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OLDHAM'S CO-OPERATIVE COUNCIL

A SOCIAL PRODUCTIVITY FRAMEWORK

ATIF SHAFIQUE, HENRY KIPPIN AND BEN LUCAS
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About the authors

Atif Shafique is Researcher at 2020 Public Services Hub at the RSA

Henry Kippin is Partner at 2020 Public Services Hub, and a visiting lecturer at Queen Mary, University of London

Ben Lucas is Principal Partner at 2020 Public Services Hub

Acknowledgements

Foreword

Oldham Council are pleased to have commissioned this report in association with the Leadership Centre for Local Government.

We face unprecedented challenges in Oldham. 100 years ago we were one of the world's richest towns at the centre of a global textiles industry. Now we face the challenge of turning the town around after years of managed decline and restoring pride and confidence to all its diverse communities.

It will not be easy and that is why we welcome the external perspective and challenge provided by the RSA and the 2020 Hub.

As a Labour council our priority is jobs. Having someone employed in a household is the most effective form of community development. We want to see more people in work because that is the core of stable and cohesive communities. Bluntly that is what the Labour Party is for. So what can we do in the face of a national recession?

For years people have talked about a cinema in Oldham and nothing has happened. Now the council has taken charge and work will begin next year in converting the historic old Town Hall into a state of the art cinema. Not only that, but we have massive interest from the private sector in the available space for restaurants and other facilities. After years of discussion elsewhere we negotiated a deal with the Manchester Hoteliers Association to locate its ground breaking Hotel Academy in Oldham. Work will begin next year and provide Oldham Town Hall with the equivalent of a four star hotel and conference facility with consequential impact on the rest of the town centre environment.

However there is no point in creating jobs if they don't predominately go to Oldham people. So we have to work with our schools, colleges, and major employers so that the many Oldham people looking for work are job ready. We have to set an example. So from next year all local people who meet the person specification for senior positions in the Town Hall will be guaranteed an interview. We also have to remove the barrier to work and make work pay. We are currently in discussions with our local bus company to provide discounted bus fares to those who want to go to college or in their first year of work. As we currently have the highest bus fares in Europe this could be quite a benefit. We were one of the first councils outside London to introduce a living wage in 2011. Now we want to extend that principle to our suppliers too.

But as a council we have higher ambitions. In fact we want to fundamentally change the relationship with our citizens by becoming a co-operative council and borough. Last week, in association with IChoosr, we launched a national energy switching scheme open to all our residents. In fact the more who sign up the greater the benefit for everyone and we are confident that we can offer savings of up to £150 per household. A real example of co-operative principles in action. Our ultimate ambition is to transform the whole council into a cooperative where everyone does their bit and gets rewarded for their efforts.

As councillors we can't and don't want to do this on our own. As this report indicates we have a mountain to climb to convince our residents and local organisations that we are genuinely on their side and are there for the town rather than the town hall. On behalf of the council I fully accept that challenge.

Finally for me my ambitions for the town are personal too. I have two young sons and I want them to be the first in their family to go to University. When they graduate in the 2020s I want them to see their future in a confident and ambitious Oldham.

Councillor Jim McMahon
Leader of Oldham Council

Introduction and executive summary

Oldham Council – a founding member of the Co-operative Councils Network – has embarked on an ambitious journey to build a sustainable economic and social future for the borough. As part of this, the council has committed to reshaping its role and its relationship with local citizens. Like other councils it has been forced to make substantial cuts, but at the same time a planned £100m investment programme to revive the town centre offers an opportunity to generate some much needed employment and local pride. RSA's 2020 Public Services Hub was commissioned by the council to describe and assess its emerging co-operative model and to make recommendations about how it could be developed further.

Public services currently face a threefold challenge:

1. Demand is escalating, especially as a result of demographic change.
2. Public spending is being cut.
3. Social outcomes are failing to improve fast enough.

The UK needs to move from the Beveridge model of universal top down services to a framework based on social productivity

2020 Hub's interest is in the future of public services and how they can be reformed to better reflect the changing needs and circumstances of citizens and society. In its final report in 2010, the independent and cross party 2020 Public Services Commission concluded that the UK needs to move from the Beveridge model of universal top down services to a framework based on *social productivity*.

Social productivity is an approach which recognises that social value can be maximised by improving the quality of the relationship between citizens and services. The aim is to put shared responsibility at the heart of public services through building social capacity, fostering community resilience and working with the grain of people's lives. As our economic prospects have worsened and the spending environment has grown bleaker, it has become increasingly apparent to a number of local authorities and other public bodies that root and branch public service reform is not only critical to ensure funding sustainability but is also inextricably linked with developing a more viable social and economic future for their towns and cities.

The 2020 Hub has worked with a number of pioneers in different sectors to develop social productivity approaches to service reform. Our work in local government with Sunderland City Council and now also with Oldham and the Leadership Centre has focussed on how councils can be at the heart of creating a new relationship between citizens and government; one which is about jointly developing and sharing responsibility for making their places more resilient and productive. At the core of this wider concept of local governance is community leadership and a revitalised role for democratic local politics. This report builds on our previous work to specifically examine both the current reality and future potential of community leadership and co-operative practice in Oldham. It is based on a combination of desk research, site visits, and

interviews with a wide range of Oldham stakeholders. Whilst we have worked closely with Oldham Council in developing this work, the analysis and recommendations represent our views, not necessarily those of the council.

Background – About Oldham

Like all councils, Oldham is struggling with the twin challenges of a prolonged reduction in revenue combined with a big increase in demand for services. Managing these pressures will be the new reality for at least the rest of the decade.

But Oldham also faces a series of specific issues, which are the product of its place, economy and history. Oldham is a former mill town, which grew in the 19th and early 20th centuries to be the cotton spinning capital of the world. Sitting on the edge of the metropolis of Greater Manchester, it is a town that faces two directions, to the east to the moors and to the south to Manchester. As a place to live, this gives distinct advantages, in terms of quality of life and access to a range of economic opportunities. But it can also make it harder to develop a coherent sense of social and economic place. This is compounded by a highly diverse population within the borough, which has the potential to be an asset to the community but which has in the past often led to fragmentation. Moreover, as one of ten Greater Manchester Boroughs it exists within a multi-layered public service landscape which complicates administrative coherence and management accountability.

Oldham has suffered a steep economic decline since the closure of the mills and its economic fortunes didn't lift greatly even during the long economic boom that Britain enjoyed from the early 1990s until 2008. During that period Oldham – in common with some of the other northern mill towns – was probably best known nationally because of the riots which erupted in the summer of 2001, and which shone a fierce spotlight on the poor quality of community relations in what was an increasingly segregated town.

The council also had its own problems, with a history of poorly performing services and failing governance. The last few years has seen a determined and successful attempt to improve the council's performance and practice. This has required a talented and committed cadre of councillors (across parties) and officers to work closely together to drag the council towards improvement. The results have been impressive, with progress made in the quality of service delivery, in community relations and in governance. This was reflected in the fact that Oldham was recognised as Most Improved Council in 2012 in the Local Government Chronicle awards.

While this improvement has been marked, the challenges of this decade will require far greater changes. Simply doing the same job but better and with less money will no longer be enough. The scale of future demand would overwhelm council services, and in any case the issues confronting Oldham citizens go well beyond the scope of these services.

A co-operative council for Oldham

The new leadership of the council is ambitious not just for the quality of its administration but for the future of the town. The council is

committed to developing a long term strategy for managing and reducing service demand, and this in turn is indivisible from the need to build a sustainable social and economic future for the town. What unites these objectives is the need to create a very different relationship between the council and its citizens, where they are partners together in creating a more productive place. This is what Oldham means by being a co-operative council.

Oldham Council's journey began last year with the decision to become a co-operative council. The council has set out a medium to long term strategy leading to the transformation of Oldham as a place. This is envisaged as a ten-year process of public service transformation alongside a strong growth agenda, a push for smarter investment and for a more prosperous and fairer local economy.

More specifically, Oldham's transition to a co-operative model is underpinned by three key processes of change, as follows.

1. A co-operative framework

Oldham's move towards a co-operative operating model is informed by a co-operative framework for whole system change, as the council describes it. The main elements of this framework are:

- Encouraging people and organisations (including the council) in the borough to **follow a set of co-operative principles**, for example those set out in the council's ethical framework and Co-operative Charter.
- Opening up **opportunities for citizens to get more actively involved in decision-making**, including through new online engagement with full council, greater involvement of the Youth Council and a programme of devolution and neighbourhood engagement.
- **Working with residents and community groups to co-produce services**, such as leasing a community centre to a local community group at a nominal fee or mobilising volunteers to support the highways team with community gritting.
- **Opening up service delivery** to include new models such as co-operatives and mutuals.

The council has an ethical framework which focuses on how the organisation uses its resources and influence to deliver maximum social value. This is being led by a council initiated co-operative commission and includes a commitment to the living wage; commissioning for social value; promoting employer-led volunteering; and adopting a Co-operative Charter.

2. Devolution, district working, new networks and partnerships

At the heart of Oldham's move to a co-operative borough is devolution to local areas. The idea is to bring services and decision-making much closer to local communities, so that control passes to local people, who then become partners with the council in managing and improving their streets and neighbourhoods. The long term aim is devolve as much as possible from the town hall to local areas, so that services and social and economic outcomes can be co-produced with local citizens. Key elements

which are already in place include new governance and service delivery arrangements:

- The establishment of six district partnerships across the borough, each of which consist of three to four wards, all the ward councillors, and delivery partners including local police and the NHS. District partnerships are responsible for shaping the local service offer and making decisions on devolved services and budgets.
- Each district partnership has a district plan, which sets out local priorities.
- Formal decision-making takes place through district partnership meetings, which also include open and on-line public questions. Residents can trigger a review of decisions made through a 'community call in process'.
- District partnerships have delegated powers and are able to establish sub groups or commissioning groups to add to local provision – such as health and wellbeing groups that will bring a neighbourhood voice to the new Health and Wellbeing Boards.
- Each district partnership will have its own district town hall (five of these have already been set up). An additional town hall for West Oldham is temporarily based in the Civic Centre.
- Ward members use the district town halls to meet citizens, hold ward surgeries and connect with local partners.
- In each district councillors are supported in their community leadership role by a district team, including a caseworker and community development workers.
- Each district has a core offer of key services: youth and sports development, environmental services and community safety. These services formed the first phase of devolution in 2011/12 and are managed by a district co-ordinator and supported by a community development worker.
- These core services are co-located in each of the six district town halls with wider partner and public sector services such as health, libraries, lifelong learning, police, Citizen's Advice Bureau, housing providers and community and voluntary organisations providing citizens with a one stop shop for local council services.
- Together with devolved services, decisions and budgets, the council is also committing hundreds more frontline staff to neighbourhood working. Alongside the core district team of officers that is permanently based in each district town hall, a growing number of staff are 'designated' to spend most of their time in districts. The numbers of staff in both the district teams and among the 'designated' group is growing.
- The council has set up a community dividend fund, which allows community groups to bid for funding to finance neighbourhood initiatives that deliver positive outcomes for their local area. It is hoped this fund will help nurture mutuals and social enterprises and grow community capacity in tough times.

- Further devolution of budgets is currently being piloted in two service areas and two districts. This will help establish which parts of their budgets can be devolved, and how local spend is allocated. Devolved budgets will then be rolled out across the borough from 2013.

3. Community leadership

Binding all this together has been the transition from executive government to community leadership. While the old way of doing things was to make executive decisions about the narrow scope of council service delivery, the co-operative way is to catalyse, engage and lead the community. Instead of facing inwards towards the council, its committees and staff, community leadership is about working with partner organisations, businesses and local people. It's about people and place, not just public sector. So behaviour change and soft power are at its core. Some of the biggest changes which can be seen so far in Oldham are in the development of community leadership.

- Councillors are expected to be the lynch pins of co-operative Oldham – mobilising and representing their communities and playing mediating and brokerage roles with local residents. They are expected to lead district partnerships, articulate the district service deal and tap into local networks and assets. This district experience is then fed back into the strategic direction of the council through Cabinet Advisory Panels, which create the opportunity to influence borough wide policy.
- Community leadership is about behaviour change across the borough, which is why under the co-operative umbrella the council has run campaigns like "Love where you live" to encourage people to take more responsibility for their neighbourhoods and play a greater role in their local communities by doing their bit.
- Another characteristic of this new type of leadership is working to ensure a fair deal for local people through advocacy and campaigning. A groundbreaking collective energy switching campaign has been launched by the council. People sign up to register their interest in combining their purchasing power and bulk-buy. The group then goes to auction and gets a cheaper deal together on gas and electricity from energy companies. The council is also leading a campaign for fairer bus fares, a big local issue which is also symbolic of wider structural and geographic inequality within Greater Manchester.
- Community leadership is ambitious about Oldham, mobilising local assets to create a more productive economic strategy which can be seen in the revival of the town centre and in the establishment of Hotel Futures, an academy for training hotel staff.
- A Local Leaders Programme has been established for all councillors to equip them with the skills to engage with and drive the co-operative agenda. There is a carrot and stick approach to councillors engagement – they must attend at least half the training modules or forfeit their right to vote on district

Binding all this together has been the transition from executive government to community leadership.

Oldham's co-operative council

partnership budgets and grant awards. Councillors must now also complete their own local annual report.

- This Local Leaders Programme is underpinned with a support capability in each district to enable councillors to fulfil their community leadership role. This consists of a district coordinator, a case worker and a community development officer, each of whom works with the district councillors to build better engagement, insight and partnership with local communities.
- New demands for greater accountability and stronger political leadership are reaching the very top of the council. The Leader and Cabinet are going to greater lengths to constructively reflect on their own personal performance by agreeing to take part in 360 degree feedback. This will allow other councillors, senior managers and local partners in the business and voluntary sectors to give confidential feedback on their current performance both in terms of what they do well and what they could do better.

Challenges and opportunities

This report sets out not only to describe what Oldham Council has achieved so far but also to assess what challenges the council faces in moving towards a co-operative model, how these might be addressed, and how community leadership can help knit a future strategy together. The scale of change which a co-operative model for local governance involves cannot be overestimated. It is based on very different operating principles to those which have guided municipalism for the last hundred years and turns the relationship between citizens and councils on its head.

Oldham Council has achieved a significant amount since the initial policy and strategy building blocks were put in place last year. The next round of service devolution will see pilots on youth services and highways. More work is also being planned to explore the potential for extending social value through the promotion of mutual and co-operative service delivery vehicles. Yet the council still has some way to go to fulfil its ambitions.

Below we set out some of the major challenges which need to be addressed, and highlight opportunities to work in new ways to address them.

Challenge 1 – Developing a compelling economic and social vision for co-operative Oldham

While many people in the town are open to the general idea of a co-operative borough, they are unclear about its implications. The council's vision for Oldham needs more depth and clarity, and should focus on the big issues facing the borough – including poverty, economic recession and the impact of welfare reform. Ultimately this is about how Oldham can become a more productive place which nurtures and develops its social and economic assets, whilst supporting those who will be most affected by gaps in social protection and economic opportunity. The recent commitment of the council to provide 300 apprenticeship places to respond to the town centre investment opportunity is one example of the type of ambition which will be needed. A co-operative social and economic strategy will require the town to pull together in a way which

it has not in the recent past, local businesses, public service leaders and community organisations will all need to be part of a cohesive economic leadership for the town. The co-operative vision for Oldham will need to build confidence and pride in the town, and raise citizens' expectations of each other.

A new co-operative deal
Oldham should make explicit the terms of the new co-operative deal extended to citizens, public sector organisations, civil society organisations and businesses. This should be ambitious and should set out the commitments expected from each party to build a more socially and economically productive town. The council should consider developing this in the form of a 'membership club', featuring a range of negotiated benefits for individuals and businesses, and building on the successful energy switching and fares fair campaigns to include micro and social finance for social enterprises and credit union support for local citizens.

A spending and growth review for social productivity in Oldham
The council should undertake a local social productivity spending and growth review in the run up to HM Treasury's 2013 Spending Review. This will build awareness of the resources and relationships within the borough, and allow the council to develop a strategic approach to managing them.

Challenge 2 – Community cohesion and capability
Often the elephant in the room when discussing change in Oldham is the reality of fragmentation along both ethnic and socio-economic lines. Oldham must make efforts to build pride in Oldham and its neighbourhoods as well as trust and accountability as crucial elements of community cohesion.

Driving community cohesion
A key priority is to drive community cohesion, trust and accountability. Though this must be built from the ground up rather than from the town hall, the council should demonstrate an even handed approach on social issues such as fly tipping across all communities. Because of the sensitivity which inevitably surrounds issues about community behaviour, it is critical that the facts about differing levels of service demand and community response are clear and openly available. These should be discussed by the district partnerships in the context of how they can manage demand and promote co-operative responsibility throughout the borough. A key part of this will be developing locally owned neighbourhood standards which clarify the social deal about what outcomes should be achieved, what role the council, the community and the citizen will need to play in helping to achieve these and what will happen if these aren't met.

Understanding and supporting social assets and networks
that connect communities
Whilst devolution to six districts is a critical component of co-operative Oldham, this must not arbitrarily sever networks which extend across district boundaries. The new community development officers must tap

into existing social networks and help connect these across districts. They should combine customer insight technology drawn from neighbourhood town hall services with social network analysis and community micro-mapping to develop an assets, values and deficits social map of their districts. This approach, working with Voluntary Action Oldham, should be mainstreamed across the council, so that supporting and building on social networks becomes embedded into the way in which local leaders engage with their communities.

