the most innovative places and services. The experience of local public servants is that all too often solutions to local problems already exist but the difficulty lies in systematically identifying them and scaling them up.[10]

3.2   In a variety of different contexts 'local innovation brokers' are able to bridge the gap between public services and communities. They may be individuals or groups, paid or unpaid, but are always skilled in making connections – navigating both the formal internal structures as well as the complex networks of community infrastructure and entrepreneurial capital.

What is already happening?

3.3   Much effort has been devoted to community consultation, user-led design and community empowerment initiatives to bring together community ideas and service design. Yet despite this, public servants are still more likely to look inside their own structures and networks to find new ideas and scalable initiatives than search for innovative solutions from outside. An early evaluation of the Total Place initiative stressed the importance of local leaders who understand communities, pull together different strands of provision, break down internal silos, seek feedback and build relationships.[11]

3.4   We call these people 'local innovation brokers'. Whether housed in the community or inside a public agency, they are creative and well-networked local people with the legitimacy and status (backed up by senior champions) to take new ideas forward.

3.5   Thinkers, experts or innovators in residence are commonly found in the private sector and academia, often taking the form of partnerships between individuals and institutions. These roles are occasionally found in central government, the most established example being the South Australian Government's Thinkers in Residence programme that began in 2003.[12] However, these positions are very rare in UK local authorities.

3.6   A pilot scheme in North and South Tyneside offers community entrepreneurs paid positions with the local authority to work with up to 20 families to tackle poverty locally.[13] They have become experts in making the links between all public sector services operating locally, increasing take up of key benefits and signposting to employment opportunities. Each entrepreneur receives a package of work-based learning and family support to develop the skills to engage with their own neighbours on community-building projects. This scheme is resource intensive, but shows the value of focusing the creative energies of an individual on issues like debt, which do not fall into a single department or institution.

Sources
10 Bacon, N, Faizullah, N, Mulgan, G, and Woodcraft, S (2008) Transformers: How local areas innovate to address changing social needs London: Nesta
11 Grint, K (December 2009) Total Place: Interim Research Report: Purpose, Power, Knowledge, Time & Space http://www.localleadership.gov.uk/totalplace/wp-content/uploads/2010/01/Total-Place-interim-review-report-Prof-Keith-Grint-Warwick-Business-School.pdf [Accessed 10.02.10]
12 Adelaide Thinkers in Residence http://www.thinkers.sa.gov.au/ [Accessed 18.02.10]
13 See also http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=504766 [Accessed 12.11.09] and North Tyneside Council Report to Cabinet (14 April 2009) 'Item 4 (c) Making Child Poverty Everybody's Business: Local Authority Innovation Pilot' available from http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=504766 [Accessed 12.11.09]

3.7   Rooted inside a public agency, the Young Foundation's Social Entre-
preneur in Residence works inside Birmingham's North and East PCT. This
more formal role focuses on scouting investment opportunities for the PCT
to be able to meet future social needs through new enterprises. In just four
months the role has identified 40 good ideas and 13 social enterprises. Three
have the potential to be taken to scale and are now receiving additional sup-
port to develop the business.

3.8   More systematic ways of scouting good ideas and enterprises are
needed. CLG's recently announced community enterprise strategic frame-
work[14] is a step in the right direction, and community entrepreneurs could
be part of such work.

A framework for identifying appropriate connector roles

3.9   'Local innovation brokers' is a catch-all term for a number of differ-
ent intermediary roles. Some of these already exist and need strengthening;
other are specific roles government could pilot. We see a role for a number of
different models of local innovation brokers in different contexts, depending
on the issue involved. The framework in figure two and the worked exam-
ples below help draw distinctions between the roles.

Figure two: Innovation brokers in a number of roles

Sources
14 Communities and Local Government (10
February 2010) Third sector can be first choice for
local services London http://www.communities.
gov.uk/news/corporate/1463783 [Accessed
10.02.10].

3.10   At the bottom of Figure two are formal, paid broker roles. These might be community safety officers or community consultation experts, public servants tasked with looking outwards to find good ideas amongst the community and using them to the greatest effect internally. We suggest there is a gap for Community Entrepreneurs, paid to help support community-led initiatives to navigate local agencies and develop local-led initiatives.

3.11   The experience of Tyneside's Community Entrepreneurs suggests such a role is most effective (and worth the financial investment) when focused on issues of rising social need, such as exercise, debt or anti-social behaviour, but which fall outside a single agency or department's remit. For example:

Community Entrepreneur

The need: The Local Strategic Partnership identifies exercise and healthier lifestyles in the most deprived neighbourhoods of the city as a key way to overcome a number of different issues from physical fitness to mental health, as well as isolation, social networks and academic outcomes. It therefore wants to prioritise improving exercise take-up amongst the community but the scheme's focus stretches beyond the role of traditional PCT staff who are most interested in physical fitness.

The role: A community entrepreneur is recruited from the local community. They are hosted by the local authority but spend much of their time based in the community. They are mentored by a senior member of the local authority and report directly to a senior officer and politician within the council. Their focus is on finding new community ideas to seed fund, encouraging existing work and supporting peer-led schemes.

The cost: £40,000 per annum for a full time staff member, which includes some support from the host organisation and a small amount of seed funding – £5,000.

The outcome: The Community Entrepreneur builds relationships within the community to identify local priorities and local solutions. A women- only gym for Muslim women is given funding for marketing, several walking groups for the over 50s are started and the Community Entrepreneur gives advice to more than 250 individuals on changing their lifestyle to incorporate more exercise.

3.12   A handful of places employ Social Entrepreneurs to scout for enterprises ready to be taken to scale. This is an expensive role, but allows a much more systematic approach to innovation and investment in social enterprise (something identified as lacking by both the Innovators Council and the literature). For example:

Community Entrepreneur

The need: The local PCT is seeing an increase in the amount of patients who have chronic illnesses, such as diabetes or obesity, and have difficulty managing them.

The role: A SEiR is embedded in the host organisation to provide general guidance to the PCT in creating and sustaining the environment for innovation, attracting, selecting and nurturing the best ventures and initiatives to address chronic illnesses. The SEiR is supported by a specialist central team who act as innovation consultants.

Costs: £150,000 per annum for staff and support structures plus £100,000 to invest in social enterprises.

The outcome: Patients manage their conditions more effectively, reducing the need for specialist health care services associated with serious conditions. The aim is that productivity gains alone will be at least double the total cost of the SEiR.

3.13   The government has already given its backing to rolling out Social Entrepreneurs in Residence in the *Smarter Government White Paper* across PCTs.[15] There is scope to extend this model to Local Strategic Partnerships, particularly those looking to build the market of social enterprises who can compete for commissions. We would recommend pathfinders in perhaps 10 areas to develop the model, with government contributing to the development and staffing of the model, but local areas using innovation and venturing funds to support social enterprises themselves.

3.14   However, there are some local issues that do not require significant investment in paid staff, but rather utilise untapped resources in the community through skilled volunteers, paid expenses only, or through time bank credits. Retirees are increasingly leading more active lives and those recently made redundant are looking for creative ways to get involved in their local area. This presents local public services will a pool of latent talent.

3.15   One such way to access this group could be the creation of Community Guardians to utilise the talents of retired Headteachers, police officers or doctors as an informal network to respond to acute community needs in times of disaster (fire, flood etc). Nearly 30,000 retired people in California contribute their time and talents to a similar scheme called *Senior Corps*, which also provides mentors and foster grandparents etc.

Sources

15 HM Government (December 2009) Putting the frontline first: smarter government London: Crown http://www.hmg.gov.uk/media/52788/smarter-government-final.pdf [Accessed 12.02.10]

Community Guardians

The need: A water main has burst at the top of a street cutting off ve-hicle access, flooding several homes and damaging communal shrubs and gardens.

The role: The Community Guardian puts themselves forward as a volunteer co-ordinator liaising with the water company about repairs, assessing the damage and feeding back to the local councillor, knock-ing on the doors to reassure local people about action, and finding volunteers to help remove garden waste and re-dig the damaged public flower beds.

The costs: Time bank credits, earning the volunteer access to leisure facilities and trips.

The outcome: This role has the potential to build significant relational capital in communities that the local authority can draw on in the future and releases public servant time.

3.16   There might also be a number of part-time roles where advocates are needed – experienced community activists who can help make local connections on the issues of most importance to local people. Community Champions may work best when their attention is focused on perceptions, fear or influence of citizen's in a local neighbourhood (rather than the full time work of liaison officers or community safety officers whose time is stretched by internal pressures and priorities). For example:

Community Champion

The need: A borough with a high fear of crime and a high level of antisocial behaviour.

