



**The Co-operative Council
Sharing power: A new settlement
between citizens and the state**

Foreword

Lambeth's proposal to become a Co-operative Council has generated a striking amount of passion, interest and debate over the past year. This new approach to public service delivery aims to reshape the settlement between citizens and the state by handing more power to local people so that a real partnership of equals can emerge. I believe the huge level of interest in our ideas both locally and nationally are driven by a genuine desire to find new and better ways to deliver public services in the 21st century. Although we publish this report at a time of unprecedented Government cuts in funding for local services, ours is not a cuts-driven agenda. I believe that if we do not make this change then the future of public services will be much more uncertain.

The Co-operative Council draws inspiration from the values of fairness, accountability and responsibility that have driven progressive politics in this country for centuries. It is about putting the resources of the state at the disposal of citizens so that they can take control of the services they receive and the places where they live. More than just volunteering, it is about finding new ways in which citizens can participate in the decisions that affect their lives.

The Co-operative Council is also not just about changing the council, it is about building more co-operative communities and realising that, for too long, the council has stood in the way rather than supported this development. A Co-operative Council seeks to do things *with* its community rather than do things *to* the community.

In advocating this fundamental change to public service delivery Lambeth has rejected the suggestion that the state should simply withdraw from delivering public services, and although our proposals come forward at a time of unprecedented Government funding cuts our agenda is not cuts-driven. We want to change the role of the state not roll back the state. Our proposals are about guaranteeing the long-term survival of more responsive public services over alternatives such as privatisation, while at the same time building stronger communities in charge of their own destinies. At its core the Co-operative Council is about making real the time-honoured democratic ambition of handing 'power to the people'.



Cllr. Steve Reed

Chairman

Co-operative Council Citizens' Commission

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1. Introduction

- 1.1 Throughout England's history the way in which public services¹ are delivered has undergone constant change. The charity-led approach to delivering services, which was dominant in the 1800s, gradually gave way to a minimal welfare state in the early 1900s. This in turn was replaced by the introduction of the monolithic welfare state at the end of the Second World War. More recently England has seen the emergence of what has been called "the mixed economy of welfare" where the state, third sector and private sector organisations provide a range of public services. Each approach has provided its own benefits and has brought with it a number of challenges.
- 1.2 In the early 21st century we have arguably reached another crossroads in our thinking about how public services should be provided. Increasingly we all recognise that public services are more responsive when power is shared, with citizens and the state co-operating with one another. Based on this recognition, Lambeth Council and its staff have been working with citizens, local organisations and a range of experts to develop a new approach to delivering public services. This approach, called "**the Co-operative Council**", aims to transform public service provision by handing power from the provider to the user. It seeks to do this by putting co-operation and mutualism at the heart of how Lambeth Council delivers its services. In practice this means the council working in partnership with citizens to design and deliver public services which meet their specific local needs, incentivising citizens to play a more active role in their local community and more co-operation with a wide range of service providers (be they social enterprises, co-operatives, public sector organisations, businesses, faith organisations and other third sector organisations) to deliver tailored services in different areas.
- 1.3 The council's initial thoughts on how a Co-operative Council could approach public service delivery differently were set out in a White Paper, published in May 2010. In order to develop Lambeth's thinking further on these issues the council established a Co-operative Council Citizens' Commission (the Commission), so named because it involves the biggest consultation with Lambeth's citizens in recent history. Over the past seven months the Commission has gathered evidence from more than 130 local and national organisations and heard the views of about 3,000 Lambeth residents. This evidence was considered by the Commission and was used to develop the ideas in the Co-operative Council White Paper into a clearer and more detailed set of proposals for Lambeth Council to consider.
- 1.4 This report sets out the conclusions the Commission has reached about the Co-operative Council approach and makes a series of recommendations for Lambeth Council to consider. These recommendations are based around four core themes, which the Commission believe are the vital building blocks upon which the Co-operative Council should be realised. These are explained in the following sections of the report:
- **Co-operative Council principles:** This section outlines the principles upon which, the Commission feels, Lambeth Council should deliver public services. These principles are an amended version of those suggested by Lambeth Council in the Co-operative Council White Paper.
 - **Council and citizens working together:** This section looks at the outward-facing changes Lambeth Council and its staff need to make in order to begin realising the Co-operative

¹ The Co-operative Council Citizens' Commission has defined **public services** to mean services which are provided either directly by state organisations (which includes Lambeth Council) or via alternative providers (which could include a range of different organisations drawn from the third sector or private sector - such as social enterprises, co-operatives, faith groups, community and/or voluntary groups, local businesses or larger private sector organisations). A service can be defined as a "public service", if there is a social consensus (usually expressed through democratic elections) that it should be available to all citizens, regardless of income or personal circumstances.

Council. This includes the type of leadership and partnership style that needs to be adopted, a new approach to commissioning and procuring public services that empowers citizens, the different models through which public services could be provided and ways in which Lambeth Council could incentivise citizens to become more involved in designing and delivering public services. Further, this section also set out the key elements needed to improve Lambeth Council's customer service.

- **Lambeth Council as a co-operative organisation:** This section of the report sets out the organisational changes Lambeth Council and its staff need to consider in order to enable the Co-operative Council to be delivered. Specifically it considers the organisational culture needed and the methods which should be employed to ensure high-quality service standards are maintained. In addition this section considers how Lambeth Council can support and partner community-led innovation, as well as maximise opportunities to extend the Co-operative Council approach to a wider range of public sector organisations within the borough.
- **Delivering the co-operative council:** The final section of the Commission report sets out a series of what the Commission has called “early adopters”. These are public services, provided by Lambeth Council, which the Commission believes should adopt a co-operative approach when being delivered, from which the council and the community can learn before this approach is expanded to other service areas. This section also sets out the Commission's thoughts as to what the council's immediate next steps should be with regard to implementing the Co-operative Council.

1.5 Throughout the development of the Co-operative Council, the Commission has been clear that this approach is fundamentally about the council working with its communities, rather than for them and this will mean significant changes with regard to how public services are currently delivered in Lambeth. In addition this belief does not mean that the Co-operative Council is seeking to abandon Lambeth Council's political priorities or use positive sounding rhetoric as a cover to cut services. The Commission is clear that the council remains committed to tackling the big issues facing the borough, as set out in Lambeth's Sustainable Community Strategy and Single Equality Scheme including worklessness, crime, poverty and inequality. It also recognises Lambeth Council's ongoing commitment to its staff that play a vital contribution to the delivery of vital services

1.6 In developing this report, the Commission recognised that Lambeth has diverse and culturally-rich communities with many traditions that it wants to promote and protect. Therefore, throughout this document the Commission has sought to promote equality and fairness. Proposals also continue to support the council's and community's priorities to address discrimination and inequalities of opportunity that can occur because of race, disability, gender, transgender, age, sexual orientation and religion or belief or socio-economic status.

1.7 In order to ensure the Commission's conclusions are accessible to as many people as possible, a number of versions of this report have been produced. This version is the main report from the Commission and sets out the detailed findings of its deliberations. In addition to this report, the following versions have also been produced:

- **Co-operative council summary:** This is a summary version of the report written for members of the public. It sets out the vision for the Co-operative Council and the Commission's recommendations. In addition, it also provides examples and case studies of what the Co-operative Council will look like for citizens when it is delivered.
- **Lambeth Life summary:** A summary version of the public report will also be available in the January B edition of Lambeth Life.

- **Easy-read report:** An easy-read version of the Co-operative Council report will be made available.
- **Staff summary:** This is a summary version of the report written for council staff. It sets out the vision for the Co-operative Council and the Commission's recommendations. In addition, it also explains what the Co-operative Council could mean for the way in which council staff work.

2. Lambeth in 2010

The borough

- 2.1 The geography, history and population of Lambeth provide a distinctive set of social and economic opportunities and challenges. Lambeth has the largest geographic area of any inner London borough. With a northern boundary on the Thames, the borough is situated mainly between the boroughs of Wandsworth and Southwark. Landmarks in Lambeth include Waterloo station, the London Eye, the South Bank arts complex, Oval cricket ground and Lambeth Palace, the residence of the Archbishop of Canterbury.
- 2.2 Lambeth has a complex ethnic and cultural mix, similar to Southwark, Lewisham, Hackney, Islington, Haringey and Brent². Over the last 100 years, Lambeth has changed from a group of Victorian commuter suburbs to become one of the most diverse and vibrant boroughs in the country³. After the Second World War, Lambeth became known as an important focus for the black Caribbean population. It also has growing African and eastern European communities and a large Portuguese-speaking population⁴.
- 2.3 The northern tip of the borough, including Waterloo, is similar in character to central London. The inner urban areas of Brixton, Clapham, Stockwell, Vauxhall, Herne Hill and Kennington make up the central part of the borough. South of the South Circular Road are the suburbs of Norwood and Streatham.
- 2.4 The 2007 Index of Multiple Deprivation (IMD) placed Lambeth as the 5th most deprived borough in London and the 19th most deprived in England. This represents a worsening from its relative rating in 2004 where the borough was ranked 23rd most deprived in England. This in part reflects the fact that Lambeth is a borough where new communities settle and assimilate into the United Kingdom before moving on and making way for newer, generally poorer, populations.
- 2.5 Statistics on Lambeth's population vary with the ONS estimating that the current population of Lambeth is 283,300⁵. However research from the GLA has estimated the population to be 290,718 people in 2010⁶. Almost two in five (38%) of Lambeth's population are from ethnic minority backgrounds, and 62% are white, although many of Lambeth's white residents are from non-British backgrounds. The figures therefore mask significant diversity⁷. Approximately, 142 languages are spoken in the borough⁸. After English, the main languages spoken are Portuguese, Somali, Spanish, Yoruba, French and Twi. Lambeth's youth population is much more ethnically diverse than the adult population. Nearly a quarter (23%) of school pupils come from African backgrounds, 18% are from a Caribbean background and just 15% are white British⁹.
- 2.6 Like other inner London boroughs, Lambeth has a large working age population and lower numbers of older people and children. Only 11% of the population are aged over 60, compared to 22% nationally; and 21% are aged under 20, compared to 24% nationally¹⁰.
- 2.7 On the whole, the cultural and ethnic complexity of Lambeth communities is not expected to decrease. The total population change (the total number of people moving in and out of the

² The Census 2001 Area classifications defines Lambeth as a London Cosmopolitan borough.

³ In 2009, CACI Demographics calculated that Brixton was the most socially diverse area in London.

⁴ According to anecdotal evidence, Lambeth has the largest Portuguese population outside Portugal.

⁵ ONS (2009) Mid Year Population Estimate

⁶ Lambeth First (2010) State of the Borough Report

⁷ GLA (2008) Ethnic Group Projections

⁸ Lambeth First (2010) State of the Borough Report

⁹ Lambeth Council (2009) Pupil Survey data

¹⁰ ONS (2009) Mid Year Population Estimate

borough) is often referred to as population churn. Official levels of population churn have been stable at around 22% for the last few years; this means that approximately 12% of the population leave each year and are replaced by around 10% new arrivals¹¹. In other words, 88% of the population remains the same each year. Between 2001 and 2006, Lambeth had the second highest population churn of any borough in the country (behind Wandsworth)¹². The Treasury Select Committee in May 2008 admitted that these official churn figures are likely to be an under estimate.

Lambeth Council

- 2.8 Lambeth Council has transformed as an organisation in recent years. From a failing local authority in the 1990s and early 2000s it has, over the past few years, turned itself around to become a high performing council with many of its services recognised as being among the best in the country. Currently the council provides more than 600 services to our residents and communities¹³ and spends more than £1 billion annually.
- 2.9 As a result of its improved local services, Lambeth Council has seen a number of improved outcomes for residents. These have included education results soaring, crime falling, life expectancy increasing and fewer young people not in education, employment or training¹⁴. Coupled with this, Lambeth Council has become a more efficient organisation and has made £35 million in savings over the past four years.

So why the co-operative council now?

- 2.10 If things have improved so much then why is Lambeth intent on changing the way it delivers public services now? In short, Lambeth Council started this journey because despite all the above improvements, it recognised that public services generally still do not truly work with its citizens as well as they could all of the time. Too often, citizens feel that actions are “done to” them rather than offering them the choice and control they experience in other areas of their life.
- 2.11 Building on this recognition is Lambeth Council’s belief that, in general, councils should better utilise the local knowledge and expertise of their citizens when identifying the outcomes they seek to deliver or the way in which they design and deliver public services. This is important as Lambeth Council, and the wider public sector, are increasingly recognising that a solely provider-led approach to improving performance (rigorous audit, service expertise and a relentless focus on performance indicators) will not deliver the best from the public services the council is responsible for, or build the level of public confidence necessary to ensure long-term survival.
- 2.12 In response to these two key points, the Commission has worked with citizens, Lambeth Council and its staff to develop a proposed new settlement between citizens and the state which has the potential to resolve these challenges. This new settlement is underpinned by the ethos of partnership and co-operation and is based on the evidence considered by the Commission. The remainder of this report describes this new settlement in detail and sets out the Commission’s views as to how Lambeth Council can begin realising the Co-operative Council.

¹¹ Lambeth Council and NHS Lambeth (2009) Lambeth Joint Strategic Needs Assessment (JSNA)

¹² ONS (2009) Mid Year Population Estimate

¹³ Lambeth Council (2009) A really useful guide to services in Lambeth

¹⁴ Lambeth Council (2010) The Co-operative Council: A New Settlement Between Citizens and Public Services, A New Approach to Public Service Delivery

3. The role of the Co-operative Council Citizens' Commission

- 3.1 This Commission was comprised of local councillors, residents and experts from a variety of fields and it was tasked with undertaking the following actions:
- Consider Lambeth Council's Co-operative Council White Paper.
 - Explore what the Co-operative Council approach to designing and delivering public services would mean in practice.
 - Propose changes to the Co-operative Council approach set out in the White Paper, in light of the Commission's deliberations.
 - Propose a series of recommendations which will, in the Commission's view, enable Lambeth Council to begin realising the Co-operative Council.
- 3.2 The purpose of setting up a commission to develop the Co-operative Council approach further was to enable Lambeth Council to draw on the expertise of citizens, partner organisations, academics, council staff and stakeholders thereby ensuring the conclusions the Commission reached were robust.

Commission methodology – evidence gathering

- 3.3 The Commission's starting point was the Co-operative Council White Paper. This set out the council's initial views on what a Co-operative Council approach to designing and delivering public services might look like. Using this document, the Commission invited citizens and interested organisations to submit their views on this document. These views were gathered through oral evidence and written submissions.
- 3.4 Oral submissions were gathered through a series of commission hearings held from July to October 2010. A wide range of delegates including citizens, academics, research organisations, think tanks, voluntary and community sector organisations, private and public sector organisations attended these hearings to provide their views on the Co-operative Council. In addition the Commission held two public meetings which were open to all Lambeth residents. These sessions were set up to allow members of the public to directly question the Commissioners about the Co-operative Council.
- 3.5 Building on this oral evidence, the Commission also invited written submissions from interested parties. More than 45 organisations and individuals submitted their thoughts on the Co-operative Council approach through this process.
- 3.6 In tandem with this evidence-gathering process, the Commission also undertook its own research programme and implemented the most extensive programme of consultation and engagement in Lambeth Council's recent history. About 3,000 individual citizens have given their views on the Co-operative Council. The views and opinions of citizens were gathered using a variety of methods including Lambeth's residents' survey, focus groups, road shows, conferences with citizens and local organisations, community-led People's Expos and a Co-operative Council road show. Social media was also used to reach out to people who do not traditionally get involved in public service consultation exercises. This included the use of Twitter, Facebook and a Co-operative Council Wiki site, along with more traditional electronic media such as Lambeth Council's website and a Co-operative Council e-mail address.

Commission methodology – analysing the evidence

- 3.7 Following the completion of the consultation and engagement phase, council officers undertook a full review of all the submitted evidence. Key findings from this review were presented to the commissioners in November for their consideration. Using this analysis, and their expertise, the Commission considered these findings and produced this report.
- 3.8 The findings and conclusions of the Commission were also subject to detailed equalities analysis. This analysis sought to assess the impact of implementing the Co-operative Council. It also sought to explore the policies and actions that were needed to ensure this approach to designing and delivering council-run public services does not have a detrimental impact on specific communities within Lambeth. The equalities analysis was overseen by an extended council equalities panel which included councillors, community representatives and experts drawn from organisations with a specialism in equalities.

4. Conclusions and recommendations

4.1 In developing its final report, the Commission has reached fourteen key conclusions and has developed a series of recommendations that, it believes, should underpin delivery of the Co-operative Council. The conclusions and recommendations are based around four themes:

- The principles which underpin the Co-operative Council.
- The way in which the council and citizens work together.
- The way in which the council, as an organisation, works.
- Delivering the Co-operative Council.

The principles which underpin the Co-operative Council

4.2 **Conclusion 1:** The Commission supports the development of a series of principles to underpin the Co-operative Council approach to designing and delivering public services as set out on pages 19-20.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Adopt the amended principles, as set out on pages 19-20 of this report, as the basis upon which the Co-operative Council approach to designing and delivering public services is implemented.

The way in which the council and citizens work together

4.3 **Conclusion 2:** A new kind of co-operative local leadership is needed in Lambeth where power and influence is shared between citizens and the council. The Commission believes that this new co-operative local leadership should maintain Lambeth Council's role of providing borough-wide political leadership. Building on this though, this political leadership should be complemented by co-operative models of planning the council's budget and services, a new co-operative approach to local neighbourhood improvement involving citizens and councillors and a commitment from the council to be a better partner to local communities and civil society groups.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Exercise its political leadership in a more co-operative way by determining the borough's priorities with citizens and external organisations. As a first step, Lambeth Council, through Lambeth First, should seek to update the long-term Sustainable Community Strategy for Lambeth using an approach which emphasises co-operation.
- Approach ward councillors, in their role as local community leaders, and determine which wards wish to pilot the development of micro-level neighbourhood improvement, plans which also includes community budgeting.

- Support Lambeth’s civil society through the provision support services and access to facilities for local community groups and organisations.

4.4 **Conclusion 3:** In order for the Co-operative Council to be realised, Lambeth Council needs to ensure that citizens and council staff work together, as equal partners, to design and deliver council services. Currently this co-operation is hampered by officer-led commissioning and complex procurement procedures. A new type of citizen-led commissioning process and simplified procurement procedures are therefore needed to facilitate much greater co-operation between citizens and the council.

Recommendations

The Co-operative Council Citizens’ Commission recommends that Lambeth Council should:

- Pilot community-led commissioning in each council department in 2011/12 with at least one pilot per department.
- Ensure that each community-led commissioning pilot is underpinned by robust ethnographic evaluation¹⁵. This evaluation will help the council to understand the lessons from each community-led commissioning process and how this approach could be applied to an increasingly wider set of service areas.
- Undertake a review of the council’s procurement processes and procedures with a view to moving to a system which is less risk-averse, is more proportionate and acts as less of a barrier to small local organisations.
- Develop a lobbying strategy to secure amendments to national/European procurement legislation that impede the implementation of the Co-operative Council, whilst ensuring employment rights for council staff are protected.

4.5 **Conclusion 4:** In addition to keeping council services in-house, there are also a wide range of organisations which could potentially deliver public service co-operatively. Examples include: co-operatives, charities, social enterprises, local businesses, community and voluntary groups, faith organisations and other public sector organisations. The Commission believes that there should be no bias toward one type of organisation delivering a service over another, as long as they support the philosophy and principles upon which the Co-operative Council approach is based.

Recommendations

The Co-operative Council Citizens’ Commission recommends that Lambeth Council should:

- Develop a framework which will underpin assessments as to whether a public service, currently delivered by the council, could be provided by another organisation. This framework would be called the Co-operative Council Safeguarding Framework.

¹⁵ Ethnographic research is a social science research method which relies upon up-close, personal experience and possible participation, not just observation, by researchers trained in the art of ethnography.

- Seek to ensure that any organisation that takes on responsibility for a public service currently provided by the council supports the values which underpin the Co-operative Council and the council's commitment to good employment practices.
- Work with local business support organisations and third sector infrastructure organisations to ensure that sufficient support, advice and guidance is available for organisations that take on responsibility for delivering a public service currently provided by the council.
- Review the current specialist services it provides (such as human resources, ICT, training, finance and legal) and develop a package of practical and specialist support it could make available to the third sector, thereby enabling them to develop their own capacity.

