

Combined social care authorities may begin to make sense

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Few governments have an appetite for changing the structure of English local government, so we need to find a way to achieve further efficiency that doesn't require wholesale reorganisation.

Many councils are too big for the small things. People's sense of place and community are often much more local than local government boundaries and when councils offer connections to wider geographical areas, we feel only a weak sense of attachment to them.

Equally, very many councils are too small for the big things. Councils that serve small areas often find that they are unable to engage systemically with their local economy as it ranges more widely across a broader economic area.

This was the argument behind the drive for combined authorities. It was recognised that London had the significant capability of Transport for London (which this year has a total income of £10.9bn, 61% of which is spent running the capital's transport system and 39% is invested in it) and the economic development muscle of the Greater London Authority.

The question was how best this could be mirrored in the nation's other major cities. It was Manchester that led the way, although five other city regions are now moving forward into similar arrangements.

The legal basis for combined authorities stems from Section 103 of the Local Democracy, Economic Development and Construction Act of 2009. The act only applies outside London because the definition of local government areas for the purpose of the provision means a county or district council.

Combined authorities are created in areas where they are considered likely to improve transport, economic development and regeneration. They involve councils with contiguous geographies, which is sensible in that they are intended for economic development and transport purposes.

These combined authorities involve a group of local authorities pooling responsibilities and receiving delegated functions from central government to deliver transport and economic policy more effectively over a wider area. In short, these economic and transport combined authorities achieve scale advantages so that some functions that

were formerly the responsibility of the old regional government offices can be devolved to them.

The success of the combined authority approach opens up the question as to whether it may be a suitable vehicle for achieving scale economies in relation to other services. Councils may be able to bulk up service functions to achieve scale advantages.

At present this approach may not technically be lawful within a combined authority but that would not stop councils from acting together to develop scale advantages, either in service commissioning or service provision. Several district councils have done this in respect of combining their management arrangements or in sharing core service delivery costs.

Under Section 101 of the Local Government Act (1972) councils can develop joint committees between themselves to discharge their functions across wider areas. This power was much used in the 1980s and 1990s.

It became a part of the local government landscape for councils to discharge their functions by working across boundaries. They tended to focus on small service functions and activities (such as research, emergency planning and the like) but the challenge now is to see how best we can achieve scale economies in the largest areas of council expenditure.

English local government spends £14.4bn on adult social care and £7.7bn on children's social care. Most of this involves financing service provision in the independent or not-for-profit sectors. Generally, half of most top-tier councils' spend with external suppliers will be for adult social care.

Integration with health is linking council commissioning with health service commissioning. My own council commissions more than £100m of services on behalf of local health sector.

The reconfiguration of acute care in hospitals and the further integration of some services with social care raises the challenge of how social care can be commissioned at ever greater scale, certainly above the level of most unitary authorities. Combined social care authorities may begin to make a lot of sense.

Short of that, formal S101 joint committees could pave the way for more established formal arrangements in integrating social care and health at a suitably spatial scale.

In contriving a vehicle for boosting economic growth and inward investment, Greater Manchester may have alighted on a vehicle for enabling councils to retain social care functions by commissioning services at greater scale and with greater economy. Joint executive committees, with suitable governance and lean management could offer one way forward; one that doesn't involve reorganisation but that which nonetheless could save substantial costs.

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