The role: A Community Champion volunteers on a part-time basis, perhaps as little as six hours a week. They would be expected to have substantial community knowledge and would sit within the Borough Commander's team working with police officers to identify local initiatives that focus on reducing the fear of crime, helping to identify funding and ways of scaling current projects up with the help of the local community.

Costs: Variable, but low. Time bank credits, earning the volunteer access to leisure facilities and trips.

The outcome: Police officers are more aware of and responsive to the needs of local residents and can identify quick win solutions to local crime issues; for example, small amounts of funding are given to a youth group to scale up a successful project that reduces knife crime, or money for a voluntary 'angels' group that patrols busy streets on the weekends to have badges.

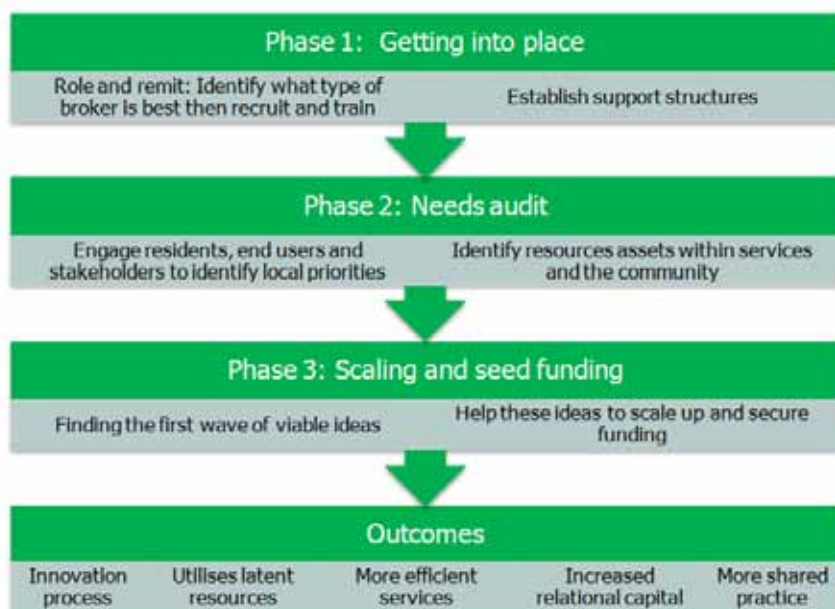## Implementing a Community Entrepreneurs pilot

3.17   We see a clear opportunity for government to embed a culture of ideation and innovation by promoting the role of Community Entrepreneurs to scout for good ideas and make new connections between residents and local agencies. Such a role would be limited to areas where there is consensus that existing efforts (both by community-facing public servants and community leaders) to tackle a specific issue are not working.

3.18   The experiences from existing initiatives suggest that a Community Entrepreneur should:

- be embedded within a community or place – the role needs to operate outside of the usual hierarchy and bureaucratic structures so it can identify unmet needs in the community
- have a high level advocate who can champion the role and has the influence and accountability to implement ideas and proposals
- have a strong and wider support network inside the local authority (or host organisation), providing formal and informal advice, mentoring, access to other projects and programmes to inspire new ideas
- draw on a range of methods for prompting, prototyping and embedding innovation
- have access to a small budget, perhaps £5–20,000, to seed fund promising ideas.

3.19   Implementing such a role successfully will not be easy. It will require clear leadership, both from public servants and local politicians. There are likely to be fears about risks and devolved decision making but these can be overcome by appropriate decision making structures.

3.20   A Community Entrepreneur would focus on issues of rising social need such as exercise, debt or antisocial behaviour, but which fall outside a single agency or department's remit. Key tasks include:

3.19   There is scope for a Community Entrepreneur to be involved in implementing other ideas – such as negotiating a local Community Dividend (see section four) or matching community needs and under-utilised public assets (see section five).

3.22   We recommend a pilot in at least three areas, sponsored and located with the local authority. Key actions would include:

Task	Issues to consider	Timings
Agreeing pilot schemes and selecting local authorities	National steering group setup	2 months
Recruiting a Community Entrepreneur	Finding someone with the right mix of skills is crucial – need both community and business experience and creative flair	2 months
Agreeing focus of their work	Lessons from other work suggest a specific focus works best – perhaps on youth transitions, caring for diabetes patients, reducing obesity or social housing	
Agreeing the geographical area of their work	Perhaps covering the whole of a local authority or located in a smaller area with less social capital	
Promoting role and call for ideas	Using creative ideation techniques to develop new ideas, as well as a lot of time spent on the ground with existing micro enterprises to find areas of promise	After 4 months
Assessment of ideas	Action agreed with senior champion and new ideas fed into existing consultation processes or given seed funding to develop	After 6 months and ongoing
Evaluation	Need for local level evaluation and national comparisons	After 12 months

3.23   Piloting such a scheme in three areas would cost c.£120-150,000 over 12 months, depending on the level of seed funding to be offered, largely to develop materials for setting up the schemes, support for the Community Entrepreneurs and an evaluation.

3.24   To justify this level of investment, the pilot must have a strong value for money case attached. The Birmingham based Social Entrepreneur in Residence aims to make returns on the original investment in just two years and further savings in the third year. We would expect to see communities making more efficient use of existing resources, and issues being tackled within communities before they become problems for local authorities and government agencies.

Community Dividends

4

4.1   Community Dividends are a new reward, intended to bolster existing volunteerism and incentivise new local action, by financially rewarding communities that take action themselves to tackle chronic issues in their local area. For example, if an estate cuts the prescription drugs bill by half, or reduce graffiti tags on street furniture by 75 per cent, then we argue they should be rewarded with half of the saving to the state.

4.2   For the citizen this means a locally tailored activity. For public services such interventions have the potential to improve local outcomes and ultimately reduce the demand for public services. And for civil society there is not only a financial reward but also the opportunity to release latent social capital and empower the community to act.

Where has the idea come from?

4.3   Government is increasingly looking to utilise local mutualism, neighbourliness and citizen collectives, where local people take action themselves to deal with local issues. This is particularly true of issues like antisocial behaviour or fly tipping, where the state is largely limited to using penalties to incentivise particular behaviours.

4.4   But it also applies to behaviours where the state's influence is limited. We know for example that smoking cessation, reducing overeating or improving mental health are all affected by an individual's circumstances, peer support and environment.[16] Local or peer led support can therefore be much more effective at tackling these issues than state-led aid.

4.5   For example, *Safeguard It* – a community-based social enterprise that provides vulnerable residents in Tameside with Home Fire Risk Assessments – have reduced the number of accidental fires and arson attacks in the St Peter's Ward of Ashton-under-Lyne and Denton South by 42 per cent in one year.[17] And in Manchester, a social enterprise that went door knocking immediately raised the recycling rate by five per cent, compared to the state literature approach taken in other areas.[18] Here, there is much to be learnt from the experience of community contracts and neighbourhood charters.

4.6   Financially rewarding behaviour is not a new idea. For example, Irwell Valley Housing Association, which incentivises good tenancy behaviour with a range of rewards, has reduced rent arrears, increased rent collection and reduced properties available to let since the scheme

Sources

16 Savage, V and Dalzell, K (2009) Behaviour change and incentive cards in London London: The Young Foundation
17 Greater Manchester Fire and Rescue Service (October 2008) Evaluation Proforma, Summary of Findings – Safeguard it unpublished
18 Cotterill, S John, P, Liu, H, and Nomura, H (February 2009) How to Get Those Recycling Boxes Out: A Randomised Controlled Trial of a Door to Door Recycling Service Manchester: University of Manchester Institute for Political and Economic Governance (IPEG)

was introduced.[19] Equally some areas offer council tax rebates for homes that recycle and require fewer bin collections.

4.7   The London Borough of Lambeth announced in February a new strategy of mutualism that will pilot an *Active Citizen Dividend* offering a council tax rebate to those involved in community organisations or mutuals that take responsibility for services. This is based on research that suggests that where both employees and users become involved in the provision of a service, they become far more intolerant of waste and bureaucracy, and significant savings can be made.[20]

4.8   However, giving financial rewards to volunteers or communities for carrying out local activities is a contentious field. Our analysis suggests incentives have a place because:
- many of us want local action and local change, but far fewer go on to get involved in our local areas (see figure three below)
- while volunteering is often motivated by compassion and the desire to help others, modern day volunteers are also looking for personal reward – skills and experience to improve job prospects or paid expenses, are a common feature of modern volunteering[21]
- financial rewards can increase the number of volunteers – whether cash rewards or credits like the SPICE time bank, which exchanged time given for leisure vouchers and cinema tickets[22]
- but paying out too much or too little can be more damaging than offering no reward – if participants think of themselves as paid employees, Swiss data suggests, their effort often tails off.[23]

Support

12%
6%
82%

Involvement

2%
18%
26%
54%

- Don't know/ no opinion
- No. oppose
- Yes, support

- Don't know
- Yes
- No
- Depends

Base: all residents (1,021)   **Source:** All respondents who support the idea (853)

Figure three: Community involvement, support vs involvement[24]

Sources

19 Communities and Local Government (2003) Incentives and Beyond: The Transferability of the Irwell Valley Gold Service to other social landlords London: http://www.communities.gov.uk/documents/housing/pdf/323440.pdf [Accessed 17.02.10]

20 Stratton, A (17 February 2010) Labour to rebrand Lambeth as 'John Lewis' council, London: The Guardian http://www.guardian.co.uk/politics/2010/feb/17/labour-rebrand-lambeth-john-lewis-council [Accessed 18.02.10].