Challenge 3 – The future of Oldham's public services
The co-operative approach implies some very big changes to public services in Oldham, but there isn't yet a coherent picture of what this will mean for public service delivery. It will be important for the council to clearly distinguish the features of a co-operative approach from tradition-al outsourcing, and to develop co-operative service delivery models that can create social value, maintain jobs and promote social productivity.

Negotiated district autonomy
In the first instance, each district should negotiate its own service and budget devolution based on a demonstrable economic and social value case, as well as evidence of capability and support from councillors and the local community. Negotiated autonomy must be a 'deal' that is flex-ible to the realities of particular districts. It should include commitments around service delivery, demand management and budget allocation. This will need to be within the constraints of budget reductions but also needs to consider/accommodate key council priorities.

Public service co-ops
The next stage of service reform should explore new delivery models that can reconcile cost savings, co-operative working and building value. That will mean enabling the development of co-operative ownership models with employees and local communities that can catalyse new markets and respond to demand opportunities outside the scope of the public sector. But given that this is a major change, it will be important to work with partners, employees and communities to provide a 'shallow end' for this type of approach, where the risks are more carefully managed and where adequate support is given during transition.

Challenge 4 – Building productive partnerships
Oldham is in a different position from other cities and councils exploring new models of local governance. It is part of the wider public service and political landscape of Greater Manchester, a city region which already has a very clear direction of travel. This limits the scope of the council to drive its agenda for change. The challenge for Oldham is to cajole, negotiate, broker with and enthuse its public service and local government partners, just as it is already doing with its local citizens.

A co-operative partnership agreement for Oldham
Oldham's approach is fundamentally about working in partnership. Central to public service reform in the borough will be the acceleration of the organisational and cultural change currently taking place. This

needs to be formalised in a roadmap for change with clear milestones and shared priorities in place to increase the pace of change in the borough.

This would create a sense of shared purpose between the co-operative partners and enable citizens and others to scrutinise and hold the council to account on progress.

A new governance deal within the Greater Manchester Combined Authority (GMCA)

There is already a review of governance underway in the Association of Greater Manchester Authorities (AGMA). The Oldham Plan is being developed as a (much shorter, focused) community strategy and sets out the 'offers and asks' between Oldham and GM – what the borough can offer Greater Manchester and vice versa. This creates the opportunity to develop smarter governance and administration across the conurbation – limiting duplication and increasing service effectiveness.

Challenge 5 – Turning council improvement into social change

One of the major challenges which the council faces is to embody the change it wants to see in the borough. The council had a strong change architecture in place to drive the council's recovery during its improvement phase, but this was a classic command and control model. Co-operation cannot be driven in the same way. Instead bottom up drivers are needed, which are embedded in local communities, in democratic politics and in social entrepreneurship. At the same time these need to be connected to other similar change processes which are happening elsewhere across the country, because the co-operative way of doing things takes Oldham into relatively uncharted waters beyond the comfort zone of traditional local government administration. This will pose challenges to the way in which councillors and officers see their roles and how they interact with local communities.

Developing a Virtual Co-op Academy

There is an opportunity for the council to strengthen its approach by establishing a Co-op Academy to broaden the stakeholder base for local policy development and change management, and draw on the resources and policy networks that already exist in the borough, the broader Manchester city region and beyond. Participants should include Greater Manchester's higher education institutions, Oldham's Further Education (FE) colleges, progressive local authorities and policy partners. The Academy could support the design and implementation of Oldham's future policy agenda; clarify the relationship with the local social economy; share research and ideas about emerging co-operative and co-production best practice; link social policy development with local professional and vocational training; develop social value metrics; and provide a local base for councillor and officer training and development.

The next generation of Oldham pioneers

In the medium term the council should nurture and develop locally based entrepreneurial staff, so that they can help facilitate co-operation in their communities. Political parties will also need to reassess how

elected members are selected, trained and supported to achieve the vision of co-operative Oldham.

Recommendations for the Local Leaders Programme

The changing role of councillors is not only central to the sustainability and resilience of Oldham's communities, it is the glue that can knit the strands of Oldham's co-operative council model together. So we include specific recommendations for Oldham's Local Leaders Programme.

- **More structured support for councillors.** The Leaders Programme should ensure that elected members are fully supported in their changing roles and are given the tools to become effective community leaders. Segmented, personalised support is key. District caseworkers currently offer support to members but the council could explore allocating account managers to councillors on a 1:2 basis to provide personalised support in accessing information, responding quickly and effectively to residents and navigating new ways of working.
- **Leverage the potential of new technology.** Digital technology represents a relatively untapped opportunity within the Local Leaders Programme. The next phase of the programme can rectify this. Ward, district and council-wide news can be relayed in online bulletins made smartphone-ready for councillors to access quickly and easily. A directory of services and key contacts – a vital part of dealing with residents' queries – should be available. Member satisfaction can be measured regularly through online pulse surveys, which can provide a means of accounting for the effectiveness of change and a measure of council responsiveness.
- **Recruitment and skills development.** Stronger links with Oldham's Youth Council – including the fast-tracking of 'star' candidates – should be encouraged. The council should also explore more explicit opportunities to work with political parties in pre-selection – again ensuring that candidates are elected with open eyes, and awareness of their responsibilities and the leadership role they will be expected to play.
- **Commissioning.** Councillors will in future need to help their communities determine the services and support they need. They will need to be able to lead a process of community dialogue so that neighbourhood commissioning doesn't just end in fragmentation and/or the reinforcement of existing community divisions. This will require training, talent development and peer group learning and should ideally be facilitated through the Co-operative Academy proposed above.

1. Oldham's co-operative model

This chapter introduces Oldham's co-operative council model. It discusses:

- Key policy strands of the co-operative model, including the role of community leadership.
- Elements of the model already working in practice across Oldham's six districts.
- The planned direction of future reform.

The operating context for local government in England is tougher than ever, with twin pressures of austerity and escalating social demand creating a huge challenge for policymakers. Councils may enjoy greater operational freedom, but their ability to effect positive social and economic change depends upon using it both innovatively and strategically.

A spectrum of responses is emerging, all driven by the imperative to do 'more with less'. Some councils are shifting markedly from their traditional role by outsourcing services and becoming commissioning, rather than delivering, councils. Many are exploring the opportunities provided by the general power of competence, the potential of shared services and combined arrangements, new avenues for trading and charging, and the promise of social finance. Some are handing over more responsibility to citizens to manage assets and services such as libraries. Most are seeking a more reciprocal and less dependency-driven relationship with residents. The majority are also prioritising service integration and preventative working, though translating ambitious plans into reality is understandably difficult.

It is in response to this context that several Labour authorities are applying the spirit of the co-operative movement to the 'business' of local government. The co-operative council approach is distinct from the 'Big Society' reforms of some councils. Its advocates argue that the latter encourages a passive state and depends on volunteerism, while the former lays out a positive role for local government and properly resources services.[1] Yet these Labour councils and the LGA Labour Group recognise that the co-operative council movement cannot simply be defined by opposition to the government – it has to be built on a compelling vision of a 'good society' characterised by the values of mutuality, solidarity and reciprocity.[2]

The Co-operative Councils Network

The Co-operative Councils Network is a group of Labour authorities and Labour Groups (in opposition) that are spearheading new co-operative models for local public services. The Network is run by the Co-operative Party and the Oldham Labour Group was a founding member.

While the co-operative councils initiative was originally announced before David Cameron's plans for the 'Big Society', it shares with many Conservative, Liberal Democrat and Labour local authorities a desire to transform the way services are delivered, giving residents greater choice and control and replacing a top-down culture of local government with one that builds local solutions from the ground up, shifting power from the town hall to neighbourhoods and communities.

The Network is also keen to distinguish its approach from the 'Big Society', which it regards as having an overreliance on volunteerism, deprofessionalisation and privatisation. As the diverse range of local authorities and groups in the Network shows, there is no single model of a 'co-operative' approach and it is likely to differ between service areas and local authorities.

The current members of the Co-operative Network include:
Oldham, Lambeth, Rochdale, Newcastle, Telford and Wrekin, Salford, Liverpool, Sheffield, York, Stevenage, Redbridge, Sunderland, Kirklees, Brighton and Hove, Plymouth, Stoke, and Cambridge.

Source: see www.councils.coop

Oldham, Lambeth and Sunderland have been at the forefront of co-operative council reforms, and the LGA Labour Group and the Co-operative Councils Network is helping push the agenda forward. Despite its label, being a co-operative council is not simply about co-operatives and mutuals running services and the public sector stepping back. Rather, it is broadly about collective working and shared responsibility for the common good; community self-reliance; and innovation and enterprise.[3] Its key components could be summarised as:

A rebalanced relationship between the council and citizens
- A rejection of the status quo of a centralised state and top-down delivery, which, it is argued, fuels passivity and dependency and inhibits the co-production of better social and economic outcomes.
- An strengthening of responsiveness, accountability, and an embedding of citizen engagement within a more balanced set of public service governance and delivery mechanisms. Co-operative partnerships across the public, private and social sectors is key to this.
- A democratising of public service delivery mechanisms, encouraging a more diverse supply-side that includes 'spinning out' services to form mutuals or co-operatives, or commissioning the third sector. This has been given different weight by different local authorities.

More power to citizens and communities
- An accelerated drive towards devolving more decision-making, services and budgets to neighbourhoods, empowering local communities through participatory democracy and reinvigorating the role of councillors as community leaders.[4]

- Advocacy for the ownership or management of council assets and services by local people, potentially involving community or third sector groups as delivery partners in a range of services.
- A cognitive shift away from a 'deficit model' of public management, to one that recognises and builds on the often-untapped 'hidden' assets and capabilities of communities.

Encouraging moral markets
- A goal of nurturing fairer local economies, partly to withstand the pressure of cuts, recession and welfare reforms, and to build resilient, coherent and co-operative communities in the face of looming poverty, housing and employment challenges.
- A commitment to help co-operative and mutual enterprises and credit unions flourish, investing in skills, improving employment practices (including those of the council), leveraging the council's purchasing power and its role as a major employer to achieve social goals.
- Exploring the potential of re-shaping procurement processes to maximise social value and support local employment and SMEs.

Nevertheless, beyond these broad categories of consensus, local distinctiveness is a vital part of the narrative of change. Each council will have a model relatively unique to its town or city. For instance, Liverpool's approach builds on its history of housing co-operatives; Lambeth has undertaken huge consultations to ensure its model is relevant to its residents; and Oldham's aspirations are inspired by its tradition of a strong and locally representative public sector.

About Oldham – Key facts and profile

- Has a population of almost 220,000.
- The net revenue budget for 2012/13 was £225.6 million. The council has cut its net budget by more than £79 million between 2008/9 and 2012/13.
- The council employs around 2897 people, providing over 700 services.
- The council has 60 elected members, which represent twenty wards. The council is controlled by Labour, which has 44 seats. Liberal Democrats have 14 seats, and Conservatives have 2 seats.
- Following a recent past of electoral uncertainty, many predict that it is now likely that Labour will control the council for the foreseeable future.
- Oldham has a low-wage, low-skill economy, with low levels of SME growth. It has lost much of its manufacturing base, and is hoping to transition to a skilled, educated leisure economy making use of the entrepreneurship of its younger generation and some of its high quality educational establishments.

What is striking about Oldham is that it is both a beacon of diversity, and a borough of sharp inequality and division. It houses a distinct landscape, with a mix of residential areas, former industrial boom centres, dense urban areas close to Manchester, and villages, valleys and large swaths of countryside to the north and east of the borough. Yet the levels of social inequality are staggering. While Coldhurst in West Oldham is among the 1% most deprived wards in the country with acute housing problems and an unemployment rate of 9.1% (and an economic inactivity rate of 50%), Saddleworth South is among the 20% least deprived wards in England, with an unemployment rate of only 1.4% – the lowest in Oldham. The 2001 disturbances brought some of these issues into sharp focus, highlighting both problems of governance and the reality of segregation in the borough.

The borough will need to think long and hard about how it values the diversity of each neighbourhood and district, while also ensuring that the 'One Oldham' ethos is able to create a sense of common identity that cuts across communities.

The co-operative approach in Oldham – a new type of relationship with citizens

Oldham's co-operative approach both shares common features with other councils and is locally distinctive. For example, there is less of a focus on commissioning the not-for-profit sector to deliver services in Oldham than there is in Lambeth. Whilst the council encourages a mixed economy of public service provision, it does not make a presumption towards outsourcing or 'spinning out' services to co-operatives or mutuals, and it emphasises the value of a strong public sector in Oldham.[5] Instead, it follows a holistic and value-based approach (which the council describes as a "whole-system" model), of which commissioning the not for profit sector is only one element.

The 'Oldham model' is about changing the nature of the relationship between the council and the town's residents – which we heard described on occasion as "mutually antagonistic".[6] There is acknowledgement that years of centralised decision-making and provision has fuelled residents' dependency on council services and contributed to excessive and avoidable demand pressures (especially for environmental services), while also limiting the capacity of residents to be independent and productive members of their communities. Leveraging community

leadership to enhance the capacity of citizens to be resourceful and encouraging behaviour change and self-help – along with improving the business of the council and breaking down service silos through more integrated services, and moving these services 'upstream' to a more preventative level – is considered vital to managing demand and reconfiguring the citizen-council relationship.[7]

A Co-operative Council, a Co-operative Borough – more than just managing decline

While at a relatively early stage of implementation, the co-operative agenda in Oldham is a bold programme that aims to progress past the council's recovery and improvement phase. Officers are keen to stress that the co-operative approach is becoming a core part of the business of the council – shaping its strategic direction, service priorities, budgeting decisions and the corporate plan for the next three years. It includes but looks beyond imperatives around public service reform, addressing the big social and economic issues facing Oldham and providing a set of objectives for success, as well as an overarching narrative situated in the social, economic and historical trends and realities of the borough. Addressing the town's democratic malaise and socio-political fragmentation, ensuring a fairer and stronger local economy, and enabling communities to become more responsible for their neighbourhoods is key to this.

> "We are trying to build something truly transformative and distinctive for Oldham. The co-operative agenda is a bold polemic about the wider purpose of the council, seeing it as more than just a top-down deliverer of services. Despite financial pressures, we are being ambitious – not just managing decline."
> **Chief Executive, Charlie Parker**

> "It was hard enough to achieve progress and growth when times were good, let alone during the worse recession for generations, but [we're] not willing to accept [that our main priority should be] managing decline."
> **Council Leader Jim McMahon**[8]

> "[We] are not in the business of managing decline, we are about improving the social and economic wellbeing of our residents."
> **Council Leader Jim McMahon**

A strong rejection of the 'managed decline' narrative underpins Oldham's approach. Co-operative working is thus about finding ways to mobilise the town's assets to help build a confident and productive borough where 'everyone does their bit'; providing responsive and high quality services; and driving social and economic renewal.[9] This is an agenda that aims to work with the grain of residents' lives, driven by what really matters to local people. It will need to deal with the complexities of change, the challenges of coherence and the points of interaction between different strands of reform.

Operationally, three interrelated policy strands drive the programme:

1. A Co-operative Framework – framing the council's reforms around a defined spectrum of co-operative practices and a clear ethical framework.
2. A Devolution and Partnership Agenda – devolving decision-making, services and budgets to the lowest practical level possible, putting them closer to the communities they serve and helping to forge new partnerships and networks.
3. Community Leadership – mobilising agency to drive change and galvanise communities, whether it comes from the council, empowered ward councillors or other community leaders.

These three elements are mutually dependent. Devolution relies on strong local leaders; partnership working will be driven by new (devolved) community networks; and strong local leadership is contingent on having a critical mass of active partners. These core elements are also underpinned by a set of co-operative values and principles contained in the council's co-operative charter, its ethical framework and its Corporate Social Responsibility agenda.

Three key strands of Oldham's Co-operative model
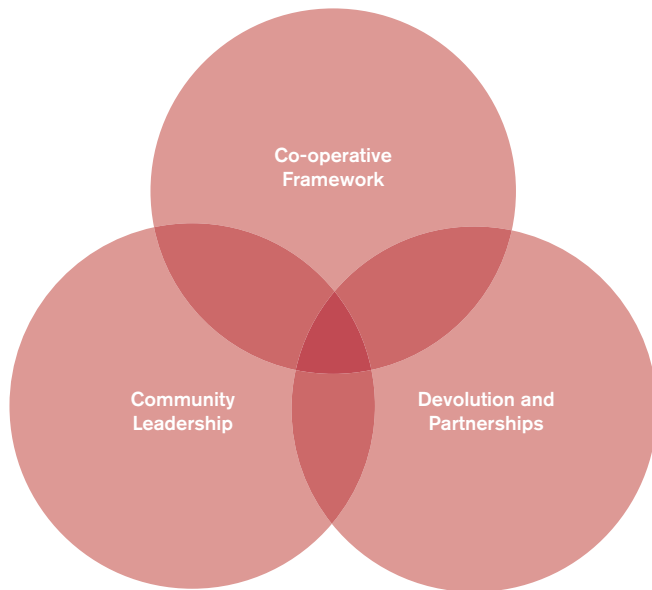
The key strands of Oldham's co-operative model[10]

While the council's co-operative repositioning is a medium to long-term agenda, significant changes have already been introduced, the key facets of which are outlined below.
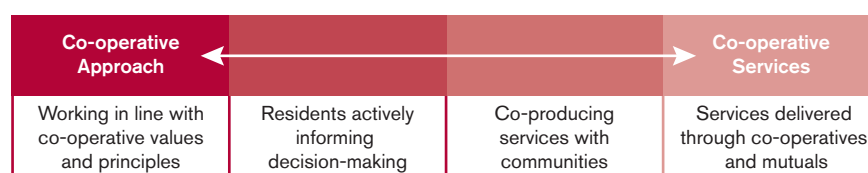
1. A co-operative and ethical framework for local government

Oldham's co-operative reforms are being underpinned by a co-operative framework that broadly encapsulates the essential features of the council's co-operative model. The framework presents what the council describes as a 'whole-system' approach that captures a broad spectrum of co-operative practices, as the diagram below illustrates.