4.6 **Conclusion 5:** A menu of financial and non-financial incentives, delivered through a time bank model, should be put in place to encourage more people from across the borough's diverse communities to participate in the Co-operative Council.

Recommendations:

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Work with citizens to develop a menu of financial and non-financial incentives which could be used to encourage more citizens to get involved in the design and delivery of public services or to participate as an active member of their community.
- Use a time banking model to enable citizens to access financial and non-financial incentives.
- Work with the New Economics Foundation and Transition Town Brixton to link a financial and non-financial incentives scheme to the proposed borough-wide electronic currency.

4.7 **Conclusion 6:** As part of an incentives scheme, proposed in conclusion five, Lambeth Council should also support the provision of a range of employment and skills opportunities for unemployed people to access, should they wish to, as part of the incentives scheme.

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Develop a complementary scheme to the proposed Lambeth time bank where unemployed residents supporting local public services can, if they so choose, access employment-related skills/training and mentoring support to help them back into employment.

4.8 **Conclusion 7:** When new organisations take on the responsibility of a public service the council should do all it can to encourage these organisations to employ local people who have taken part in Co-operative Council schemes. Lambeth Council should also ensure that good employment practices are adopted for staff in these new organisations.

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- During the transfer of a council-run public service to an existing or new external organisation, work with these organisations to ensure they adopt practices favourable to recruiting out-of-work residents
- During the transfer of a council-run public service to an existing or new external organisation, work with these organisations to ensure that they adopt good employment practices such as trade union recognition and protections under TUPE are maintained.

- 4.9 **Conclusion 8:** The Commission believes that the Co-operative Council provides a real opportunity to increase the accessibility of public services delivered by Lambeth Council by increasing the locations where council services can be accessed through a range of local organisations.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Work with third sector and community-based organisations to identify whether they would be prepared to act as locations where citizens could access public services provided by the council.

The way in which the council, as an organisation, works

- 4.10 **Conclusion 9:** If Lambeth Council is to move towards becoming a Co-operative Council then the organisation will need to adopt a culture which supports and values partnership working, power-sharing and innovation in the way services are designed and delivered. In tandem, the Commission believes that Lambeth Council should also work with local organisations to harness and innovation and new ideas from the borough's communities.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Revise and re-launch the organisation's corporate values as the Co-operative Council values, which set out the behaviours which all council staff will work towards.
- Implement a series of reforms which will encourage and support the development of creative and innovative new ways to deliver public services. These should include: the Lambeth Co-operative Champions Network, communications and training programmes and the Lambeth Innovation Exchange.
- Through the Co-operative Council Training Programme, work with existing staff to understand what skills and competencies they need to deliver services using the Co-operative Council approach.
- Ensure that all staff have relevant Co-operative Council objectives as a central part

of in their performance appraisal.

- Review recruitment processes to ensure that potential new employees are required to show, through their recruitment process, that they have the competencies and behaviours required to support innovation and creative thinking.
- Launch “Lambeth’s Co-operative Challenge”, which will seek to harness the creativity and ingenuity of local organisations and communities to develop new co-operative ways of tackling local and/or borough-wide problems
- Work with local organisations to design and launch the Co-operative Innovation Brokers Forum.
- Adopt an open-source approach to council data, thereby enabling citizens to develop new innovative online services and innovative data analysis tools for the borough.

- 4.11 **Conclusion 10:** The Commission believes there are opportunities to embed a more co-operative way of working across the public sector within Lambeth. Specifically, the Commission believes that community-led commissioning could be expanded across other public sector partners and organisations in the borough.

Recommendations

The Co-operative Council Citizens’ Commission recommends that Lambeth Council should:

- Work with Lambeth First to undertake a pilot community-led commissioning process as part of the “co-operative borough” initiative. This pilot would focus on worklessness, which requires the support of a number of public sector organisations.
- Make all necessary preparations to implement community budgets within Lambeth.

- 4.12 **Conclusion 11:** The Commission believes the Co-operative Council approach to designing and delivering public services is the right approach, regardless of the level of funding Lambeth Council has available. The key financial test will be how Lambeth Council funds the transition of the organisation and its partners, including community organisations, from the current approach to delivering services to one that realises the aspirations of the Co-operative Council.

Recommendations

The Co-operative Council Citizens’ Commission recommends that Lambeth Council should:

- Undertake a full assessment of the Co-operative Council proposals and the sources of finance which could be used to fund the transition to this approach of designing and delivering public service. This should include an assessment of council funds and elements which will need funding from external sources.

- 4.13 **Conclusion 12:** The Commission believes that in delivering the Co-operative Council, a framework of checks and assurances will be required to ensure that citizens can be confident

that services are of sufficient quality as well as being accessible and accountable. This framework should seek to assess the organisational capability of service providers and examine the extent to which a service is able to deliver on agreed outcomes, including community engagement and equal access to services.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Work with its citizens, staff, local and regional partners to develop a more mature model of service improvement which will underpin Lambeth Council's approach to ensuring the quality of local services is maintained.
- Work with other public service providers to examine approaches to open data with the aim of providing as much service performance data and information in as timely a manner as possible to citizens and stakeholders.
- Explore whether it would be possible to establish an information sharing network, where council data is made accessible to citizens and feedback on service quality can be gathered.

Delivering the co-operative council

- 4.14 **Conclusion 13:** The most effective way to begin implementing the Co-operative Council is to trial this new way of designing and delivering public services through a series of first-wave projects, which the Commission have termed "early adopters". These early adopters will enable the council, its partners and the community to learn about the challenges to delivering the Co-operative Council before it is further expanded.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Endorse the three phased approach, with early adopters and action learning projects, starting the transformation being followed by a further two waves of implementation to support whole-Council change.
- Agree to the projects set out in section 16 as initial Co-operative Council early adopters for 2011 and to build into the implementation plan more detail about those areas of business to be included in further waves of implementation.

- 4.15 **Conclusion 14:** The Co-operative Council sets out a long term programme of change for Lambeth Council and the borough's citizens. Whilst some changes will happen relatively quickly, such as the implementation of the first wave of Co-operative Council Early Adopters other elements will take up to ten years to be fully realised.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Develop a Co-operative Council Implementation Plan by summer 2011 which sets out how the council will begin realising the Co-operative Council.
- Ensure community engagement with citizens drives the implementation.

Co-operative Council principles

5. Co-operative council principles

5.1 Lambeth's Co-operative Council White Paper was based around seven principles. These set out the council's initial thoughts on what a new relationship between the citizen and the state would look like. Over the course of the Commission's work these principles have been the subject of debate with citizens, community groups and stakeholders. Although the Commission is in agreement that the principles proposed by Lambeth Council were broadly focusing on the right issues, it was felt that some of them needed to be changed and some needed to be made clearer. As a result of the Commission's deliberations, this report sets out a revised set of five principles. The proposed changes from the Commission include greater clarity on:

- the type of local leader Lambeth Council should be
- the way in which public services, delivered by Lambeth Council, should be designed and delivered
- how public services can be made more accessible.

5.2 Together these five principles form what the Commission believes should be the basis of a new settlement between citizen and the state. This new settlement would put more power in the hands of citizens and their communities, whilst continuing to ensure that the council remains committed to good employment practices.

5.3 **Principle 1: The council as the local democratic leader and civil society partner**

The Commission believes that the council has a unique position as Lambeth's democratically elected political leader. As such it must continue to play a central role in setting the agenda for the borough over the medium and long term. Local councillors should also continue to play a pro-active role in their local wards as community leaders; identifying problems and working with local people to tackle these. Further, as part of Lambeth Council's leadership role, it should also seek to ensure that public services within the borough continue to meet the needs of all Lambeth citizens.

But the council is not the only local leader. Throughout the borough, a wide range of community groups form a vibrant and strong civil society. Many of these groups provide vital services and tackle day-to-day problems faced by Lambeth's citizens, whereas other groups provide citizens with a voice to express their point of view. The council has a role in ensuring these groups grow and flourish in our local communities and should therefore provide practical support to these groups by making facilities and resources available, where possible, to these groups.

5.4 **Principle 2: Public services planned together and delivered through a variety of organisations, which will improve outcomes, empower citizens and users, and strengthen civil society**

The council and its staff are a vital source of expertise and experience when it comes to public service provision. But Lambeth Council does not have all the answers, nor is it always the best organisation to provide a service. Given the organisation's size and structure, in some cases, it is unable to provide a service which responds to highly specific local or individual needs.

Wherever appropriate public services in Lambeth should be co-produced; with council staff and citizens working together, as equal partners, to identify local challenges and the best ways in which these could be addressed. Through this partnership, the council will jointly determine what should be provided and the type of organisations that are best placed to provide these services to citizens. Underpinning this approach will be a clear commissioning

and procurement process in which a wide variety of organisations can take part. Throughout this process, the council will ensure that whoever delivers a public service, which is currently provided by the council, continues to do so in an equitable way.

- 5.5 **Principle 3: Citizens incentivised to take part in the provision of public services**
Greater citizen involvement in the design and delivery of public services is essential if Lambeth Council is to improve the outcomes for its citizens. This relationship of co-operation must be underpinned by reciprocity. In some cases, this will mean citizens get better services that more directly meet their specific needs, or it may mean citizens are provided with a wide range of financial and non-financial incentives that encourage participation in public services. These incentives must also be designed in such a way that they are of interest to all of Lambeth's communities.
- 5.6 **Principle 4: Public services enabling residents to engage in civil society through employment opportunities**
The public sector has a duty to provide vulnerable residents and those facing long term unemployment with opportunities to gain skills, undertake training and be supported back into employment. Therefore, if unemployed citizens help with the delivery of local public services, Lambeth Council should provide opportunities for these individuals to develop their skills in a way that expands their employment opportunities.
- 5.7 **Principle 5: Public services accessible from a variety of locations**
Lambeth Council must continue to make its services easy to access in as many ways as possible and from as many locations as possible. Existing customer centres, across the public sector, must become joint public sector customer service centres. In addition, Lambeth Council and its staff should work co-operatively with new and existing local third sector organisations within the borough so that they can act as access points for council services. This ability to access services must be replicated electronically with citizens able to use as many services as possible from a single visit to a website. This website should also offer additional information and resources to support and strengthen active community life.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Adopt the amended principles, as set out on pages 19-20 this report, as the basis upon which the Co-operative Council approach to designing and delivering public services is implemented.

Council and citizens working together

6. Co-operative leadership

The challenge

- 6.1 What type of community leader should Lambeth Council aim to be? The Co-operative Council White Paper proposed that the council needed to become “a strong community leader” and a central point for local civil society. During the course of its deliberations, the Commission received a wide range of testimony questioning whether the council should be seen as “strong” local leader¹⁶. Evidence submitted to the Commission highlighted that a vibrant civil society had more than one leader, with community groups and citizens all representing particular interests and seeking to make a difference to the lives of people in the borough.
- 6.2 Based on this feedback and its own deliberations, the Commission felt that Lambeth Council should not see itself as the only community leader and, moving forward, would need to become better at working co-operatively with citizens to design and deliver public services. At the core of this conclusion is the belief that a new co-operative type of leadership needs to emerge in this borough. This type of leadership will require Lambeth Council to undertake two different types of activity: providing clear political leadership, and at the same time, acting as a community partner that supports local communities and groups to improve their neighbourhoods and local services.

A new type of borough-wide political leadership

- 6.3 In terms of political leadership, the Commission is clear that the council, as the only democratically elected organisation within the borough, must continue to set the political direction for Lambeth. By this, the Commission means that the council should continue to set out the improvements and outcomes it will deliver during the life of a political administration and ensure these commitments are fulfilled. This has been the basis upon which local democracy has functioned in England for hundreds of years and the Co-operative Council should not seek to challenge this part of the settlement between citizen and state.
- 6.4 The Commission does feel though that political leadership in Lambeth could be made more co-operative, both in the way improvements and outcomes are determined and a more open budget-setting process. It also believes there is an opportunity for an enhanced role for ward councillors in exercising leadership within the communities they represent.
- 6.5 In order to make this a reality, the Commission believes the council should use a variety of consultative approaches to gather the views of citizens, council staff, employees of other directly interested organisations, local businesses and other partners. Then, through a process of dialogue and partnership, it should seek to agree what changes should be made in the borough and the outcomes that should be realised. These outcomes should be ones that are most important for quality of life and not those that are merely easy to measure. In developing this shared vision for the improvements which need to be made in the borough and the outcomes Lambeth Council wishes to realise, it will be essential that this process does not thwart an elected council administration’s duty to carry out its manifesto commitments. Rather, this co-operative approach to determining improvements and outcomes would seek to compliment and build on manifesto commitments.
- 6.6 The Commission recognises that this more open and co-operative approach to determining the improvements and outcomes being sought in Lambeth will be difficult to implement. Lambeth Council will need to balance divergent views between different citizens and

¹⁶ Responses we received from our public meetings, stakeholder events (such as the Lambeth Wellbeing Network event, Lambeth LINK meeting and the Health and Wellbeing VCS Forum) and from numerous oral evidence and written submissions from organisations such as Age Concern Lambeth, the Brixton Society, the Herne Hill Forum, Kennington Oval and Vauxhall Forum, LVAC, South Bank Employers Group, Stockwell Partnership with Stockwell Community Resource Centre, Streatham Action).

geographic areas with political priorities and beliefs. It will also need to ensure that the mechanisms it uses, to have this dialogue with citizens, takes account of that fact that some residents are more likely than others to feel they can influence decisions in their local area. For example, disabled residents are much less likely to report they can influence decisions in their local area¹⁷ and evidence has found that the relatively isolated position of the Gypsy/Traveller community in Lambeth is a barrier to their engagement¹⁸.

- 6.7 Despite these difficulties, the Commission believes that this dialogue, using a variety of methods to engage different groups of people, will ultimately enable a shared sense of direction in the borough to emerge. As a first step to jointly setting the priorities for Lambeth, the Commission believes citizens and the council should review the borough's Sustainable Community Strategy and agree a refreshed set of outcomes which should be delivered. This would need agreement from Lambeth First (the borough's Local Strategic Partnership).

The role of ward councillors

- 6.8 The Commission also believes that councillors must continue to act as community leaders in their own wards; advocating on behalf of their local area and helping citizens to tackle the problems they face. The Commission is not proposing that this relationship should change; indeed it sees this role as being of critical importance to local democracy. An area which the Commission does believe could be made more co-operative is the mechanisms through which councillors act as community advocates, representatives and leaders.
- 6.9 A mechanism which the Commission feels could strengthen the role of ward councillors is the development of micro-level neighbourhood improvement plans. These micro-level plans could build on the existing neighbourhood forums throughout the borough and would set out the improvements and outcomes people want in their local area. The Commission feels these plans would also be an opportune starting point for residents to come together to discuss how to get involved in community-led commissioning and community budgeting.
- 6.10 The micro-level plans would also serve to create a transparent, accountable mechanism through which Lambeth Council would be held to account for the delivery of agreed outcomes. By implementing this mechanism, ward councillors would also have an enhanced and important scrutiny role in ensuring that the council and other statutory bodies delivered these outcomes.

Supporting civil society – the council as facilitator and partner

- 6.11 Equally important to political leadership in Lambeth will be the role the council plays in supporting Lambeth's civil society. By civil society, the Commission means groups of citizens associational groups (such as residents groups and local forums), informal groups and to some extent third sector organisations. The Commission believes that a vibrant civil society is vital to ensuring our communities are cohesive and inclusive of all our citizens. It also believes that a strong civil society will provide a variety of routes for citizens, including those who are vulnerable or hard to reach, to co-operate with the council and its staff in the design and delivery of public services.
- 6.12 Evidence received from local groups, including Age Concern Lambeth, the Herne Hill Forum, the Kennington, Oval and Vauxhall Forum, Streatham Action, the Lambeth Forum Network, the Stockwell Partnership and Stockwell Community Resource Centre all called for Lambeth Council to be a better community partner by assisting local third sector and community groups to organise and function. Despite the financial constraints facing the public sector, the

¹⁷ Lambeth Council, 2010, Residents' Survey July 2010.

¹⁸ 'Whose Shout?: Engagement on Community Safety in Lambeth: research by Catriona Robertson' Lambeth Community-Police Consultative Group, April 2010

Commission believes that Lambeth Council could provide practical support to these groups. Examples of this could include the provision of community-spaces and facilities to help these groups meet, provision of advice and guidance on how a group can take a project forward, as well as council staff supporting projects which are being run by the local community.

- 6.13 The Commission recognises that much of the specific support required for the local civil society cannot be set out in this report, as needs will vary from group to group and neighbourhood to neighbourhood. Nonetheless the Commission feels that, as a general rule, the council and its staff need to recognise its responsibility in helping to foster and support civil society within the borough.
- 6.14 In taking this community partner role forward, the Commission recognises the risks that certain sections of the community or groups within the borough may attempt to dominate the conversation or service, or silence the minority of voices, or exclude members of other groups; an issue identified by the Commission as “sectional capture”. This was also raised as an issue of public concern through the Co-operative Council consultation and must be taken seriously when the council and its staff design any formal support mechanisms for civil society. The Commission believes Lambeth Council will need to work with its citizens and other local organisations to design appropriate mechanism to guard against this risk. Despite this risk however, the Commission believes that engagement with civil society will be a great advantage and will offer much needed insight for the council to fulfil its public sector duties to promote equality of opportunity, eliminate discrimination and promote good community relations.

Case Study: Lambeth Forum Network

The Lambeth Forum Network was built from a number of community forums that came together as a common voice to increase community empowerment in Lambeth. By collaborating together in this manner, each group is able to share a wide range of skills and practices to develop solutions with local people which resolve local problems. The Lambeth Forum Network’s activities provide efficient solutions that galvanise and grow the community. The Network provides a flexible structure for local groups and individuals to work with and through a syndicated approach, creating an effective means of influencing policy whilst delivering tangible benefits that meet local need.

Recommendations

The Co-operative Council Citizens’ Commission recommends that Lambeth Council should:

- Exercise its political leadership in a more co-operative way by determining the borough’s priorities with citizens and external organisations. As a first step Lambeth Council, through Lambeth First, should seek to update the long term Sustainable Community Strategy for Lambeth using an approach which emphasises co-operation.
- Approach ward councillors, in their role as local community leaders, and determine which wards wish to pilot the development of micro-level neighbourhood community budgeting.
- Support Lambeth’s civil society through the provision support services and access to facilities

7. Co-operative commissioning

The challenge

- 7.1 Building on the leadership discussion in the previous section of this report, the Commission believes that a critical component to realising the Co-operative Council is a new approach for commissioning council services. Throughout the deliberations of the Commission, it has become clear that the council's current commissioning and procurement processes, whilst robust, are not designed in a way that promote co-operative ways of working, nor do they harness the skills or talents of citizens in designing services. Therefore, if the approach to commissioning public services currently provided by Lambeth Council remains the same, the Commission feels that the Co-operative Council agenda would be at significant risk of not meeting its full potential.
- 7.2 Evidence received to date has suggested that the council's commissioning process, as it is currently operated, has in too many instances led to:
- A lack of citizen involvement and limited use of citizen knowledge in assessing local need and designing services.
 - Limited commissioning options being presented, often constrained by a need to work within existing organisational structures and processes rather than focusing on the issues of concern to service users or the outcomes citizens want realised.
 - An imbalance in the relationship between council staff and citizens, with the views of the citizens not always being fully valued.
 - An overly-bureaucratic process which inhibits local organisations (such as co-operatives, social enterprises, third sector organisations, local businesses and faith organisations) from tendering to provide public services provided by Lambeth Council, and may in some instances compel them to incur higher costs than necessary.
- 7.3 The good news for Lambeth Council is that there are already pockets of good practice with regard to commissioning that reflect co-operative ways of working. The council's procurement processes have also undergone radical improvements in recent years and these developments show the capacity of the organisation to adapt the way it works to meet the increasing expectations of Lambeth's citizens. The Commission is therefore confident that Lambeth Council will be able to take on the challenge of redesigning its commissioning and procurement processes to promote co-operation in the way in which council-run public services are designed and delivered, which in turn will help achieve a stronger more active civil society locally.