21 The Commission on the Future of Volunteering (December 2006) Making Sense of Volunteering: A Literature Review

22 Spice (Date not cited) Looking Back: A Review of the Community Time Credit Systems that gave birth to Spice Newport: University of Wales

23 Frey, D, B S, and Goette, L (May 1999) Does Pay Motivate Volunteers? Zurich: Institute for Empirical Research in Economics Working Paper No. 7

24 Ipsos MORI, http://www.ipsos-mori.com/researchpublications/publications/publication.aspx?oItemId=1227
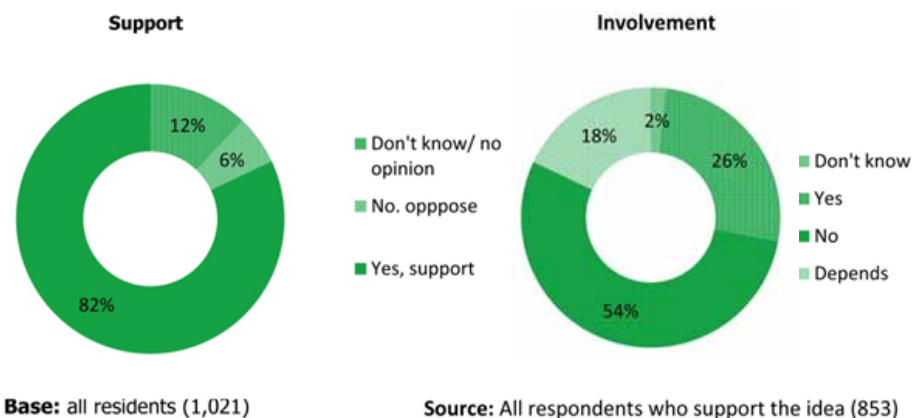
4.9   The evidence from regeneration grants and participatory budgeting suggests that involvement can also be encouraged through community rewards – like a grant for a local group, money to pay for additional Police Officers or a new playground. Again, the reward must be calibrated to the effort required and change needed, but the exact amount is less important than the incentive principle – a £10,000 community reward negotiated rapidly is more effective that a £15,678 reward which takes 12 months for a public sector department to agree.

How would Community Dividends work?

4.10   Community Dividends are an agreement between the state and a neighbourhood where residents take responsibility for making a tangible change to a local problem. If they succeed, both parties get to keep half of the saving generated by new behaviours – for communities, to spend on local activities, and for the state, to re-invest in other areas or remove from their expenditure book.

4.11   Simplicity is the key to the success, and as such we suggest four clear stages, as shown in the figure below:

- residents commit to collective action to tackle a local priority, such as youth crime or poor quality open spaces
- if collective action results in positive outcomes, communities are given a financial reward for their effort
- the reward is invested back into the local area, through mechanisms like participatory budgeting, local community group grants or council tax rebates
- the state saves money as positive outcomes reduce the demand for public services.

- Specific local issue is identified by public agencies or a local community

- Negotiate an agreement, including outcomes, indicators of success and level of reward

The Problem

The Agreement

Community Dividend

Local Action

- Success is measured, dividend is paid to the community

- The community takes the lead in addressing the problem

Worked examples

Reducing Accidental Fires

The Problem: The Fire Service has identified a neighbourhood with a high incidence of accidental fires. They have estimated that each fire costs on average £25,000 to tackle.

The Agreement: The Fire Service has asked the members of the Neighbourhood Watch to help them tackle the problem by providing advice and guidance to local people on how to prevent fires. The Neighbourhood Watch group agree and the Fire Service train five local people to provide fire safety advice and equipment to every household in the neighbourhood. They agree that success would be a reduction in the number of accidental fires in the next year, for which the Neighbourhood Watch would receive £12,500 per fire (50 per cent of the overall saving), which they would distribute through a participatory budgeting exercise.

Local Action: The five trained volunteers spend the year providing fire safety advice with support from the Fire Service and other local agencies.

Community Dividend: At the end of the year the Fire Service calculate a 28 per cent reduction in accidental fires, which results in £100,000 savings overall to the Fire Service whose services are no longer required. As per the Agreement, the Neighbourhood Watch group receive £50,000 (50 per cent of the saving) which they decide to distribute through a participatory budgeting exercise focused on young people.

Tackling depression

Problem: The total cost to England of mental illness is thought to be £77 billion annually[25] and estimates suggest that the public service could save £3.1 billion a year through improved mental health care.[26] In a ward of 3,000 residents and 1,200 households, where 10 per cent of residents suffer with depression (national average of two per cent[27]), residents decide to take action. Depression is most common in the older sections of the community, and local GPs report that there is a strong link with social isolation, with growing evidence that mental illness can be treated in a community setting.

The Agreement: Working with a local charity the council agree to handover an under-utilised part of their offices to form a community space. The charity will decorate the space and make sure it is appropriately equipped. It agrees to use existing networks to help bring

Sources

25 The Future Vision Collation (July 2009) A future vision for mental health http://www.nhsconfed.org/Publications/Documents/Future_vision_for_mental_health_FINAL.pdf

26 See Mind http://www.mind.org.uk/help/social_factors/statistics_5_the_financial_aspects_of_mental_health_problem#nhs [Accessed 18.02.10]

27 Net Doctor http://www.netdoctor.co.uk/menshealth/facts/depressionsuicide.htm [Accessed 18.02.10]

residents into the space for social events, start a walking group, and to put residents in contact with each other as a way of building support networks. Any savings from reduced prescriptions for antidepressants will be split between the council and the charity running the community space.

Local action: Over a year the charity sets up the space, starts weekly walking outings to a local nature reserve and facilitates the formation of a local residents' network. At the end of the year the residents' network is in a position to take over the running of the community space and to organise further outdoor activities. The council monitor the prescription rate for antidepressants with local GPs.

Community dividend: At the beginning of the year 300 individuals were being prescribed antidepressants, once every six weeks. This totalled 2,600 prescriptions a year. By the end of the year, prescribing had dropped by a third, with 867 fewer prescriptions issued. This resulted in a saving of £8,990.[28] £4,495 of this went to the council and £4,495 to the charity, which put some of the money towards the costs of the centre and spent the remainder on supporting a 'grow your own' initiative the residents had started up. It was agreed that any future savings would go to the residents' network that had taken over running the community space. The local GP noted that the experience had changed the way she works and is now using community-led schemes more often.

4.12   Similar schemes could deliver financial savings in reducing youth re-offending, improving the public spaces of local neighbourhoods and composting schemes. Worked examples are available on request.

4.13   Key to the success of such schemes will be the ability to move rapidly through each of the four stages, without becoming tied up in red tape. Otherwise the cost of administrating the dividends risks outweighing the savings. Specifically:

4.14   **Agreements need to be made quickly with local service providers** – perhaps two sides of A4 signed off by the local councillor or another champion to make checks and balances. Community Entrepreneurs (see section one), skilled at navigating both the world of community activists and public sector machinery, could have a role in negotiating these quickly.

4.15   **Estimates of financial savings should be approximate** – measuring social benefit, future savings and even the cost of simple interventions like removing graffiti can be time consuming and challenging, especially if there are multiple partners involved. However, rapidly determined (and

Sources

28 Based on a prescription cost of £10.37, see The Association of the British Pharmaceutical Industry http://www.abpi.org.uk/statistics/section. asp?sect=4 [Accessed 17.02.10]

therefore potentially underestimated) rewards are much more likely to motivate civil society, rather than laborious but precise figures. Much can be learnt from the Total Place approach here.

4.16   **Measurement** – agreeing what to measure and issues of causality (whether social action is the cause of change) could be a burden for local communities if it becomes difficult to prove. To minimise these risks agreements need to simple, and are perhaps best focused on initiatives where there is a clear measurable outcome with a relatively clear causal path, such as reducing accidental fires.

4.17   **Payments** – There are a number of options for payments. Lambeth is piloting council tax rebates for community members who volunteer with local organisations. We suggest community awards (grants which are spent on local priorities determined by participatory budgeting) may be a simpler route.

