

Keep it Local: For services that transform lives

We believe in the power of community. That's why we're calling on councils to turn the tide on large-scale outsourcing and Keep it Local:

- for more responsive services that transform lives
- to reduce long-term pressure on the public sector
- to ensure precious public resources invest in the local economy.

A new movement is gathering pace. When it comes to our public services, more and more councils want to unlock the power of community and Keep it Local: for services that transform lives.

The trend towards scale

We know the challenges facing local authorities are unprecedented. The burden of austerity has fallen disproportionately on local government's shoulders and councils have faced year after year of spending cuts. With budgets shrinking and demand rising, many local authorities have sought savings through outsourcing services at scale: bundling up services into big contracts that go to large providers at the lowest price possible.

But instead of achieving cost savings, many local areas are now suffering the consequences of "scale fail". This means poor quality services that don't deliver the outcomes promised and don't deal with people's problems at source. Councils can become locked into rigid and complex contracts that suck up administrative resources to manage and are inflexible to the current pace of change. And we have seen various councils end up in expensive legal processes when things go wrong.

The power of community

At Locality we believe there is a better way: to Keep it Local. By unlocking the power of community, commissioning can create better, more responsive services that reduce long-term costs and invest in the local economy.

Most services are, and always will be, delivered by the public sector itself. However, community organisations play a unique role in the local service landscape - in particular, working with people with complex needs, who find themselves a long way away from the labour market, or who face loneliness or social exclusion. So, from homelessness to employment support, children's services to adult social care, community organisations are vital where trusting relationships and innovation are required.

This is because they know the place and the people. They are committed, passionate and there for the long-term. They are adaptable, cost-effective and responsive, providing better solutions that transform lives.

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The benefits of keeping it local

These are exactly the kind of services that will drive down pressure on the public sector in the long-term - by dealing with problems at source and preventing costs mounting up over time as people recycle around multiple services.

They also help commissioned services add up to much more than the sum of their parts, by linking service users with other community development activities, encouraging social action and volunteering, and building self-confidence and pride.

The trend towards scale has been crowding out community organisations, meaning local areas are losing this crucial source of experience, expertise and wide-ranging support. However, while local authorities have often valued the supposed simplicity of having one big contract, having seen the consequences of "scale fail", the benefits of spreading risk across a range of smaller, simpler contracts are now being recognised.

What's more, by investing in small local providers, councils can ensure that precious public sector resources are used to build community capacity and create maximum benefit to the local economy. This is particularly crucial at a time when local authorities' financial futures are increasingly dependent on the success of their local economies, with the shift to business rate retention.

A new direction for commissioning

The tide is turning on large scale-outsourcing. Well-known cases of "scale fail" mean many local authorities are thinking again, bringing some services back 'in house', and taking a different approach to commissioning, which draws on the strengths of all sectors for the benefit of a place. We need to seize this moment to forge a new direction, with local authorities learning to let go, and community organisations showing they are ready to step up. In this way, we can build creative and collaborative new partnerships and unlock the power of community.

For services that transform lives: Keep it Local.

A recent study published by Locality has shown the local economic impact of commissioning local community organisations to deliver services.



Analysis of 10 Locality members by NEF Consulting found that they collectively enabled approximately 1400 jobs and approximately £120m of gross value added to the local economy, through their tenants.

They act as local economic multipliers in disadvantaged areas, by employing local people and using local suppliers, helping to ensure economic growth is truly 'inclusive' and benefits all communities.



We found every £1 of income generated by Bradford Trident creates £2.52 for the local economy. And every £1 generated by Windmill Hill City Farm in Bristol creates £2.47 for the local economy.

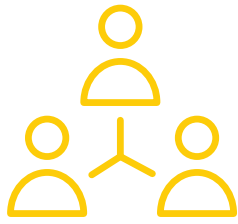
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Five steps to Keep it Local



1. Start with the place and the person.

Rather than commissioning individual services in isolation, seek to co-ordinate services at the neighbourhood level and utilise the full range of local assets to support the 'whole person'.



2. Maximise local social value.

Use social value legislation ambitiously and effectively to ensure commissioning maximises the additional long-term social value that community organisations generate for the local area.



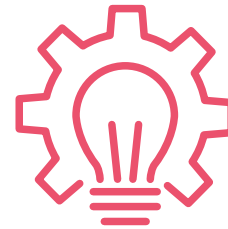
3. Build community capacity.

Proactively support the development of a thriving network of innovative and sustainable small local providers, who work collaboratively and have the capacity to deliver high-quality services.



4. Simplify processes and create a level playing field.

Move away from large contracts and bureaucratic commissioning processes, which prioritise short-term cost and drive competition that favours larger organisations with greater resources. Instead, fund in simple and proportionate ways that enable community organisations to participate fully in commissioning and work together to achieve long-term value.



5. Involve local people through co-design.

Work in partnership with local community organisations and service users throughout commissioning, using co-design to ensure that the experience of the user and the expertise of the professional combine to create the most effective services possible.

Locality is working with Lloyds Bank Foundation for England and Wales to support local commissioning. Visit locality.org.uk to find out more about our Keep it Local campaign and join the Keep it Local Network.

Locality is the national membership network that supports local community organisations to be strong and successful.

Lloyds Bank Foundation for England and Wales is one of the UK's leading community grant makers. An independent registered charity funded by the profits of Lloyds Banking Group.

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