The Co-operative spectrum

Co-operative Approach			Co-operative Services
Working in line with co-operative values and principles	Residents actively informing decision-making	Co-producing services with communities	Services delivered through co-operatives and mutuals

Taken from Oldham Council, 'Oldham: a Co-operative council'.

The council has taken a number of steps to enable citizens to more actively shape decision-making and to co-produce services with communities. For example, Springhead Community Centre has been leased out to a local community group for a peppercorn rent in exchange for the group delivering family activities and services. Residents are also being supported where possible to co-operate with frontline teams to do their bit in shaping and delivering services – which can be seen in schemes such as community gritting, where Saddleworth Parish Council has taken the lead on mobilising volunteers to support the work of the highways team. The council is also working to cut bureaucracy where possible to enable residents to manage certain services and assets. From training local faith groups to manage parts of the funeral services to handing over the stewardship of a nature reserve site to a local community group through a nominal lease, the emphasis is increasingly on a co-operative model of delivery. However, this is not being pursued through blanket outsourcing or a wholesale transfer of assets and services to communities, and there is a strong emphasis on training and capacity building.

Citizens and community groups are also increasingly being provided with opportunities to actively influence decision-making and co-produce services. Thus, the voluntary, community and faith sector (VCFS) is playing a key role in co-producing spending priorities by constructively engaging with the council to help guide and inform budget proposals. Both full council and district partnership meetings are also being opened up to more active involvement from citizens, for example through broadcasting full council meetings online and allowing residents to submit questions using social media – as well as proposals for a community call-in process that will allow citizens to trigger a review of a decision made in a district partnership.

The devolution of power to districts provides the strongest opportunities for co-production and active citizenship. Ward councillors and district teams will increasingly be tasked with mobilising communities, creatively engaging citizens and developing district networks to build capacity and in the long term help neighbourhood community groups to joint tender for public service contracts. Proposals for community-led commissioning and participatory budgeting will give citizens direct influence over local spend, as well as the evaluation of local need and the articulation of the appropriate service offer for their neighbourhoods.

New models of service delivery

While the council holds no presumption about outsourcing, 'spinning out' or commissioning the third sector to deliver services, one end of the co-operative spectrum is also about new delivery models. To deliver on this the council is looking at potentially part-mutualising its adult social care service through a hybrid co-operative and local authority trading company structure, which would enable more frontline independence, creativity and flexibility while mitigating against the perceived risks of mutualisation by keeping a majority shareholding stake for the council.

Co-operative values and principles

The council recognises that being a community leader and repositioning to a co-operative model also requires a strong commitment to a clear set of ethical principles and co-operative values. It has therefore pushed forward with the Corporate Social Responsibility framework that was initially proposed in March 2011, towards the end of the previous administration, with the Corporate Social Responsibility statement. This set out how the council would place social responsibility at the heart of its 'core' business, for example by reshaping practices such as procurement and introducing Employer-Supported Volunteering.[11]

This agenda has been refined and strengthened as part of the council's co-operative repositioning and new Ethical Framework, as well as the Co-operative Charter developed by the Co-operative Commission. As part of the commitment to co-operative values, the council:

- Is actively exploring how its procurement strategy can be reshaped to maximise social value, including by requiring suppliers to deliver added community benefits, such as localising parts of their supply chains and creating long-term and sustainable jobs for unemployed people in the borough.
- Has introduced a Living Wage for staff to ensure its commitment to economic fairness, and is extending this to other organisations through its new procurement practices.
- Is evaluating how new delivery models for public services, such as flexible in-house 'business units' and the part mutualisation of adult social care, might deliver greater social value.
- Is ensuring that any diversification or 'opening up' of services is congruent with key CSR principles, such as requiring service providers to commit to the Living Wage and to generating added social value.

It is also developing an employee volunteering scheme that will enable council staff to dedicate hundreds of hours of volunteering time to local charities and community organisations. This follows from a successful pilot that saw staff dedicate over 600 hours of their time to volunteering with local community groups and charities. Along with achieving CSR goals, the aim is to also help establish a new relationship between council employees and the communities they serve; strengthen both strategic and informal linkages between the council and the third sector; and also provide much needed capacity to VCFS and community groups, many of whom are facing extremely difficult challenges due to reduced funding.

The Council's Ethical Framework

The Ethical Framework is informed and driven by ethical principles that are at the heart of Cooperative working. These are:

- Repositioning the council as a public service, here to serve the people of Oldham and providing strong leadership for the Borough and the council.
- Commitment to improving productivity, collaboration and achieving community benefit.
- Ensuring council resources are used to meet the challenges faced by the borough, whilst ensuring the council is forward thinking and prudent in its approach.

The Ethical Framework is also based on a set of co-operative values that make up the borough's Co-operative Charter, which staff, citizens and partners will be encouraged to adopt:

Fairness
We will champion fairness and equality of opportunity, and ensure working together brings mutual benefits and the greatest possible added value. We will enable everyone to be involved.

Openness
We will be open and honest in our actions and communications. We will take decisions in a transparent way and at the most local level possible.

Responsibility
We take responsibility for and answer to our actions. We will encourage people to take responsibility for themselves and their actions. Mutual benefits go hand-in-hand with mutual obligations.

Working together
We will work together and support each other in achieving common goals, making sure the environment is in place for self-help.

Accountability
We recognise and act upon the impact of our actions on others, and hold ourselves accountable to our stakeholders.

Respect
We recognise and welcome different views and treat each other with dignity and respect.

Democracy
We believe and act within the principles of democracy, and promote these across the borough.

The above has been extracted from Cabinet documents and the Co-operative Charter.

2. Devolution, district working and new networks and partnerships

> **The objectives of devolution have been agreed as:**
>
> - Strengthened relationship between the council and citizens and places.
> - Greater recognition of councillors as civic and community leaders.
> - Improved integration across services and partners at a local level.
> - Greater citizen involvement in local decisions as well as design, commissioning and delivery of local services.
>
> Extracted from council policy document 'Building a Co-operative Oldham: Devolution to Districts' (2012)

The council's programme of devolution, the implementation of which was agreed in September 2011, is considered a central stand of the co-operative agenda. The long-term aim is to devolve significant budgets, services and decisions to six clearly defined District Partnerships, each of which consist of three or four wards and include all ward councillors in the district and key local partners (such as service delivery partners, the police and NHS). The formal decision-making and governance structure takes the form of District Partnership meetings, which follow an executive model of decision-making and also include open public questions, including through online platforms. Significantly, questions can be submitted up until two hours before the meeting, rather than two clear days in advance, as was the case previously. Local residents are also able to trigger a review of a decision made at a District Partnership meeting through a new 'community call-in process,' which requires one hundred signatures.

> ### District Partnership meetings
>
> District Partnership meetings (now renamed 'Partners and Communities Together') provide district-level governance and decision-making for individual districts. They take place regularly, typically every two months, and include the following format:
>
> 1. Public Questions, which can be submitted through social media platforms and submitted just before the meeting.
> 2. Partner updates and discussion.
> 3. District Executive, which is the formal decision-making part of the meeting and makes decisions about local services and resources that are delegated by the council.
>
> Districts Partnerships are also setting up finance sub-committees, which will have responsibility for shaping local spend and financial issues such as resource allocation. Training in finance and executive decision-making in the next round of the Local Leaders Programme will also support the capability of councillors to play a greater role in their districts.

The council is presently the only organisation that delegates decisions and budgets to the District Partnerships. The current framework includes a range of devolved and consulted decisions across place and people services. The next stage of the devolution programme, which has been underway

since the beginning of the 2012/13 financial year, will see a more significant devolution of budgets. This is initially being piloted in two service areas (Highways and Youth Service) and within two districts (Failsworth and Hollinwood and Saddleworth and Lees). The pilots are seeking to establish:

1. What elements of budgets can feasibly be devolved.
2. How budgets should be allocated to districts, such as whether they should be ward based or use population and deprivation indices.
3. What potential there is for citizen engagement through participatory budgeting. Following this, a model for rolling out devolved budgets will be developed for 2013.

Oldham's six District Partnerships – a portrait of diversity and division

Chadderton. Chadderton is a district on the most outer west part of the borough, housing a diverse landscape of farmland and industrial and commercial zones. Similarly to the rest of Oldham, there are some notable contrasts and divisions. Residents in the Central ward are generally less income-deprived, more economically active and better able to afford decent housing and essentials than the average Oldham resident, while the South and North wards have deprivation levels closer to the Oldham average. Despite its proximity to West Oldham, Chadderton has a relatively low proportion of BME communities, although the population of BME residents is growing.

West Oldham. Touching parts of the town centre, West Oldham is nevertheless a deprived and divided district, albeit one that has a strong history of textile mills and mining, the legacy of which is still apparent in its housing, its landscape, and its large BME community. The Coldhurst ward has a high Bangladeshi population, while Werneth and Medlock Vale have relatively high Pakistani populations, with Werneth housing the highest proportion of Pakistanis in Oldham. West Oldham has high levels of deprivation and a lack of decent housing and basic essentials – its wards are among the 10%, 5% and 1% most deprived in England. It also has a relatively young population, with Werneth's under-16 population making up over 30% of the ward, in sharp contrast to the low population of young people in Saddleworth. West Oldham also illustrates many of the hurdles the council will face as it tries to build a co-operative borough. There is a chronic lack of confidence among its communities and a strong sense of division between its neighbourhoods. This has, along with geographical factors, led to a failure to establish a neighbourhood Town Hall in the district, which has meant that the District Team are based in the Civic Centre, rather than a local community hub.

East Oldham. East Oldham lies between the town centre and Saddleworth to the east. It is largely a residential district, but touches some countryside and parks. East Oldham is an ethnically diverse district, although one with relatively divided populations. While the St. James' ward has a below Oldham average proportion of BME residents, St. Mary's has the second highest proportion (almost half) of residents that belong to BME groups. East Oldham also has a relatively high level of income deprivation and lack of decent housing, especially in St. Mary's, as well as higher than average concerns about racist violence or abuse.

Failsworth & Hollinwood. Failsworth is situated close to the M60 motorway, and lies on the Rochdale Canal and the northern part of the River Medlock.

Hollinwood boasts a strong industrial past, with cotton mill workers being the area's early occupants. The district has a relatively low proportion of BME residents, but there is a notable division between neighbourhoods in terms of age, with Hollinwood having a relatively young population while Failsworth West has the highest proportion of over-65s in Oldham (one fifth). There is also a clear social and economic divide, with the Failsworth wards having lower than Oldham average levels of deprivation, while Hollinwood is the fifth most deprived ward in the borough, and among the 5% most deprived in England. There are also community safety fears, with slightly less than three in ten in Hollinwood residents feeling safe outside after dark, compared to over 40% in Failsworth and Oldham as a whole.

Royton, Shaw and Crompton. The industrial revolution transformed the valley township of Shaw and Crompton into an industrial hub with enormous cotton mills, six of which have survived and continue to contribute to the local economy. The district touches the foothills of the Pennines, towards the north of Oldham. Its neighbourhoods have strong local traditions (and Shaw hosts a parish council), and it also faces its own unique set of challenges and priorities, with a relatively older population. The district also has a relatively small proportion of residents from a BME background. Compared to Oldham overall, many parts of the district are fairly socially and economically affluent, but there is still higher than national average levels of income deprivation in some areas, particularly within Shaw. The response to the explosion incident in Shaw earlier this year demonstrated both the resilience of the local community and its ability to self-organise – and it also highlighted the potential for all of Oldham's communities to work together, and for the council and partners such as First Choice Homes to contribute in a positive way.

Saddleworth & Lees. Saddleworth and Lees is the furthest east district, with a large geographic size and a landscape that includes open countryside, river valleys, villages and the Huddersfield Narrow Canal. It is west of the Pennines with a historical connection to the West Riding of Yorkshire, and some of its moorland areas are in the Peak District Park, equating to a quarter of the borough. The district is the most prosperous in Oldham, with low levels of income deprivation, relatively high levels of economic activity and higher than Oldham average life expectancy. The district also has a relatively old population, and the lowest proportion of BME residents in Oldham. It has a strong traditional heritage and hosts the Saddleworth Parish Council.

Source: Based on ward profiles and data available at www.oldham.gov.uk

Service delivery and organisational structures are also being reconfigured to enable stronger district working and to enhance the local integration and responsiveness of services. Each district also has a neighbourhood Town Hall,[12] which is co-located with certain services and is supported by a core team that works full-time in districts, including new community development officers and district caseworkers. As the programme develops, an increasing number of services and staff will be either 'dedicated' or 'designated' to district working. As we discuss below, the progress (or otherwise) of these Town Hall reforms is a key marker for communities.

Oldham's emerging neighbourhood model frames a number of the council's co-operative ambitions, including stronger leadership roles for ward councillors, more locally integrated, efficient, flexible and responsive services, and a new relationship between the council, citizens and their local areas. The expectations of citizens are changing, too.

District Partnerships and Neighbourhood Teams

As part of its devolution programme, the council is devolving significant budgets, decisions, services and staff to six District Partnerships, bringing the levers of power closer to local people and empowering ward councillors and local partners to drive positive change in their neighbourhoods and integrate and create responsive local services.

District Partnerships consist of:

- All ward councillors in the district
- A core District Team based in newly formed neighbourhood town halls, supporting and co-ordinating local action
- Local partners, including service providers and established organisations such as Voluntary Action Oldham, First Choice Homes Oldham and Positive Steps Oldham, and local neighbourhood police and the NHS. Partners can also include parish councillors and Youth Council representatives. Membership varies according to district preferences.
- A representative from the District Network.

Each district has a dedicated District Team that drives the neighbourhood agenda and serves local communities. District Teams across Oldham have been formed relatively recently, and include:

- A District Co-ordinator
- Neighbourhood caseworker
- Community development officers
- A District Environmental Manager
- And other permanent staff, including Business Support, Sports Development, Community Safety, Youth Development, and others according to individual districts' preferences.

Districts are also supported by a range of frontline staff and officers that are spending a greater amount of time working within districts, including in the following areas:

- Environmental health
- Highways
- Adult services
- Public health
- And some other areas (trading standards, achievement and learning, constitutional services)

Newly established neighbourhood Town Halls will act as a community base for bringing services together and engaging local residents.

In addition to District Partnerships, there are also Area Action Teams and individual ward meetings. Our research indicated that while councillors have mostly engaged at a District Partnership level, they are also increasingly participating in ward based platforms.

- Opportunities to participate in local commissioning and decision-making are predicated on taking greater collective responsibility for neighbourhoods and for individual behaviour. Campaigns such as 'Love Where you Live' and new pilots for 'Neighbourhood Standards' are intended to promote behaviour change and a focus on personal responsibility, local pride and 'making things happen'.

- This will also be supported by District Plans, which are joint partnership plans that engage local partners and citizens to help determine local priorities and co-ordinate neighbourhood action.
- Community development officers are also helping to establish District Networks, which will help provide an infrastructure of support to community organisations and voluntary and community sector (VCS) groups to enable collaborative working and (later) a key role in community commissioning, co-production and in some cases, the direct delivery of services through joint tendering.
- The council has set up a community dividend fund which allows community groups to bid for funding to finance neighbourhood initiatives that deliver positive outcomes for their local area. One recent example of a successful project is Saddleworth Community Hydro, which generates sustainable energy for the local community. It is hoped this fund will help nurture mutuals and social enterprises and grow community capacity in tough times.

The trajectory of devolution

Where it is heading

More staff, services, and budgets operating at a district level

A model for devolved budgets, rolled out across districts

Strong District Networks

Participatory budgeting and community commissioning, feeding into integrated commissioning framework

A unique model for local integrated services, supported by a strong local leadership

More engaged citizens, including through community call-in and neighbourhood plans and standards

Where it is now

Devolution of limited services, decisions and budgets Pilots for further devolution

Staff and service reconfiguration around more district working

Newly established town halls and neighbourhood district teams

Neighbourhood Plans and Standards

3. Community leadership and the changing role of ward councillors

Councillors as Community Champions
A renewed civic and community leadership role for councillors is a central part of the council's co-operative vision. The council has introduced a range of support functions, incentives and new powers and responsibilities to encourage ward councillors to become 'champions' and 'anchors' of their local communities. The most direct form of support is the Local Leaders Programme, which is a training programme for councillors that began in 2011 and consists of six modules. The desired outcomes for councillors include:

1. A clearer understanding of their individual and collective roles and a strong knowledge and skill base to support this.
2. A discerning grasp of what leadership models are most relevant for them and their districts.
3. Awareness of how they can meet the challenges of greater neighbourhood working and effectively leverage the new resources and opportunities provided by devolution and co-operative reform.