Implementing Community Dividends

4.18   Community Dividends could easily be piloted by individual public servants looking for a new tool to incentivise local action. Locally tailored models could be developed and trialled rapidly at very little expense and we think the field would be stronger for it.

4.19   However, we also recommend that government carry out a specific series of demonstration projects, perhaps in three communities through a 12 month action research programme. This would enable a toolkit and guidance to be developed, and ultimately a model to be refined through testing and evaluation. A small pilot programme to test the model would cost around £150,000.

4.20 Specifically, the following questions need to be explored:
- how should the level of reward be calculated, and how can this be done quickly?
- what are the best ways of paying the reward, and who pays it?
- what is the impact of incentives on collective social action?
- does a Community Dividend work effectively if it is instigated by public services?
- what are the unintended consequences of incentivising collective social action?
- what is the legacy of a Community Dividend on levels of collective social action?

4.21   A pilot programme could act as a demonstration model for real savings achieved. We expect that such savings would mean that public services can be scaled back or even removed in some areas. Though all public sector agencies are looking to make savings at the moment, this could be politically contentious and will require strong local leadership.

Expanding community use of under-utilised public assets

5

5.1   In mobilising more civil society activity, we should not overlook the opportunities to do more with the public service asset base. From vacant office blocks and unused green spaces to the schools, libraries and other public buildings which are too often locked up at night, more can be done to 'sweat' public assets.

5.2   To date, discussion about assets has been caught up in the red tape surrounding the permanent transfer of buildings to community groups through long leasehold and freehold arrangements. But the idea of the temporary use of land and assets by civil society has gained currency since the economic downturn. While the private sector has had particular success bringing unoccupied shop fronts or empty commercial office buildings back into use during the recession, unused public sector assets have largely remained as such.

5.3   We see an opportunity for civil society to expand its use of under-utilised public assets. A new compact could empower communities to bring forward creative ideas for the use of such spaces to allow enterprise and community activities to flourish. The opportunity to reclaim wasted public assets would see use of a space passing to the community by default (on a temporary basis), where the group can prove greater public benefit. Such a compact would be part of the narrative of access and rewards for civil society, where they are seeking to take shared responsibility for local outcomes.

5.4   We think there is also room to better market access to under-used spaces. For example, offering a brokerage service or web portal (or even iPhone application) to match peer support groups with spaces in public buildings out of hours like libraries, schools and GP clinics.

5.5   We also think more can be done to strengthen the relationship between private landlords and the public sector. From privately-run rural post offices to temporary use of shop fronts (as supported by CLG), and to public access to private facilities (like leisure sites). However, this is not the subject of this study and we have intentionally steered clear of this debate throughout.

The evidence

5.6   Since the Quirk Review[29] around 1,000 assets have been (or are in the process of being) transferred to the voluntary and community sector.[30] As authorities look to rationalise their property portfolio by aligning back office functions (particularly the Total Place pilots) and shedding under-used or unprofitable ventures, there may be scope for many more. However, permanent asset transfer is a notoriously time consuming process and decision

Sources

29 Department for Communities and Local Government (May 2007) Making assets work: The Quirk Review of community management and ownership of public assets London: Crown http://www.communities.gov.uk/publications/communities/makingassetswork [Accessed 17.02.10]

30 Asset Transfer Unit (9 November 2009) 1,000 community asset transfers underway http://atu.org.uk/LatestNews/ATUSurvey [Accessed 17.02.10]

makers have been cautious about releasing assets from their portfolio. There are opportunities to think of more creative ways to use space for community benefit in the short term.

5.7   CLG's Meanwhile Project has committed funding to improving the temporary use of private property spaces such as empty high street properties. In Cambridge, a local partnership has developed Begin Space, a temporary hub for social enterprise located in a former bank on the high street. This free and flexible resource has enabled 16 different organizations to grow and develop, strengthening local networks and increasing levels of social capital in the city. Meanwhile, in Manchester empty shops are being used to create Noise Lab Guerilla Pop-up Stores that offer struggling young fashion designers, musicians, performers and photographers to showcase and sell their products.[31] However, most of these schemes are with private not public sector assets.

5.8   In the public realm CLG and Defra are funding four land-banking pilots run by the Federation for City Farms and Community Gardens, and the Development Trusts Association are working to create "meanwhile leases/licenses' for the temporary use of unused land for food growing, green space or other use.

5.9   Others have already taken responsibility for small plots of land – like Guerilla Gardeners, who sweep in overnight to transform a plot – or the more formal Forgotten Corners project in Islington which encourages civil society to adopt an area of local public land and assume responsibility for its planting and maintenance. In fact demand for land has never been higher. The National Trust is creating 1,000 new allotments[32] and landshare.com is looking to match growers and available land.[33]

5.10   Yet examples like these are few and far between. In many ways the private sector seems to be much better at using assets creatively, seeing any rental income as better than none and employing estate agents to market the space. Canary Wharf Group has a series of social enterprises currently renting spaces at peppercorn rent during the recession and estate agents in the city are letting artists and students look after whole floors of their unused buildings, removing the need for night time security.

5.11   Our interviews and research suggest that in the public sector these kinds of approaches are rarely emulated, even by local authority community buildings teams. The administration costs of finding the owner and agree-ing terms, as well as the marginal costs of using an asset, often deter public servants from engaging civil society in temporary use. Others do not think

Sources

31 Noise Lab http://noiselab.co.uk/ [Accessed 18.02.10]

32 The National Trust 'Trust helps fuel grow your own revolution', http://www.nationaltrust.org.uk/main/w-global/w-news/w-latest_news/w-news-growing_spaces.html [Accessed 18.02.10]

33 Land Share http://landshare.channel4.com/how-it-works [Accessed 18.02.10]

the benefits of community run buildings are articulated well enough.

5.12   This is even seen right down to the hiring of public buildings by voluntary groups. Despite Extended Schools and a series of other initiatives from Whitehall to improve the use of public assets outside of opening hours, many still lie dormant after 6pm.

Reclaiming public space for community use – a new compact

5.13   A new deal or compact is needed between public services and civil society on the use of public assets – essentially a test of community benefit. We suggest that if a community group can demonstrate community benefit in the use of a currently under-used or vacant asset then the onus should be on the local authority, housing association, school, primary care trust etc to open up that asset to them. This would include both renting space and taking over use of a building or space temporarily.

5.14   In order that local public servants embrace such a compact, the benefits would need to be clearly articulated. Perhaps through performance measures (see section six) or the relationships to do more through local partnerships (see section seven).

5.15   We have taken three worked examples where the opportunity seems most apparent:
- community access to vacant land – perhaps to create a community garden or play area
- empty building – temporary use of empty office spaces, disused shelters or community spaces by community groups or social enterprises
- access to under-used spaces – for peer support groups or community partnerships to easily access schools, libraries or GP surgeries out of hours.

Easy access to vacant Land

The problem: A vacant parcel of urban verge in the neighbourhood is being used as a dumping ground, and becoming a notorious local eyesore. A local group of gardeners are keen to adopt the land and plant it to improve the look of the neighbourhood, but they do not know who the landowner is, and in dealing with the local council have been passed from one department to another.

The reclaim: The gardening group submits a query over ownership of the land through the local authority broker, and lodge a proposal through its web portal to put the land to use for the benefit of the neighbourhood. They also declare their intentions to adopt the site through erecting an 'Intentions for community use' sign on the land itself. The group cultivates the land, and encouraged by the success and positive response from the community link up with other civil society organizations to enter into an agreement with the council to turn another unused municipal site into community allotments.

Benefits:
• no public sector maintenance costs
• transformation of eyesore into oasis
• positive performance against Comprehensive Area Assessment (CAA) outcomes e.g. improved perceptions of neighbourhood and land values rise
• significant wellbeing outcomes: healthy eating, exercise, skills development, play facilities, behavioural change, building social capital, community empowerment.

Temporary use of empty buildings

The problem: As a result of service efficiencies, a building owned by the local authority has been closed for several years, and is at risk of falling into dereliction. It has already been vandalised, and a community campaign has begun to bring the building back into use, as they fear it is becoming a blight on the local neighbourhood.

The reclaim:
• a local community group that is looking to become a Development Trust in order to take greater community responsibility for the regeneration and economic development of the local area registers an interest in the temporary use of the building
• through the use of the petition mechanism, it lodges a proposal with the council to assume temporary use of the asset, setting out the intended use and timescale, as well as its capacity to cover costs and insurance
• the proposal passes the public interest test and a local public hear-

ing, and as a consequence the council is therefore instructed to grant usage by default

• the community group is then empowered to assume use of the assets, which it does so after signing a Meanwhile Use lease with the local authority.