Tackling this challenge: community-led commissioning

- 7.4 The Co-operative Council White Paper, published in May, began a conversation about the direction commissioning should take in the borough. The council proposed strengthening joint work between public sector organisations (such as the police, NHS and the council) when commissioning public services. The Commission felt that this was a useful starting point, but having public sector employees work together more effectively will not by itself lead to the commissioning of better public services or empower citizens and service users. Through its deliberations the Commission concluded that the commissioning of public services, currently provided by Lambeth Council, needs to become a process where council staff and citizens co-operate together. This would mean that they work together to identify a problem, design a range of services that will tackle that problem, and then commission the right organisations to

provide these services, including the provision of appropriate support to help build community reliance.

7.5 This approach to commissioning public services builds on the ethos of co-production, a concept that focuses on delivering public services in an equal and reciprocal relationship between council staff, people using services, their families and their neighbours. This approach also provides the council with an opportunity to be more open and transparent about the constraints (particularly the current economic ones) within which it must work. In practical terms this approach to commissioning services would bring together citizens, service users and council staff to undertake the following actions:

- **Identify and understand local need:** Frequently council staff approach understanding local need by reviewing data, undertaking consultation and taking a professional judgement as to how best to meet that need. The community-led commissioning approach changes this relationship as citizens would become more actively involved in identifying their own needs through a needs assessment¹⁹. Information gathered from citizens would be given equal weight when used in conjunction with data gathered by council staff. Council data would also be made available to citizens so that they could play an active role in reviewing evidence. Working in partnership citizens and council staff would jointly come to a conclusion on what the evidence is saying about local need. This evidence will then be used to agree what the desired outcomes should be for a specific policy or service area.
- **Participatory approaches:** To ensure citizen input into the commissioning process, the community-led commissioning approach would use a range of participatory approaches. These would need to be tailored to the specific service or policy area being commissioned and co-produced²⁰. Lambeth is fortunate in that some of the infrastructure required for this is already in place. This includes networks such as the Green Community Champions, Lambeth Forum Network, organisations such as London Creative Labs, and community partnerships, such as the Stockwell Partnership. In addition, the borough already has a number of community researchers who could support this work.

The Commission does however recognise the need to ensure that all parts of the community, particularly those who are harder to reach, have an equal opportunity to be involved and to influence decisions in their area in order to ensure that commissioning is undertaken in a fair and balanced way. As raised on page 24 there is also a need to guard against groups or certain sections of the community taking over the discussion of a local service whilst excluding other groups.

- **Co-produced service specifications:** Working together citizens and council staff would use the evidence gathered to co-produce service specifications which would meet identified local need. These specifications would define the type of public services that need to be provided if a desired outcome (i.e. a reduction in anti-social behaviour) is going to be tackled effectively.
- **Bringing together service providers:** The Commission also believes that this approach will only succeed if the council, and other service providers, are willing to work together to enable cross-cutting service specifications to be developed. The Commission has drawn heavily on ideas being developed by Turning Point, particularly their concept of Local

¹⁹ Needs assessments review a wide range of data sets around citizen outcomes, service delivery and demographics of a local population. Their aim is to help the public sector understand what the specific needs of citizens are and the key issues which need to be addressed. This information is then used during a commissioning process – where a public services, which best meets these needs, is designed.

²⁰ Advocates of this model have used community researchers as one approach, or specific participation approaches i.e. the “Have Your Say” events used by Turning Point in their Connected Care programme. What is key though is that there is no “one-size-fits-all” way to get a high degree of citizen participation. These approaches need to be co-produced and tailored to the specific context

Integrated Services²¹. This approach brings together a wide range of organisations (public, third and private sector) to co-produce a range of services that seek either to address a particular theme, for example, worklessness, poverty or mental health, or to target a specific thematic or geographic area. See case study below.

- 7.6 The Commission believes that this community-led approach to commissioning strongly fits with Lambeth Council's stated desire to rebalance the power relationship between the citizen and the state in favour of the citizen, recognising that both sides bring particular skills and knowledge to the process. However the Commission also recognises that some services may be more suitable for a community-led commissioning approach than others.
- 7.7 In order to take this revised commissioning concept forward the Citizens' Commission believes that community-led commissioning should be trialled in each council department in 2011/12. These pilots would take a specific service, decommission it, and then re-commission a replacement service based on the findings of a co-produced needs assessment. These pilots would also be supported by ethnographic evaluation to assess their effectiveness. As part of this evaluation the council will need to assess issues relating to 'sectional capture' and what steps the council can put in place to prevent this occurring, as well as wider performance issues.

Case study: Connected care (Turning Point)

Turning Point is a social care charity that provides services across England and Wales. Connected Care is Turning Point's model of community-led commissioning which enables communities to become involved in the design and delivery of integrated health, social care and other support services. It was recently cited in the Vision for Adult Social Care as an example of building community capacity and as a model of commissioning that 'puts the voice and needs of the community to the fore'. Connected Care is currently being delivered in ten deprived communities across the country. Connected Care has been designed to:

- Reduce costs by shifting the emphasis of service delivery toward prevention and co-production
- Enabling the reconfiguration services within the confines of reduced budgets
- Help commissioners obtain a good understanding of the needs of the local population. This includes knowledge of marginalised and disadvantaged groups;
- Develop communities' capacity to engage in decision making and service redesign
- Deliver greater accountability and trust between commissioners and communities from increased engagement of communities in decision making
- Design intelligent and innovative new models for integrated health, social care and housing service provision which provide more accessible, responsive and targeted services based on local experience and needs; and
- Facilitate and strengthen joint working and commissioning across health, housing and social care in order that services can better respond to communities expressed need.

²¹ Turning Point's "New Generation of Local Integrated Services" is being developed with support from the civil service, local authorities – including Lambeth Council, the I&DeA and NHS

The model involves an intensive programme of community capacity building, an audit of community need – led by the community, with engagement with frontline staff and commissioners, service re-design and cost-benefit analysis. To date Turning Point have recruited and trained over 160 community researchers to led their community and over half have gone on to new education, volunteering or employment opportunities. The team of community researchers have engaged with a total population of over 130,000. Connected Care programmes have delivered new models of joint working, the establishment of new community-led social enterprises which are now delivering services, a legacy of close links between commissioners and the communities they serve, and new forms of social action which reduce dependency on public services.

Case study: Local integrated services (Turning Point)

The Local Integrated Services (LIS) approach, also developed by Turning Point, takes the learning from Connected Care to develop an operating framework which enables commissioners to deliver savings by pooling budgets, radically reconfiguring services and transferring power to the community. LIS creates services that work by bringing together the frontline and communities and pooling sources of funding to better meet local needs. LIS is a credible mechanism for realising the promise of the Big Society; it incentivises participation in civil society organisations while delivering results.

LIS unlocks the potential of local communities and frontline workers to use their experience and knowledge to get effective services, services that work for the needs of the people they serve. LIS will be achieved through the facilitation of engagement of the community and the frontline and this will form the basis of the service design. It is envisioned that community engagement will be funded by accessing the funds in the Big Society Bank or the civil society capacity building fund.

LIS can be applied to a geographical area or to address a particular theme, for example intergenerational unemployment or interventions to target families with complex needs. A single purse is created from existing services which will then be applied to the integrated service design. Local Delivery Bodies will be commissioned to provide the LIS; this will either be a single organisation or a partnership of agencies that will be held to account for driving forward LIS and tasked with achieving a single set of outcomes. There are currently nine pilot areas which are proceeding with the design of community and frontline-led delivery of LIS in their area. These are: Leeds, Sheffield, Calderdale, Cheshire West and Chester, Kingston, Barnsley, Blackburn and Warrington.

Case Study: Working with parents of disabled children

Contact a Family has been working in Lambeth to get parents of disabled children involved in shaping services.

The Parent Advisory Group, made up of parents with disabled children and representatives of different statutory service providers is becoming increasingly parent led. Contact a Family, along with Lambeth Voluntary Action Council has provided training and support for the parents to help them develop their skills and increase their representation of families in the borough. As a result, these parent representatives have set up their own forum, which is run by and for parents with disabled children and will provide support and information to other parents through talks and workshops.

Contact a Family has also worked closely with the Children and Disabilities Team at Lambeth Council to consult parents and carers about the borough's domiciliary care service. Parents took part in workshops which reviewed current practices and looked at families' future needs. This work is being continued with a group of parents who will be reviewing the new contract specification, and will sit on tendering panels and interview panels. Similar work is also taking place with the Children and Young People's Service Early Years Commissioning team. This will be focusing on children's centre services. Parents whose children are going through transition into adult services will shortly be involved in assessing Lambeth Council's new transition protocols.

A co-operative procurement process

- 7.8 Procurement is one of the final stages of the commissioning process and, in the Commission's view, will be a key way in which Lambeth Council will be able to begin realising the Co-operative Council approach to delivering public services. But it is also one of the most complex and bureaucratic steps and the Commission fully recognises that the procurement process in Lambeth are bound by a significant body of EU and national regulations which are concerned with ensuring probity and protecting public money. Recognising this, the Commission accepts that all procurement exercises will require a degree of bureaucracy.
- 7.9 The Commission also recognises that Lambeth has already gone a long way to improve the way in which it procures services. For example, Lambeth Council has increased the number of local organisations tendering for services by advertising tender opportunities locally. In addition the council aims to ensure that it pays local small and medium-sized enterprises (SMEs) within 10 working days and runs innovative procurement support programmes such as Supply Lambeth and Supply Cross River which provide targeted training and capacity building opportunities to help local organisations gain the expertise to tender for public sector contracts. Other examples of innovation is Lambeth's work to include community-benefit clauses in its contracts, which focus on reducing worklessness and carbon emission.
- 7.10 Having said this, the Commission cannot ignore the body of evidence it has received²² which has singled out procurement in Lambeth as being a major barrier to the successful implementation of the Co-operative Council. Repeated submissions from a range of organisations argued that the current approach to procurement is too complex and bureaucratic for third sector organisations, social enterprises and small and/or medium sized local businesses to navigate successfully. This concern was echoed at a national level with Parliamentary committee investigations concluding that the public sector in general is not making sufficient use of the flexibility within current procurement process to enable more organisations to take part²³. This is a critically important finding as a key aspect of the Co-operative Council is to enable a wider range of organisations (private, public and third sector) to take control of some local services. As this will ultimately require them to undergo a procurement process, the Commission is clear that the council's procurement process must be as easy to navigate as possible. Therefore to understand the scale and type of procurement barriers currently in place, the Commission believes that the council should undertake a major review of this function.
- 7.11 The scope of the procurement review should, in the Commission's opinion, focus on both local procurement regulations currently in place (financial regulations, democratic decision-making processes and procurement procedures) and regulations imposed by national government and the EU. The outcomes of this review should be a series of proposals to:

²² Including evidence from Lambeth Forum Network, Age Concern Lambeth and from a range of VCS organisations at public meetings and stakeholder events.

²³ House of Commons Communities and Local Government Committee (2009) The Supporting People Programme: Thirteenth Report of Session 2008-09 Volume 1

- streamline procurement processes
- reduce the barriers smaller organisations face when seeking to tender for local services
- provide greater autonomy to council staff when tendering a service, whilst maintaining probity of decision-making and the need to secure value-for-money.

7.12 A second element of the procurement review should be an analysis of the legal framework that underpins EU procurement rules and regulations. Legal opinion provided to the Commission suggests that EU procurement rules, such as state-aid regulations, may act as a barrier to the successful transfer of services to local organisations, particularly if new local organisations need a degree of support to tender for public services provided by the council. The Commission therefore believes that Lambeth Council's procurement and legal teams should work with an external procurement specialist to understand the full legal implications of the Co-operative Council concept with regard to procurement. Where these EU rules and regulations act as a barrier to the Co-operative Council, the Commission believes that the council should be prepared to work through national and European lobbying channels to advocate for reform. The Localism Bill currently before Parliament and Cabinet Office Green Paper on "Modernising Commissioning" provide two opportunities to commence a programme of lobbying. It should be stressed though that the Commission is not advocating that this review challenges employment protections built into law such as the TUPE rights that staff have if they are transferred to an external organisation.

Case Study: Supply Lambeth

As part of its commitment to supporting local organisations to access Lambeth Council contracts, the council supports the Supply Lambeth initiative. This programme:

- raises awareness amongst SMEs/voluntary organisations about public sector contracting
- provides an open information source about future procurement opportunities
- engages businesses that have not been previously involved in either bidding for or delivering public sector contracts
- encourages supplier diversity within public sector procurement
- provides opportunities for buyers and suppliers to engage through 'Meet the Buyer' events
- provides local suppliers with advice and guidance on how to access local public sector contracts.

To date, approximately £750,000 in contracts has been awarded to local businesses as a result of the programme and many more businesses have increased their capacity to become fit to supply to the public and private sector through the initiative. Political support has played a major role in making this initiative a success, with a Cabinet member playing an instrumental role in encouraging local businesses to have better access to contracting opportunities within the council

Case Study: Supply Cross River Programme

The Cross River Partnership is a regeneration alliance working towards the strengthening of links north and south of the River Thames, the extended transformation of the south bank, the best use of resources and ensuring that the benefits it produces are visible. Its four central partners are the local authorities on both sides of the river - Southwark and Lambeth to the south and Westminster and City of London to the north.

Supply Cross River is an initiative led by the Cross River Partnership with funds from London European Regional Development Fund programme. It aims to open up supply chain and procurement opportunities to SMEs across the Cross River region and to promote supplier diversity and sustainable procurement to buyers.

The programme provides free services to SMEs (supplier development workshops, capacity building days, Meet the Buyers events and 1:1 support) and procurement professionals (sustainability and supplier diversity workshops, 1:1 support and Meet the Buyer events) in the four partnership boroughs.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Pilot community-led commissioning in each council department in 2011/12 with at least one pilot per department.
- Ensure that each community-led commissioning pilot is underpinned by robust ethnographic evaluation²⁴. This evaluation will help the council to understand the lessons from each community-led commissioning process and how this approach could be applied to an increasingly wider set of service areas.
- Undertake a review of the council's procurement processes and procedures with a view to moving to a system which is less risk-averse, more proportionate and acts as less of a barrier to small local organisations.
- Develop a lobbying strategy to secure amendments to national/European procurement legislation that impede the implementation of the Co-operative Council, whilst ensuring employment rights for council staff are protected.

²⁴ Ethnographic research is a social science research method which relies upon up-close, personal experience and possible participation, not just observation, by researchers trained in the art of ethnography.

8. Models of co-operation

- 8.1 As key part of Lambeth's new community-led approach to commissioning public services will be the identification of the most appropriate organisations to deliver a particular service or group of services. The council and its staff are already very supportive of working with a wide variety of organisations (public, private, third sector) to provide high quality services which represent good value for money. The Commission feels however that the Co-operative Council approach could encourage Lambeth Council to go further²⁵. If through the commissioning process it is shown that moving a council-run public service to another organisation, or range of organisations, will lead to better and more responsive services for our citizens, then this should be supported.
- 8.2 In practice this means that as services are re-commissioned, using a community-led commissioning process, citizens and council staff will explore together which organisations are best placed to deliver the improvements required and tackle identified local need. This does not automatically mean that the council will decide to move a service to an external provider. However if, through the commissioning process, council staff and citizens conclude that an external organisation(s), or a changed ownership model of provision could provide a better services then this option will be pursued. These organisations may be based in a specific geographic area or may cover the entire borough.
- 8.3 The Commission feels that enabling different organisations and communities to provide services is crucial to the success of the Co-operative Council approach for the following reasons:
- Providing public services through a range of organisations will increase the opportunities for citizens to become involved in the delivery of these services if they so wish.
 - A community-led commissioning process, which places co-production of public services at its heart, should include an assessment of which organisations are best placed to meet local need and deliver the improvements citizens and staff wish to see in a local area.
 - A significant body of evidence shows that in a number of cases community-led or community-run organisations can provide more responsive services that lead to better outcomes²⁶.
 - Co-production of public services has the potential to support the council's public duty to promote good community relations.
- 8.4 Nevertheless, if as part of a community-led commissioning process a decision is taken that council provided public services should be delivered or owned by an external organisation(s) the Commission is clear that a series of safeguards and decision making mechanisms must be put in place to ensure:

²⁵ The Localism Bill currently before Parliament alongside the government's interest in mutualisation of public services provide further evidence of the unique opportunity local communities have to adopt more co-operative approaches to public service delivery.

²⁶ Commission on Co-operative and Mutual Housing (2009) Bringing Democracy Home

This report offers a range of examples of community-led service delivery, including St Mungo's 'Outside In' project, which offers all clients the opportunity to feedback to and co-design the services and the Homes for Change Housing Co-op which was established by the residents of a notoriously deprived Hulme council estate in Manchester. Lambeth examples include the Community Freshview and Weir Link projects. The case for community-led services is made by Social Enterprise London (Transitions), NESTA (Mass Localism and Right Here Right Now), the Social Research Policy Unit (Evaluation of the Individual Budgets Pilot Programme: Final Report) and the LGA Labour Group (Co-operative Communities).

- Any decision to move public service provision and/or responsibility for a service²⁷ to another organisation or group is carefully thought through and commands the support of citizens and public service officials.
- Any organisation or group that is going to take on a public service has the capacity to deliver it effectively to all service users and that its performance is closely monitored (see pages 68-70 for more information about ensuring quality services using a co-operative approach). This was a key concern raised through the public consultation.

8.5 The Commission recognises that such an assessment could, if poorly designed, act as a way for senior managers at Lambeth Council to block the implementation of the Co-operative Council approach to designing and delivering public services, especially if these managers are risk averse. A balance must therefore be struck between the aspiration to deliver public services currently provided by the council in a different way, and the need to show how Lambeth Council has considered (and mitigated) the potential risks of handing over ownership or the delivery of a public service to another organisation. The following sections set out how the Commission believes these two issues can be addressed.

Protecting the public interest: Co-operative Council safeguarding framework

8.6 If the parties involved in the community-led commissioning process find that a public service could be delivered more effectively by another provider, then more detailed analysis should be undertaken to establish firmly whether or not this is the case. This assessment will seek to understand any positive or negative implications that could result from a change in provider and would make recommendations as to how any potential negative impacts could be mitigated. The Commission believes this assessment should focus on four key areas:

- the likelihood that the organisation would be able to deliver the outcomes that were agreed upon during the community-led commissioning process
- the extent to which public services will remain accessible to all people
- the extent to which providing public services through an alternative organisation will enhance or increase citizen involvement
- the extent to which financial efficiencies and improved long term sustainability can be gained.

8.7 Taken as a whole, these four assessment areas would also provide a means to measure 'value for money' or 'best value'. This assessment would underpin what the Commission has termed the "Co-operative Council Safeguarding Framework", an assessment which would be co-produced between citizens and council staff.

²⁷ This would be the case particularly for non-statutory services such as youth services and leisure centres. If the council moved some of these services to alternative providers it would no longer be responsible for these services, unlike a statutory service for which the council will always bear ultimate responsibility, such as child social care, regardless of who provides the service.

Co-operative Council Safeguarding Framework

Outcomes	Equalities	Citizen and staff involvement	Financial
Better outcomes for service users and the wider community	Services remaining accessible at the point of use for all members of the community ²⁸	Increased citizen and staff involvement in service design and delivery	Services provides the opportunity for financial efficiencies and improved sustainability
'Best value' or 'value for money'			

- 8.8 Drawing on evidence from local stakeholders,²⁹ the Commission believes that the council and its staff will need to develop this high-level framework into a more detailed process, drawing upon good practice already in place. These should include the processes and expertise Lambeth Council has in developing business cases, undertaking equality impact assessments and using models which explore whether delivering a service in a specific way ensures good value-for-money. This work should be taken forward as a matter of urgency by the council.

The spectrum of co-operation

- 8.9 If a decision is taken to move a service to a different provider, then a critical next step will be identifying the type of organisation the service should be moved into. In keeping with the Co-operative Council approach, these organisations would need to embody the philosophy behind the Co-operative Council. This includes:
- a commitment to support the agreed priorities for the borough
 - a commitment to co-operation with citizens, both in the way in which services are designed and delivered
 - a commitment to maintaining good employment practices and employment rights
 - support for the five Co-operative Council principles which are set out in this report
 - concern for community wellbeing.
- 8.10 Clearly, there is a wide range of legal forms which could be used. These include industrial and provident societies, companies limited by shares, companies limited by guarantee, community interest companies, charities/charitable incorporated organisation and limited liability partnerships. Within each of these legal forms a wide range of organisational types can exist for example: co-operatives, mutuals, social enterprises, third sector organisations and local businesses. Whilst industrial and provident societies fit most closely with traditional co-operative working, the Commission believes that any organisational form should be explored by Lambeth Council and citizens if it can be shown that it will provide better quality public services for citizens.
- 8.11 By acknowledging the wide range of organisations that could take on responsibility or delivery of a public service provided by Lambeth Council, the Commission is recognising that there is a wide spectrum of organisations which could, in theory, operationalise this more co-operative

²⁸ The Framework will need to be developed to take into account services which are designed to support defined groups within our borough, for example, services for older people, youth services or women-only services.