Future phases of the Local Leaders Programme are also likely to provide new training opportunities, for example in executive decision-making and financial aptitude for managing devolved budgets. We provide some recommendations for the development of this programme in the conclusion of this paper.

The devolution agenda offers elected members new opportunities and resources to fulfil their leadership roles. Within districts for example, councillors are being supported by neighbourhood teams, including new community development officers, district co-ordinators and neighbourhood caseworkers. The local town hall will also act as a civic and community 'base' to help councillors tap into the knowledge and expertise of frontline staff and directly engage citizens and key partners and community organisations, which will also be supported by the establishment of District Networks.

Backbench councillors are also being given new opportunities to develop their leadership potential and influence the strategic direction of the council through cross-party Cabinet Advisory Panels, which provide non-executive councillors with the opportunity to influence policy at the earliest stage of the process. It is the aim of the council that this new architecture of support will encourage councillors to spur new forms of place-based leadership, using these resources and their improved skills and local knowledge to mobilise communities, catalyse local collaboration and co-production, and effectively engage citizens and partners in a different kind of relationship with the council.

Oldham's co-operative council

The Local Leaders Programme

The Local Leaders Programme is considered vital to equipping councillors with the skills, knowledge, competencies and attitudes necessary for engaging with and driving the co-operative agenda. An evaluation of the programme based on feedback from councillors found strong overall satisfaction with the modules. The teaching and training includes a mixed model of councillor-led discussions, seminars offering useful tools and models, expert facilitators and speakers, and a range of formats for discussions and activities.

The six modules in 2011 included:

- **Session 1 – The local leadership role in 2011.** This aimed to help councillors understand their formal and informal leadership roles, as well as the challenges of getting the right balance, addressing complex neighbourhood issues and becoming a successful local leader.
- **Session 2 – Personal leadership skills and understanding.** This session aimed to help councillors understand different models of local leadership, and their own personal preferences and personality style.
- **Session 3 – Working inside the organisation and the politics.** This aimed to enhance councillors' understanding of the council as an organisation, and the relationship between the central leadership and district partnerships, and between elected members and officers.
- **Session 4 – A deeper look at community leadership in Oldham.** This aimed to help councillors define community leadership, cohesion and engagement in an Oldham context, with an understanding of the borough's 'wicked issues' and methods for engaging the hard to reach.
- **Session 5 – Issues and Challenges workshop.** This session included a facilitated workshop of small groups of councillors to explore a range of leadership challenges.
- **Session 6 – Neighbourhoods, partnerships and outward communication.** This session aimed to help councillors get to grips with the opportunities and challenges of working in District Partnerships, forging partnerships across wards, districts and the borough, and communicating effectively with residents, external partners and the media.

Additional 'specialised' sessions were also provided for the Chairs and Vice Chairs of District Partnerships and for learning how opposition groups or non-executive members can maximise their influence.

The feedback from councillors that attended the modules was largely positive, and included suggestions that will feed into the programme moving forward. Suggestions included greater exploration of finance and funding, the power of councillors, personality styles, conflict resolution, additional ICT and social media support, and mechanisms for districts to share good practice.

Adapted from council document 'Local Leaders Programme' and evaluation data of the programme.

However, Oldham's approach to 'strong local leadership' also raises the bar of expectation in terms of how councillors adapt to their new leadership roles. The opportunities and resources outlined above are being offered as part of a package that also demands greater responsibility and accountability, including the use of sanctions. Every councillor is now:

- Required to produce a councillor report each year.
- Required to attend at least half of the Local Leaders Programme modules in order to be able to make decisions on District

Partnership budgets and to allocate individual councillor budgets. Dropping below this fifty per cent attendance standard will mean losing these privileges.

New demands for greater accountability and stronger political leadership are reaching the very top of the council. The Leader and Cabinet are going to greater lengths to constructively reflect on their own personal performance by agreeing to take part in 360 degree feedback. This will allow other councillors, senior managers and local partners in the business and voluntary sectors to give confidential feedback on their current performance both in terms of what they do well and what they could do better.

As governance and decision-making in Oldham becomes more networked, more co-productive and more responsive to citizens (for example the proposed community call-in process), the council will place greater onus on elected members to think strategically about their districts and become effective community leaders.

From executive command and control to innovative community leadership
The council is renewing its community leadership role to help transform the borough along co-operative lines. This is an ambitious attempt, which has gained impetus under the new political leadership and is supported by the executive management team, to lay the foundations for a new model of leadership that begins to move beyond the 'command and control' approach that was needed to gain stability during the council's recovery and improvement phase, and sets out a positive new *enabling* role for the council. This is a coherent strategic vision that marries place-based leadership with a commitment to strong internal change. It seeks a more balanced form of community leadership where the council acts as a strong advocate and driver of co-operative change but is also willing to step back to allow others to flourish – with new centres of power and social action emerging around district partnerships, ward councillors, community organisations, neighbourhoods and individual citizens. This facilitative role is crucial to achieving the co-operative objective of building confident, self-reliant communities and is codified in the Corporate Plan and the council's *Co-operative Repositioning* framework for organisational change.

As part of this new role, the council is also looking at freeing up frontline in-house teams by establishing 'business units' that have more independence, increased flexibility and greater freedom from centralised control. This is part of a broader development of a stronger integrated commissioning approach that promotes a collaborative, cross-sectoral focus on the 'big issues' facing the borough, such as education, skills and employment, troubled families, neighbourhoods, and a council-led model of public health. Similarly, the council is also trying to lead by example on managing demand and limiting the impact of the fiscal squeeze by piloting new public service delivery models that minimise duplication, enhance collaboration between services and break down service silos – for example through its ongoing work with AGMA on community budgets and troubled families.

A strongly emerging theme of Oldham's community leadership approach is the notion of the *advocating* or *campaigning* council[13] – one

that puts its weight behind ensuring greater social equity and supporting changes that really matter to local people. For instance, it is taking the lead on campaigning for fairer bus fares in Oldham – a pressing local issue that is emblematic of wider problems of structural and geographic inequality and fragmentation in Greater Manchester. The *advocating* or *campaigning* council idea is framed as an example of co-operative community leadership – proactive leadership that is at its heart normative and shaped by co-operative values, such as socioeconomic fairness.[14] This form of community leadership builds on a vision articulated by the previous administration. In the current context it is also about the council not simply managing decline and austerity, but more importantly articulating an 'Oldham Offer' that identifies the assets of the borough – including those within the council, partner organisations, neighbourhoods and businesses – and seeks to mobilise these to help drive a more productive place. For the council this means using its power and resources to take the lead on economic regeneration, inward investment and helping to build a more skilled local economy, which can be seen in the Town Centre Partnership and projects such as Hotel Futures. It is also about using internal resources and assets to support community development – for example the council's community dividends scheme and its programme of employee volunteering that is helping to build local capacity by enabling council employees to dedicate hundreds of hours of volunteering time to local charities and community organisations.

This new, co-operative focus is being underpinned by a shift away from a hierarchical, centrally driven model of leadership resting on the council's traditional role as a 'deliverer', and towards a less prescriptive, more facilitative form of leadership built around complex new partnerships, more dispersed forms of power and influence, and a changing set of roles and relationships. Thus, the council is rethinking service design and delivery by stepping up co-production and building a more mixed economy of service provision. This approach entails an appreciation of the value of the public sector but is also open to greater diversification, for example by exploring mutual models for adult social care; supporting community organisations to deliver services; and being more enterprising, including through commercially trading services. The new service offer also involves giving greater control to district partnerships to help commission and deliver services in more localised ways, with less central control, a trimmed down management structure and a closer integration between service delivery and neighbourhood working. This is part of a more fundamental repositioning by the council as it looks for ways to enable others to flourish and take greater responsibility for building confident communities. This is partly about removing bureaucratic barriers to community self-help and encouraging behaviour change; but it is also about sharing power and actively supporting communities through co-production, community commissioning and driving partnerships at both a borough-wide level (for example the co-operative commission) and across districts (such as district partnerships and district community networks).

2. Developing a compelling vision for co-operative Oldham

Over the next five chapters we discuss some key challenges for Oldham. These include:

- Developing a compelling co-operative narrative for Oldham.
- Supporting community coherence, capability and social cohesion.
- The future of Oldham's public services.
- The need to build productive local partnerships.
- The internal mechanisms of change.

Oldham faces acute social and economic challenges. Even before the global economic downturn, the town was in stagnation while other parts of the UK experienced steady growth. Since then, the global recession and the coalition government's deficit reduction strategy have had a strong impact on the borough – for example, the number of jobseeker's allowance claimants rose by 19 per cent from 2010 to 2011, compared with a regional increase of around 15 per cent and a national increase of 10 per cent.[15] Deprivation in the borough remains high and unequally distributed, with a notable divide between wards and districts on a number of social, economic and health indicators.

The big issues facing Oldham

With a strong reliance on the public sector for employment, and a low-skilled, low-wage economy, low rates of business start-ups and SME growth, and low levels of aspiration and confidence among residents, it is uncertain how the borough will respond to a significantly slimmer council, a stronger national focus on growth and a clear central government welfare agenda of 'making work pay'. While there is a strong commitment from the council not to simply manage decline, it is evident that their future role will be as much about determining the distribution of cuts as it will be about public service transformation. Seen in this context, it is vital that, if it is to retain relevance, the co-operative agenda directly addresses the 'big issues' facing the borough, and is shaped in a way that is relevant to the lives of local people. This in turn is likely to build trust and begin to address the historic antagonism and disconnect between citizens and the council.

"I [know] the bottom line is that trust in politicians and institutions depends on results – so we really must deliver what we're aspiring to do here for the borough."
Oldham Council Leader Jim McMahon[16]

There is a notable shift in the council's thinking towards framing the co-operative agenda more explicitly around meeting the social and economic challenges of the borough, for example through a corporate and democratic commitment to building a 'productive place' where enterprises thrive, and a critical exploration of what a co-operative council might mean in terms of addressing social exclusion or campaigning for fairer transport and energy. This reflects emerging thinking about 'egalitarian devolution' among Labour activists across the country, where radical decentralisation is not simply about rolling back the state to end the dependency culture, but, more importantly, is about using the process to drive social equity, build community resilience and deliver the social and economic outcomes citizens really need and want.[17] This line of thinking sees the co-operative agenda as a means, or a process, rather than an end in itself. Instead of being about the council's own performance, it is about carving out a new direction of travel for the borough and its residents through community leadership, greater collective responsibility and social innovation. Two challenges will be key here.

1. Driving productivity with the co-operative agenda
Our research suggests the council must creatively exploit the opportunities available for economic growth, but in a way that also generates added social value and is consonant with co-operative principles. The business end of this strategy could, at least in the immediate term, focus its energy on getting the borough back on its feet through dynamic regeneration, private sector job creation and planning and development.

This means maximising opportunities around the Oldham town centre, the Metrolink, the strategic value of Oldham's geographic location within Greater Manchester, skills and apprenticeships, and bringing in new businesses, helping to encourage business start-ups and generating inward investment. This will be vital in transforming Oldham's low-skill, low-wage economy into a more thriving, skilled local economy with a revitalised private sector that is able to create jobs during a sustained period of public sector cuts.[18]

Community leadership and a culture change will be key to this transition. Our research suggests that despite feeling relatively proud of Oldham,[19] many residents lack aspiration and have little confidence about the borough's future direction – an attitude some within the council fear is self-defeating.[20] This is compounded by difficulties in harnessing the skills and knowledge of a burgeoning professional class that works outside the borough and lacks a strong economic or civic attachment to Oldham.

As devolution progresses, it will be important to consider how ward councillors and other community leaders might address this through new forms of engagement, campaigning and neighbourhood plans. By being more effectively embedded within their communities, these community leaders could help identify local pockets of entrepreneurism, support potential business start-ups (perhaps through access to support from the

council's employee volunteering programme, especially if it extends to private companies) and spot opportunities to bring local people out of the 'informal economy' and into the 'real' one. They could also help generate a sense of pride in local areas and build the confidence of local people, and convince those with professional skills about the value of Oldham as a place for work and aspiration.

But it is equally vital that this economic growth and regeneration agenda is clearly shaped by a framework of co-operative principles. In significant ways, this is already happening through the council's Ethical Framework and CSR agenda. Along with ensuring that the council and those it does business with pay employees the living wage, the council is also reviewing its procurement, commissioning and performance practices and considering how they can be reoriented towards generating greater shared value and contributing to meeting Oldham's social and economic challenges. For example, it is looking at designing contracts to include 'local economic benefit clauses' for employing local people, supporting local communities, providing apprenticeship and work experience opportunities, and using local supply chains. This is an emerging strategy that aims to use the council's enormous productive potential – for example its role as a major local employer and its purchasing power – to achieve better outcomes for the borough.

In addition to maximising its economic clout, the council is also channelling its political influence, including its role as a community leader, to help create the conditions for a fairer, more co-operative local economy and service settlement. It has therefore adopted a stronger focus on becoming an advocating or campaigning council, building on ideas from the previous administration.

One example of this is Oldham council's 'Fares Fair' campaign, which is seeking to address the structural economic inequalities in public transport caused by the deregulation of bus services in 1986 – which has led to a situation in which residents in the relatively deprived North East conurbations of Greater Manchester can pay 50 per cent more for bus services than those in the suburbs of the south of Greater Manchester.[21]

Part of this focus on economic fairness is also about exploring what role credit unions and co-operatives (such as Oldham's recent Fuel Co-op and its energy switching campaign), in addition to traditional regeneration and housing policy, can play in driving the agenda forward. The council is also developing an explicit co-operative approach to key service areas by ensuring, for example, that its forthcoming social inclusion strategy has clear links to the co-operative agenda.[22]

"This ['Fares Fair'] campaign is born from our ambitions to become a co-operative council. Rather than being a Local Authority that just empties your bins and sprays your weeds, we want to be more relevant to residents' lives by finding ways we can improve their lot. That's not just because we have to, but because we can."
Oldham Cllr Sean Fielding[23]

But where might Oldham Council go from here? The analysis above suggests they are following a two-layered strategy.

The first layer of this centres around job creation, traditional regeneration and investment, and a sensible effort to facilitate private sector growth. This is the most immediate and pressing economic goal: getting the borough back on its feet; moving towards a skilled leisure economy and beyond a low-wage and low-skilled marketplace; and shifting the balance of growth towards the private sector to help offset the consequences of a contracting public sector. This might be described as the recovery imperative.

The second layer begins to apply elements of the co-operative agenda to this process by exploring how the council, its partners and service providers can contribute to building social and economic resilience within the borough and its communities. This could be described as the improvement and innovation imperative.

By recognising the points of connection between public services, local economic markets and citizen behaviour and outcomes, this could potentially help establish a third strategic layer: *transformation*, mirroring the council's own internal recovery, improvement and innovation journey. In practical terms, this third layer could help lay the foundations for a 'co-operative economic masterplan' for Oldham that brings together public services, the third and private sectors and communities around a joint strategic vision for achieving transformative change in the borough. Such a strategy could focus on breaking down silos and mapping the borough's assets and centres of productive potential, and then draw up action plans to creatively leverage these to achieve co-operative objectives that matter to local people.

A local strategic spending and growth review

This would mean seeing public services not just as spenders of wealth, but also as catalysts for new forms of growth, productivity and investment. Rather than the currently fashionable (and erroneous[24]) view that the public sector is 'crowding out' the private sector and alternative markets, local public services in Oldham could instead become engines for stimulating demand and creating new markets both within and outside the public sector. Doing this will require creative answers to questions such as:

- How might the council use its local influence and spending power to create a market of social and micro-enterprises around adult social care, particularly if it becomes part mutualised?
- Could this new marketplace save significant sums of money by raising revenue in innovative ways, being less dependent on council funding streams and achieving better outcomes through genuine, micro-level co-production?
- How might social value tendering and community commissioning drive this process?
- And how could these savings, as well as the savings achieved from borough-wide public service integration and community budgets, be re-invested into the local economy?

Currently the council is beginning to think about how to generate growth in tough times and in the longer term. For example, it is reducing

service budgets to create an economic job creation fund to help offset 4,000 predicted job losses by 2020.[25] But what this is missing is a coherent strategic framework that would allow the council to demonstrate that it is doing more than just managing decline. This could take the form of a local strategic spending and growth review involving a systematic examination of the local ecosystem of public services, public and private revenue streams, regional opportunities, local market growth and community potential. By combining knowledge on local services with business intelligence about the private sector and a systematic mapping of social and economic assets in the borough, such a review could develop a genuine 'whole-place' understanding of Oldham that might begin to find answers to the big strategic questions facing the town.

A review could, for example, help the council find ways to turn the savings generated from public service integration and community budgets into new investment products for supporting business start-ups or community social enterprises. It could also set up a more ambitious community dividend fund where community groups or VCS organisations are part-funded by the savings they help generate through co-production and neighbourhood commissioning.

More ambitiously, the council could begin to think about ways in which it might create a local social investment market and what this might mean in terms of its role. By becoming a hub for social investors and investees, empowering citizens to become social investors in their neighbourhoods through seed funding and peer-to-peer investment, and developing social investment products (such as social impact bonds) for public services, this could potentially help the council become more of a strategic enabler than a centralist manager, and help it achieve local co-operative objectives.[26] Crucially, it could allow access to new forms of capital – beyond grants and contracts to deliver services – as public finances become increasingly squeezed.