Benefits:

• deter vandals and squatters

• prevent deterioration of physical conditions

• income for the landlord

• positive performance against Comprehensive Area Assessment (CAA) outcomes: improved perceptions of neighbourhood and land values rise

• significant wellbeing outcomes: strengthening local economy, building social capital, community empowerment.

Under-used space in a public buildings – hiring or renting out of hours

The problem: A health-related self-help support group for stroke victims is having difficulty finding a room to hire on a regular basis for its meetings. The group is unconstituted, has limited finances and resources, and if unable to find a place to meet is at risk of failing.

The reclaim: As the group has the same principles of mutual support and public service ethos as the NHS, it should have a default right to access resources and facilities in public sector buildings. The group registers with the booking and letting broker, who consults the new local database of assets across the public estate that can be hired by third sector groups, and comes up with various options for the group to use empty rooms in a number of local facilities. The broker helps with the logistical issues relating to temporary, non-intensive access, and after taking a cash deposit off the group to prevent abuse of the resource is able to confirm usage of the room at a regular time on a weekly basis.

Benefits:

• support for public sector outcomes: improvements in health, education, wellbeing

• peer support group is a move to genuine co-production.

Implementing the 'community benefit' compact

5.16   Public services need not wait for government intervention to act on these ideas. Such deals could easily be made at a local level.

5.17   But we think there is a strong argument for packaging a number of these ideas together as a new narrative on the relationship between civil society and public services. We suggest a new compact with civil society could include the right to 'reclaim under-utilised assets' for community benefit. In sharing public assets more widely the state is also asking civil society to take greater responsibility for improving local places and outcomes.

5.18   To demonstrate the efficacy of such a compact we suggest three intensive pilots in areas with a significant number of under-used assets, good civil society capacity and a strong appetite for change. Each pilot could focus on just one or all three of the ideas outlined above. One-off costs for the pilots would include:

Theme of work	Specific function	Costs
Vacant land	Portal Marketing Marginal costs	£50,000 £2,000 £20,000
Vacant building	Marketing Seed fund to support marginal costs	£10,000 £10,000 x 3 = £30,000
Under-used space	Portal Marketing	£50,000 (if built professionally or much less is community-led) £6,000
Specific pilot costs	Assets Broker Piloting and evaluation	£40,000 x 3 areas = £120,000 Up to £30,000[i]

5.19   We suggest local authorities ought to lead on collating and displaying information about unused assets and spaces available for hire and an online matching service for community groups (see Slivers of Time for a template for matching workers and need).[34] This builds on recent data.gov work.

5.20   Though such a pilot requires investment, the web portal would be built as a template for other areas to easily replicate and the evaluation would result in a toolkit for other areas to implement the compact approach at low cost. Though we have estimated the costs above for professional development, the portal could easily be built by local people or web entrepreneurs for little or no cost. Such a portal may even work well as an iPhone application or similar.

Sources

34 See Slivers of Time: http://www.sliversoftime.com/ [Accessed 02.03.10]

5.21   Each pilot area could use the existing skills and capacities of the local authorities community buildings team or it could invest in an Assets Broker. This could operate like an estate agent, liaising with local community members that wish to temporarily use land or assets, paid on commission on rental agreements. The broker would work across the public estate (and as a liaison with the private sector) to find under-used public assets, establish ownership and market their use to community groups, perhaps through a web portal. Such a broker would cost around £40,000 per area and the role would need to be tested in a number of locations.

5.22   Key phases of the pilot scheme would include:

Task	Issues to consider	Timings
Start-up phase	Local authorities to hire broker Broker to conduct asset mapping in local area Development of web portal in each local authority area	1 – 4 months
Implementation	Launch web brokerage service to bring new access to under-used spaces Temporary transfer of some office space and other assets to entrepreneurs Temporary transfer of responsibility of some land to a group of communities	6 – 18 months
Evaluation	Evaluation of 3 local authority pilots	18 months

Improving performance measures around civil society

6

6.1   In the past decade the public sector has been driven by setting performance targets and meeting them in the belief that achieving success would reinforce public trust and lead to increased levels of satisfaction. However, despite hitting performance targets across the board satisfaction ratings have not increased at the same rate as performance.[35]

6.2   Government is therefore increasingly moving from measuring activities and service outputs towards objective outcomes like safer streets, less crime, healthier lifestyles etc (as figure five shows).[36] Assessment tools in the CAA and duties in the Local Democracy Act place are increasingly focusing local councils and public agencies on user interaction, satisfaction and trust.

Activities → Outputs → Objective outcomes → Subjective outcomes:

Figure five: Change in balance of performance frameworks over time

6.3   We suggest more can be done to measure local public services according to the quality of their interaction with civil society by increasing the number of subjective outcomes by for example:
- using tools like social network analysis and 360 degree appraisals to measure the relational capital or quality of relationships public servants and services have with citizens
- creating a better blend and balance of perception based measure of personal capability, resilience, influence and satisfaction in national performance frameworks.

6.4   Ultimately, the goal is to spur local public servants to prioritise making connections with the untapped assets and resources of local civil society by altering the criteria against which they are personally and professionally assessed.

The evidence

6.5   Measuring satisfaction is inherently flawed. In part this is because it is a subjective measure with people meaning different things when they say they are 'fairly' satisfied, but largely it is the opportunity of external factors like the weather or national media which play into the picture on the day of a survey. For example, satisfaction with 'value for money' rose by almost 20 per cent in the London Borough of

Sources

35 Page, B (2009) The Perils of Perception – or why are people so 'ungrateful'? Presentation by Ben Page, Chairman Ipsos MORI Social Research Institute for the Cabinet Office

36 Mulgan, G (February 2010) The birth of the relational state London: The Young Foundation http://www.youngfoundation.org/policy/tips/the-birth-relational-state [Accessed 18.2.10]

Hammersmith after it launched an aggressive communications campaign advertising council tax cuts alongside messages such as increased funding for schools and police, despite not having to demonstrate an increase in performance.[37]

6.6   But despite this there is no denying the importance of customer satisfaction with services (not just the outputs or performance of that service) to the public. Ipsos MORI data suggests satisfaction rises sharply when residents feel service providers have taken their views into account, or felt they were treated honestly and fairly.[38] For example, take Lewisham's 30 per cent drop in complaints about graffiti,[39] which was achieved through lovelewisham.org, where residents post pictures of problematic areas and the council responds in kind.[40]

6.7   With this in mind government must do more to promote quality interactions between local public servants like GPs, police officers and headteachers and civil society, if satisfaction is to rise.

6.8   There is also an argument that while we are good at measuring service outputs (number of patients discharged, or GCSEs attained), national government still remains poor at measuring the personal capacity or capability of the individual. For example, few frameworks capture an individual's confidence in managing their condition at home or in using their academic grades to gain employment. More sophisticated tools and targets are therefore also needed in national performance frameworks.

Measuring and rewarding relational capital

6.9   Whilst many public servants see the value of working alongside civil society – be it users, volunteers or the VCS – there are also those who find building such relationships challenging. As a consequence meaningful engagement can be de-prioritised, squeezed out by other pressures.

6.10   Government needs to do more to focus the attention of local public servants on quality interactions and the development of 'relational capital' – not only because it makes for more efficient services but also because it builds users' confidence and satisfaction in the services they use.

6.11   But changing the working practices of skilled and often long serving public servants can be challenging. Anecdotal evidence

Sources

37 IDeA, 'Providing good value for money' http://www.idea.gov.uk/idk/core/page.do?pageId=12286188 [Accessed 12.02.10]

38 Page, B et al (2004) What drives public satisfaction with local government? London: LGA publications

39 BBC News Online map launched to aid London street-cleaning teams http://news.bbc.co.uk/1/hi/england/london/8514930.stm [Accessed 18.02.10]

40 See Love Lewisham http://www.lovelewisham.org [Accessed 17.11.09]

from police forces across the country suggests that the move towards neighbourhood and community policing, where officers work much more closely with the community on their priorities, has not been an easy culture change for all. Whilst some officers thrive, others continue to do the job 'as they always did'. The same is true in many other services.

6.12   Government can do much to challenge and change such working practices – either by promoting new tools, incentivising success or penalising non compliance. Perhaps most fruitful would be operational research to test a number of new performance measures based on individual public servants, not just their service. This could incorporate social network analysis, 360 degree appraisals and a new satisfaction indicator.

6.13   We suggest this could be piloted in a number of self selecting areas, perhaps Total Place pilots that are exploring the opportunities for more efficient and joined up working. Areas would opt out of existing performance measurement frameworks for a limited period and instead use two or three new tools to measure success. These could include three elements:

6.14   **Social Network Analysis** (SNA) – an online survey that asks citizens who they go to in times of need, who they trust and where they get their information from. The information generates a visual map of key local players and as such is an excellent proxy to test the quality of relationships between individual public servants and civil society. Figure six on the following page, from a UK local authority, immediately gives an impression of which headteachers are good communicators with the community and which are not.