²⁹ Questions of how to ensure that whoever delivers they are delivered equitably and how to ensure the commissioning process is open, accessible and understandable for citizens were the topic of discussion as several Co-operative Council stakeholder events, including the Joint Lambeth Council and NHS Lambeth Health Summit, the Lambeth LiNK AGM and the Lambeth Health and Wellbeing VCS Forum.

way of working. This approach could also stimulate growth in certain sections of our economy such as the co-operative and mutual sectors. In practice, though, before any organisation would take on a service they would need to show how they support the co-operative philosophy set out above and the criteria set out in the Co-operative Council Safeguarding Framework.

Delivering through existing organisations and setting up new organisations

- 8.12 The Commission recognises that deciding which organisation could deliver a public service requires a decision as to whether an existing organisation(s) should be used, a new organisation(s) established (e.g. employee owned organisation or community-owned), or whether partnerships or federations of organisations should be created to provide the service. The Commission feels that each route has merits and this has been confirmed by research undertaken by OPM³⁰.

Using the breadth of the existing third sector and private sector

- 8.13 Throughout its deliberations the Commission has seen the strength of Lambeth's civil society and private sector through the number of local third sector organisations, faith organisations, social enterprises, community groups and local businesses that are already delivering a range of impressive services across a number of policy areas. If through a community-led commissioning process, it is agreed that public services currently provided by the council should be moved into alternative forms of provision, the Commission strongly believes that, in the first instance, the potential of using existing organisations should be considered before the development of new organisations. As well as building on the borough's civil society and private sector strengths, the Commission also feels that this approach would speed up the implementation of the Co-operative Council, as it is easier to transfer services to successful existing organisations rather than establish new organisations.

Developing the capacity of the third sector and local businesses

- 8.14 Many organisations, external to the council, will already be of sufficient size and experience to make strong cases as to why they could deliver a public service currently provided by Lambeth Council (these include national third sector organisations and large private sector organisations). However, the Commission believes that smaller, more local organisations, can also make powerful cases as to how they could deliver localised and tailored services. If Lambeth Council wishes to provide public services through a greater range of local organisations, then it must ensure that these organisations have the resources to run and manage these services.
- 8.15 The issue of appropriate support for organisations taking on new service delivery responsibilities was raised through the public consultation. A great deal of work has already been undertaken locally to support this ambition. Local businesses can access a wide range of advice and support from the council and other providers. Third sector organisations have also received support, funded through schemes such as Neighbourhood Renewal Fund, New Deal for Communities and Working Neighbourhood Fund. In addition, Lambeth Council is currently implementing a Third Sector Investment Strategy³¹ which aims to support the sector's development in the medium term.

³⁰ OPM (2010) New Models of Public Service Management: A Guide to Commissioning, Policy and Practice.

This report identifies three main motivations for setting up/using alternative organisations to provide a public service. If the aim is productivity/cost-effectiveness then employee-owned businesses are the most appropriate model. If the primary motivation is the creation of a sense of ownership then a community owned organisation would be most appropriate. Finally, if the aim is to enable greater engagement between staff/citizens that a joint employee/citizen ownership model would be appropriate.

³¹ Lambeth Council and NHS Lambeth (2009) First Class: The Lambeth Third Sector Investment Plan 2009-15

- 8.16 In their responses to the Commission, Lambeth Voluntary Action Council, the Lambeth Forum Network and numerous co-operative and social enterprise experts³² highlighted the need for additional support to enable local organisations to succeed as providers of public services. In particular, organisations that submitted evidence called for support to be targeted at smaller, grassroots organisations in the borough. It was felt that providing more support to these groups would ensure they have the same opportunities for capacity building as larger, more well-known third sector organisations.
- 8.17 The Commission believes that rather than provide financial support, which is severely limited due to the current financial climate, more creative ways need to be found to support the third sector and local businesses. Based on a review of the evidence submitted the Commission feels this support should include:
- promoting and supporting the development of partnerships and collaboration between organisations to take on services
 - helping third sector organisations and local businesses to access finance which enables them to grow so that they can take on local services
 - working with the third sector, local businesses and advocacy organisations to make the case for any legislative changes which are needed to support the third sector or local services access finance. Co-operatives UK for example argue that the government should extend the current council power to invest in housing co-operatives to all co-operatives
 - providing support for organisations so that they demonstrate good practice and good governance, for example, by providing training in the council's quality standards and/or equality impact assessments. A useful definition of a sustainable organisation is one that is a) is well run, i.e. has good governance, b) has a financial model that works, and c) has high quality social impact. The council and its staff will need to support organisations to meet all three of these criteria
 - providing facilitators who will act as advocates for groups and organisations, helping them navigate the complexities of Lambeth Council
 - providing support to help nurture and build local neighbourhood partnerships and collaborations which can consider sharing back office functions. Lambeth Council could also provide support to help groups access funding, build confidence and strengthen the voice of third sector groups, perhaps via a peer mentoring scheme. This would involve:
 - providing information, advice and guidance on running a business
 - providing mentoring support which allows new organisations to gather help from successful local businesses and/or third sector organisations
 - providing performance management, equality training and business improvement advice.
- 8.18 The specific services which should be provided would need to be the subject of further development work. Indeed, the Commission recognises that numerous support services are already provided by Lambeth Council and partner organisations such as Business Link, local chambers of commerce, third sector infrastructure organisations, and local groups like London Creative Labs. The proposal therefore is not to set up a new range of services, rather the Commission feels that additional work may be needed to raise awareness of these services and ensure better sign-posting.

³² These included Mutuo and Mutual Advantage

Case study: London Mutual

London Mutual Credit Union (LMCU) is a community-based, co-operative financial institution that offers a range of financial services, including savings accounts, loans, current accounts, accounts for benefits recipients, payments and insurance. Its membership is defined by a common bond requirement (the 'common bond' determines who can become a member of the union). Currently, all those who live, work or study in the boroughs of Lambeth and Southwark can join LMCU and benefit from its services.

The organisation has a membership of over 12,500 people (as of December 2010). LMCU's aim is to provide low cost innovative services and products that help address the multiple causes of debt and financial exclusion. The key elements of the organisation are:

- The members own and control the credit union
- The credit union deals only with its members
- The members decide on the distribution of surpluses

Case study: Transition Town Brixton Community Interest Company

Transition Town Brixton (TTB) is a community-led response to the energy and financial crises and climate change. It seeks to harness the enthusiasm of the community in planning and pioneering the pathway to a better low energy future. It seeks to build community resilience and skills for living well together in an energy constrained future where more of people's real needs must be met locally.

TTB has more than 1,800 members on its mailing list and dozens of active volunteers. TTB consists of working groups including food and growing, business and economy, Remade in Brixton (waste as resources) and buildings and energy. The working groups run their own projects such as the Brixton Pound, the Brixton Re-use Centre, Brixton Skill Share and Bringing Land into Production (BLIP). These groups shape the direction of TTB by a consensus decision-making process. TTB has a volunteer-run community shop and resource centre where a new social enterprise, the Brixton Community Draught Busters is developing.

Ward councillors have supported the TTB initiatives by not only attending meetings, but also facilitating and hosting meetings, helping to provide meeting space and providing a link to relevant council officers. Cllr Steve Bradley, in particular, provides strong support by being a Director of the Brixton Pound CIC and of Transition Town Brixton. He is active in TTB's 'Buildings and Energy Group' and has facilitated the Brixton Re-Use Centre (he identified the site for the centre and brokered initial contact with the site management).

Case study: The Co-operative Academy of Manchester

Manchester City Council has sponsored seven academies across the city, including one in Blackley in partnership with The Co-operative Group. The academy, which opened in September 2010, specialises in business and finance. Its ethos is underpinned by traditional co-operative principles of fairness, ambition and respect. While it follows the academy governance model it will have an active community engagement programme with stakeholders and other schools in the areas and will encourage pupils to establish mini co-operative businesses to get practical experience of co-operative values.

Sharing resources with the third sector

- 8.19 The Commission recognises that a council-driven approach to developing the capacity of the third sector does not reflect the values of co-operation and mutualism. Therefore, in tandem with the more formal capacity-building programme, the Commission believes that the council could support community organisations to lead their own capacity-building. Numerous submissions from local third sector organisations emphasised that this role could include the council:
- making community facilities available for local third sector groups – including greater use of community-asset transfer
 - greater sharing of equipment such as ICT
 - sharing the professional expertise that council staff has in complex areas, such as HR, procurement and legal advice, with local organisations that have taken on the provision of public services. Council facilitators assigned to these third sector partnerships will help them extract the best support from council expertise.
- 8.20 Making these kinds of support services available should, in the Commission's view, help local third sector organisations to develop their own resources. To take this work forward, the Commission recommends that the council review the current specialist services it provides, and publicises widely what it has to offer. The council should then facilitate third sector access to these services possibly through the use of designated council facilitators, who will help organisations to access what they require. Over time this would also build up a picture of real rather, than assumed need for these services. The council should continuously monitor and review services to check whether they are successfully addressing the sector's need. This type of approach should ensure that the third sector itself is driving the capacity-building process and has ownership over determining what its own requirements are.

Setting up new organisations

- 8.21 At times it will be necessary for the council to work jointly with its communities to develop a new delivery organisation where a commissioning process identifies a groundswell of support for moving a public service away from the council. Even with the principle of using existing third sector and private sector organisations wherever possible, the Commission believes that in some policy or geographic areas there will be a need to develop a completely new organisation, which can provide new and/or different public services to meet local need or replicate a successful organisation using a process called social franchising³³. As set out above, any new organisation would need to be assessed against the Co-operative Council

³³ This is when a successful organisational model, in operation in another location or specific public service is adopted and implemented in another area.

Safeguarding Framework and show how it embodies the philosophy behind the Co-operative Council before services are transferred to them.

Federated services

- 8.22 A final approach, which the Commission feels is applicable to the delivery of the Co-operative Council, is a federated services model³⁴. This model encourages separate departments (in a local authority, for example) or organisations to share back office and management structures in order to raise standards and increase efficiency.
- 8.23 Federated schools in Lambeth provide an example of the federated services model. There are seven federated schools in Lambeth; the longest running federation is over five years old and improvements for pupils and teachers have been very significant. Results in all Lambeth's federated schools have risen for both or all schools within the federation over time. The improved reputation of the schools has also been significant for local communities. Federations in Lambeth have been agreed for fixed terms and are subject to periodic review by the governors, the executive head, the school improvement partner and the local authority and the Dioceses where appropriate.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Develops a framework which will underpin assessments as to whether a public service, currently delivered by the council, could be provided by another organisation. This framework would be called the Co-operative Council Safeguarding Framework.
- Seek to ensure that any organisation that takes on responsibility for a public service currently provided by the council supports the values which underpin the Co-operative Council and the council's commitment to good employment practices.
- Work with local business support organisations and third sector infrastructure organisations to ensure that sufficient support, advice and guidance is available for organisations that take on responsibility for delivering a public service currently provided by the council.
- Review the current specialist services it provides (such as human resources, ICT, training, finance and legal) and develop a package of practical and specialist support it could make available to the third sector, thereby enabling them to develop their own capacity.

Case Study: Black Cultural Archives

Black Cultural Archives (BCA) is a company limited by guarantee and registered as a charity. It was founded in 1981.

There is a high level of community expectation associated to this Project for example; the

³⁴ Federated services refer to shared services between different organisations.

consultation process included the involvement of the Brixton Area Forum that supported the BCA's request to move to Raleigh Hall, in Brixton. In the summer of 2012, the organisation seeks to open the first national Black heritage centre in the UK dedicated to collecting, preserving and celebrating the histories of people of African descent. The BCA Director is a Lambeth Council secondee and the Cabinet Member for the Environment, is a member of the Board of Trustees. Specifically BCA intends to lead the heritage and cultural sectors and the general public towards a greater understanding and enjoyment of Black heritage.

BCA is currently engaged in a major capital project to create the UK's first national Black heritage centre in Brixton. This is due to open in 2011 and the £6.5 million capital project has been funded by the Heritage Lottery Fund, London Development Agency, a number of trust funds and Lambeth Council who have gifted the Raleigh Hall building to Black Cultural Archives.

Case Study: Carers Hub - Streatham Darby and Joan Club

The Streatham Darby and Joan Club were established in 1942 to provide a hot meal for elderly residents of the local area, and to help reduce the feeling of isolation during the war. The Streatham Darby and Joan Club is a user-led organisation, managed by a management committee consisting of approximately fifteen trustees with an average age of 70. The executive committee is chaired by Cllr Daphne Marchant who has been involved in the club for ten years, and Cllr Jane Pickard also sits on the committee. It is run on a day-to-day basis by a small number of paid staff and volunteers. The organisation is set up as a charity and a company limited by guarantee.

The building was originally owned by the trustees of the organisation but in 1968 they were approached by the local authority who offered to take over the lease and ensure that the repairs and maintenance of the building was undertaken. The organisation then leased back the building from the council on a 50 year lease.

Following the establishment of the Community Assets Fund by the government, Lambeth Council was approached by the trustees of the Streatham Darby and Joan Club asking for their support in submitting an application to the Community Assets Fund for the refurbishment of the building. In November 2007, the Streatham Darby and Joan Club with the support of the Active Communities Team submitted an application to the Community Assets Fund and received a grant offer of £1 million in March 2008 to develop an older persons' resource centre and carers' hub on the site. A 99 year lease at a peppercorn rent was agreed in June 2008 with Lambeth Council.

9. Incentivising co-operation and ensuring reciprocity

The challenge

- 9.1 The success of the Co-operative Council approach to delivering public services is predicated, to a large extent, on citizens playing an active role in their communities through involvement in the design and delivery of public services. Evidence received by the Commission appears to suggest that Lambeth's residents would be willing to play this more active role, with the July 2010 Residents' Survey indicating that approximately 5,600 adults in the borough are already involved in community activity, and that a further 25,500 are interested in becoming involved³⁵.
- 9.2 However, resident views are no guarantee of citizen involvement and additional evidence submitted by IIPS shows that while people appear to embrace the idea of community involvement, their behaviour does not always match their intention. In practice, citizens face a series of barriers to getting involved which include lack of time, fear of over-committing, fear of being taken advantage of, red-tape and bureaucracy, a lack of confidence, perceived exclusivity and not knowing where to find information.³⁶ Additional complexities with regard to getting citizens involved in public services were also identified throughout the council's research and consultation process. Focus group and survey work found younger residents thought that older residents (over 65) were most likely to get involved in delivering the Co-operative Council; however when asked directly, the over 65s were most likely to report that they do not feel they have the skills to get involved.³⁷
- 9.3 What is clear from these conflicting messages is that people, for all their desire to "get involved", are likely to face a series of barriers that decrease the likelihood they actually will. The Commission believes that in order for citizens to overcome these barriers, a system of incentives and rewards must be introduced to encourage participation. Whilst the Commission remains realistic, that it is highly unlikely we will get a majority of residents involved in public service delivery, it remains convinced that with the right incentives significantly more people will overcome their own barriers to getting involved. The Commission also understands that participation is not simply about volunteering, but is about giving citizens more ways to exercise control over how a particular service is delivered so that it better meets their needs.
- 9.4 Building on this, challenge the Commission further recognises that council staff have detailed knowledge and expertise around public service delivery and the needs of the borough's citizens. It is therefore crucial that Lambeth Council find ways of encouraging and supporting its staff to develop new and better ways of delivering public services. Further details around how the Commission feels staff could be encouraged to develop new ideas for delivering council services are set out in section 12.

Menu of incentives

- 9.5 Throughout its deliberations, the Commission has heard a great deal of evidence suggesting that barriers to citizens becoming involved in public service delivery can be reduced through the use of financial and non-financial incentives. However, research undertaken with Lambeth citizens has shown that there is no single incentive which, alone, would encourage people to participate. Respondents to Lambeth Council's Residents' Survey were in fact split between incentives along a wide spectrum³⁸. There were also key differences between and among different groups of residents', for example, younger people, poorer residents and women were

³⁵ Lambeth Council, (2010) July Residents Survey Findings Report

³⁶ Nash, R. (2008) What the Citizen Wants, IIPS

³⁷ Findings on young people come from the Co-operative Council's focus groups with young (21-29 year olds) private renters living in house-shares, and perceptions from older people come from Lambeth Council's Residents' Survey, July 2010.

³⁸ Lambeth Council (2010) July Residents Survey Findings Report

more likely to cite personal financial incentives as a key motivation to get involved; owner occupiers preferred the opportunity to secure local funding for their local community, and those living in Lambeth for less than six months preferred the opportunity to make new friends.

- 9.6 Based on this quantitative research and evidence submitted, the Commission believes that in order for incentives to act as a way of drawing more people into the Co-operative Council approach to designing and delivering public services, Lambeth Council should put in place a flexible menu of incentives. Rather than drawing up a list of possible incentives in this report, the Commission believes Lambeth Council will need to use co-production techniques to discover the range of incentives most appropriate for residents. These may include financial incentives (for example, reductions in council tax, reductions in housing rent, or discounts for council services) and non-financial incentives (for example, able to receive the benefit of someone else's skills, or experiencing one of the many cultural activities available within Lambeth).
- 9.7 A key issue is that the menu of incentives needs to take into account differing individual circumstances, different communities' needs, and must be accessible to all Lambeth residents. In developing this menu, the council will need to take into account the demographic profile of the borough, and consider the involvement of groups who have less free time. For example, Lambeth has a high proportion of carers who are likely to have less time to get further involved because they are already providing a vital service and any menu of incentives should recognise this³⁹. In addition Lambeth also has a significant pool of residents who are high-income earners. A form of incentives must be found which increases their involvement in philanthropic endeavours and increases the likelihood that they will become more willing to fund the provision of services.

Delivering incentives

- 9.8 The Commission believes the most appropriate method to deliver and manage the menu of incentives described above is a credit-based time banking model. This model would allow citizens to earn credits for each hour spent helping other individuals in their local community, working on a project or working for an organisation. These credits could then be used to access financial or non-financial benefits in Lambeth with citizens reviewing the menu of incentives and selecting ones that they wish to receive. This scheme, in the Commission's view, should also be linked to Lambeth's Youth Privilege Card scheme, which offers discounts to young people for leisure and cultural services.
- 9.9 The Commission believes a credit-based time banking model would work in Lambeth for two key reasons. First, a number of time banking schemes already exist within Lambeth, and are succeeding, such as the Clapham Park Project Time Bank. The Commission feels that this shows the viability of this model in Lambeth and gives a strong indication that an expanded time bank would be well received by citizens. Secondly the use of credits which can be accrued and used to access a reward (the financial and non-financial incentives discussed above) has been shown to work elsewhere in the country. For example, time credits models have been piloted in Wales, by the organisation Spice, as a means to achieving neighbourhood cohesion and engaging people in community services. The organisation has found, in measuring the impacts of these programmes, that time banking schemes work particularly well in communities that have been marginalised from the formal economy, and that credits are a catalyst to involve a range of people within the community⁴⁰. The findings are particularly relevant considering the economic profile of Lambeth, which had almost 17%

³⁹ Lambeth Council, 2008, Lambeth Carers' Strategy 2008-13

⁴⁰ Spice (2009) Looking Back

of its population in receipt of out of work benefits in 2010, and the council's long-term priority of tackling worklessness⁴¹.

Case study: Taff Housing⁴²

Taff Housing is a community-based housing association with over a thousand homes in some of Cardiff's most 'disadvantaged' housing estates, as well as specialist, supported housing projects for young women. Managers have been working with Spice to build a co-production culture among some of its young, single, female tenants.

Tenants earn credits by volunteering their time in a range of activities related to improving the housing association community, such as attending tenant and steering group meetings, being on interview panels for Taff staff, writing articles for the Taff newsletter, or helping to arrange events and trips for tenants. The credits can then be redeemed within Taff, for example, by 'paying' for access to training or computer suites, or they can be redeemed in the wider community, like the local sports centre and Cardiff Blues Rugby Club. These opportunities in the broader local community also help to prevent the young women living in the hostel from becoming too separate and isolated from the community networks and resources around them.