Such a shift does not necessarily need to focus on social enterprises directly delivering services, as central government recommends. Rather, it could equally focus on social enterprises undertaking community initiatives that could help improve outcomes and reduce demand for public services – thereby enabling this new social market to become a core part of the council's 'upstream' approach to managing demand without directly taking over large swathes of service provision. This would allow new, innovative markets to be created around public services, but without a narrow focus on liberalising delivery. It would also require new forms of collaboration between the council, the community and the third sector, with more equal 'shared spaces' providing a structure and a set of principles to the process.

> "The co-operative council agenda is not only about transforming services. It is also about making maximum use of public resources and local spend to achieve real benefits for communities across Oldham."
> **Senior Cabinet Member of Oldham Council**

The role of the local private sector will also be critical. A local strategic spending review could help establish what opportunities there are for private companies not only to generate growth and create jobs, but also

to create shared value by working with local communities as part of their 'core' business, tying profit to social aims.

The RSA's work with B&Q and its 'community footprint' initiative could serve as a model for what can be achieved. This work demonstrates that private companies, such as retailers, can help build social capital by maximising their potential as hubs for social interaction, support local economic growth with new supply-chain arrangements, provide goods and services that are locally beneficial, and invest in communities through stronger CSR activities.[27]

Oldham town centre could be a key starting point here, and the Town Centre Partnership provides an already existing structure for the council and businesses in the town centre to think strategically about these issues. This new approach could also extend beyond the town centre. For example, there have been positive noises from Trinity Mirror, whose northern printing arm is based in Hollinwood, about engagement with the co-operative agenda, such as through employee volunteering schemes.[28]

A key challenge for the council will be how it goes about translating this potential into a qualitatively different relationship with local business. Part of this might include integrating and pooling the employee volunteering schemes of the council and local businesses to maximise community benefit. It may also include a borough-wide CSR framework that includes interested private sector companies and helps drive co-operative objectives through community investment. Whatever path the council pursues, it is important that it leverages its community leadership role to ensure that there is a clear structure and vision to the process. For example, it might develop a coherent, long-term 'market strategy' that involves strong collaborative relationships with business, which could help ensure private sector buy-in and create a strong enabling environment for commercial and social market growth.[29]

To assist this, the council might look to relevant frameworks such as those developed by Business in the Community, as well as the 2020 Hub's work on 'shared spaces' for public service and business collaboration.[30]

> "The co-operative council for me is about working in partnership with anyone that provides a service, broadly defined. This means working with businesses and engaging them in a new type of relationship is vital – this is why we have set up, for example, the Town Centre Partnership."
> **Oldham Council Deputy Leader Cllr Shoab Akthar**

It is clear that the above would be part of a long-term process – a possible third strategic layer of the council's current approach, with job creation and private sector growth, and social and economic resilience being the most pressing and immediately deliverable priorities. This transformative layer would be an important step-up from what the council is currently exploring in areas such as CSR, traditional regeneration and community benefit clauses in public service contracts.

Some might argue Oldham will not have the skills or capacity to implement this new transformative approach to public service productivity, especially in the context of unprecedented cuts. This is why a strategic spending review may be crucial – it could help set out the opportunities, the potential, the threats and the capacity for change. Moreover,

leveraging public sector influence and stimulating demand to help create new markets does not necessarily require a Keynesian injection of greater spending power, which councils will obviously not have access to during austerity. Rather, this new approach to productivity is about using current pots of money and influence more strategically to maximise outcomes and efficiency, using the creative potential of different sectors.

We have been told by senior officers and elected members in Oldham that even when the borough received significant levels of grant, outcomes for its citizens hardly improved. This suggests public service transformation is as important as levels of funding, and that simply cutting service budgets while waiting for austerity to end risks precluding a more strategic approach to maximising public resources for social benefit. Austerity makes strategic spending and service design more critical. The council's success in this area could determine whether its citizens are convinced that it is doing more than just managing decline.

2. Actively engaging Oldham's citizens

The success of the council's repositioning and the viability of the co-operative model will depend on the degree to which it both understands local communities and is shaped by citizens through deeper forms of engagement. If the council is to build a co-operative borough that truly reflects local aspirations, this will be vital. In many respects, this is already a central part of the council's reform agenda. In terms of services, greater devolution and a renewed focus on 'customer insight' or business intelligence is expected to spur new forms of frontline engagement with citizens.

Neighbourhood teams and ward councillors – the 'civic entrepreneurs' closest to citizens – will be able to construct a direct link between feedback from local residents and the delivery of services at a local level, while also tapping into local knowledge and leveraging 'willing localists' or local 'changemakers' and community groups to hep drive a greater control of assets, decisions and services by citizens.[31] New forms of participation and co-production – for example participatory budgeting, opening up district partnership (DP) meetings through social media and replacing formal engagement structures with innovative approaches through emerging district community networks – are also a key part of the council's approach.

Yet the council and its district partnerships will need to be discerning in thinking about how to best engage citizens. A strong focus currently is on the potential of social media, with full council meetings and district partnerships increasingly – and successfully – employing online engagement tools. But as research by the Young Foundation suggests, social media does not provide a 'shortcut' to increased participation and experiences similar problems around a lack of serious engagement beyond committed individuals. The focus of the council's engagement strategy should be on enhancing local citizens' sense of efficacy, or the degree to which they feel they can influence their local area. Crucially, this should be far less about formalised structures – such as consultations, regeneration boards and formal meetings – and more about harnessing the often 'under the radar' types of participation facilitated by grassroots activity – often in local community hubs such as schools and neighbourhood institutions and events.[32]

The extent to which the council and its districts are able to identify, harness and tap into the potential of these spaces without politicising or formalising them could determine how well the co-operative agenda is linked to what local residents truly need and want.

Through our research we were informed of a number of examples of these spaces and forms of participation in Oldham – from a local school being a crucial hub for engagement with public services in one neighbourhood, to the success of a ward councillor carrying out his surgeries in informal community settings. Importantly, our research also indicated that many of these community hubs and assets were unknown to the council.

> "…I have always believed that many of the best co-operative schemes will be organic – i.e. ones that residents and businesses innovate and come up with themselves to tackle what they identify as a local priority."
> **Oldham Council Leader Jim McMahon**[33]

> "Citizens need to be empowered through community development and given the skills and capacity needed to play a stronger role in developing high value interventions for their communities. It is vital that District Networks do not become too formalised and instead build on existing social infrastructure and social assets."
> **Senior Third Sector representative**

If the co-operative agenda is to truly help facilitate behaviour change and more community responsibility for services with less involvement from the council, a systematic understanding and mapping of community assets and local capacity will be crucial. District teams and community development workers will be key here, and it is important that they have the right tools.

The council's existing citizens' surveys, which focus primarily on formal volunteering and participation, could also be supplemented with tools that capture broader participation, as well as techniques for 'micro-mapping' community groups that are below the radar.[34] RSA's Civic Pulse is one such tool: it has a broader understanding of civic participation and its key drivers, and can gauge the capacity of local citizens to engage in subtler and more contemporary forms of participation – such as time banks, supporting friends and family and building social capital – that are overlooked by traditional surveys.[35] Importantly, these survey tools are able to evaluate the local state of social networks and civic skills, as well as the confidence and emotional resilience of citizens.

The confidence to engage

Throughout our research we were told that several communities, for example in West Oldham, simply do not have the confidence to engage with the council's co-operative agenda and its focus on collective responsibility and behaviour change. Having a deeper and more systematic understanding of local capacity and active citizenship could be crucial in helping district teams and community leaders to identify gaps in local capacity, help build community confidence and make services more responsive at a neighbourhood level.

The council's research on 'value modes' – which has found that the majority of Oldham's residents are pragmatists that are willing to change their behaviour if it benefits their friends and family – could be expanded and used more systematically across districts. For example, one district (Roundthorn Salem) has commissioned a social network analysis and a 'value mode' evaluation of citizens' individual underlying values, which has provided it with a rich picture of how social networks operate locally; how they differ between communities; how citizens' underlying values influence the strength of their social networks; and the relationship between social networks and education, employability and access to resources.[36]

The RSA's recent work on changemakers, which helps identify influential individuals that can mobilise residents and facilitate change at a local level, could be another useful tool if the council wants to employ community intelligence to ensure that the co-operative agenda is shaped by what truly matters to local people; and in a way that is consonant with local values and capacity. Crucially, it will also help identify gaps in local capacity and provide district teams with intelligence on what work needs to be done to build local capacity and strengthen social capital, which is vital if citizens are to have the confidence to take greater responsibility for services.[37] Several of our interviewees were worried about how cuts might have an impact on capacity building, with some suggesting that the co-operative agenda risked becoming associated with 'the Big Society' without proper financing, outreach and capacity building. In other words, it is vital that communities are given strong structures of support to become more active citizens.

3. Supporting community coherence, capability and social cohesion

One of the most important – and difficult – challenges for the council as it moves to a co-operative model is ensuring that this nascent agenda impacts positively on a borough that has historically been very fragmented. Oldham has long-standing issues of social inequality, ethnic division, poor governance, limited social capital and complex housing and welfare problems which interact with an often-fractured policy mix that has struggled to strategically grapple with the need to build more inclusive and responsible communities, beyond the usual prescription of grants and top-down intervention.

Since the 2001 riots, Oldham has taken a number of strides in improving governance, tackling segregation (especially in education), encouraging inter-faith dialogue and employing community leadership to strengthen cohesion across the borough.[38] Citizens' surveys undertaken by the council also suggest that residents now perceive racial tension as less of an issue, especially those from Asian backgrounds.[39] Nevertheless a number of challenges remain, many of them structural and some of them intractable.

Oldham's divided communities

Our research indicates that there is still a degree of mistrust and mis-understanding between communities and across wards and districts, including simmering tensions around resource allocation and perceived policy favouritism, and often-unfounded perceptions about ethnic variations in service use and dependency. There are also serious issues of segregation in housing, with some estates, such as Clarkwell, made up entirely of a single ethnicity.[40]

This is part of a wider problem of different communities often leading disparate, parallel lives. For example, our interviewees provided anecdotal evidence of residents not crossing into parts of the borough they deemed designated for a different community. This polarisation has a direct impact on citizens' interaction with services: one frontline worker told us how it led to many residents refusing to make use of a new high-quality library that was only a small distance away from their existing, 'grotty' library, because it was in a 'no go' area. The establishment of West Oldham's

neighbourhood Town Hall has also been significantly delayed, in large part due to these pressures combined with geographical difficulties. Our research also made clear that divisions in ethnicity are also closely connected to patterns of social inequality, social isolation and a chronic lack of participation and community confidence in some areas of the borough.

While it is in the cusp of change, the democratic process in Oldham also in some respects still plays out in a way that enables certain actors to make political capital out of this fragmentation, instead of regarding it as a problem that needs to be systematically addressed. For example, narrow forms of engagement persist; there are issues around patronage and social status; representation is still a problem; and senior officers often have limited interaction with parts of the borough. The changing national context is also likely to present real challenges. With unprecedented cuts, including to community cohesion grants, some fear that a lack of proper resourcing will detrimentally impact on cohesion efforts.[41] Welfare reforms and the localisation of some benefits are also likely to have a significant impact on a borough with high unemployment rates, high levels of sickness-related benefits and a low-skill, low-wage economy.

As a 'Big Society' vision of localism rolls out, there are also fears that it will only be privileged groups with high degrees of social and economic capital that will take advantage of the new opportunities for active citizenship, leading to a community empowerment agenda that is exclusive and risks exacerbating existing divisions and inequities.[42]

> "Community cohesion will be especially important in the current climate of recession and cuts, where many will naturally become more protective of dwindling pots of money. We must avoid a blame culture, and a more co-operative council will also need to mean a more cohesive and mutually empowered borough."
> **Oldham Council Senior Cabinet Member**

Potential tensions in how cuts are distributed across the borough will also be accompanied by the possible risks of the council's devolution programme, especially if it follows a model of negotiated autonomy where the distribution of power and budgets could vary between districts, and where different communities may be at different stages of preparedness for greater autonomy. Ending the dependency culture, building self-reliant communities and moving away from a paternalistic model of centralised management will all require a serious effort to make cohesion and coherence inside and between communities and within policymaking a key part of the long-term co-operative agenda. We believe there are two key challenges here.

1. Leveraging district partnerships and community leadership
Oldham's district partnerships and its community leaders will need to take the lead on building cohesion and empowerment, supported by the council and key private sector and VCS organisations, and codified in districts' neighbourhood plans.

Following the disturbances in 2001, the council placed community cohesion at the centre of its Community Strategy and Corporate Plan, and developed the 'Forward Together' strategy for building long-term

community cohesion. A subsequent review praised the performance of the Local Strategic Partnership, and the Leader and Chief Executive at the time in particular, but also found that community cohesion initiatives were supported by an overly centralised approach that had created a dependency culture.

The review recommended that the empowerment and cohesion agenda should be more actively shaped by communities themselves, including through active involvement from businesses and the VCS, as well as citizens and community leaders. This could provide the basis for a more coherent and strategic approach linked to the 'real', lived experiences of people in the borough.[43]

Seen in this context, Oldham's emerging shift away from a command and control model, and its stronger focus on citizens taking greater responsibility, provides real opportunities. At the same time, governance is in a degree of flux, with the LSP being effectively wound down and the devolution programme still at a nascent stage. Therefore, the way in which district partnerships and community leaders (including ward councillors) choose to respond to this challenge is vitally important.

A key measure of success will be the degree to which they are able to develop a strategic approach to community cohesion and empowerment – one that works with the grain of people's lives and drives collaboration at a number of different levels. In other words, how might community cohesion be built from the ground up?

Understanding local social networks and working with businesses, the VCS and community groups to support the development of 'bonding', 'bridging' and 'linking' capital will be crucial.[44] Bridging capital – the connections individuals or groups have to those that are different or outside their particular group – is currently a limited commodity in Oldham, with sharp ethnic and socioeconomic divisions. Research shows that this has an impact on community cohesion, employment opportunities and access to public resources and services. For example, evidence such as the community divisions in the use of libraries mentioned earlier suggests community assets in Oldham are largely 'social goods', or resources and facilities that are publicly available but often scare, exclusive and shaped by patterns of conflict and competition between different groups. There is a relative lack of 'public goods' that are a genuine resource for all communities.[45] This in turn may serve as a barrier to regeneration and is likely to be connected to problems of unequal access to resources, services and opportunities for participation. This also fuels distrust and misgivings about the allocation of resources and the focus of well-meaning policy interventions such as targeted support for specific communities and area-based initiatives (ABIs), which some have argued risk reinforcing isolation by creating "tightly defined and protected" identities.[46]

The challenge for Oldham's leadership will be to transform loose but protected structures of 'social goods' into inclusive (public) social resources that are used jointly by various communities. This may require a fundamental shift in how ward councillors see their community leadership roles. Some of those we interviewed indicated that some councillors are too often concerned with gaining status or ensuring electoral viability, which sometimes leads them to focus their attention on

particular communities and consequently reinforces divisions. A renewed community leadership role – supported by member development and the local leaders programme – could steer councillors towards becoming more active 'champions' of all of their communities by placing greater emphasis on the value of mediation, brokerage and the building of bonding and linking capital. Frontline workers or 'civic entrepreneurs' with a deep understanding of local areas will also be crucial to building bridges between communities and supporting them to jointly leverage and make use of social resources and help shape local services.[47]

> "Creating stronger, more connected and cohesive communities requires better community leadership, greater social capital and more focus on building strong, prosperous neighbourhoods."
> **Senior representative from First Choice Homes**

'Nudging' towards working together

Our research suggests that devolution and stronger district working could provide a number of valuable opportunities to push this agenda forward. As one senior cabinet member put it, "devolution should be shaped in a way that encourages community groups to work together, rather than being 'protective' over their individual spheres of influence as they have historically been."

One way of achieving this is to reconfigure the council's relationship with civil society through new funding and engagement practices that 'nudge' community groups towards joint working. For example, new grants could be awarded which are specifically designed to bring different communities together and strengthen bonding capital. More ambitiously, emerging district networks could operate in a way that creatively leverages the influence and community expertise of the VCS and local businesses to encourage community groups from different neighbourhoods to pool budgets and undertake joint initiatives. This could potentially lead to collaborative tendering of services and a community commissioning and participatory budgeting process that is explicitly structured to be inclusive and based on ensuring that local services and resources become shared 'public goods', rather than 'sectional' assets divided between protected zones of ownership.

Our interviewees made clear that this requires a serious and committed effort to identify and empower hard to reach groups, particularly in deprived wards that have minimal participatory confidence and limited reserves of economic and social resilience. Despite the current financial environment, it is imperative that confidence and capacity building becomes a core part of the co-operative agenda and the work of district teams. Rather than simply being based around grants, training and traditional community development, this could also be closely tied to the council's economic regeneration and productive place agenda. For example, the council, the VCS, businesses and educational institutions could work together to provide meaningful apprenticeships, work experience, volunteering opportunities and community dividend schemes as a method for building inter-community confidence and resilience. The potential for capacity transfer to smaller neighbourhood groups from larger VCS groups (for example through the MySociety network), service providers

and the private sector (through social value clauses in contracts) could also be explored, particularly since it is these groups that are closest to the heart of local communities.