6.15   So, if public servants work in a different way we would expect the social network analysis to identify interlinked 'nodes' between the local public services, the CVS, individual volunteers, and service users: showing that these groups had started to work more closely together and were more recognised throughout the community.
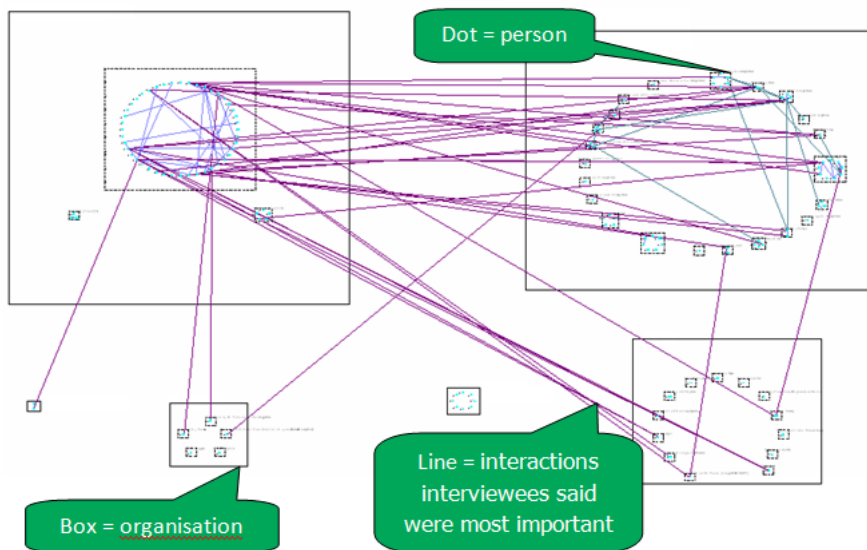
Figure six: Social Network Analysis of an education community in north England

6.16   **360 degree appraisals** – already used in parts of the public service, there is the opportunity to do more to assess individual public servants on their ability to engage civil society. Existing best practice suggests this should include:

- taking responsibility
- honest and open treatment
- asking for feedback
- acting on feedback
- avoiding unnecessary contact
- good communication.

6.17   Companies like Google have gone further, relating pay and bonuses to scores from such appraisal processes, essentially measuring how the work is done not when. Incentivising the employee to build quality relationships with their colleagues and customers, not just seeking to complete the work.

6.18   **Better satisfaction targets** – and finally a measure of satisfaction based not only on the quality of the service but also the opportunity to influence and be involved through continuous feedback circles, co-production or other measures. This could be built into the existing Place Survey.

6.19   Testing and evaluating these new measures in a handful of places would help build the case to others for investing in quality relationships between civil society and public services. We suggest a trial

period in a number of areas. The new indicators could be implemented at the start of the normal performance year and the pilot would run for one year. After 12 months of work, the public servants and services in each place would be assessed with the three tools.

6.20   In the short term we would expect to see an increase in satisfaction and trust, and a consequent decrease in complaints (which has the potential to generate some savings), especially if other ideas like Community Dividends or Community Entrepreneurs are piloted in tandem. In the longer term there is the potential for the focus on relational capital, with feedback and co-production processes embedded, and consequent improvement in the quality and efficiency of services.

A better blend of national targets

6.21   Nationally we suggest government should be much more ambitious about the targets it sets itself on satisfaction with public services. In Canada the government has embarked on a five-year journey to improve satisfaction by more than 10 per cent.[41] The framework measures the difference between customer expectations and their perception of the actual service. At its heart is a matrix which maps these satisfaction scores as relative to the importance users attach to these services.[42]

6.22   Whilst we don't advocate more performance measures, it is clear that such targets set the tone for much of public servants' work. If the UK followed Canada's lead and set a national target for improvement in satisfaction this could help focus the time and energy of local public servants on quality relationships.

6.23   We also recognise that there is more to be done to get a better balance of measures focused on an individual's capacity, rather than simply public service outputs. An increasing number of measures of outcomes has set the direction of travel, but government should also be looking to nations that measure core competencies or an individual's capacity to make independent choices, live healthily, access information and their resilience to setbacks.

6.24   For example, a recent Young Foundation study of social needs in Britain suggests that the growing divides in Britain are not just between rich and poor but between those who are happy and those who are not and those who have emotional resilience or grit to deal with setbacks and those which have no framework with which to do so

Sources

41 Treasury Board of Canada Secretariat, A Policy Framework for Service Improvement in the Government of Canada, http://www.tbs-sct. gc.ca/pubs_pol/sipubs/si_as/pfsi1-eng.asp#obj [Accessed 17.02.10]

42 Service Canada Service Canada Client Satisfaction Survey: 2008 Survey http://www.servicecanada.gc.ca/eng/about/por/ csresearch2008/section1/index.shtml [Accessed 17.02.10]

(consequently relying much more on state intervention to support them). Measuring this capacity gives a much more balanced picture of the longer term successes of public services like schooling for example, than the number of GCSEs grade A to C.

6.25   Mexico is pioneering this approach, re-orientating the majority of public service measures towards poverty, specifically an individual's rights and capacities.

6.26   In the USA, Virginia's performance framework is now focused on a scorecard for each place mapping three dimensions of performance: long term goals and societal outcomes; agency key objectives and metrics; and performance and productivity objectives. This focuses services on objective and subjective outcomes, as well as outputs, and allows users to readily compare the performance of their local agencies. The model forms the basis of much of the thinking behind the Scottish Government's performance framework.[43]

6.27   In the UK perhaps focusing 50 per cent of measures on outputs and 50 per cent on outcomes like satisfaction and capabilities would be a better blend, and most importantly here, would help incentivise local public servants to adopt new ways of working at a local level.

Piloting this initiative

6.28   Whilst national performance frameworks are already the subject of a Treasury study, we suggest there is value in demonstrating new ways of measuring the quality of relationships with civil society. A demonstration project in at least three authorities would incur a one off cost of around £80,000.

6.29   Pioneering local authorities could introduce better indicators of quality relationships like informal 360 degree appraisals at little or no cost. Integrating the six key competencies into a performance framework would require some time and we suggest a one-off cost of £15,000 would amply cover this.

6.30   The costs of undertaking social network analysis would vary depending on the methods used (for example, online surveys versus telephone or one-to-one in-depth interviews) but would be around £35,000.

Sources

43 The Scottish Government 'Scottish Budget Spending Review 2007' http://www.scotland.gov. uk/Publications/2007/11/13092240/9 [Accessed 18.02.10]

6.31   Ultimately we would expect areas that build good relationships with civil society to have stronger social capital, more efficient public services and fewer costs associated with avoidable contact. For example, the Tell Us Once campaign is projected to deliver £168 million of savings over 10 years. In the longer term a social return on investment approach could be used to place a monetary value on potential benefits.

Improving hyper-local partnerships

7

7.1   Much has been made of partnership working in the past 10 years. At a local level the 'double devolution' or 'neighbourhoods' agenda has crystallised thoughts about devolution of power to civil society. A series of tools and best practice guides are now available to public servants (to proactively engage residents) and to civil society (for example, to petition or challenge public servants).

7.2   And the evidence suggests that these tools, and the partnerships between civil society and public services behind them, are working at the hyper-local (or very local) level. Whether it is Sure Start boards improving confidence and satisfaction of residents[44] or mentors improving the attainment of struggling pupils.[45]

7.3   Yet, we know that whilst some hyper-local partnerships are very effective, others are not, largely because of the enthusiasm of the leaders behind them. We suggest that further action is needed to galvanise the effective hyper-local partnerships and spur other public servants on to create more.

7.4   We have already discussed incentivising public servants to do more through performance regimes and rewards. But to make this type of work a practice of the many, not the few, we suggest there is also scope for: better training for public servants; more tools to access co-production techniques; and, in some circumstances, increased discretionary funding.

The evidence

7.5   At the very local level, neighbourhood management, community contracts, lead councillors and a swathe of regeneration initiatives have promoted partnership working between individual public servants and the voluntary and community sector (VCS), individual volunteers and end users.