Case study: Volunteering across the criminal justice system⁴³

In Bettws (South Wales) the police, faced with high levels of antisocial behaviour from local young people, recognised the need to engage with young people. In partnership with the Boys and Girls Club, the school, and local community groups the police have established a new youth time bank.

This includes anti-bullying projects and clean-ups at the school, environmental projects, supporting local community groups with activities, helping to run children's and youth activities at the centre, attending training by the police and making decisions with staff and local community police. The young people use their time credits for attending classes at the youth club e.g. Judo, cheerleading and carpentry or participating in trips.

The project has been running for a year and now has over 100 members. It has had a dramatic impact on levels of anti-social behaviour in the area. The Police have recorded a 17% reduction in crime (mainly anti-social behaviour) over the past year since the introduction of the youth time bank into the Boys & Girls Club.

Case study: Clapham Park Time Bank

Clapham Park is an extremely diverse estate in Lambeth with high levels of unemployment and mental ill-health. Clapham Park Time Bank (CPTB) was set up by the South London & Maudsley Foundation Trust (SLAM) to promote residents' mental well-being with the Deputy Leader of the Council strongly advocating that the council supports the initiative. The project continues to enjoy strong support from local ward councillors as well. The scheme addresses the gaps in provision of statutory services by:

- enhancing social networks to address issues of isolation and depression faced by people living in the area

⁴¹ Lambeth First, 2008, Our 2020 Vision: Lambeth's Sustainable Communities Strategy

⁴² NEF (2008) The new wealth of time: How timebanking helps people build better public services

⁴³ Welsh Assembly Sowing Seeds – Time Banking: Public Service Delivery with Time Currency

- identifying and building on the positive contributions individuals can make to addressing problems identified in the local community.

CPTB is a person-to-person time bank with a membership of 130 people, most of who live on the Clapham Park Estate, and two full-time staff. Clapham Park recruits people mainly by word of mouth and from the local Primary Care Trusts, SLAM and local housing associations.

Popular sessions where credits are exchanged include 'tea and chat', a Friday night social club, belly dancing classes, gardening, 'walk and talk' and befriending. Time bank members are encouraged to run their own projects and also help the time brokers to staff the office and take phone-calls. Since the project started in 2004, 708 residents have participated in activities created by the time bank and a total of 4,996 hours have been exchanged.

Financial incentives that secure a return on investment for Lambeth

- 9.10 In addition to incentivising citizens to become more involved in the delivery of public services, the Commission is also interested in ensuring that any financial incentives should, as far as is possible, benefit the local economy and the borough's local businesses. Therefore the Commission believes that one option open to citizens should be the ability to convert any credits they accrue, through their involvement in the design and delivery of local services, into a local currency which could be spent in a range of local shops.
- 9.11 A potential complementary project to the Co-operative Council, which would support the aspiration, is the work being undertaken by Transition Town Brixton and the New Economics Foundation (NEF) to extend the Brixton Pound scheme and make it a borough-wide electronic currency⁴⁴. At present, citizens can convert their pound sterling currency into Brixton Pounds and these can be spent in more than 180 local shops and outlets. The benefit to Brixton is that Brixton Pounds can only be spent in establishments that meet certain criteria, for example, are locally owned shops that will reinvest their profits back into the borough. A borough-wide electronic currency, based on the principles of the Brixton Pound, would expand this benefit to local businesses across the borough.
- 9.12 The Commission believes that this borough-wide electronic currency could be linked to the proposed Co-operative Council time bank. Therefore residents who accrue credits through this system, by undertaking certain activities such as becoming involved in a local children's centre, would be able to convert these into an electronic currency, which they could spend:
- to participating businesses to purchase certain products and services at a discounted rate – there would be different discounts for different businesses, taking advantage of spare capacity or inventory within each business
 - to access certain public services, which are not included in the menu of incentives, where there is spare capacity (e.g. use rooms which are free for community meetings, use vehicles for trips)
 - with friends and family; donating their points to others.
- 9.13 In order for this model to work, a Lambeth investment fund would need to underpin the borough wide electronic currency, with the council (and other organisations) contributing to the funds and receiving points (on a 1:1 basis) in return.

⁴⁴ Evidence Submission: 'Concept Note: A Lambeth Co-operative Loyalty Scheme', nef, the Points Foundation and Transition Network
Co-op Council Report Final 17.01.11

- 9.14 As well as supporting our local businesses and ensuring a return-on-investment from financial incentives paid out, this scheme also has the potential to help our most vulnerable communities and enable them to take part in the Co-operative Council agenda. For example, vulnerable citizens, who are long-term unemployed, would be able to support their local community by getting involved in public service provision and accrue points which they can use to access day-to-day services from businesses that accept the borough wide electronic currency.

Case study: Brixton Pound

The Brixton Pound (B£), an initiative of Transition Town Brixton with support from Lambeth Council, nef (the new economics foundation) and a number of local businesses, was introduced in September 2009. It is a complementary local currency (the first in the UK in an urban area), working alongside, not replacing, pound sterling. The B£ is intended to support independent shops and traders who are under threat from the recession and larger chains. The currency should stay and circulate within Brixton, increasing local trade and community connections. In terms of environmental impact, the Brixton Pound group supports local businesses in sourcing more goods and services locally, reducing their carbon footprint.

The scheme works by asking people to exchange pounds sterling for B£s at issuing points, including local businesses. The currency can be spent with participating businesses (instead of sterling or in part-payment) and shoppers can ask for B£ in their change. B£ can also be converted back into pounds sterling in specified exchange points in the area. There are B£30,000 in circulation at present and the group issues between B£1000-2000 a month.

A survey carried out on 250 Lambeth residents, who use the B£, in February 2010 found that:

- Over a quarter of respondents said they now shopped more in local independent businesses.
- 37% said they had had conversations with local people and businesses that they would otherwise have not have had through using the B£.
- 37% said they felt more proud to live in Brixton because of the B£.
- Over half of respondents said they were now more aware of how their spent money could affect their local area.

Over 40 Lambeth-based volunteers have given their time to support the B£ over the past 16 months and the B£ group employed a locally based project manager through the Future Jobs Fund.

Making incentives a reality

- 9.15 Analysis undertaken by the Commission has shown that in order for an incentive scheme to work it has to be based around the skills people can offer and it needs to recognise that people will most easily be incentivised around their passions and interests. These findings have been echoed by Lambeth's voluntary and community sector (VCS) and the focus groups with Lambeth residents. The Commission believes that some workable ways of learning about the assets in our community are:

- **Time audits:** A comprehensive time audit of community and public sector services, to better understand who is contributing, how much, when, where and why? This is a participatory process using a simple methodology that gives individual services the opportunity to focus on how many people are contributing to designing and delivering services.
- **Co-design workshops:** These workshops allow citizens and public sector providers to come together to explore ways for residents to take a more active role in contributing to design and delivery of public services.
- **Passions, interests and skills mapping:** Services invite citizens to begin to map their skills, interests and passions, which are then used as the basis for developing new opportunities for individuals to become actively involved. This information is used as a starting point for encouraging them to take responsibility for existing services and/or developing new activities.

9.16 Once Lambeth Council begins to understand the existing assets in the community, including the skills, interests and passions of citizens, it will be able to start matching these skills to opportunities in order to engage citizens in the design and delivery of local services.

Recommendations:

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Work with citizens to develop a menu of financial and non-financial incentives which could be used to encourage more citizens to get involved in the design and delivery of public services or to participate as an active member of their community.
- Use a time banking model to enable citizens to access financial and non-financial incentives.
- Work with the New Economics Foundation and Transition Town Brixton to link a financial and non-financial incentives scheme to the proposed borough-wide electronic currency.

10. Co-operative inclusion and employment support

The challenge

- 10.1 Tackling worklessness is a top priority for Lambeth First, the borough's local strategic partnership, and is the central theme within the current Sustainable Community Strategy. Finding ways in which the Co-operative Council could support this agenda was therefore important for Lambeth Council. A broad picture of benefit claimants in Lambeth goes some way towards showing the scale of worklessness in the borough. Lambeth's total claimant count, using data from February 2010, is 16.8% of the working age population in the borough. This is 2.1% higher than the London average of 14.7%. There has also been a 0.8% increase in the benefit claimant rate from February 2009 to February 2010. The highest number of claimants are clustered in Coldharbour ward (2820) followed by Tulse Hill (2205) and Vassall (2195) wards. In all areas the largest claimant age group is 25-49.
- 10.2 According to recent data from JobCentre Plus (September 2010), Lambeth also has a high proportion of Job Seekers' Allowance (JSA) claimants who have been claiming for longer than six months (4,610 claimants), which reflects the long term unemployment problem in the borough⁴⁵.

Linking reciprocity with employment

- 10.3 Through its research, the Commission was particularly encouraged by the findings from the Council's residents' survey, which found that unemployed residents are more likely to say they want to be actively involved in the design and delivery of local services⁴⁶. The Commission is eager to ensure that these citizens, have access to appropriate incentives which help them realise this aspiration.
- 10.4 The previous section of this report recommended the establishment of a menu of incentives, delivered by a credit-based time bank, to get citizens from different backgrounds playing an active role in the realisation of the Co-operative Council. The Commission believes Lambeth Council should also establish a complementary employment training and support scheme. This scheme would be available, in addition to the menu of incentives discussed on pages 41-46, to citizens who contribute to the design and delivery of public services but who are currently unemployed. The choice to access employment support services, as opposed to the menu of incentives, would be left to the citizen and there would be no expectation that citizens who were unemployed would be compelled to forego the financial or non-financial incentives discussed above.
- 10.5 Under this scheme a citizen who participates in the provision of public services in Lambeth would be eligible for employment-related skills development and training. Besides receiving training these individuals would be supported and encouraged, through a mentoring scheme, to apply for vacancies within the local public and third sector as and when they arise. The Commission recognises that the specifics of this training and support programme requires further development, especially with regard to the range and scope of support that could be provided. However the principle of supporting unemployed residents, who have contributed to the design or delivery of public services, is sound in the Commission's view and should be a key element of the Co-operative Council.

⁴⁵ JCP (September 2010) Lambeth Local Authority Area Labour Market Bulletin September 2010

⁴⁶ Lambeth Council, 2010, Residents' Survey October 2010

Case study: Routeway to work, Cornwall⁴⁷

Cornwall's Routeway to Work programme arranged work tasters and placements within the public sector, mainly within Cornwall County Council but also in the NHS. Both potential employee and employer could enjoy a 'risk free' period before making a commitment to employment. The programme offered into-work support for clients, including help with the initial costs of transport, and an allowance to cover the gap between receiving benefits and wages. Routeway to Work also offered post-employment support to both employee and employer to address any unexpected difficulties. The project's target was for people to remain in work for at least three months; project monitoring showed that over 80% were still in work after 12 months.

Case study: Public sector apprenticeship project, Blackburn with Darwen Connections⁴⁸.

The project was set up in 2006, with project 'champions' helping to secure apprenticeships, placements and other opportunities within public sector organisations. A dedicated adviser supported the champions by identifying appropriate training provision and by facilitating referrals. The adviser also provided candidates with pre-interview preparation and co-ordinated training for public sector supervisors and mentors. The project focused on young people not in education, employment and training (NEETS) and on young people aged 16-19 leaving care. Incentives for encouraging young people and employers to participate in the scheme included financial support to cover the young people's costs of transport, work clothing, books and bonus vouchers to reward progression. By 2009, the project had succeeded in securing over 107 opportunities for some of the area's most vulnerable young people. Alongside this, the project has challenged and changed the recruitment practices of public sector employers and is embedding new sustainable policies for the future.

Case study: Lambeth Future Jobs Fund

Future Jobs Fund in Lambeth was designed as a collaborative project with 20 organisations working in partnership. The aim of the project was to create new job opportunities that provide community benefit for people aged 18 to 24 for a minimum period of six months. The project was funded through the Department of Work and Pensions who provided funding for each post filled. The project was initiated in June 2009 and will finish in March 2011. To date, 328 people have been given the opportunity to gain real work experience. Some of the local benefits achieved include bringing back into use empty properties and community centres, enabling support staff to work through community groups and housing estate hubs to support local residents, youth workers engaging with young people in Lambeth, and creating a café in the Myatt's Field Park area.

Working collaboratively, the project has continued to increase the opportunities for people leaving the programme through job fairs; currently 40% of the people on the programme have remained in employment.

⁴⁷ Local Government Improvement and Development (2008) Cornwall: economic development in the context of LAAs

⁴⁸ Houghton, S. Dove, C and Wahhab, I (2009) Tackling Worklessness: A Review of the contribution and role of English local authorities and partnerships, HMSO

Increasing employment opportunities in external organisations

- 10.6 As well as providing direct support to unemployed residents who take part in the design and delivery of public services, the Commission also believes that Lambeth Council should use its position to encourage the employment of local people. Specifically the Commission believes that the council should, through the transfer of any public service to an external organisation (for example, any existing or new mutual's, co-operatives, voluntary/community group or third sector organisations), negotiate with and influence these organisations to adopt practices favourable to recruiting out-of-work residents and secure commitments from them to adopt good employment practices such as trade union recognition and protections under TUPE.
- 10.7 The previous and current governments have also encouraged public sector staff to take direct control of a service area and form social enterprises to deliver the service⁴⁹. The transitioning of public sector staff to social enterprises provides yet another opportunity to include the council's employment priorities in the establishment of any new organisations.

Case study: Greenwich Leisure Ltd⁵⁰

In 1993, Greenwich Council faced severe rate capping and proposed an additional 30% cut in the funding of leisure centres, which would have led to the closure of two or three leisure centres and a 28% loss of permanent staff. A review instigated by Councillor Bob Harris recommended that a not-for-profit organisation manage the Council's leisure facilities with continued influence by, rather than control from, the council. A Society for the Benefit of the Community, registered under the Industrial & Provident Societies (IPS) Act, was recommended and adopted. The existing seven leisure centres were transferred to the new GLL in July 1993. Its establishment led to one of the first charitable social enterprises operating anywhere in the UK. Instead of cuts, new jobs were created and new services delivered in the existing centres. In addition three new facilities have been built since 1993 – two leisure centres and a health and fitness centre.

Case study: Direct payment mutual

The direct payment mutual model was piloted in a collaborative project between Mutual Advantage, Department of Health and Co-operatives UK. In this model, service users and carers form the membership of the co-operative in cluster groups (approximately 15 service users and 150 care hours per cluster). Each cluster has single part time Support Worker who looks after both staff and service users. A manager is recruited to co-ordinate five or six clusters. The system ensures that service users have more control over the care that they receive and care workers' employment terms are formalised to provider greater security and development opportunities. Job security for the care workers is a key aspect of the scheme which helps staff to avoid losing employment.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Develop a complementary scheme to the proposed Lambeth time bank where

⁴⁹ This approach has particularly been pioneered in the NHS with the 'right to request' policy, which gives staff the right to set up social enterprises to deliver a service

⁵⁰ Social Enterprise London (2010) Transitions

unemployed residents supporting local public services can, if they so choose, access employment-related skills/training and mentoring support to help them back into employment.

- During the transfer of a council-run public service to an existing or new external organisation, work with these organisations to ensure they adopt practices favourable to recruiting out-of-work residents
- During the transfer of a council-run public service to an existing or new external organisation, work with these organisations to ensure that adopt good employment practices such as trade union recognition and protections under TUPE are maintained.

11. Co-operative customer care

The challenge

- 11.1 If Lambeth Council is going to truly establish a new settlement between the citizen and the state then, in addition to changing the way public services are designed and delivered, the Commission also believes that the Co-operative Council must also look at further improving Lambeth Council's customer care. In the past Lambeth Council's approach to solving customer's problems has not always been up to standard. For example, back in 2003 only 43% of residents were satisfied with the council and, of those who complained, 79% were not satisfied with the way in which their complaints were handled⁵¹. Over the past seven years the council has made a sustained effort to improve customer services and good progress has been made. In the most recent Residents Survey the council found that 55% of people were now satisfied with the council and that 72% of residents believe that Lambeth Council has staff that are friendly or polite⁵². In addition in 2009/10 both of Lambeth Council's Customer Service Centres were awarded "Customer Service Excellence" awards and the council received an award for its work as part of the government's "Tell Us Once" scheme through the Guardian's Public Service Award.
- 11.2 The Commission also recognises the positive work being currently undertaken by the council to further improve customer care. This includes the introduction of the Lambeth Promise⁵³, the ongoing transformation of Lambeth's two customer service centres (Brixton and Streatham) into joint service centres, the expansion of customer access points to include GP surgeries and children's centres.

A co-operative approach to understand citizen need – no wrong door

- 11.3 With the customer service improvements described above are positive the Commission believes the next step to improving Lambeth Council's customer care is by making it easier for citizens to access the services they need, when they need them. The Commission has found that citizens want services which are easy to access across multiple channels (i.e. in person, on the phone, over the internet) and in multiple locations. The challenge for the Commission has been to agree what is the best way to create more accessible public services in the context of significant cuts in public sector funding. While the Co-operative Council White Paper proposed moving towards a single point of access for all public services, for example through new public sector customer service centres, the Commission feels that the severe financial constraints facing the public sector make this approach unrealistic.
- 11.4 A more effective and financially viable approach to making public services provided by the council more accessible would be to use existing community organisations and facilities. By this the Commission means training and supporting local third sector organisations to act on the council's behalf to provide information about council services and, where possible, deliver them on behalf of the council. In effect this would create a network of places which would act as a series of gateways for residents to access a service. These services could range from sorting out council tax or picking up public health information to finding out where to get employment advice.
- 11.5 From an equalities perspective this approach could also make public services, delivered by Lambeth Council, more accessible to new communities and citizens who find it hard to access

⁵¹ Lambeth Council (2008) Best Value Performance Indicators 2007/08

⁵² Lambeth Council (2010) Residents' Survey October 2010

⁵³ The Lambeth Promise sets the standard of customer care that citizens should expect from Lambeth Council. It is comprised of a series of pledges that the council has adopted and forms a key part of the way in which it delivers services.

public services. Rather than require them to visit an unfamiliar customer service centre, they would be able to access services at a local community centre or facility they are more familiar with.

Case study: The Weir Link Children's Centre

The project was established by residents living on and near the Weir Estate in Lambeth, who spent many years campaigning for a run down laundry to be refurbished to provide a community hub. The Weir Link Trustees envisioned a centre that would provide childcare, support to parents, employment training and a range of community projects which could connect communities and encourage take-up of local services.

In 2008 the project was launched, and now delivers the full core offer of children's centre services for under 5s, their parents and carers. This includes the provision of integrated childcare and early education. Other services provided include:

- Outreach to identify and encourage families who would benefit from attending activities at the centre.
- Links to a range of health services at the centre including: speech and language therapy, support from health visitors, healthy eating and cooking, mental health and counselling following domestic violence.
- Family learning provided by The Weir Link Qualified Teacher and other partners such as City Learning Centre.
- Adult training including ESOL and IT courses in partnership with High Trees Community Trust.
- Family Support is offered by The Weir Link and partners such as Stockwell Partnership Health Visitors.

In addition The Weir Link has future plans to provide social activities which are open to all ages, enhanced health provision and homework/out of school clubs.

Ward councillors have worked closely with local residents in developing this project, supporting its negotiations with Lambeth Council when it was developing the plans for the building. They also continue to maintain a close relationship with the staff and Trustees and hold regular surgeries at the Centre

The council as citizen champion

- 11.6 Part of the Co-operative Council White Paper also set out ideas around how the council could seek to resolve complaints on behalf of citizens if they had experienced poor services from public sector organisation outside of Lambeth, for example, at a GP surgery, a school or another council. Whilst the Commission felt this was a commendable ambition, given the financial constraints facing the council it did not feel that this service could be delivered. Therefore while this aspiration should not be forgotten, the Commission feels that further work on this aspect of the Co-operative Council White Paper should be put on hold until the other customer service improvements, discussed above, have been realised.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Work with third sector and community based organisations to identify whether they would be prepared to act as locations where citizens could access public services provided by the council.