A new and more creative form of engagement at a neighbourhood level may also be required. For example, through community mapping and social network analysis, district teams could identify and draw on the untapped potential of local changemakers or community 'anchors' – individuals that are not as outward facing as self-appointed community 'elders' but nevertheless help steer social relationships and practices at a grassroots level – to help drive community cohesion. This will also need to be informed by a recognition that the role of the council in community cohesion should be one of an 'enabler' or 'facilitator' – empowering communities to have a greater role in promoting inter-community interaction and exchange. Research shows that citizens are wary of the state 'politicising' community cohesion, and that meaningful community development often takes place through 'informal' social interaction, such as in schools, shops and on the street.[48]

Rather than just employing large interventions (which are also difficult given the budget cuts), the council could also think about 'light touch' ways to encourage cohesion through creatively using the often 'hidden' spaces of interaction that exist within informal community settings. Crucially, where cohesion between communities is an explicit part of the conversation, there must also be clear, honest and accountable frameworks of engagement that enable communities to raise concerns, communicate openly and transparently and have their views taken into account or challenged by factual evidence. In Oldham there is a pressing need to challenge myths and make data about service use across districts more open and transparent. The council could explore what sort of communication and educational strategies might be utilised to challenge and educate as part of inclusive engagement frameworks, with district partnerships taking the lead on this.

2. Developing a coherent policy approach

Addressing fragmentation within the borough and driving social cohesion may also need a more coherent and ambitious policy approach that joins up various local agendas such as welfare reform, economic regeneration and growth, and public service reform, to help tackle social and financial exclusion and inequality.

While Oldham is a relatively deprived town with a challenging labour market, it is also highly fractured and divided across a number of other social and economic indicators. Employment, life expectancy and various health, social and economic outcomes vary drastically between different wards and districts. For example, Coldhurst in West Oldham, which has a large Bangladeshi population, is among the 1% most deprived wards in England, with six in ten people experiencing 'income deprivation' and almost seven in ten children living in income-deprived households – significantly more than both national and borough-wide averages.

In contrast, Saddleworth South has the lowest unemployment rate (1.4%), low levels of income deprivation and only one in twenty children lives in an income-deprived household.[49] Moreover, many communities in Oldham have very little confidence engaging with the council or local labour markets, and

have been described as extremely hard to reach. This suggests that the inherent problem in the council-citizen relationship in Oldham is not only a high level of dependency, but also in many cases a large degree of *detachment* from the council, local services, the economy and local networks of support.

A borough of sharp contrasts?

	Coldhurst ward	Saddleworth South ward	Oldham average
Demographics	Young (31.2% under 16), relatively large Bangladeshi population (48.9%) and 56.9% of residents belonging to BME groups.	Relatively low proportion of young people (16.7% under 16); low proportion of residents belonging to BME groups (1.5%).	22.2% of residents are under 16, and 13.8% belong to BME groups.
Income	Most deprived ward in Oldham; among 1% most deprived in England. Nearly 7 in 10 children live in income-deprived households with sharp increases in income deprivation since 2004. Three in five households (60.7%) receive Housing and/or Council Tax benefit.	Least deprived ward in Oldham and among 20% least deprived wards in England. Only one in twenty (4.7%) children under 16 live in income deprived households; and only 11.4% of residents receive Housing and/or Council Tax benefit.	31.6% of under 16s live in income-deprived households. 30.7% receive Housing and/or Council Tax benefit.
Economic activity	Unemployment rate (based on claimant count) is 9.1% with an economic inactivity rate of 50%.	Lowest unemployment rate in Oldham (1.4%).	Average unemployment rate is 4.9%, with an economic inactivity rate of 33.1%.
Housing and basic amenities	40.5% of houses are owner occupied; 22.8% are described as "overcrowded"; and 28% of residents say they cannot afford to keep their accommodation warm in the winter, with 42% using a pre-pay gas and/or electricity meter.	6.9% of household accommodation is rented from the council; with only 2.4% of houses being "overcrowded"; and only 6% say they cannot afford to keep their accommodation warm in the winter, with 10% using a pre-pay gas and/or electricity meter.	68.4% of houses are owner occupied; 7.3% are described as "overcrowded"; 18% say they cannot keep their accommodation warm in the winter; and 24% use pre-pay gas and/or electricity meters.
Health	Life expectancy for males is 70.1 years.	Male life expectancy is 80.2 and female life expectancy is 85.1 years.	Average male life expectancy is 75.5 years.

"An important measure of success of the co-operative agenda will be how well it helps us engage hard to reach groups and promote social and financial inclusion."
Senior Oldham Council Cabinet Member

"BME communities in particular were very hard hit by the collapse of the cotton industry. The lack of confidence this created and the failure to effectively engage these residents and address the high levels of segregation

in Oldham poses serious challenges for the council's co-operative agenda."
Senior representative from a large not for profit provider

Joining up Oldham

With over 30 per cent of residents in Oldham receiving housing and/ or council tax benefit and a structurally problematic, unequal and low-skilled, low-paid local economy, it is crucial for the council to properly consider and anticipate the impact of austerity and central government policy changes. This is particularly in relation to housing, the localisation of benefits, changing local government finance arrangements (such as business rate retention) and a welfare focus on ending dependency and making work pay. Moreover, it is also important that the council thinks creatively about what role the co-operative and public service reform agenda can play. The council has already carried out assessments and consultations as part of its recent budget proposals. It has noted the disproportionate impact that the global recession and economic austerity has had on Oldham, with a shrinking public sector leading to a relatively significant increase in unemployment. It has also recognised the likely impact of the Welfare Reform Bill, particularly given Oldham's economic context and its low-skill, low-wage economy and the need to maximise strategic opportunities around the Metrolink and regional collaboration.

The council has also assessed the likely impacts of benefit changes, changes to local government financing, and public health and education reforms. While the changes present strategic opportunities, the council also recognises that they involve "continued uncertainties and transfer of risk to the local authority," particularly as a result of the localisation of council tax benefit, and the local government resource review. The proposals suggest that developing and sustaining reserves will be required to mitigate these issues.[50] However, many have cautioned against the potentially detrimental impact of using council reserves to fill the hole left by funding shortfalls and service cutbacks, arguing instead that it is vital to utilise reserves to invest in local growth and development, which is particularly important for Oldham.[51]

There is clearly a large challenge in using public resources in the fairest and most efficient way possible. Various studies have shown that reducing inequality can have a profound impact on a range of social, economic and health outcomes. This includes reducing crime and anti-social behaviour, increasing life expectancy and educational attainment, improving quality of life, and building more confident and cohesive communities.[52] This suggests that helping to close the gap between Oldham's richest areas and its most deprived areas could contribute to addressing many of the borough's most entrenched problems, which in turn could relieve the pressure on public services over the long term. Nevertheless, this has to be pursued smartly and in a manner that acknowledges the limits of local government power in the UK's highly centralised political and administrative system.

This underscores the need for the council to look at intra-borough fragmentation, social cohesion, welfare and social and economic issues in a far more strategic, creative and joined up way. An important part of this could involve conducting a local strategic spending review, as was discussed in Chapter 2. It is clear that to make maximum use of limited public resources to achieve key social and economic outcomes, a 'whole

place' understanding of the borough – including its services, its private and public markets, and its wider resources and assets – will be crucial. This could also be accompanied by a social and financial inclusion and equality task force, similar to the Islington Fairness Commission and Camden's Equality Taskforce,[53] and possibly led by the Co-operative Commission. This would help the council achieve a deeper understanding of the current and future impact of the changing financial and policy context on the borough's diverse communities, and what potential solutions there may be to address fragmentation, including what role the council can play. This could explore, for example:

- How and why the borough's communities are being impacted on differently, including the impact on/the role of community groups, social networks and levels of social capital.
- How the design and delivery of public services can promote social cohesion and drive better access and outcomes in times of austerity. This could consider, for example, how the council could expand and speed up a 'whole place' approach to welfare based on integrating services, breaking down silos and pooling budgets. Moreover, it could look at how the council's CSR and ethical framework could shape procurement to actively address social inequality. It could also consider the pivotal role of ward councillors and district partnerships in engaging 'hard to reach' groups.
- The likely impact of more integrated (and community) commissioning and the devolution of budgets, and how these might be shaped to promote more equality and fairness between wards and districts.
- A co-operative approach to social and financial inclusion and equality – for example examining how credit unions, the energy co-op, social enterprises and new financial products can provide fair and affordable energy, transport and finance to parts of the borough that need it the most, as well as ensuring that need is met, structural inequality is addressed and personal debt levels do not rise significantly at a time of austerity. This could be combined with tough enforcement action on payday loan companies and loan sharks.
- The potential for co-operative principles to be codified in an 'Oldham Compact' between the council, the VCS, the private sector and local businesses which could include commitments on, for example, apprenticeship and employment opportunities, particularly for deprived wards; CSR activities to support under-represented communities and encourage employers to offer a living wage; and commitment to fair economic principles.
- Opportunities to complement private sector initiatives with efforts to build a market for social investment, developing strategies to tap into the large amounts of social finance capital available nationally, and making this a core part of the borough's inward investment strategy. This could mean making Oldham an attractive place to invest not only for the private sector, but also for social investors looking to do good – turning the relative

deprivation, but also the real potential, of the borough into a selling point. This approach could also look to initiatives such as Kent's 'Margate Task Force', which used a community social enterprise as a 'provider of last resort', providing 'intermediate' employment opportunities in wards where high levels of long term worklessness and low levels of demand for labour made it difficult for the private sector to profitably provide routes to work.[54]

- Making greater fairness and social equality a key guiding principle of the borough's regeneration agenda, maximising regional resources and opportunities from Greater Manchester where possible.

The ideas above suggest that there are a number of opportunities to join up various agendas – local growth, public service reform, behaviour change and community leadership – to help anticipate the impact of austerity, recession and central government reforms and develop lasting solutions that make maximum use of both public resources and the wider assets of the borough. This approach also explicitly recognises that the traditional policy mix of top-down welfare entitlements and grants alone is insufficient. Just as public services need to be reformed and moved upstream to a preventative level, so should local markets be shaped to promote a fair distribution of social and economic goods – which, over the long term, could reduce welfare dependency, drive social cohesion and better social outcomes, and relieve pressure on dwindling pots of public money.

There is real potential for the council to build on its CSR and ethical framework, and its increasing engagement with different sectors to help built a more skilled, better-paid and fairer local economy, and combine this with a focus on public service reform to preventatively tackle fragmentation and social inequality across the borough. In many ways this agenda is being taken up nationally by the Labour party, which can be seen in the increased emphasis on a responsible and fair capitalism and an emerging policy of pre-distribution for creating fairer outcomes even before the stage at which wealth is redistributed and public service interventions take place.[55] The council could assess what potential there is for Oldham to become an early, leading council exploring this emerging model.

4. Framing Oldham's future public services

Oldham has set out a clear path to public service transformation with its intention to shift away from centralised management and towards greater neighbourhood and community governance. By devolving services and budgets to districts, reconfiguring service delivery around neighbourhood working, empowering ward councillors and freeing up frontline staff through new business units, the council is seeking to cut through the bureaucracy of the traditional 'Town Hall' model of local politics and make services more responsive and more integrated around the needs and aspirations of local people at the lowest level possible.

The risks for Oldham Council's new democratic vision

In the long term, this could mean less of a direct role for the council with fewer tiers of management, a stronger role for local community leaders and active citizens, and a service offer that is congruent with the unique aspirations of individual districts and neighbourhoods. Yet this is still at an early stage, and there are serious tensions and risks in the council's vision. For example, despite the clear desire to end the dependency culture and empower communities, there are obvious risks (and some reluctance) in moving away from the command and control approach that has been the basis of council improvement since 2008. Issues of capacity, capability, geographic equity and the implications of more dispersed and complex networks of power and influence, as well as the difficulties in radically restructuring services to a more local level, are clear.

Our research indicates these issues are already cropping up. For example, so far there seems to have been very limited engagement from citizens with neighbourhood offices. Moreover, key areas of the public service reform agenda are centrally driven, for example the 'troubled family' pilots, and a degree of paternalism still shapes the way in which the co-operative agenda is currently being rolled out. The council will need to think strategically about how it aims to transform devolution from a conceptual framework into a tangible set of structures, relationships and practices with a palpable impact on service delivery and ways of working at a neighbourhood level. More fundamentally, it will need to carve out a path to a democratic rather than a 'managerial' devolution,[56] but in a way that is able to manage risks to service quality, social equity and community cohesion.

We suggest there are two key challenges to address.

1. Moving from command and control to negotiated autonomy

As the devolution pilots wrap up, it is important that serious thought is given to developing a framework for further devolution. Our research indicates that such a model should avoid both centralised control and decentralisation without a structured process of negotiation, democratic transparency and accountability, risk management and capacity building – as well as a clear strategy for managing trade-offs.[57]

There is clearly a balance to be struck between centralised and neighbourhood governance, each of which has its own set of benefits, drawbacks and risks. For example, while neighbourhood working could strengthen participation and responsiveness, it could also widen geographic inequity if public services are delivered differently across districts and resources are distributed unevenly – possibly leading to micro-level postcode lotteries. Moreover, with truly representative community leadership still a difficult prospect for some councillors in Oldham, the development of smaller, more homogenous units of governance risks crowding out minority voices within wards and districts.[58] If not properly managed, it may also lead to or entrench fragmentation, inter and intra-neighbourhood divisions, competition or conflict, mismanagement of budgets and public goods, and capture by unrepresentative individuals or groups. These risks are likely to be higher in a borough like Oldham, with existing ethnic and economic divisions and relatively low levels of bridging social capital.[59]

Sensible devolution

Some of those we interviewed expressed particular concerns that greater devolution could potentially compromise focusing on the big strategic questions facing the borough, such as poverty, social exclusion and the impact of austerity and central government welfare reforms. They argued that as the neighbourhood agenda moves forward, it should be framed by a process of "sensible devolution".

> "There is a concern that as more powers, budgets and services are devolved, there could be less of an appetite for addressing the thornier and less 'popular' issues, such as poverty, welfare reform and social equality. A sensible devolution should provide safeguards against losing sight of these important questions."
> **Third sector leader**

> "We deliver our services out in the community, and there is a tangible sense of coherence to DPs and our role in devolution. A key question is: how do you devolve responsibility for services while still retaining a helicopter view of the borough and the council as a whole, with some agreed sense of central retention and strategic direction?"
> **CEO of third sector service provider**

Some of those we spoke to also argued that commissioning at a district partnership level was "reactive" and potentially "very informal," with a lack of a "scientific" or "systematic" understanding of local need. At the

same time, most of those we interviewed also agreed that there are tangible benefits to stronger devolved working – including greater responsiveness to local need and aspiration; a closer integration of services and stronger potential for frontline innovation and flexibility; a renewed role for ward councillors and other community leaders; increased opportunities for civic participation; and in some respects a more effective use of public resources.

Getting the correct balance between devolving power and retaining a degree of centralised influence will be fundamental to the future success of the devolution programme. On the one hand, it is imperative that the council is not too risk-averse, and recognises that creative experimentation and (sometimes) failure will have to be tolerated as districts and local communities take greater responsibility for services.[60] On the other hand, there should be certain borough-wide standards and commitment to equality, social inclusiveness, tackling poverty and deprivation, and other key priorities. How the council leverages its community leadership will be key here. As one interviewee asked, "it is a question of to what degree the relationship between the centre and district partnerships is defined by guidance, as opposed to control. Will it be light touch influence, or will the central leadership help 'steer' districts along a certain path?"

This is a difficult question, and currently the central leadership is retaining a strong degree of control over the process – all budgets and decisions are delegated by the council, and neighbourhood (district) plans are expected to be in line with the council's corporate objectives. However, as the programme of devolution rolls out, it is important that the process is less centrally determined, and increasingly driven by a model of 'negotiated autonomy.'

Rather than the central leadership determining the scope, scale and parameters of devolution, this approach would see further devolution as an outcome of a process of strategic dialogue between individual district partnerships and the centre. Districts would be given the opportunity to request greater powers over budgets and local services, and the central leadership would evaluate this against borough-wide strategic objectives and a clear set of benchmarks, with a presumption towards devolving. At the same time, there would be a degree of central retention so that districts are obliged to dedicate a certain percentage of their budgets to 'core' borough-wide priorities, such as tackling poverty. In addition to this ring-fencing of some elements of devolved budgets, the central leadership could also continue to determine how public resources are distributed across districts to ensure that need is met.

As the above suggests, a local model of 'negotiated autonomy' would require a clear and transparent set of benchmarks against which the readiness of district partnerships to take on new powers is assessed, and potentially along with some performance indicators for continued assessment. These might include:

- The quality of community leadership in the district – for example the attendance rate of the district's ward councillors in the Local Leaders Programme modules.
- The quality of opportunities available for citizens to get engaged, and the levels of participation in neighbourhood governance from citizens.

- The financial and policy awareness and aptitude of decision-makers in district partnerships.
- The strength of community development in the district and attempts to build social capital and community cohesion.
- Clear forms of accountability and transparency in local governance arrangements, ensuring that neighbourhood working is responsive, open, and representative.
- How well the district is or is planning to mitigate against the risks of devolution – for example promoting cohesion and understanding between communities, having appropriate governance structures and strategies for communicating with communities.