7.6   The argument for investing time creating effective local partnerships seems compelling. For example, the Expert Patient scheme (where patients advise public servants and peers on managing their illness) reduced outpatient visits by 10 per cent and Accident and Emergency visits by 16 per cent, while also building the quality of life and wellbeing of patients and their confidence in managing their condition themselves.[46]

7.7   Much good work is already underway. Co-production has been embraced by Oldham service providers and local residents, who have together developed *In Control*, a system for those with learning disabilities to direct their personalised care budgets.[47]

Sources

44 Williams, F and Churchill, H (2006) Empowering Parents in Sure Start Local Programmes, National Evaluation of Sure Start (NESS) Report London: HMSO

45 Diehl Vile, J et al (2009) Progress towards High School Graduation: Citizen Schools' Youth Outcomes in Boston, Boston: Policy Studies Associates

46 Rogers, A et al (2006) The National Evaluation of the Pilot Phase of the Expert Patients Programme London: National Primary Care Research and Development Centre. Also see Horne, M and Shirley, T (2009) Co-production and public services: a new partnership with citizens presentation London: Cabinet Office

47 Oldham Council 'Self directed support individualised budget control' Fact Sheet [Accessed 18.02.10]

7.8   Elsewhere both Tower Hamlets and Norfolk have been quick to embrace participatory budgeting as a way to get local residents and community groups more involved in decision making. In Tower Hamlets' case more than £2 million of council funds has been shared out, including funding for extra police officers and drug outreach workers, CCTV and improvements to communal gardens.[48]

7.9   But despite the good examples and a raft of good practice guides, this type of working has not become as integrated into public life as the government had hoped. Many local partnerships remain under utilised resources, less effective than they could be.

7.10   After interviewing a series of local public servants and community activists we suggest some of the most common barriers to effective local partnerships include:
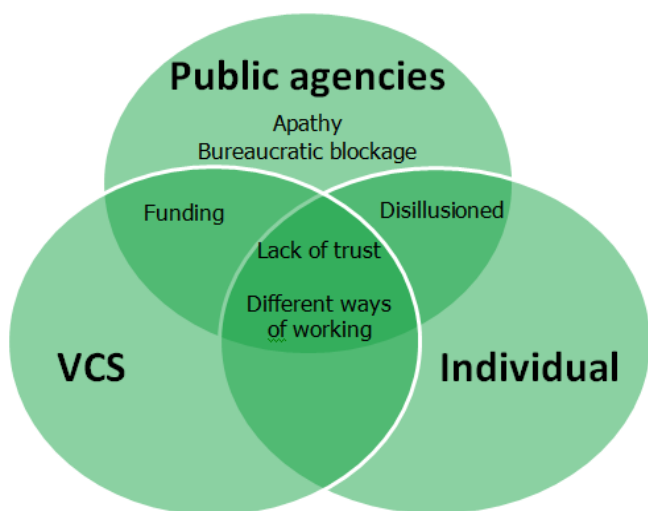

Public agencies
Apathy
Bureaucratic blockage
Funding   Disillusioned
Lack of trust
Different ways
of working
VCS   **Individual**

Figure seven: the barriers to effective hyper-local partnerships

7.11   Literature suggests good local leadership is at the heart of the most effective hyper-local partnerships. We all know enthusiasts who have been quick to adopt the principles of community engagement and co-production, those who are able to use funding flexibly and creatively. Essentially these people are able to re-route connections of good ideas, the untapped resources in civil society and the assets of the public sector.

Sources

48 One Place http://oneplace.direct.gov.
uk/infobyarea/region/area/pages/flags.
aspx?region=51&area=416 [Accessed 17.02.10]

7.12   We suggest three things in particular need to be given higher priority if partnerships are to flourish:

- •   **co-production** – where users and local people design and deliver solutions on an equal footing with agencies
- •   **training** – a sharper focus on networking and learning from social entrepreneurs and community champions
- •   **funding** – trusting local public servants to act quickly with small amounts of discretionary funding to meet acute local need.

Developing co-production tools for local partnerships

7.13   Many hyper-local partnerships and the tools they use, focus attention on public servants themselves who are seen as the lynch pin in networking ideas and groups to each other. We have already discussed the opportunities to bring ideas in through other routes, such as Community Entrepreneurs, but we also see a role for better understanding of the role of co-production which values service users as equal in the service design and delivery process.

7.14   Co-production has been at the heart of many progressive pieces of work, like family learning projects where children and parents learn together or *POPS*, a support service for older people before admission for surgery. *In Control* has pioneered co-production around individual accounts for people with disabilities.

7.15   More recently *Southwark Circle* caught the attention of many policy makers after 250 over 50 year olds worked with local agencies to develop a membership organisation that helps communities help themselves to take care of household tasks, create social connections and find new directions in life.[49]

7.16   In some ways roles like detached youth workers and *Safer Neighbourhood Policing Teams* have co-design at the centre, with users or local people prioritising actions.

7.17   Replicating such an approach, where citizens and interested VCS groups can be involved in both the design and delivery of services, requires a better understanding of co-production by public servants. We are loath to suggest another toolkit, given the myriad currently available. Yet the public servants we interviewed report that they struggle to access networks and visible high profile examples. There is a clear role for government in making it easier to find and navigate such tools.

Sources

49 Participle http://www.participle.net/projects/view/5/101 [Accessed 17.02.10]

7.18   A better understanding of the methods of co-design is needed. Many do not feel confident with tools like user journey mapping, wiki planning, rapid prototyping, ideas banks, photo surveys, visualisation exercises, social innovation camps, walkabouts etc. A government-sponsored toolkit on co-design would fill this gap, but could be more creatively delivered through an online portal – perhaps an intranet for public servants of evidence and good practice.

Increasing the time and opportunities for learning

7.19   In a series of interviews for this piece of work, local police officers, neighbourhood managers and community activists all outlined the need for more learning opportunities. In particular they were keen to learn from other sectors, working effectively with peers in different departments, agencies and locations to build cross sector support networks.

7.20   The majority of training for new frontline staff is still provided in house by professions or public bodies. More time should be spent within communities. Just as some senior public servants spend two days a year in communities, we suggest that the training schedule of local public servants should include training delivered by the community sector or exchanges with social entrepreneurs, or time spent doing 'day in the life of' studies of users. There may be opportunity to match skill needs here – with specific advice given by entrepreneurs with new projects starting and vice versa – facilitated by Community Entrepreneurs.

7.21   Such practice helps build understanding as well as a common language. Yet, incentives will be needed for this not to be seen as an optional extra – perhaps direct incentives in how local public servant's performance is measured (see section six) or efficiency gains for the service.

Increasing discretion

7.22   The flexibility and, in particular the discretion, to spend money on innovative new approaches comes through strongly as an enabler of innovation in the literature. Yet anecdotal evidence suggests that many frontline local public servants lack such discretion. Take schools for example – few have more than £50,000 of funding where they have total discretion. Many neighbourhood managers have less than £20,000 and our interviews revealed some policing teams felt a lack of flexible funding was preventing them from taking forward work with other organisations, especially in the community and voluntary sector.

7.23   Research suggests that frontline staff frequently confront problems or become aware of opportunities long before strategic managers.[50] As such,

Sources

50 Blond, P (2009) The Ownership State: Restoring excellence, innovation and ethos to the public services London: NESTA

allocating discretionary funds to tackle acute needs and bringing decision making and service design to the point of delivery can generate vast savings for any service.[51]

7.24   More can be done to extend the autonomy of local public servants to act on acute needs using discretionary funds. There will always be risks associated with this approach and for that reason there are some areas that should always be off limit of local control – like school places, safeguarding vulnerable adults etc.

7.25   But in fields where there is less likely to be friction greater powers could be given to local leaders to determine priorities; for example, spending on the management of local public spaces or antisocial behaviour.

7.26   Perhaps the simplest way to do this is to give all local partnerships the opportunity to levy community charges or pledges (much like local areas can levy additional funding through business taxes), rather than relying upon formal funding which often comes with too many targets and regulations attached. For example, there is scope for *Community Pledge Banks*, where residents agree 'I will, if you will' to be extended. Communities with an online presence could encourage local action – e.g. 'I will contribute £10 towards a new swing set in the park if 500 others will' etc. Or others vote on small local taxes (£20 a year) for all residents to be spent on local projects, much like parish councils already do in rural areas.

Sources

51 Seddon, J (2008) Systems thinking in the public sector: the failure of the reform regime and a manifesto for a better way Axmintser: Triarchy Press

8

Costs versus rewards

8.1   The most pressing challenges facing communities are complex – be it child obesity, antisocial behaviour, managing chronic health conditions or care for the elderly. Over the last 10 years government has created a dense infrastructure of public services to help meet these needs. As the resources for public sector services reduce, public infrastructure now needs to increasingly leverage in the capacity and resources of civil society to improve existing public services and deliver others themselves.

8.2   Investing in a relationship with civil society can seem like an additional burden to many local public servants but as well as improving local satisfaction and trust there is a strong value for money argument for doing so.

8.3   Many the initiatives we have outlined will require upfront investment, but also generate savings. For example, there is the potential for a community dividend scheme to reduce the number of local arson attacks in a neighbourhood. As such fewer fire safety officers would be needed (see section four). A community entrepreneur and their local work to strengthen volunteer involvement in mentoring and parental involvement in schools may remove the need for two of the classroom assistants in the local school.