Lambeth Council as a co-operative organisation

12. A co-operative and innovative culture

- 12.1 The Co-operative Council White Paper set out Lambeth Council's recognition that having the right organisational culture in place is vital if the Co-operative Council approach to designing and delivering services is to become a reality. The Commission strongly agrees with the council on this issue. Council staff will need to embrace the philosophy and principles of the Co-operative Council in their daily work and council leaders need to lead by example, ensuring that as they "live" their professional roles they do so in a way which embraces this new way of working. A crucial aspect of this new organisational culture must also be a clear commitment to supporting and enabling innovation in service delivery. The financial constraints facing the council and the community-led commissioning approach set out above mean that Lambeth Council, and its staff, must be ready to embrace new ideas as to how public services could be delivered.
- 12.2 The Commission recognises the challenge in getting the organisation to deliver on this approach with some council staff feeling that they do not have the knowledge or skill sets to work within this new co-operative approach. These internal challenges are made all the more complex by the challenging financial climate which the public sector is in and the fact that there are no quick or easy ways to change organisational culture.
- 12.3 In developing this aspect of the Co-operative Council, the Commission has been informed by the evidence that what is most important for employees is that they feel listened to, that they know what is going on in their organisation and they know what is going to happen in the future. The conclusions and recommendations set out below aim to ensure this clarity.

Organisational leadership

- 12.4 In a recent report the National School of Government argued that, "No matter how good the model of innovation employed or the quality of support, without effective strategic leadership, good ideas will not travel along a path that leads to added value."⁵⁴ In other words, if you want to change the way the public sector operates and nurture new ideas you need senior managers and political leaders to be champions of this new approach. The Commission believes that Lambeth already has much of the foundation in place to ensure that this style of leadership can be taken forward, such as a clear set of organisational values and increasing staff awareness of the organisation's directions and aspirations⁵⁵.
- 12.5 Rather than start from scratch the Commission feels that these existing organisational values should be revised so that they explicitly link to the Co-operative Council approach and then be re-launched within the organisation. In tandem with the re-launch of the values the Commission believes the council needs to ensure that its senior managers (Executive Directors, Divisional Directors, Assistant Directors and Heads of Service) are seen to be "living" them. The Commission believes this is crucial if the mind-set of the Lambeth Council is to move from being a "deliverer of services" to a facilitator of co-operative working.

Governance and process

- 12.6 Building on the need for leadership which supports the co-operative council approach to designing and delivering public services, the Commission also believes that the governance of the council must be reformed in order to facilitate the development of new ideas⁵⁶. Set out below are a series of proposals which the Commission believes would help embed innovation

⁵⁴ National School of Government (2010) Beyond Light Bulbs and Pipelines: Leading and Nurturing Innovation in the Public Sector

⁵⁵ Lambeth Council (2008) Staff Survey

⁵⁶ This recognition of the need to put in place the right mechanisms was also found in the recent Cabinet Commission on Delivering Through People

and innovative practice within the council. These proposals are also complemented, at a national level, by the recently introduced Localism Bill into Parliament. This bill offers up opportunities, through its proposed “General Power of Competence⁵⁷”, to broaden the scope and range of innovation in council provided public services.

12.7 In total the Commission has identified five governance reforms which it feels Lambeth Council should implement:

- **Gathering new ideas:** Given the financial challenges facing the council and the aspirations of the Co-operative Council, Lambeth Council needs to generate new ideas around better and more cost effective ways in which public services could be delivered. Rather than wait for these ideas to present themselves the Commission feels the council needs to actively seek them out through the use of clear processes and procedures.

In the first instance council staff should have innovation and the generation of new ideas as a core part of their role (this is discussed in more detail in paragraph 12.8) and pursue service innovation relentlessly through the organisations service and financial planning processes⁵⁸. In addition to these approaches the Commission also feels that the council should create complementary mechanisms which encourage co-operation between council departments as well as support innovation. One such complementary mechanism should be the development of a Lambeth Co-operative Champions Network which would consist of senior Directors and be led by an Executive Director. The role of the Co-operative Champions Network would be to invite staff, groups of staff or trade unions to co-operate with one another to develop new ideas as to how services could be delivered. These would then be presented to the network and those ideas deemed to be most promising would be taken forward by the relevant council departments through the organisation’s service and financial planning process.

In tandem with these internal processes the council and its staff also needs to become better at systematically capturing and reviewing new service delivery ideas from across the country. A variety of mechanisms are already in place within the council to support this including the Corporate Horizon Scanning Briefing, which sets out recent announcements and publications which have relevance to the council, e-Bulletins provided by Campaign and Communications Teams, and numerous Departmental Briefing mechanisms. The Commission believes that these briefings and bulletins need to be refocused to ensure they capture new thinking around public service delivery.

- **Non-financial incentives for staff:** Building on the proposal for incentives to encourage citizens to become involved in the design and delivery of council run public services (set out in section 9) the Commission believes that Lambeth Council should explore the potential use of non-financial incentives to encourage council staff to develop new and innovative ways in which council services could be provided. The Commission feels that non-financial incentives would be justified as council staff may be undertaking this development work in addition to their day-to-day duties. As with the incentives with citizens, the specific menu of incentives would need to be co-produced between the council and its staff but examples could include refocused or enhanced staff recognition and award schemes which are already in place within Lambeth Council.
- **Awareness of the “process”:** Often staff within Lambeth Council have exciting and interesting ideas about how to improve a public service, but are not sure how they can take

⁵⁷ The Government introduced the Localism Bill into Parliament on 13th December 2010. It includes a proposal for a ‘General Power of Competence’ which means that local authorities will be given the power to do ‘anything that an individual may do’. However, the Secretary of State will retain the power to increase or decrease powers of general competence

⁵⁸ Lambeth Council’s service and financial planning process develops the council’s budget and the various council department plans which set out how services will be improved and delivered each year.

their idea and start making it happen. The Commission therefore believes that Lambeth Council needs to commence a clear communications campaign, supported by senior managers, which ensures that council staff at all levels of the organisation know how they can take a new idea and develop it into a proposal which will deliver services differently. Well known council communication “brands” such as the “Making a Difference” campaign could be reformulated so that they become a way of raising people’s awareness of what steps they need to take.

- **Freedom to experiment – different approaches:** The Commission believes that through the council’s service and financial planning process there needs to be a greater willingness and more ambition to trial completely new approaches to delivering a service. In the past Lambeth Council has successfully piloted numerous new approaches to delivering a service⁵⁹. However, frequently the schemes trialled by Lambeth either replicate national pilot programmes or are relatively formal pilots, where a tried-tested methodology is adapted and applied to Lambeth. The Commission agrees that this is a valid approach to use, but the scale of the change the Co-operative Council approach requires will mean a wider range of methods will need to be available to council staff.

The Commission therefore argues that a range of approaches to trying a new method of public service delivery should be available to the public sector including piloting, modelling, simulation, prototyping and action-learning⁶⁰. Targeted training and support should be made available to staff to help them decide how best to trial their new ideas. The training element is discussed below in paragraph 12.8.

- **The Lambeth Innovation Exchange:** Throughout the Commission’s deliberation phase it has reviewed evidence around the potential benefits of setting up specialist units which promote innovation, take new ideas and develop them into new approaches to delivering public services. Some local authorities have already implemented this approach such as Kent County Council’s Social Innovation Lab. Other examples of this formal “laboratory” approach include Mind Lab in Copenhagen and organisations such as Participle and Think Public. Whilst these labs can be effective engines of innovation, the Commission believes that establishing a “specialist” innovation unit sends the wrong message as it would imply that being creative and thinking of new ways of delivering a public service is the job of just that unit, as opposed to all staff. This approach goes against the Co-operative Council’s belief that the best ideas for improving public services come when we work together.

The Commission does though agree with the principle that Lambeth Council needs employees, across the organisation who seek to develop new ideas, “think the unthinkable” and challenge conventional wisdom. Commissioners were particularly interested in the concept of creating a social network of staff who would act as a “virtual innovation lab”. This concept is being taken forward by local authorities such as Knowsley Borough Council and the Commission believes this model could be replicated at Lambeth Council. Called the Lambeth Innovation Exchange, staff would be invited to apply to this scheme through an open application process. Those who were successful would receive training and development opportunities, access to the latest thinking around new approaches to delivering public services and guidance on how this group can develop ideas into service transformation proposals. Two key challenges for this programme would be to ensure that it is not seen as an “elitist” team but rather a resource for services to help develop their thinking around improving public services. A second challenge would be to ensure this social network does not duplicate, but rather complements, the teams already in place to

⁵⁹ These have include tailored adult social care through the In-Control pilot scheme and X-it, a gang intervention project and the Diamond Scheme (a pilot to reduce reoffending), to name just three examples.

⁶⁰ For an explanation of these models, please see the Glossary.

manage the council's transformation programme, such as the Corporate Programme Management Office.

Developing the council's staff and recruiting the right people

12.8 Clear leadership and robust processes form only part of a holistic approach to enabling innovation in Lambeth. The Commission therefore agrees with the conclusions of Lambeth Council's Commission on Delivering Through People when it argued that creating an appropriate culture, which would help deliver the council's aspirations, needs to run through every stage of the employment cycle including recruitment and induction, and continuing through all subsequent interactions between the employee and the employer⁶¹.

- **The co-operative training programme:** The Commission is clear that Lambeth Council's staff are a key ingredient in making the Co-operative Council a reality. Many of the proposals contained within this report will require more people to possess a wider range of skills, which might include contract management, understanding of implementing regulation, service re-design and so on. Still other ideas will require new concepts to become commonplace within the organisation such as co-production and community-led commissioning. A training programme that supports the delivery of the Co-operative Council will be a key requirement if the council is to meet its co-operative ambitions. The Co-operative Council White Paper set out a number of training approaches that could be used. The Commission believes that these ideas should be developed further, using expertise from across the council, into a tailored programme for all staff across the organisation.

Given the financial constraints facing the public sector the Commission is not proposing that Lambeth Council add a series of new training courses to the council's existing training and development programme. Rather, the Commission recommends that Lambeth Council review its existing training and development programme, continue those elements that support the delivery of the Co-operative Council programme and decommission those that do not. The funding from decommissioned training could then be redirected to the Co-operative Council Training Programme. Outside of this formal training programme the Commission believes that learning and development opportunities will also be created as staff develop new working relationships and closer partnerships with other local authorities and the third sector, in pursuit of the co-operative council approach.

- **Performance appraisal:** In tandem with the use of training and development to provide staff with the competencies to deliver the Co-operative Council approach the Commission also believes that the council's annual performance appraisal system should be used to embed the principles and approach being advocated in the Co-operative Council. For example, this could entail setting managers with objectives around prototyping new approaches to delivering a service or re-commissioning a service through a community-led commissioning process. For frontline staff, objectives could be set around customer service provision or working with users to develop new ways to deliver services.
- **Recruitment:** The Commission has been struck by evidence which has shown that very few organisations make use of their recruitment policies to embed the right culture. For example, analysis undertaken by NESTA found that of the 850 organisations they surveyed only 29% sought to ensure people had characteristics and/or behaviours recognised as critical to innovation⁶². Whilst the council must seek to develop its existing workforce and empower them to be more innovative in the design and delivery of public services, the Commission feels the council should also review the job specifications of any future permanent positions. This will provide the space for the council to consider whether these specifications should be

⁶¹ Lambeth Council (2010) Commission on Delivering Through People

⁶² NESTA (2009) Everyday innovation: How to enhance innovative working in employees and organisations

amended to include competencies and behaviours which would demonstrate an individual's ability to think innovatively.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Revise and re-launch the organisation's corporate values as the Co-operative Council values, which set out the behaviours which all council staff will work towards.
- Implement a series of reforms which will encourage and support the development of creative and innovative new ways to deliver public services. These should include: the Lambeth Co-operative Champions Network, communications and training programmes and the Lambeth Innovation Exchange.
- Through the Co-operative Council Training Programme, work with existing staff to understand what skills and competencies they need to deliver services using the Co-operative Council approach.
- Ensure that all staff have relevant Co-operative Council objectives as a central part of in their performance appraisal.
- Review recruitment processes to ensure that potential new employees are required to show, through their recruitment process, that they have the competencies and behaviours required to support innovation and creative thinking.

Community-led innovation

12.9 Innovation and new ideas for public services should not only come from the public sector. The whole ethos behind the co-operative council is "co-operation" and the Commission is clear that a truly open culture, which enables new approaches to delivering public services, must also support the development of ideas from the community. The council does not necessarily have to be involved in the development or implementation of these ideas; however it should ensure that within Lambeth's towns and communities the council has done all it can to set the conditions for innovative new ideas to be heard, developed and, where viable, delivered. Enabling the community to innovate will also be critical as the public sector funding cuts, which have been announced by central government, mean there will be less capacity within the public sector to develop new ideas and realise them.

12.10 A key mechanism to enable community-led innovation will be the community-led commissioning process set out on page 26. Building on this the Commission believes that community-led innovation could be further supported in two key ways:

- Supporting local organisations and communities to try new approaches to tackling problems facing Lambeth.
- Facilitating local organisations to work in partnership to develop new ways of tackling a problem in their local area.

12.11 **Lambeth's co-operative challenge:** A number of national organisations, such as NESTA, have argued that a community-led approach to tackling local problems has many benefits.

These schemes set a high-level outcome that an organisation or area wishes to achieve and then runs an open competition for small organisations to submit ideas as to how they could tackle this problem in their local area. The idea behind this “mass localism” approach is that many small organisations, working and co-operating together, can have a big impact on a large problem. NESTA ran a national scheme based on these principles in 2009/10 with the single outcome of reducing CO₂ emissions. The result was the selection of 10 projects to take this work forward, many of which delivered significant reductions in CO₂ emissions.

The Commission believes that a similar borough-wide programme should be implemented by Lambeth Council, called Lambeth’s Co-operative Challenge. This would be funded through Lambeth Council’s budgets initially but with a medium term aspiration that future funding would come from a wider range of public sector organisations and external sources. As with the model advocated by NESTA, citizens and the council would work together to select a simple outcome which they want to achieve. Once this has been agreed Lambeth Council would invite local organisations to bid to be a part of this programme. Assessing bids would be undertaken in a co-operative fashion, with citizens and council staff working together. Organisations that are successful would be provided with funding as part of Lambeth’s Co-operative Challenge along with specialist support, from the council and local third sector organisations to help groups finalise their ideas and begin implementation.

The Commission feels that Lambeth’s Co-operative Challenge would be based on a similar approach adopted by NESTA, which had:

- an open access approach: Community groups were asked to submit ideas against very broad application criteria
- clear outcome and timetable: The programme was based around one simple outcome, combined with a tight timetable. Specification was also kept to a minimum.
- a staged process, support for idea development and graduated rewards: A series of stages were used with a smaller group of ideas taken forward each time and increasing levels of expertise and guidance were offered to help community groups which often needed technical advice and expertise.

12.12 **Supporting local organisations:** Throughout its deliberations the Commission has been impressed by the number of organisations and individuals within Lambeth that have creative ideas as to how local issues could be tackled. Many of these ideas will hopefully be developed within a community-led commissioning process. However citizens and communities should be able to develop and implement new ideas by themselves as well, using the expertise and specialism’s already available across the third and private sectors. Through its deliberations and research programme the Commission heard about the role “community brokers” could have to support and nurture new ideas and help them become a reality. These organisations and individuals seek to act as links between people with ideas and organisations which can help develop these ideas and make them a reality.

12.13 The Commission believes that these “community brokers” could play a useful role in supporting community-led innovation. A number of organisations already exist within the borough which fulfils this broker role, for example London Creative Labs. In order to maximise the skills of all these community broker organisations the Commission believes that Lambeth Council should work with community representatives and third sector organisations to co-produce and launch a forum which brings all these organisations together. Called the Co-operative Innovation Brokers Forum, this body would specialise in linking together citizens and groups with innovative ideas with organisations who have the expertise to develop and trial these new ideas. The Commission believe there may also be scope to link this forum with the

Government's proposals around community organisers and the National Citizens' Service scheme for young people⁶³.

- 12.14 The Commission also feels that Lambeth Council should play a role in supporting the establishment of this network, as well as offer venues and/or facilities to help this network operate. Ultimately however the Commission hopes that, building on the organisations already acting in this way in Lambeth, this group would be a community-run forum.

Case study: Brixton Re-Use Centre

Brixton Reuse Centre wants to transform a disused council-owned garage block into a building that houses social enterprises that repair and manufacture products from waste materials. It will create jobs and divert 200 tonnes of waste from landfill a year. The centre is being developed by Remade in Brixton, a working group of Transition Town Brixton, together with a group of reuse enterprises.

Predicted social returns include:

- diverting 200 tonnes of waste from landfill annually, including furniture, appliances, wood, bicycles, garden equipment, computers, musical instruments and textiles
- making affordable reused products available to local residents and organisations working with low income households and disadvantaged groups
- creating employment, training and volunteering opportunities in areas of responsibility including waste collection and management; repair, maintenance, technical and craft skills; sales, marketing and administration
- pioneering an innovative model for community-based reuse and recycling.

Case study: Green Valleys Community Interest Company⁶⁴

The Green Valleys project focuses on developing community-owned micro-hydro schemes, and improving the energy efficiency of homes in the Brecon Beacons National Park. By setting up community renewable energy schemes and reinvesting revenue in community-based carbon reduction projects, the project aims to make the region a net exporter of sustainable energy.

To date Green Valleys have installed a number of community-owned, hydro electric power turbines, just one of which will generate over 80% of the electricity needed by the local community. The project team also ran an intensive local campaign around climate change that ramped-up demand for alternative energy sources and resulted in a community owned organisation to run the project long-term.

As a result of the project, Green Valleys will reduce CO₂ emissions in the area by between 370 and 435 tonnes per year, a reduction of 20-23%. This impact is set to increase; with 40 hydro schemes planned to be installed in the next four years, Green Valleys could reduce emissions by 1,670 to 2,000 tonnes per year – the equivalent of over 500 households successfully meeting government's 2020 target of a 34% reduction in CO₂ emissions many years early.

⁶³ Cabinet Office (2010) Structural Reform Plan

Data and innovation

- 12.15 The final element of the Commission's thinking around public sector-led innovation focuses on use of data. This was not covered by the council in its Co-operative Council White Paper but it is an area which the Commission feels could be a source of significant service innovation that illustrates the values of co-operation. Open source public sector data (such as the London Datastore) allows social entrepreneurs, citizens and interested local organisations to review data held by the public sector. It also lets these groups create new service applications for members of the public and new analysis tools to help the public sector understand local need. Numerous examples of innovative new services can be seen in London alone. This includes real-time maps of the London Underground, which plot the locations of all trains; arts and culture mobile phone applications that provide people with updates on forthcoming events and citizen-led data mapping that allows people to map problem anti-social behaviour hot-spots. Many of these new services are developed by citizens using data made available to them by the public sector.
- 12.16 The Commission sees this as an area of real promise for the creation of new and better public services, developed by citizens. Therefore as part of the Co-operative Council agenda the council should explore current examples of how this open-data approach is being used across London and the UK to drive cheaper and better services.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Launch "Lambeth's Co-operative Challenge", which will seek to harness the creativity and ingenuity of local organisations and communities to develop new co-operative ways of tackling local and/or borough-wide problems
- Work with local organisations to design and launch the Co-operative Innovation Brokers Forum.
- Adopt an open-source approach to council data, thereby enabling citizens to develop new innovative online services and innovative data analysis tools for the borough.

⁶⁴ NESTA (2010) Mass Localism

13. Co-operative public sector management

The challenge

- 13.1 The discussions within this report have focused, so far, on the reforms the Commission believes are vital to creating a new settlement between citizens and the council. The Commission believes, however, that ultimately there needs to be a new settlement between the citizen and the state. As Lambeth Council only makes up a part of the local state⁶⁵ the full realisation of the Co-operative Council approach will only take place if the proposed co-operative way of delivering local services extends across all of Lambeth's public services. The challenge for Lambeth Council therefore is how this can be made a reality, particularly during a time of significant funding cuts, which can make it difficult for public sector organisations to work together co-operatively as they strive to deliver their own priorities against a difficult financial settlement.

Lambeth First and the co-operative borough

- 13.2 The desire of the Commission to extend the principles of co-operative working across the public sector is already being addressed in many ways within the borough. Lambeth First, the borough's Local Strategic Partnership (LSP), has for a number of years worked to bring the public, private and voluntary sectors together to improve the quality of life for citizens. Building upon the work of the Co-operative Council, the partner organisations in Lambeth First have already begun a discussion about developing "the Co-operative Borough". The aim of this work is to identify the ways in which co-operation and greater collaboration between public sector organisations can be taken forward. The Commission wholly endorses this approach and recommends that the council continue to work with Lambeth First on this agenda, using this Co-operative Council report as the basis for its contribution to this debate.