Importantly, this will have to be constructed carefully to ensure that the process does not become overly bureaucratic or centralised. Moreover, there will have to be strong forms of capacity building to ensure that ward councillors, local partners, community groups and citizens have the resources, knowledge and confidence to engage with the devolution agenda. It is also likely that devolution through negotiated autonomy will still lead to a certain degree of differentiation between districts, and the risks of this – such as potential competition or conflict – will have to be carefully managed.

2. Developing an 'Oldham model' for local services

As the co-operative agenda moves forward, the council will need to think about what a transformative 'Oldham model' for local services might look like. The changes implemented or proposed so far indicate a slimmer, more strategic centre, with increasingly autonomous and empowered district service ecosystems that cut through central bureaucracy and bring citizens tangibly closer to services – enabling greater frontline engagement at a neighbourhood level; more effective 'front door' demand management; and a local service offer that is more congruent with local aspirations.

Alongside this spatial service reconfiguration, Oldham's model also indicates a qualitative shift in services and the nature of the relationship between citizens and the council: away from managerialism and towards greater co-production and more citizen responsibility for the design, delivery and integrity of local services. But there are several questions to answer if a truly transformative model of local services is to emerge. The first is a question of how change is implemented.

Making change happen

As the expert on public services Elke Loeffler argues when discussing the record of systematic co-production in public services, "involving service users and communities in public services is still sporadic rather than standard."[61] While Oldham is still at an early point of its journey of transformation, we heard similar arguments about the often sporadic as opposed to coherent and systematic nature of reforms. For example, many of the co-operative initiatives are at a pilot stage, and there appears to be no discernable process for translating effective pilots or reform proposals into borough-wide change on the ground – and this makes the vital task of establishing examples or case studies of the co-operative model even more difficult.

Some of those we interviewed argued that it is vital to "cut through bureaucracy" and simplify the process, so that there is a direct link between effective pilots or proposals and mechanisms for change.

> "We have a clear ambition to devolve as many services as possible, where we can. But we need to move a lot quicker, and change needs to be quicker. Once we have established that a pilot works, we need to move forward and cut out the bureaucracy that slows it down."
> **Oldham Council Senior Cabinet Member**

A new public service landscape

Understandably for an agenda that is still at a relatively nascent stage, Oldham's co-operative approach lacks precise details of what specific public service models and markets might emerge and how these might be joined up or integrated. It is important the council considers questions such as:

- How specifically might services be integrated at a local level?
- Could there be a model of 'responsive local services', as there is in Sunderland, for pulling together service teams across individual silos – and how might district town halls and ward councillors help shape the process so that service response is directly connected to citizen need and aspiration?
- Could budgets be pooled to provide a 'whole-place' approach to integrating services at a district level?
- What potential is there for services to be directly commissioned by communities in collaboration with ward councillors, district teams, commissioners and other service partners as part of Oldham's emerging integrated commissioning hub?
- Could local services be integrated and commissioned at a single point, with communities and district partnerships – and strong local leadership – at the centre of the process?
- And what sort of markets might emerge around these changes – for example could social and micro enterprises drive new mixed models of delivery?

Exploring these opportunities will require some clarity from the council about its approach to diversifying service provision. Currently it holds no presumption towards outsourcing services and values a strong public sector but we have also heard that services could be opened up if new providers adhere to the ethical framework that is shaping the council's procurement process. The council could think more constructively about what this might look like, and how it could shape devolved services in a way that is linked up to new commissioning frameworks.

There is a strong need to join these questions up and develop a coherent co-operative public service model. This will require new thinking that moves beyond the narrow confines of current debates, which tend to be limited to binary distinctions between in-house and outsourced services (and the relative merits and drawbacks of both as the primary model of service provision), and which stifle a broader and more creative and evidence-based exploration of what future public services might look like.

5. Building productive partnerships

Building effective partnerships is fundamental to the success and integrity of Oldham's co-operative model. As demand grows and budgets shrink, strong partnerships across the borough will be vital to building resilience within communities and ensuring that community and public resources are used in the most effective way to drive improved outcomes, manage demand and achieve better economic and social growth.

The council's reduced footprint and its commitment to replacing direct control with a greater community leadership role based on becoming a strategic enabler and influencer will mean that local partnerships and networks will need to flourish if they are to take on greater responsibility. District partnerships, emerging district community networks, the Co-operative Commission, partnership working across silos and between services providers, and new regional relationships provide a complex backdrop to this.

The potential of partnership

The council recognises it must respond to a number of difficult questions:

- As LSPs and the 'community governance' structures of the New Labour period decline in relevance, replaced with a new central government focus on more direct community control and 'opened up' public services, what will better partnerships look like in an Oldham context?
- How will the borough balance the desire for stronger local networks with the need for sufficient scale?
- How might this emerging ecosystem of partnerships that cut across different districts, neighbourhoods and service areas be driven by co-operation rather than competition?
- Most importantly, how can partnerships be built in a way that drives and sustains the council's commitment to core co-operative principles such as mutual social responsibility, a rebalanced council-citizen relationship and a stronger and fairer local economy?

If the aim is to lever the productive potential of Oldham's assets, rather than just manage decline, our research suggests three challenges are key.

1. Engagement and community buy-in

The council will need to think strategically about how it engages partners at different levels. Through our interviews we have got a sense that while

the co-operative agenda is shifting the focus of relationships inside the council, the buy-in from external partners and groups has been more limited. For example, we have heard that some service providers are only engaging with District partnerships and neighbourhood-level governance in a limited and patchy way, despite the greater focus in the borough on driving neighbourhood delivery. Private and third sector organisations we have interviewed have spoken positively of a greater willingness to constructively engage with them under the new political leadership, but have also hinted at a lack of creative engagement from the council beyond traditional consultation and the formulaic structures of the past, which fall short of the council's own co-operative vision for future partnerships. There are also fears that the new partnership structures, such as district networks, could overlay existing community networks.

The suggestions from senior councillors on how to address this underscore the complexity of the challenge. One cabinet member argued for funding conditionalities to get commissioned service providers more actively involved in district partnerships and co-operative working, while another cabinet member suggested that it may even be desirable for the district partnership meeting structure to be abolished altogether in favour of engagement and governance frameworks that are less formal and more effective at working with the grain of communities.

The latter is especially important in a neighbourhood context, when local change will depend not only on collaboration with large, established borough-wide organisations and VCS groups, but also on highly localised, informal 'below the radar' community groups that are often unknown to the council but are critical to incubating local social value.[62] Our research unearthed several examples of such groups and the council's lack of awareness about their activities and civic potential.

> "Some very vibrant and active community groups go unnoticed – we must make sure we provide them with a platform to get engaged and recognise their critical role in driving local change"
> **Senior Oldham Council Cabinet member**

There are two important questions the council could look at here: What type of engagement is most effective at getting buy-in and driving co-operative change, and how will this engagement reach a diverse pool of partners and groups at both a borough-wide and a very local level?

Blending 'soft' and 'hard' power
The first question, and the cabinet member's frustration at the lack of engagement from key service providers, is emblematic of wider problems around local government's networked community governance approach, which has shaped partnerships at a local level, for example with Local Strategic Partnerships (LSPs). This has seen the role of local government as that of a 'network co-ordinator,' bringing together local service providers through moral persuasion, but with very little 'hard power' to effectively engage partners and achieve joint goals.[63]

If Oldham's new partnership architecture – built around district partnerships and the co-operative commission – is to stimulate collective local action, the councillor's suggestion to apply funding conditionalities

to contracts may be the type of 'hard power' the council could leverage to drive stronger and more effective partnerships. As New Local Government Network (NLGN) argues, 'government by dealmaking' is beginning to replace 'governance by network,' as councils rely less on the goodwill of local partners and instead negotiate deals and contracts to bind communities more strongly together through interdependence.[64] As devolution progresses, the council and its six District Partnerships could think more strategically about what sort of 'hard power' could be applied to reinforce local networks, and how this might shape the form and substance of partnerships. The increasing prominence of the council's corporate social responsibility agenda and its exploration of shaping procurement to maximise social value already point to this at a borough-wide level.

> "The private sector makes an important contribution to driving economic improvement and social change. But it hasn't yet had the right type of support and engagement from the council for its community-based rather than just economic activities, and there isn't much joining up despite the creative potential."
> **Senior Representative from Not for Profit Provider**

However, our research indicates that this should be combined with a focus on new forms of engagement that move beyond the formulaic structures of the past, which is especially important as the council recognises the growing importance of its 'productive place' narrative. This is partly about seeing the value of a local partner not only in terms of their role in delivering services, but also identifying the ways in which they have been or might be generating wider social or productive value and leveraging this where appropriate.

We were informed of a range of initiatives undertaken by *First Choice Homes* to strengthen the wellbeing and social capital of residents, for example by having a positive, visible presence in communities – but with no real council awareness or involvement, despite the clear ways in which it could contribute to local priorities.[65] Similarly, the crucial role played by small, localised community groups has often been overlooked. In addition to reconfiguring local engagement so that it looks beyond delivery goals and recognises the ways in which partners can drive new forms of social and economic value, part of the answer could also lie in a systematic mapping of assets and community groups across the borough's districts, which could form a core part of the 'Oldham offer' – helping the council, its partners and local communities collectively lever the often untapped resources and assets in the borough to drive better social outcomes despite fiscal pressures, and use public money more strategically and innovatively, for example by spotting opportunities where 'light-touch' support can have significant community benefit.[66]

District teams at a neighbourhood level will be central to engaging and cohering local partners around shared outcomes and mapping local assets. It is crucial that they are given the tools to do this, along with some form of structure. The community development officers we have spoken to are currently mapping their districts by simply being out in their communities and gathering local intelligence. This in itself is highly valuable, but there could be opportunities here to adopt more systematic tools and approaches,

for example by using social network analysis or asset mapping techniques.[67] This could also be essential to ensuring that previously below the radar groups become an active part of emerging district community networks. Crucially, these district networks could potentially become platforms for new forms of engagement: complementing the formal district partnership structures with new, less formulaic partnership networks built more explicitly around community development and actively engaging partners to drive social productivity across neighbourhoods.

There are two key challenges for district teams as they establish these district networks. Firstly, to avoid formulaic engagement it may be important that the new networks are not strictly restricted to the formal boundaries of individual district partnerships, particularly since social networks naturally cut across centrally determined administrative divisions, for example forming 'communities of interest'. Mapping social networks and communities of interest, and not just communities of place, will be very challenging but could be vital to building stronger, co-operative partnerships in the borough.[68] A second challenge is to build on – rather than overlay – existing community networks. Some of our interviewees argued there was a danger of possible duplication and suggested that existing networks, for example those provided by Voluntary Action Oldham, such as the MySociety network, should play a key role in helping to shape district networks.

The role of ward councillors will also be key. Through their renewed community leadership functions, frontline councillors will be essential to brokering neighbourhood partnerships, engaging with area action teams, advocating on behalf of community groups and ensuring buy-in from a wide range of local partners and community leaders. With a greater focus on stimulating productivity, ward councillors may also need to be more engaged with wider economic questions and form constructive links with the private sector, exploring imperatives around jobs and growth, but also being knowledgeable about business start-ups, SMEs and the informal economy, and how these might be linked to their place-shaping roles.

2. Driving collaborative service partnerships
In becoming a co-operative council, Oldham will need to think strategically about how partnerships could be formed between sectors and across service silos. This will involve questions about how stronger partnerships could re-balance efficiencies with outcomes, redefine and reinvigorate integrated commissioning through bottom-up engagement, and cut through the complexity of neighbourhood working with a new form of partnership-based civic entrepreneurship.

As the council takes on a greater commissioning role and explores opportunities for new forms of provision, it could establish more robust partnerships with private and third sector providers, with a cultural as well as a structural reconfiguration being key. Part of this will involve seeing large contracts not only as drivers of efficiency and economies of scale, but also as potential opportunities to form new social value partnerships through community benefit clauses – potentially enabling significant capacity transfer from larger providers to smaller community organisations, and thereby cushioning the impact of cuts and empowering communities during a period of financial squeeze.[69]

Oldham is already taking positive steps in this direction with its ethical framework and by looking at how procurement can be redesigned to maximise social value. As this agenda moves forward, the council could work collaboratively with service providers and citizens to develop a procurement and commissioning compact outlining what co-operative outcomes public service contracts will aim to deliver. This will require a new approach to procurement – one where contractual relationships are transformed into meaningful partnerships with service providers. This could mean a deeper engagement with large providers throughout the commissioning and tendering process, supported by more training for officers in contract management, especially in the context of social value tendering.

This could potentially see schemes such as the council's employee volunteering programme extended to private providers through agreements to pool volunteering capacity and encouraging large providers to align their CSR frameworks with those of the council. It may also involve engaging with the VCS MySociety network to ensure that small community groups are gaining new capacity through networking with larger third sector organisations.

Better outcomes – and more efficient

Given their central community leadership and development roles, the capacity transfer process could also be connected to the devolution programme and co-ordinated by ward councillors and district teams, potentially strengthening emerging district community networks. As the Local Government Information Unit notes, service partnerships framed around community investment could unlock new capacity for communities to become empowered to take on greater responsibility for services.[70]

The council will also need to balance the traditional focus of partnerships on improving outcomes (for example with LSPs and LAAs) with the current government's emphasis on partnerships driving productivity through greater efficiency and value for money.[71]

Part of the answer to this is exploiting the significant areas of overlap between outcomes and productivity such as by maximising opportunities around placed-based budgets and better aligning and pooling resources. The council is already doing this with its involvement in the government's community budget pilots, as well as its 'total place' pilots and focus on finding ways to avoid duplication in public services in order to better manage demand and make efficient use of resources while improving outcomes.

But greater creativity and boldness may be needed. For example, the council could explore ways for partnerships to act as catalysts for public service *transformation*, providing a clear path from pilots to borough-wide change. It could also devolve parts of this agenda to districts, enabling community leaders and neighbourhoods to have a greater role. Community commissioning will be crucial in this context, and a key measure of success will be how well it is embedded into the council's integrated commissioning framework and programme of devolution.

Local partnerships could provide crucial coherence and structure to the process: acting as the intermediary between commissioners and communities, and ensuring that any potential community commissioning

body has strong links with district partnerships and ward councillors, the co-operative commission and council's wider co-operative repositioning programme.[72]

Perhaps the most important ingredient for success will be a long-term strategic vision showing how to get from small budgets and quick wins to community commissioning that transforms public services and opens up opportunities for creative decommissioning.[73] Those we have spoken to have also hinted that this could ensure commissioning at a district partnership level is effective and not reactive.

"Our experience of DPs and commissioning is that it has tended to be reactive or response-led; it will need to be preventative. Councillors and local partners will need to think long-term, building on their (existing) strong understanding of what local commissioning priorities should be."
Third sector leader

Neighbourhood partnerships will provide much of the 'glue' that binds these agendas together. As the council's programme of devolution moves forward, some key questions might include how partnership working at a neighbourhood level could help drive the objectives of devolution and neighbourhood delivery; how ward councillors and district teams can unlock enterprising solutions to complex neighbourhood problems; and how creating space for frontline innovation can bring services together, streamline delivery and facilitate socially productive relationships between citizens and services.

As a recent ten-year study by JRF shows, effective neighbourhood and partnership working can create the conditions for 'civic entrepreneurs' to use intuitive local knowledge and creative problem-solving skills to navigate the 'messy' realities and complex structures of competing interests and players that exist at a neighbourhood level. Localised working can free up community leaders and 'street level bureaucrats' to establish flexible structures and strong, personal relationships at a very local level, which could contribute to new forms of trust and engagement, more effective joined-up working and avoidance of duplication, and more flexibility for frontline staff and local leaders to enact change with less apprehension about performance targets and risk avoidance from senior managers.[74]

Our interviews suggest that some of this is already being felt in Oldham, with several officers speaking of the growing impact of devolution on their work, and offering evidence of less duplication and more opportunities for joint working. But there is also a sense that there could be more coherence to the process, with the missing ingredient currently being a lack of citizen knowledge and awareness of devolution and the co-operative agenda. Addressing this through new forms of mediation, brokerage and engagement will be vital if neighbourhood working and partnerships are to have a legitimate democratic foundation.

Core district teams and ward councillors could play an important role here by co-ordinating district staff and getting communities involved, and negotiating with senior management to create a better enabling environment for civic entrepreneurship. The rewards for the council are potentially huge, including giving the co-operative agenda much needed practical relevance by offering the translation of top-line co-operative

objectives into meaningful change on the ground; and by enabling 'civic entrepreneurs' to use their local knowledge to apply the co-operative agenda to the 'messy' mishmash of structures, interests and relationships at a neighbourhood level.

> "There could be stronger relationship building and co-ordination with other district staff… [but] also better community engagement so that communities are confident and empowered enough to understand and shape the co-operative agenda."
> **District co-ordinator**

3. Developing a new type of partnership governance
Clarifying the governance structures and principles behind existing and emerging partnerships is essential given the radically changing national context. The current Government has abolished Local Area Agreements (LAAs) and markedly scaled back centralist performance frameworks and indicators. It has put forward a new form of localism that purports to move away from top-down prescription by radically decentralising and shifting power away from central government and from local authorities down to communities and mutuals, co-operatives and social enterprises, with the aim of reducing bureaucracy and allowing active citizenship to flourish.