8.4   While such savings will be welcomed by public purse holders they are likely to be locally contentious and politically challenging. A future where more civil society and less public service resources are used to meet local needs is a circle not easily squared. But government needs to have such honest conversations and debates with both communities and local public servants.

8.5   This section covers four areas in detail, as a rationale for investing in pilots of these five promising ideas:
- nil or low cost actions;
- medium term savings, based on upfront investment in pilots;
- longer term savings and efficiencies, based on the Young Foundation's 12 economies framework; and
- the non fiscal benefits of improved trust and satisfaction.

Nil or low cost actions

8.6   Each of these initiatives is a tool to make working with civil society easier and more rewarding for local public servants. Some require upfront investment, others a change in culture or working practices, others still new rights or legislation.

8.7   Many can be acted upon by local public servants or civil society themselves, in particular the impetus to learn more about co-production and spend more time training in and with the VCS. Or the development of unpaid community champion roles to give community activists the support and legitimacy to corral the ideas of others on specific issues like fear of crime or localised flooding.

Medium term savings

8.8   Nearly all of the initiatives would benefit from a piloting phase to refine the proposals and prove the concept. This will inevitably have a cost to it – both to find willing partners, deliver the initiative, evaluate its success and capture the lessons for others.

8.9   At a time when Whitehall is looking to reduce public sector spending, the rationale for future savings based on these initiatives must be clear.

Pilot	Cost for pilot in 3 local authorities	Breakdown of costs	
Community Entrepreneurs	c. £120 – 150k	Each entrepreneur	£40,000 x 3 = £120,000 (plus seed funding)
		Piloting and evaluation costs	Up to £30,000*
Community Dividends	c. £150k	Piloting and evaluation	£110,000
		On the ground costs	£ 40,000
Reclaiming wasted public assets	c. £320k (if 3 areas worked on all 3 themes)	Piloting and evaluation Broker	Up to £30,000 £40,000 x 3 = £120,000
		Vacant land sharing	£72,000
		Temporary use of vacant buildings	£40,000
		Web portal to match groups to under-used space	£56,000
Performance measures around civil society	c. £80k	Evaluation[ii]	£30,000
		360 feedback and other measures	£15,000
		Social Network Analysis	£35,000

8.10   In some cases there are also obvious routes to income generation, for example, buildings that are currently lying empty will at least generate some revenue through temporary asset transfer.

8.11   For some of the other pilots we would expect medium-term returns and savings. For example, community dividends have the capacity to generate savings for both the state and additional investment for the community. Equally, we would expect a focus on quality relationship building amongst local partnerships to yield rewards in terms of improved and more efficient services and fewer complaints.

8.12   We discuss possible savings in more detail in the scoping papers, but more detailed feasibility work on their social and fiscal return is needed.

Making longer-term savings and efficiencies

8.13   The rapidly changing landscape of public sector funding demands that any investment or actions now will yield not just medium term savings and improvements in satisfaction but also the realistic prospect of longer term efficiencies. These are difficult to estimate, the Young Foundation has developed a new framework which maps 12 dimensions of efficiency and economies, as shown below.

1. Stopping	pure economies that come from stopping doing thing
2. Trimming	freezing pay, spending, reducing service quality end 'extras'
3. Delay	postponing capital, pay rises, promotion
4. Scale	organising services or processes at larger scale, e.g. aggregating call centres, back office, delivery units
5. Scope	bring multiple functions together, e.g. multi-purpose call centres (111), websites, personal advisers, doubling up roles of postal delivery
6. Flow	managing flows of events, customers, to achieve economies of specialisation, reduce failure of demand
7. Penetration	economies that come from geographical concentration e.g. Combined Heat and Power, street concierges, doubling up roles of postal delivery
8. Responsibility	passing responsibility out to citizens (with changed scripts – e.g. waste, street cleaning, tax returns) or introducing charges
9. Commitment	shitfting provision from low to high commitment people and organisations (tapping into volunteer labour, social enterprises...)
10. Circuit	reducing costly events through effective prevention (e.g. recidivism in crime, hospital repeated readmissions), with financial tools such as Social Impact Bonds
11. Risk, regulation, monitoring	readier acceptance of risk, reduced monitoring regime
12. Visibility and information	mobilising public eyes (e.g. MP's expenses) and the power of shame, and encirchment – to improve performance

Figure eight: the 12 economies, a Young Foundation framework for understanding potential service efficiencies in the public sector[52]

Sources

52 Bacon, N. (2010) Innovation and value: new tools for local government in tough times, London: Young Foundation

8.14   Below we discuss each of these economies and the links to the five promising ideas in this paper. A more detailed analysis of the economies, and examples of how they have already delivered significant savings to government, can be found in *Innovation and value: New tools for local government in tough times* (2010).[53]

8.15   First there are **pure economies**: simply stopping doing things, **economies of trimming**: of say 10 per cent, in every department and **economies of delay**: pay freezes or withdrawing capital expenditure. Each of these will be deployed in public services across the country over the next few years. We expect that public servants who are building quality relationships with civil society (in particular seeking feedback from users, perhaps through local innovation brokers or better local partnerships) will be better empowered to make strategic decisions about downsizing some services. Community Dividends too offer a number of pure economies – as they will allow the state to withdraw a service where residents can demonstrate they can deliver the same outcomes for less.

8.16   Beyond these first three economies lie more radical changes. In particular the five promising ideas in this paper are likely to generate real savings through numbers seven to 10 and 12 in our framework:

- **economies of penetration** rely on operating intensively at a local level to increase efficiency, for example green initiatives to generate energy locally.
- **economies of responsibility** surmises much of the argument of this paper - that there is a need for a changing dialogue with the public about what they should do and what they should pay for feeds into the next area, the. Community Dividends should help encourage more residents to take a greater role in keeping their streets clean, running local facilities, or minimizing their household waste, making significant savings in the future.
- **economies of commitment** encourage the public sector to tap into the extra motivation and commitment that volunteers and staff can feel for organisations that they feel strong 'ownership' over. Parents who come into school to read have significantly improved the literacy of students in local schools. A number of studies have found that council tenants, who have taken over the management of their homes and set up different forms of tenant management organisation, provide efficient and cost effective services. We would expect Community Dividends and measures to release unused public assets to unlock savings through this efficiency.
- Public scrutiny over other costs that are visible to the public can help bring dramatic changes. **Economies of visibility could see**

Sources

53 Bacon, N. (2010) Innovation and value: new tools for local government in tough times, London: Young Foundation

local innovation brokers helping make the state long term savings by flagging up efficiencies. The Netherlands and now in Wales, have delivered such savings through the *Kafka Brigade*, an organisation that the public servants become tangled in a web of dysfunctional rules, regulations and procedures.

The benefits of improved trust and satisfaction

8.17   In reality though, as with any innovation, the savings from untested ideas are difficult to predict and not guaranteed. With this in mind, the real rationale for investment in piloting these ideas is to change the discourse about local partnerships and the role of civil society in public services.

8.18   Medium and longer-term savings will stem from initiatives that embody the principles of co-production and are able to leverage the resources of civil society to meet social needs – either by refining existing public service provision (with cheaper, more efficient models) or removing the need for it (by building social capital and the community's capacity to improve local outcomes without state intervention).

8.19   Making this case to local public servants is challenging. Empirical evidence suggests that where civil society and the state work together there is an improvement in outcomes, but the evidence base is thin and uneven, largely because most initiatives are small and operate under the radar of formal evaluations.[54]

8.20   However, there is much stronger evidence to suggest that such interaction improves citizen satisfaction with services, the degree to which residents feel they can influence decisions and their confidence and capacity. Whether it is parents on Sure Start Boards (there is substantial evidence that Sure Start Local programmes have empowered individual parents so they feel less isolated, more valued and more confident in their parenting activities)[55] or improvements in satisfaction and influence through engagement (community members and public servants working together in Balsall Heath helped the neighbourhood achieve the highest local rating for NI4 'do you agree you can influence decisions' with 75 per cent agreeing).[56]

8.21   It is these indicators of relational capital, trust and satisfaction which are becoming the norm in measuring public service performance (see section seven) and which will incentivise many local public servants to invest the time in piloting some of these ideas and developing stronger links with civil society.

Sources

54 Savage, V (November 2009) Public services and civil society working together: an initial think piece London: The Young Foundation

55 Williams, F and Churchill, H (2006) Empowering Parents in Sure Start Local Programmes, National Evaluation of Sure Start (NESS) Report London: HMSO

56 BMG Research (2008) Annual opinion survey Birmingham: Be Birmingham