Contract for place – still needed?

- 13.3 In the Co-operative Council White Paper Lambeth Council set out its ideas about how the public sector could manage the joining up of local public services so that they could better meet the needs of local people. This approach was called the contract for place and consisted of the following elements, which would be agreed between central and local government:
- a series of proposed changes to public services and an explanation as to how this would improve them (these proposals would be based on a detailed review of a policy area or geographic area within Lambeth)
 - evidence of financial savings these changes would make and how these savings would be shared between local and central government
 - an agreed set of legislative and financial freedoms which would allow the council to make any changes it proposes.
- 13.4 Based on other proposals within this report and recent announcements from central government, the Commission is no longer convinced that a formal "contract for place" is necessary in order to embed greater co-operation between public sector organisations. Instead it believes that expanding community-led commissioning across public services in

⁶⁵ Other public sector organisations in Lambeth include the Police, local NHS, Job Centre Plus, Lambeth Living (the biggest local housing ALMO) and Lambeth College

Lambeth and embracing the Government's community budgets could deliver the same result in a more simple and effective way.

Expanding community-led commissioning

- 13.5 Building on the community-led commissioning concept set out above of this report the Commission believes this approach to designing public services could be trialled across the public sector in Lambeth. Therefore rather than just undertaking this process on a council service, Lambeth First could oversee the use of this approach for a policy area (for example, worklessness, youth services, poverty, environmental sustainability) which a number of public sector organisations are seeking to tackle.
- 13.6 Although the Commission believes that the explicit policy theme or geographic area should ultimately be left to Lambeth First to decide, it notes that there is a real opportunity to build on the Total Place pilot currently being undertaken in the borough, which is focused on the issue of worklessness.

Community budgets

- 13.7 Community budgets, announced as part of the government's Comprehensive Spending Review 2010, will pool central government budgets for a local area and provide it as a single grant. This proposal should make it significantly easier for the public sector to use funding in a more creative and co-operative way across the public sector, therefore making the development of innovative public services, which meet local need, more likely. The Commission therefore recommends that Lambeth Council study the 16 Community Budget pilot areas and make preparations to adopt this approach to local public sector finance. It is the Commission's belief that for such an approach to be successful, the Government needs to fully embrace the community budgets concept by allowing locally led commissioning bodies to take full control over all local public services.

Reducing bureaucracy

- 13.8 In addition, central government's work with local areas to try and reduce bureaucracy and legislative barriers is welcomed by the Commission, especially its engagement with the four Big Society pilot communities. One of the aims of the pilots is to remove barriers and provide advice to government about reducing bureaucracy and legislative barriers. The Commission cautiously welcomes this, however it is concerned that this support currently appears to be ad-hoc without any formalised approach for agreeing legal and regulatory freedoms. Therefore the Commission recommends that through the parliamentary debate on the Localism Bill, Lambeth Council should press the Government to clarify how this vital support to local government will continue as more areas seek to secure these freedoms.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Work with Lambeth First to undertake a pilot community-led commissioning process as part of the "Co-operative Borough" initiative. This pilot would focus on worklessness, which requires the support of a number of public sector organisations.
- Make all necessary preparations to implement Community Budgets within Lambeth.

14. Co-operative finance

The challenge

- 14.1 As set out earlier in this report, the Commission is firmly committed to the principles of co-operation as being the way forward for public services delivery. The Commission's view is that services which are based upon local need and are co-produced between citizens and the state will lead to better outcomes and improved service quality. In this respect therefore the Commission agrees with Lambeth Council that this approach to designing and delivering public services is the right approach regardless of how much funding is available in the public sector. Therefore, even if Lambeth Council was not facing its biggest cuts in funding in over 60 years, this Commission would still be advocating the proposed changes set out within this report.
- 14.2 Whilst the Commission feels the Co-operative Council approach is correct, it does recognise that this move to a more co-operative way of designing and delivering public services will require some initial investment. It will also take time to be realised as many of the mechanisms and policies which will support this new way of working are not currently in place. The issues of transition costs and the efficiencies that co-operative working could generate are set out below.

Transition costs and sources of finance

- 14.3 The Commission recognises that many of the recommendations in this report demand investment from Lambeth Council. What has been beyond the remit of the Commission however, is an assessment as to which elements of the Co-operative Council report can be funded by redirecting current resources to new areas of work and which elements will need new funding. The Commission therefore recommends that Lambeth Council, as part of its work to develop a detailed implementation plan for the Co-operative Council, undertakes a financial assessment of the recommendations within this report to understand the overall cost of these proposals and identify a funding package to support the implementation of the Co-operative Council. The financial assessment would need to consider the council's equality duty and its obligations to have due regard to promoting equal opportunities, eliminating discrimination and promoting good community relations. It would also need to ensure that financing of this initiative should not be at the expense of employees' jobs.

Sources of funding

- 14.4 Throughout the Commission's deliberations a number of potential sources of funding were identified which could be used to support the transition of Lambeth Council to become the country's first Co-operative Council. These include:
- **Public sector:** Limited funding from Lambeth Council Transformation Fund⁶⁶. The Commission also feels the council should explore using municipal bonds for Lambeth. (For example, TFL raised £600 million using this approach.)
 - **Public sector (available to VCS):** Big Society Bank, Communitybuilders, limited EU funding opportunities.
 - **Social finance:** Social Impact Bonds, Social Investment Bonds, social enterprise start-up loans from companies such as "The Social Investment Business".

⁶⁶ Lambeth Council Transformation Fund is a scheme that is used to help radically reshape services to improve their performance and value for money.

- **Private sector:** Corporate Social Responsibility (CSR) funds.
- **Credit union/social bank:** Government legislation due to come into effect in 2011 will enable credit unions, e.g. London Mutual, to accept corporate customers.

14.5 As part of the detailed financial analysis and development of an implementation plan for the Co-operative Council, the Commission believes that Lambeth Council should undertake an assessment of these sources of finance and determine which, if any, could be used to aid its development.

How the co-operative council can help to generate savings

14.6 The Commission recognises that Lambeth Council will need to address its financial savings targets alongside investment in the Co-operative Council approach to designing and delivering services. Making savings is not the aim of the Co-operative Council approach to designing and delivering services. As set out above, the Commission would recommend this approach regardless of the financial position the public sector is in. However, the Commission is confident that the Co-operative Council approach will lead to more effective public services, which in some instances will also mean that they are cheaper to deliver. This assessment is based upon a range of evidence used by a variety of think tanks and government departments to support greater use of co-production and co-operation in public services. Examples frequently cited include:

- **Personal budgets:** Analysis undertaken by Demos on personal budgets for Adult Social Care involving 10 local authorities found that, as well as providing a more responsive service, personal budgets led to average savings of 10%-15% across the 10 local authorities. In some areas this was significantly higher⁶⁷.
- **Adult social care:** Local Area Co-ordination (LAC) is a model developed in Australia. Co-ordinators work with individuals to improve their social care by identifying existing local networks and resources (such as a church group, library or local time bank) which can meet their needs. Evaluations of the LAC service in Australia have demonstrated a 30% reduction in costs as part of a move towards a preventative service⁶⁸.
- **Children's services:** Nurse Family Partnerships is a scheme developed in the USA (which are currently being piloted in the UK) which aims to put in place a co-operative relationship between the nurse and the families they work with, as well as develop parenting skills. Working together the nurse provides support and coaching on a range of issues, from feeding, nutrition and literacy to sexual health, employment and safety. Evaluation of the programme has shown that financially each \$1 invested in the programme provides savings of between \$2.50 and \$5.70 in preventative costs across criminal justice, education, welfare and health⁶⁹.
- **Tackling worklessness:** Sunderland Council introduced a new programme to tackle worklessness. As a result 238 people moved back into employment saving the council, in cost avoidance, an estimated £255,000. Looking wider, the longer term savings are even more impressive with DWP analysis suggesting that long term unemployment can lead to the state spending around £62,000 supporting the average person back into work. The Sunderland programme cost £5,000 per person⁷⁰. Similarly Lambeth First has carried out

⁶⁷ Leadbeater, C., Bartlett, J. Gallagher, N. (2008) Making It Personal, Demos

⁶⁸ Boyle, David et.al (2010) Right Here, Right Now, New Economics Foundation

⁶⁹ ibid

⁷⁰ Gillinson, S. (2010) Radical Efficiency: Different, better, lower cost public services, NESTA

research on its Future Jobs Fund (FJF) programme to understand the cost of worklessness and how programmes such as FJF could help to create work opportunities for young people. Initial figures show that approximately 40% of the people leaving the FJF programme will secure further employment. If those individuals maintain their jobs for a 12 month period, they will save the borough over £1.2 million in Job Seekers Allowance, Council Tax, Housing Benefits and prescriptions alone⁷¹.

- **Better healthcare:** An analysis of the Expert Patient programme showed that it reduced visits to GPs consultations by 7% and to A&E by 16%, saving between £27 and £58 per avoided consultation, before prescription costs, and £84 for each patient diverted from A&E. The figures for a disadvantaged area such as Newham in south-east London are spectacular, with half the patients reducing their visits to hospital⁷².

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Undertake a full assessment of the Co-operative Council proposals and the sources of finance which could be used to fund the transition to this approach of designing and delivering public service. This should include an assessment of council funds and elements which will need funding from external sources.

⁷¹ For Lambeth the cost of 131 individuals taking part in the FJF programme was £851,500. However when looking at the savings figures, they do not take into account any life circumstances that could make the cost savings higher, such as having children, health implications or being involved in criminal activity. In addition it does not include the financial benefit they provide to the local area through being in employment through paying council tax, national tax and insurance nor does it take into account the amount of money that they will spend in the local area.

⁷² Boyle, D (2009) The Challenge of Co-Production, new economics foundation

15. Ensuring high quality co-operative services

The challenge

- 15.1 The Commission believes that the changes in the design and delivery of services set out in this report will lead to improvements in service quality, help public services address future challenges and make it easier for services to address complex and chronic problems for our communities. Increased citizen involvement in services and greater empowerment for those delivering services to innovate will be the key drivers for this improvement. The Commission also recognises the strength of feeling from residents, who reported throughout the consultation, that regardless of how public services are delivered in the future they must be delivered equitably and are of a sufficiently high standard.
- 15.2 To ensure that services continue to be delivered equitably and to a high standard, and to manage the risks inherent in this approach, the Commission believes that a service quality regime consisting of two elements needs to be put in place. These are:
- A framework of checks and assurances to ensure that citizens can be confident that services are of sufficient quality and accessible.
 - Greater transparency of, and accessibility to, council and/or service data for residents.
- 15.3 These two elements will require public services to be more open with Lambeth's citizens. It will also require them to balance the increased autonomy they receive with appropriate levels of monitoring to assure all stakeholders that services are delivering.

Improvement within services

- 15.4 The Commission believes that the most appropriate people to identify problems and solutions for service improvement are the service users and the staff delivering a service. Performance information needs to be available to those with the power to change services and this report has discussed a range of proposals to empower staff and service users to innovate and improve services, increasing their ability to make changes in how services work.
- 15.5 The Commission feels it is no longer appropriate that services be required to report large amounts of information or performance data only to senior managers, or, for senior managers to be the only ones held to account on specific details of service provision. Increased transparency and accessibility of service data will facilitate greater scrutiny by residents, community groups and service users. The Commission believes that in order to improve services, those delivering these services should take on greater responsibility for improving them when challenged by service users, citizens and stakeholders about the quality of their service.

Accountability and improvement for all services

- 15.6 While citizens and those delivering services would have increased responsibility for the quality of particular services the Commission believes that the responsibility for the overall quality, prioritisation and outcomes of services needs to be more equally shared between citizens and the political and senior public sector leaders within the borough. Together, it is their responsibility to ensure that the medium to long term priorities set for public services in the borough are met and that services are equitable.
- 15.7 In keeping with the Commission's view that the information reported should be aligned to responsibility, there should not be a requirement for detailed performance information on the

majority of services but instead requirements information to demonstrate progress towards outcomes and assurance that services are equitable and well managed. The Commission therefore believes that the council should work with citizens to develop a more mature approach to assess the organisational capability of service providers. This should examine the extent to which an organisation is able to deliver on agreed outcomes, including community engagement and equal access to services, and not focus solely on the service outputs but on the structure, culture and capacity of the service provider. These assessments are looking for reassurance that the organisation has the ability and necessary components in place to deliver a public service. These assessments should not be punitive or seek to assign fault to services; instead, they should be used to target support to service providers which increases services' ability to improve and innovate themselves, and be undertaken in support of community-led commissioning.

- 15.8 The Commission believes that a co-produced, mature model for ensuring quality and improvement effectively uses the skills and capacities of our communities, staff and leadership.

Open data and citizen involvement

- 15.9 There is a clear drive across the public sector to make information easier to access, understand and use. Described as "Open data" its intention is to genuinely open up data in the public sector to enable the scrutiny of services. Allowing more people to access, review and manipulate data not only creates a greater sense of openness, but will also enable the council to receive new insights as citizens will look at the data in different ways and identify issues which Lambeth Council, on its own, would have not identified.
- 15.10 The Commission believes that this approach would be vital to improving the quality of council services as it would enable citizens to support the development and improvement of the services they use. The aim should be that information is available in as close to real time as possible so that service users can relate their experiences to wider information on service delivery. This will enable citizens to effectively distinguish between isolated instances of service failure and problems based in service processes or design and therefore make an assessment as to the most effective way to influence service improvement.
- 15.11 In seeking to build this "feedback loop" between citizen experience, service data and service provider, the Commission believes that the council should explore the development of a co-operative information sharing network. This network would provide a mechanism for Lambeth Council to ensure that feedback arising from the availability of data can have a real impact on the quality of services.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Work with its citizens, staff, local partners and regional sectoral partners to develop a more mature model of service improvement which will underpin Lambeth Council's approach to ensuring the quality of local services is maintained.
- Work with other public service providers to examine approaches to open data with the aim of providing as much service performance data and information in as timely a manner as possible to citizens and stakeholders.
- Explore whether it would be possible to establish an information sharing network,

where council data is made accessible to citizens and feedback on service quality can be gathered.

Delivering the Co-operative Council

16. Co-operative Council early adopters

- 16.1 In order to make the content of the Commission's deliberations, conclusions and recommendations come to life it is essential that Lambeth Council now makes real the intent and moves to transform services. The council must put the concepts into practice by identifying the first wave of service that will move to a new co-operative delivery model. The council will be able to learn from these 'early adopters' before expanding the model to further waves of services as it transforms its relationship with the community.
- 16.2 During the life of the Commission, the context in which this work has developed has changed significantly since the concept of piloting the approach was discussed. The changes to national government have provided some opportunities (notably through the Localism Bill) for local government to operate differently and to encourage and enable more co-productive ways of working. However, and more significantly, the deep funding cuts imposed on the council in the Government's comprehensive spending review and subsequent settlement have forced the council into a position of having to implement more fundamental service transformation faster than had been anticipated. The direct impact of that on the work of the Co-operative Council pilots is that they cannot any longer be formal pilots, where the approach is trialled, tested and formally evaluated over time. Lambeth Council needs to transform service more quickly and that while this presents greater risk, the council can learn faster from success and failure in implementing the changes. This requires the council to be far more radical and ambitious; pushing the boundaries of existing service models and embracing the concepts of co-operation quickly to secure better outcomes for local people.
- 16.3 The Commission believes it is imperative that the areas of the business that start the transformation to co-operative models are tested and business cases drawn up to assess the potential for the transformation. Where possible, these should be co-produced with citizens, and supported by council staff to build understanding and collaborative ways of working. The Commission believe that the following criteria should be used as an initial filter to services, projects and ideas to ensure that the services going forward as early adopters are able to maximise their impact:
- That the area of work is a priority for the council and residents.
 - That the area of work is likely to deliver long term savings and the investment is likely to be cost effective and affordable.
 - That the area of work has potential to enable organisational learning to support wider transformation towards co-operative council approach for other services.
 - That the overall package of early adopters is balanced and includes community-driven proposals, as well as key areas of the council's core business.
- 16.4 Following this initial filtering, the Commission believes that the council should implement the following proposals, as **a first wave of immediate early adopters**, from which a strong base of evidence can be drawn to support further and more complex implementation. These projects and services build on existing practice which is already co-operative in part, they should be used to push ambition, innovation and the council should move to transform them within the very short term. They should be used to build understanding for the rest of organisation to build co-operative working practices and provide the routes for change. As a result, they are in some cases small-scale to allow for prototyping as well as whole scale systemic change.

- 16.5 These first phase, early adopter, projects should as a minimum include the following. As a way of learning about transitions to different ownership models, the following will undertake changes to the ownership of the service:
- **Lambeth Resource Centre**, a day centre providing services for people with disabilities is already becoming a user or employee-led mutual, independent of the council but providing services for the council and selling those services to others, building on the excellent engagement practice that it already undertakes.
 - **Youth Services** will be re-commissioned, using the community-led commissioning model described in this report, potentially becoming a trust or equivalent bringing a closer partnership with local people to find locally driven solutions and community-owned opportunities for young people.
 - That the **Living Space café**, in the north of the borough, is supported to implement its proposals to develop a partnership approach to the delivery of youth provision, becoming a social enterprise or equivalent.
 - To support the development of long term, sustainable model of delivering play services, that the council looks to transfer ownership of managed **Adventure Playgrounds** to a social enterprise or Trust.
 - The **Crown Lane children's centre**, which delivers a successful programme of activity and support for children and families, will focus on developing and implementing different ownership models and look to share ownership with local people more equally, enabling the transition into a different model of ownership on a formal basis.
- 16.6 In order to increase civic participation and engagement, the council should as part of this first phase:
- Develop the **Lambeth Co-operative Council incentive scheme**, set out in section nine of this report. This would involve co-producing a menu of incentives and linking this scheme to the proposed borough-wide electronic currency. The scheme itself would be delivered on the principles of time-banking and would seek to encourage greater levels of civic participation. This scheme is designed to reward people for taking a more active role in their community and to help encourage engagement, involvement and participation, and to secure the involvement of more vulnerable groups who would otherwise be unable to contribute.
 - Work with the **Lambeth Forum Network** to achieve their ambitions for community hubs.
 - Develop the **community facilitator programme** through the Local Strategic Partnership, working with local people and staff from across the borough to train and support them in becoming community connectors – working effectively to bring people and organisations together to develop solutions for local neighbourhoods and to support and underpin the new settlement between local people and the state.
- 16.7 To develop the approach to **community-led commissioning**, Lambeth Council should continue to work with organisations in the Southbank and with the Herne Hill Forum, to explore neighbourhood approaches to designing and delivering the full range of public services, including regeneration, public realm and building community capacity, so citizens can support needs assessment and move to leading the commissioning processes. This approach should also be extended to the Stockwell partnership as part of the early adopter programme.

- 16.8 To support the **community acting autonomously** Lambeth Council should develop and extend Community Freshview, where local people act together to solve local environmental problems in their very local neighbourhood, across the borough. We also propose that the council work with Brixton Green to explore different ways of engaging with the local community. .
- 16.9 **To build on existing work**, the council should continue its work with the large Portuguese community resident in the borough. In 2009, a unique partnership was forged between a steering group of local Portuguese community activists, The Capital Community Foundation, The Ambassador of Portugal and Lambeth Council. The purpose of this partnership was to develop a sustainable social infrastructure for our growing Portuguese community. The Commission supports the continuation of this by facilitating and investing resources into this work with the explicit aim of providing community facilities, which are owned and managed by the Portuguese Community.
- 16.10 The Council's current corporate priority to **develop personalised care** – focusing on services provided for adults through the Adult and Community Services department has significantly changed the relationship between some service users and the council, as users take more control of their own service choices and the provision is increasingly co-designed. This existing work will be continued as an early adopter, and expanded to explore the impact of groups care users into micro-mutuals of budget holders sharing a similar objective in their care, or who have some other important characteristic in common such as ethnic background, faith community or living in the same place.
- 16.11 The final early adopter should be used to test and develop alternate finance models. To do this, the Commission suggests that the Council should support the **Integrated Offender Management** programme, which provides rehabilitative support for some of the most vulnerable residents by working better across different organisations, as it adopts social impact bonds as a way of funding the provision.
- 16.12 In addition the Commission believes that the council could also learn from the **Lambeth Living Well** initiative and the co-operative way of working being undertaken by DASL to develop a **Centre for Independent Living** in the borough, as exemplars in service change of the kind Lambeth should seek.
- 16.13 These early adopters are only the first phase of a significant and major programme of transformation which the Commission believes is necessary if the ambition of the Co-operative Council is to be realised. The council needs to move quickly to extend this transformation into other services and as such should move to quickly implement a further phase of services and projects which will be at the vanguard of the change. Some of these ideas feature elsewhere in this report, but they should not be limited to those and the Council needs to be as radical and ambitious as possible.
- 16.14 These services should focus on those which are intended to build community and organisational capacity to deliver services differently. These could include:
- Working with citizens to design and implement a co-produced performance framework based on **open data**, where citizens are genuinely at the heart of the assessment of service quality, drive improvement and can help to innovate.
 - Exploiting the opportunities provided by technology, to develop, with citizens, better and more accessible ways with which to support dialogue, co-design and co-production of services using mechanisms such as “**hack days**” where service users, service providers and technological experts are brought together to develop ideas for new ways of delivering the services.

- Finding ways to routinely work with citizens to prototype and test different service models allowing **small scale innovation** in services to grow and develop into more fundamental shifts in the way in which things are currently undertaken.

16.15 Finally, in order to truly grasp the ambition to become a Co-operative Council, the Commission believes that only when significant areas of council services are provided co-operatively will the aspiration be realised. To that end, as a third phase, the council should transform the way in which key services and functions are delivered to ensure they are delivered in more equal partnership with local people. The Commission considers that this should include testing the feasibility of changing the following service areas within the short to medium term:

- Explore the possibility of adopting **co-operative models for housing ownership and management** by engaging with estates and neighbourhoods to explore which models best suit their needs.
- Test the feasibility of establishing a **mutual libraries trust** to run the council's library service, and agree that any libraries that are closed as a result of Government spending cuts are offered to the community to run as independent trusts.
- Undertake to support **community-owned or run parks and open spaces** by identifying a park that can act as a pathfinder and be handed as a trust to community ownership.
- The creation of a "**family house**" where culturally sensitive services are co-produced and provided for the whole community.
- Enable groups of **schools** to come together as education trust, and support schools that wish to become **co-operative trust schools** following the model which is already successful in other parts of the country.
- Introduce more comprehensive and genuine participatory budgeting.
- Identify a neighbourhood that wishes to become a "**Community Improvement District**" along the lines of a Business Improvement District to secure funding to deliver a benefit required by that community and for which they are prepared to pay or fund-raise.
- Transfer the council newspaper, **Lambeth Life**, to a more co-operative form of ownership and publication.

16.16 All these early adopters are set out in Annex A of this report on page 78.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Endorse the three phased approach, with early adopters and action learning projects, starting the transformation being followed by a further two waves of implementation to support whole-council change.
- Agree to the projects set out in section 16 as initial Co-operative Council early adopters for 2011 and to build into the implementation plan more detail about those

areas of business to be included in further waves of implementation.

17. Implementing the co-operative council – the next steps

- 17.1 Within this report the Commission has set out its conclusions and recommendations as to how Lambeth Council could become the UK's first Co-operative Council. These changes affect every aspect of the council and how it works with its citizens, including: its principles and approach to deliver council services, its structures, processes, methods of management; and crucially its relationship with its citizens. The report also sets out a new role for citizens where they work in a much more active way with the council to design and deliver public services.
- 17.2 The Commission firmly believes that these changes are both realistic and deliverable. However it is also clear that they will not all happen overnight and the Co-operative Council represents a long term programme of change for Lambeth Council and the borough's citizens. Whilst some changes need to happen quickly, such as the first wave of the Co-operative Council Early Adopters (set out in section 16), the Commission is of the view that the entire Co-operative Council approach will take up to ten years to be fully realised within Lambeth. To ensure focus on this initiative remains over the forthcoming decade, the Commission is of the strong opinion that the Co-operative Council approach to designing and delivering council services must become a core part of the council's main service and financial planning mechanism. Each council department must be able to show how more of its services are adopting a co-operative way of working year on year.
- 17.3 In order to guide the implementation of the Co-operative Council the Commission believes that Lambeth Council should work with its staff and citizens to develop a Co-operative Council Implementation Plan. This plan would set out in detail how the council would take forward the recommendations contained within this report as part of its annual planning processes.
- 17.4 In developing the Implementation Plan the Commission also believes that Lambeth Council should immediately focus on a different type of engagement, and that the plan should be genuinely co-produced with members of the community. This shift in engagement should be used to drive full implementation and to ensure that local people are at the heart of the change.

Recommendations

The Co-operative Council Citizens' Commission recommends that Lambeth Council should:

- Develop a Co-operative Council Implementation Plan by summer 2011 which sets out how the council will begin realising the Co-operative Council.
- Ensure community engagement with citizens drives the implementation.

Annex A: Co-operative Council early adopter table

Co-operative Council: Phase One – Expanding Co-operation		
Aim	Service/Project	Focus of Early Adopter
Building on existing examples of co-operation	Community Freshview	To support the community acting autonomously Lambeth Council should develop and extend Community Freshview, where local people act together to solve local environmental problems in their very local neighbourhood, across the borough. We also propose that the council work with Brixton Green to explore different ways of engaging with the local community.
	Community Facilities	The council should continue its work with the large Portuguese community resident in the borough. In 2009, a unique partnership was forged between a steering group of local Portuguese community activists, The Capital Community Foundation, The Ambassador of Portugal and Lambeth Council. The purpose of this partnership was to develop a sustainable social infrastructure for our growing Portuguese community. The Commission supports the continuation of this by facilitating and investing resources into this work with the explicit aim of providing community facilities, which are owned and managed by the Portuguese Community.
	Personalised adult social care services	The Council's current corporate priority to develop personalised care – focusing on services provided for adults through the Adult and Community Services department has significantly changed the relationship between some service users and the council, as users take more control of their own service choices and the provision is increasingly co-designed. This existing work will be continued as an early adopter, and expanded to explore the impact of groups care users into micro-mutuals of budget holders sharing a similar objective in their care, or who have some other important characteristic in common such as ethnic background, faith community or living in the same place.
	Lambeth Living Well Centre for Independent Living	In addition the Commission believes that the council could also learn from the Lambeth Living Well initiative and the co-operative way of working being undertaken by DASL to develop a Centre for Independent Living in the borough, as exemplars in service change of the kind Lambeth should seek.
Test new ownership model	Lambeth Resource Centre	The Lambeth Resource Centre is already becoming a user or employee-led mutual, independent of the council but providing services for the council and selling those services to others, building on the excellent engagement practice that it already undertakes.

	Youth Services	Youth services within the borough will be re-commissioned, using the community-led commissioning model described in this report, potentially becoming a trust or equivalent bringing a closer partnership with local people to find locally driven solutions and community-owned opportunities for young people.
	Living Space café	That the Living Space café, in the north of the borough, is supported to implement its proposals to develop a partnership approach to the delivery of youth provision, becoming a social enterprise or equivalent.
	Adventure Playgrounds	To support the development of long term, sustainable model of delivering play services, Lambeth Council will look to transfer ownership of managed Adventure Playgrounds to a social enterprise or Trust.
	Crown Lane children's centre	The Crown Lane children's centre, which delivers a successful programme of activity and support for children and families, will focus on developing and implementing different ownership models and look to share ownership with local people more equally, enabling the transition into a different model of ownership on a formal basis.
Increase civic participation and engagement	Lambeth Co-operative Council incentive scheme	Develop the Lambeth Co-operative Council incentive scheme, set out in section nine of this report. This would involve co-producing a menu of incentives and linking this scheme to the proposed borough-wide electronic currency. The scheme itself would be delivered on the principles of time-banking and would seek to encourage greater levels of civic participation. This scheme is designed to reward people for taking a more active role in their community and to help encourage engagement, involvement and participation, and to secure the involvement of more vulnerable groups who would otherwise be unable to contribute.
	Lambeth Forum Network	Work with the Lambeth Forum Network to achieve their ambitions for community hubs.
	Community Facilitator Programme	Develop the community facilitator programme through the Local Strategic Partnership, working with local people and staff from across the borough to train and support them in becoming community connectors – working effectively to bring people and organisations together to develop solutions for local neighbourhoods and to support and underpin the new settlement between local people and the state.
Council and citizens working together	Community-led commissioning	To develop the approach to community-led commissioning, Lambeth Council should continue to work with organisations in the Southbank and with the Herne Hill Forum, to explore neighbourhood approaches to designing and delivering the full range of public services, including regeneration, public realm and building community capacity, so citizens can support needs assessment and move

		to leading the commissioning processes. This approach should also be extended to the Stockwell partnership as part of the early adopter programme.
Alternative models of finance	Integrated Offender Management	The final early adopter should be used to test and develop alternate finance models. To do this, the Commission suggests that the Council should support the Integrated Offender Management programme, which provides rehabilitative support for some of the most vulnerable residents by working better across different organisations, as it adopts social impact bonds as a way of funding the provision.
Co-operative Council: Phase Two – Early Adopters		
Aim	Service/Project	Focus of Early Adopter
Service transformation	Performance management	Working with citizens to design and implement a co-produced performance framework based on open data, where citizens are genuinely at the heart of the assessment of service quality, drive improvement and can help to innovate.
	Electronic services	Exploiting the opportunities provided by technology, to develop, with citizens, better and more accessible ways with which to support dialogue, co-design and co-production of services using mechanisms such as “hack days” where service users, service providers and technological experts are brought together to develop ideas for new ways of delivering the services.
	Small scale innovation	Finding ways to routinely work with citizens to prototype and test different service models allowing small scale innovation in services to grow and develop into more fundamental shifts in the way in which things are currently undertaken.
Co-operative Council: Phase Three – Early Adopters		
Aim	Service/Project	Focus of Early Adopter
Test new ownership model	Housing	Explore the possibility of adopting co-operative models for housing ownership and management by engaging with estates and neighbourhoods to explore which models best suit their needs.
	Libraries	Test the feasibility of establishing a mutual libraries trust to run the council’s library service, and agree that any libraries that are closed as a result of Government spending cuts are offered to the community to run as independent trusts.

	Parks and open spaces	Undertake to support community-owned or run parks and open spaces by identifying a park that can act as a pathfinder and be handed as a trust to community ownership.
	Schools	Enable groups of schools to come together as education trust, and support schools that wish to become co-operative trust schools following the model which is already successful in other parts of the country.
	Regeneration	Identify a neighbourhood that wishes to become a “Community Improvement District” along the lines of a Business Improvement District to secure funding to deliver a benefit required by that community and for which they are prepared to pay or fund-raise.
	Council Communications	Transfer the council newspaper, Lambeth Life, to a more co-operative form of ownership and publication.
Council and citizens working together	Community-specific services	The creation of a “family house” where culturally sensitive services are co-produced and provided for the whole community.
	Council budget process	Introduce more comprehensive and genuine participatory budgeting.

Annex B: Contributing organisations

The following organisations have provided evidence to the Co-operative Council Citizens' Commission either through written submissions, oral evidence at a Commission meeting or involvement in one of our Co-operative Council Stakeholder Events.

Organisations

ACEVO
Advocacy Partners
Age Concern Lambeth
Amardeep Asian Mental Health Service
Art4Space
Ascension Trust
Black and Ethnic Minorities Diabetes Association
Blackfriars Settlement
Brixton Society
Business Link
Carers' Hub Lambeth
Cathedral of Revival
Choice Support
City of London Almshouses
Clapham District Woodcraft Folk
Clapham Park Project
Clapham Park Time Bank
CLiO Ltd
Commissioning Support for London
Cool Tan Arts
Co-operatives UK
Crossroads Care – South Thames
Crystal Palace Community Foundation
DEMOS
De Montford University
Disability Advice Service Lambeth (DASL)
Ed-bus.com
Ekarro Housing
Ethiopian World Federation
Family Mosaic
Fanon Mental Health
Fast London
Flipside
Foundation 66
Foundation Training Company
Friends of Carnegie Library
Friends of Windmill Allotments
Headway
Herne Hill Forum
Heron Trinity Community Trust
Hestia
Hillside Services
High Trees Community Development Trust
HM Treasury
Gasworks
GMB

Guy's and St. Thomas' NHS Foundation Trust
Imagine
Innovation Unit
Ipsos-Mori
Job Centre Plus
Joy of Sound
K3 Media
Kennington, Oval and Vauxhall Forum
Kids' City
King's College London
King's College Hospital NHS Foundation Trust
King's Health Partners
Ladies of Substance
LAMA
Lambeth Asian Centre
Lambeth College
Lambeth Community Advocate Network
Lambeth Community Health
Lambeth Council
Lambeth Council Conservative Group
Lambeth Council Liberal Democrat Group
Lambeth Family Link
Lambeth Forum Network
Lambeth Green Community Champions
Lambeth Link
Lambeth Living
Lambeth Mencap
Lambeth Mental Health and Disabled Peoples Action Group
Lambeth PBC Collaborative
Lambeth Police
Lambeth South Deanery
Lambeth, Southwark and Lewisham Local Optical Committee
Lambeth Voluntary Action Council
Lambeth Women's Aid
Latinos American Housing Co-operative Ltd
Lewisham Council
Life Project
Lilford Area Residents
Lilford Area Residents Association
London Community Performing Arts
London Ecumenical Aids Trust
London Mutual
London School of Bionymic Psychotherapy
London School of Economics and Political Science
Lost Theatre
Metropolitan Housing Trust
Millenium Healthcare Services
Muslim Sisters Jamaat
Mutual Advantage
Mutuo
NACRO
New Economics Foundation
New Local Government Network
NHS Lambeth
Norwood Forum

Oasis UK
Olympic Delivery Authority
One Housing Group
Office for Public Management
Options 4 Change
Paxton Green Time Bank
People First Lambeth
Pop Up Shops
Rathbone
Raw Material/Raw Sound System
Resolution Foundation
Respublica
Ruskin Readers Adult Literacy Club
SaCH Practice Based Commissioning Consortium
Sanctuary Carr-Gomm
SE5 Forum for Camberwell
Serco
Shaftesbury
Shaka Services Limited
Shared Intelligence
Sharp
Slivers of Time
Social Enterprise London
Solace Women's Aid
Somali Care Agency
SORAG Care Agency
South Bank Employers Group
South London and Maudsley NHS Foundation Trust
Spice
Southside Partnership
Southside Rehab Association
St Mungo's
Streatham Action
Streatham and Clapham Health (South West PBC Group)
Stockwell Community Development Trust
Stockwell Partnership
Tesco
The Equality Trust
The Hyde Group
The Young Foundation
Time Bank Lambeth
Thamesreach
Transition Town Brixton
Transport for London
Turning Point
UNISON
UKBA
Vauxhall City Farm
Veolia
Victim Support (Lambeth and Southwark)
Vietnamese Mental Health Services
Waterloo Action Centre
Waterloo Quarter Business Improvement District
Women's Resource Centre
Youth Council

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Glossary

Action learning: A method of collaborative learning where a small group of learners (an 'action learning set') meet regularly to reflect on real work issues.

Best Value: Best value provides a framework for the planning, delivery and continuous improvement of local authority services. The overriding purpose is to establish a culture of good management in local government for the delivery of efficient, effective and value for money services that meet users' needs.

Big Society^{*73}: A policy created by the Coalition Government intended to put more power and opportunity into people's hands. This will take the form of devolving power to local government, encouraging people to take an active role in their communities, and supporting co-operatives, mutuals, charities and social enterprises.

Civil society: Comprised of voluntary civil and social institutions that are distinct from state and market institutions. Civil society includes: charities, neighbourhood self-help schemes, international bodies like the UN or the Red Cross, religious-based pressure-groups, human rights campaigns, non-governmental organisations improving health, education and living-standards.

Co-design: An approach that ensures all stakeholders are involved in the design of a service, particularly service users.

Commissioners: Members of the Co-operative Council Citizens' Commission.

Commissioning: Commissioning is the cycle of assessing the needs of people in an area, designing and then achieving appropriate outcomes.

Community capture: Also referred to as sectional capture. By this we mean when certain sections of the community take over at the expense of others. In practice, this may take the form of dominating discussion or consultation, often in the process silencing those in the minority.

Community champion: An individual who has taken the lead in grass-roots level community action.

Community Interest Company^{*}: A limited company with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. This is achieved by a 'community interest test' and 'asset lock', which ensure that the CIC is established for community purposes and the assets and profits are dedicated to these purposes.

Co-operative: An autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

Co-production: An approach that focuses on delivering public services in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours. Where activities are co-produced in this way, both services and neighbourhoods become far more effective agents of change.

Equality Impact Assessment: A statutory requirement for identifying the potential impact of a council's policies, services and functions on its residents and staff from an equalities perspective. It

⁷³ Definitions for terms marked by an asterisk (*) have been sourced from Social Enterprise London's 'Transitions'

can help staff provide and deliver excellent services to residents by making sure that these reflect the needs of the community.

Ethnographic Research: Ethnography is a social science research method. It relies upon up-close, personal experience and possible participation, not just observation, by researchers trained in the art of ethnography.

ICA: The International Co-operative Alliance

Index of Multiple Deprivation: This tool identifies areas of multiple deprivation at the small area level. Though not directly comparable, each index is based on the concept that distinct aspects of deprivation such as income, employment, education and health can be identified and measured separately. These aspects, sometimes referred to as 'domains', are then aggregated to provide an overall measure of multiple deprivation and each individual area is allocated a deprivation rank and score.

Mass localism⁷⁴: An approach developed by NESTA by which central and local government can encourage widespread, high quality local responses to major social challenges.

Maturity Model: A maturity model provides a systematic framework for carrying out benchmarking and performance improvement.

Mutual: Mutuals are organisations that are owned by, and run for the benefit of, their current and future members. Mutuals take many forms and operate in a wide range of business and social environments. Most people recognise mutuals through one or more of the long established building societies, co-operatives, friendly societies and mutual insurers. However the sector encompasses many more types of organisations – some large and well established like housing associations, clubs and employee owned businesses to smaller, specialist bodies such as credit unions, football supporter trusts and community mutuals.

OPM: Office for Public Management.

Procurement: Procurement is about the purchase of goods, works and services needed to enable public sector bodies to deliver services to residents. Public sector organisations often refer to the procurement processes as being open and fair to competition.

Proto-typing: The process of building a model of a system.

Public services: Services which are provided either directly by state organisations (which includes Lambeth Council) or via alternative providers (which could include a range of different organisations drawn from the third sector or private sector - such as social enterprises, co-operatives, faith groups, community and/or voluntary groups, local businesses or larger private sector organisations). A service can be defined as a “public service”, if there is a social consensus (usually expressed through democratic elections) that it should be available to all citizens, regardless of income or personal circumstances.

Reciprocity: The idea that people are actively involved in their communities because they are themselves being supported, and because we have a basic human need to give and take.

Right to Request*: A mechanism to allow NHS staff to ask for the right to establish and run an independent organisation to provide a service that is commissioned by the PCT or NHS department to deliver the service as an external contractor.

⁷⁴ NESTA (2010), Mass Localism

Single Equality Scheme 2010-2013: Lambeth Council's strategic document setting out the council's commitment to promoting equal opportunities, tackle discrimination and meet the needs of all our communities and staff.

Social capital: The value of social networks, bonding similar people and bridging between diverse people, with norms of reciprocity.

Social enterprise: "A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners." (DTI, 2002).

Social Return on Investment: An analytic tool for measuring and accounting for a broader concept of value. It incorporates social, environmental and economic costs and benefits into decision making and is able to assign a monetary figure to social and environmental value which is created.

Sustainable Community Strategy: The Sustainable Community Strategy is prepared by local strategic partnerships (LSPs) as a set of goals and actions which they, in representing the residential, business, statutory and voluntary interests of an area, wish to promote.

Third sector*: Non-governmental organisations that are value driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. It includes voluntary and community organisations, charities, social enterprises, co-operatives and mutuals.

Time audit: A participatory process using a simple methodology that gives individual services the opportunity to evaluate how many people are contributing to designing and delivering services.

Time banking: A scheme that allows people to earn time credits for each hour given in helping other individuals in their local community, working on a project or working for an organisation. In return for their help they can use the time credits for rewards, either financial or non-financial.

Value for money: Value for money (VfM) is about obtaining the maximum benefit with the resources available

Worklessness: A term used to describe all those who are out of work but who would like a job.