Emerging opportunities
Along with new forms of influence, for example through Health and Wellbeing Boards, councils also have to contend with greater central prescription in some areas such as education. In this complex landscape, the relevance of the partnership governance model established in the previous decade – built around LSPs, LAAs, CAAs, PSAs and a strong degree of central management – is fast declining. Partnership working is being refocused around 'outward accountability' to citizens; a devolution of power to the lowest possible level; and encouraging a greater enabling role to put active and responsible citizens in the driving seat of change. For LSPs this means less hard power and an inevitable change in form and shape.[75]

Our research gives the impression that partnership working in Oldham is in a degree of flux. It is unclear what role the LSP (the Oldham partnership) is playing, especially in influencing the co-operative agenda. Our interviews suggest its role is now largely marginal as a result of the abolition of the statutory structures that previously underpinned it. New centres of partnership working have emerged around district partnerships, but there seems to be no equivalent of a borough-wide strategic partnership. While district partnerships in important ways represent a step up from an LSP, for example by having hard power influence or control over local (delegated) budgets and decision-making, it may be useful for the council to explore how its LSP might be renewed with a new form and function. How the council chooses to position itself within the governance structures of Greater Manchester could also be an important part of the conversation here. The emerging opportunities around City Deals, LEPs and developments in AGMA and GMCA – as well as new options for shared service arrangements and service trading – should be considered carefully and creatively.

6. Driving internal change: Turning council improvement into social change

Oldham's repositioning as a co-operative council and borough is at an early stage. The council's change programme, including its corporate plan and change framework ('Repositioning Oldham'), has set out a medium to long-term strategy that is expected to drive significant change in a ten year period.

This programme of change includes parallel processes: a repositioning of the council along co-operative lines, which is planned to take five years to effectively establish; and a transformation of Oldham as a *place*, which is expected to be a ten-year process that will marry public service transformation with a strong growth agenda and a push towards more (and smarter) investment, jobs, regeneration and economic fairness and progress – part of Oldham's increasingly important *productive place* narrative. The council's corporate plan for 2012–2015 has already put the wheels in motion, setting out an action plan of specific policies and initiatives for achieving the council's key co-operative objectives.

The need for change, consensus and coherence

The new organisational framework and operating model for the council, part of its Repositioning Oldham change framework, sets out a more immediate timeline of twelve to eighteen months and provides crucial guidance on how the 'business' of the council is being re-configured to align itself with the co-operative model and imperatives around a more flexible workforce, more responsive services at a neighbourhood level and more effective demand management. This new organisational arrangement is being underpinned by a stronger community leadership role and less direct control of services, as well as an acknowledgement that the council will be a smaller organisation with a significantly reduced financial base.

> "The transformation of Oldham – both the council and borough – will take time and patience, and the journey will not follow a straight line. We're not after a fixed product, but a new framework for doing things radically differently, and we are are already laying the foundations for this."
> **Oldham Council Chief Executive, Charlie Parker**

Driving internal change will be crucial to building a successful co-operative model, but it will be far from easy. Since 2008 the council has achieved a remarkable turnaround, transforming a dysfunctional, poorly managed organisation with weak accountability and governance into a competently managed business with significantly improved services and financial sustainability, against a backdrop of recession and central government cuts. But this recovery and improvement phase had a very effective enabling environment built around an 'Oldham first' ethos, including cross-party consensus and agreement to avoid making political capital out of the process; an acknowledgement of the need for radical organisational change; an agreed period of significantly centralised command and control recovery to 'get the shop right'; and an improvement period shaped by an independently chaired board.

Council members and officers were able to integrate around a 'One Council' behaviour-setting approach, which was part of the 'Trust Oldham' change programme. In addition to better management and business practices and success in getting broad buy-in, a key reason for such effective change was that the recovery and improvement programme was essentially apolitical, with all stakeholders recognising the dangers of insolvency or collapse if the organisation failed to change.

While the previous political leadership focussed its energies on ensuring the survival and viability of the council, the leadership under Jim McMahon has set out a bold polemical vision of future transformation. Yet this comes with its own set of risks, challenges and barriers. On the one hand, those we have interviewed have said the need for change is undeniable and stronger community leadership, more responsible and empowered citizens and greater neighbourhood and partnership working is uncontroversially supported across the board. On the other hand, the co-operative council vision is a Labour narrative with less consensus and more ambition about the wider purpose of the council than the 'apolitical' organisational transformation that defined the period of recovery and improvement.

For this reason, some will perceive it as a risky challenge to the competence and stability gained under centralised control and management. Others will see it as lacking practical application, especially in the context of cuts, job losses and Oldham's history of 'yo-yo' politics where grand ideas have rarely survived electoral cycles.

Some will point out the various points of friction: between councillors and officers on the pace and scale of change; between service providers and the council on how social value should be delivered; between citizens and local leaders on assuming greater civic responsibility; between districts articulating their own understanding of the co-operative model and the council trying to maintain some borough-wide coherence; and between the council's bold aims and the economic realities of Oldham. It is clear that repositioning to a co-operative council and borough will not garner as much agreement as during the recovery and improvement period. Yet we have also heard that the changes underpinning the co-operative model are widely perceived as being steps in the right direction, with a potential for long-term change in the borough. As Charlie Parker, the Chief Executive of Oldham Council, told us, "change is part of Oldham's DNA." But to drive the internal change needed for this transformation, it is important to address two key challenges, explored below.

1. Achieving coherence

Despite the clear contextual differences, our research indicates that the council needs to aim to replicate the coherence of the preceding recovery and improvement period and its 'Trust Oldham' programme of change. This could involve a mixed model of engagement, communication, member and employee support, collaborative milestones and organisational realignments.

Achieving the coherence of the preceding programme, but through an entirely different leadership style with far less centralised control, will be highly challenging. However, there has already been some clear progress. For example, the co-operative council concept is embedded into the council's key strategies including the corporate plan, service, managerial and financial strategies, policy documents and budget proposals. Greater neighbourhood working and the Local Leaders Programme are also helping councillors to constructively engage with the agenda of change. Moreover, the council's CSR agenda, employee volunteering programme and ethical framework are having an increasingly tangible impact on the business of the council, as well as the work of elected members, employees and service providers, for example through new accountability and governance frameworks.

Our research also suggests that there has been a profound communications effort and a careful management of the process to ensure that key messages are simply and effectively communicated across the council and borough, which can be seen in the Co-operative Charter. Staff (and partner) briefings and workshops, online forums and district partnership meetings are also helping drive this internal (and external) dissemination. There are also positive indications, especially among senior officers, of a strong degree of harmony between the aims and aspirations of the political leadership and those of the senior management team. As one senior officer put it, long-term change is more likely to succeed because of the "compelling vision and personal integrity of the political leadership, and the impetus within the council and its managerial structures to become a co-operative organisation." The same senior officer also emphasised that the process of internal change is being driven democratically around the vision of elected members, rather than through "managerial leadership." This degree of coherence and positive division between members and officers is reflected in the clearly defined co-operative objectives of the council's organisational change framework and corporate plan.

In addition to this, our research has also shown evidence of cross-party buy-in and engagement. For example Leader Jim McMahon has held regular meetings with the leaders of the other two parties, there have been a greater number of cross-party engagement opportunities through CAPs, and there are indications from our interviews that a number of Liberal Democrat councillors support (in principle) some of the key strands of the co-operative model. This all suggests a degree of clarity and coherence to the process of internal change, with multiple strands – conceptual, policy-based, organisational, relational and political – cohering around a vision of co-operative repositioning that is beginning to be shared more effectively across the council and its partners – helping to align various (sometimes competing) priorities, structures and objectives.

Getting the right tools

Yet despite this progress, our research has highlighted a number of tensions and significant challenges. Many of those we have interviewed have observed a mixed response among elected members, officers and staff to the co-operative repositioning. While there has been a strong understanding of the model within the senior political leadership and senior management team, and among service providers in the voluntary sector, a large core group of those closest to the frontline – ward councillors, council staff, service teams, mid-level officers, and some partners in district partnerships – are less clear about the co-operative idea. For some, there is a degree of cynicism and an issue of trust. As one interviewee put it, "[some feel] it is just a restating of the Big Society concept – encouraging more personal and community responsibility but with less central support and a shrinking financial base."

The context of cuts and plans for a smaller organisation with fewer directly employed staff has also generated a sense of job insecurity and a fear of cuts among many in the council, which we have heard has tempered enthusiasm for a co-operative council. For most, however, it is less an issue of cynicism and a conservative resistance to change, and more a result of a visible gap between the theory of the co-operative council and what is being felt on the ground. This is partly due to the co-operative repositioning being at a relatively early stage, but it is also about a lack of real, *tangible* examples of what the co-operative model means in practice at different levels of the organisation and across different service areas, districts and communities. Without collective trust and practical frameworks of change, there is a danger that fragmentation and misunderstanding could limit internal coherence.

To meet these challenges, a stronger infrastructure to support change could be built, which, as one senior officer put it, "would provide the tools needed to demonstrate a co-operative difference." This could include specialised frameworks to support change for different layers of the council, with a set of 'core behaviours and values,' key milestones and agreed action plans and outcomes – building on what was achieved with the 'Trust Oldham' programme. This could also be combined with more individual tools, for example by encouraging council members and staff to make use of 'reflection models' to help them reflect on situations they encounter in practice and how they might have made a co-operative difference. For councillors, the Local Leaders Programme could be adjusted to reflect the need for concrete examples of what a co-operative council could mean for their day-to-day work.

A strong engagement framework will be essential to support these changes, and our research has highlighted encouraging signs that Oldham's Co-operative Commission is being reshaped as a more active resource and platform for informing practice, effectively engaging staff and familiarising those within the council about the co-operative model and what it means in practice. There is considerable potential for the Co-operative Commission to become a crucial intermediary network by helping to facilitate an ongoing two-way strategic conversation between the senior political leadership and management team, and those closest to the frontline of neighbourhoods – combining central direction and aspiration with knowledge of what works locally, and consequently generating

'real' examples of co-operative change, along with a shared vision that cuts across various organisational and service silos. One long-term aim of this might be to simultaneously embed a co-operative way of working into the *intuitive* and *reflexive* practices of those in the council, so that it becomes an ordinary part of their core work, and also ensure that co-operative change is a dynamic, adaptable and evolutionary process.

It is also important that the engagement process is two-way, with genuine member and staff involvement and ownership. Opportunities around staff-led programmes, forums and meetings, and the use of 'champions' and ambassadors of change could be expanded, and research suggests this form of two-way engagement is valuable in boosting morale, building trust and accountability, helping the council achieve its objectives and driving internal change, even during periods of cuts and economic uncertainty.[76] As one senior manager told us, it may also be crucial to building up shared business intelligence, where people come together across silos and strategically link co-operative aims to traditional imperatives around understanding local need, applying community intelligence, improving practice and making services more responsive.

One senior officer also told us that the council could adopt a stronger 'systems' approach to managing change – devising a 'big picture', 'outside-in' understanding of council systems, processes and people by focussing on generating shared principles and outcomes and then integrating services and internal structures around these. A mixed model of engagement, communication and organisational change could be crucial to driving the effective and coherent internal change needed for a shift to a co-operative council model.

2. Renegotiating ownership of change

Our research suggests there are perceptions, especially among elected members, of a democratic deficit in the machinery of local government in Oldham. This is directly connected to the managerialist approach of the council, which was inherited from the previous administration and the command and control period of 'getting the shop right.' One interviewee argued that while this is beginning to change, there is still a degree of 'paternalism' from the senior management, which risks slowing the pace of co-operative change. This is partly to do with the relationship between senior officers and elected members (including perceptions from the latter of 'too much bureaucracy' slowing down change), and also between the centre and district partnerships. A key challenge for the council will be striking the right balance between ceding greater control through a stronger 'strategic enabler' role, and managing the risks of democratising and devolving responsibility for reform – including by rebalancing relationships between senior officers and the political leadership; between the council and district partnerships; and between the council and communities.

Part of meeting this challenge could involve reconfiguring the council's level of risk tolerance and opening up the processes of risk management associated with determining the feasibility of implementing change. As a recent study by Local Government Information Unit and Zurich Municipal highlights, risk management in local authorities across the UK appears to be principally officer-driven and concerned

with avoiding, rather than strategically managing, risk. The role of elected members is also seemingly restricted to monitoring risk through scrutiny panels, rather than helping to construct the frameworks of risk management that shape processes of council change and reform.[77] Oldham council could think about what role ward councillors and district partnerships might play in managing risk and taking greater responsibility for service reform at a local level. This will be less officer-driven, more risk tolerant and less paternalistic.

For this shift to be successful there needs to be a commitment from senior managers to frame the council's emerging enabling role not exclusively or principally around demand management (for example stepping back from certain areas of provision to encourage behaviour change and community responsibility, such as in relation to fly tipping), but as part of a more transformative vision that empowers elected members and community leaders to drive change across a wide range of service areas and different layers of local government.

Part of this will inevitably require a new approach to public management, including serious thought on issues such as the relative balance between democratic creativity and technical efficiency; between innovation and service performance; and between policy-making or service design as a collaborative, 'socialised' process embedded in a networked web of relationships (consisting of elected members, managers, frontline officers, partners and citizens); or as a top-down operation carefully managed to fulfil narrowly defined functions and organisational objectives.

Clearly, the new public management paradigms swung the balance of power too far in favour of a managerial leadership shaped by market-based mechanisms and a disproportionate focus on efficiency and targets. This reduced the role of elected politicians to allocating resources effectively and evaluating performance, with a relatively minimal role in translating political vision or policies into substantively new models for local services, while senior officers were free to manage the organisation relatively autonomously.[78] These paradigms also reinforced the passivity of citizens and their dependency on the council by regarding them as customers confined to a transactional relationship with the local authority: paying (through tax) in return for quality, value-for-money services.

The senior managers in Oldham we interviewed have indicated that the organisation is moving away from this managerial leadership and towards community leadership by being committed to the political vision of the senior elected leadership and embedding innovation into the business of the council, for example with greater co-production and more frontline flexibility through a 'business unit' ethos. But there are still uncertainties about how substantial this shift is, with particular questions over how far the processes of change are being opened up, and to what degree the implementation of policy is congruent with the aspirations of elected members.

Addressing this is not about radically rethinking the relationship between politicians and managers by framing it around the traditional public administration model of governance, which depicts a clear separation of functions between elected members and senior officers and sees politicians as effectively controlling public managers by creating, in a top-down manner, the bureaucratic structures in which they operate.[79]

The councillors we have spoken to strongly value the effectiveness of the senior management, particularly in driving the significant improvement seen since 2008, and it is clear they do not want to endanger this organisational competence. What Oldham appears to be moving towards under the co-operative repositioning is a cautiously collaborative model defined by "reciprocal restraint", as described by Mountjoy and Watson:

"…While elected officials could dominate administrative practice… they are constrained by a respect for administrative competence and commitment. [Similarly]… administrations could use their considerable resources to become self-directed, but they are restrained by a commitment to accountability in the complementary relationship."[80]

Politicians in Oldham value the competence of the senior management, while senior officers recognise the clear mandate of the political leadership and the clarity of its reform vision. An important challenge will be transforming this from a largely pragmatist relationship based on 'reciprocal restraint' to a value-laden model of 'reciprocal reconfiguration' – with far less managerialism, a rebalancing of delivery goals, and a shift from command and control public management to new forms of public value shaped by a socialised process of change and service innovation.[81]

Public value management perspectives provide a useful framework for combining these democratic imperatives with the traditional, albeit redefined, requirements of efficiency, accountability and equity. They challenge the marketisation of public service management and propose governance models involving "networks of deliberation and delivery in pursuit of public value" – that is, value that looks past delivery goals and seeks to advance democratically determined social and economic outcomes.[82]

Crucially, these networks value flexibility and innovation, and they broaden the legitimate sources of change and decision-making to include, for example, community leaders, frontline officers, business and third sector partners, service users and citizens. Efficiency and accountability take on new meanings, with less focus on performance measurement and greater emphasis on the degree to which they achieve broader goals that are articulated through a social process of negotiation and exchange with partners, rather than through managerially driven techniques for understanding the 'customer'. Politics and management become partners, with senior managers recognising that effective delivery and implementation requires the meaningful participation of a wide range of stakeholders. While not becoming politicised, managers nevertheless adopt stronger roles as democratic facilitators that are more firmly embedded within communities and more competent at engaging effectively with citizens in a way that does not actively bypass elected members and community networks.[83] Some of our interviewees suggested that in Oldham there is a particular disconnect between managers and certain communities in the borough. The adoption of a more enterprising facilitative and community enabling role by managers could be a key ingredient for addressing this.

Our model of social productivity builds on public and social value approaches and provides a framework with a set of questions about how change can be managed and delivered in a socially productive and facilitative, rather than managerial or prescriptive, way. It promotes a

management paradigm that finds sources of change and innovation (and evidence to support change) not only in satisfaction surveys or systems of performance and service data, but equally in the vast but often untapped reserves of intuitive local knowledge and local aspiration held by frontline staff, citizens, community groups, the third sector, local businesses, and ward councillors. Managers collaborate with the political leadership to develop co-productive platforms for tapping into this 'hidden wealth' – for example through community commissioning, service devolution and analysing and mobilising social networks, community assets and bottom-up resources.

This type of approach provides a far richer picture of what citizens truly want from local services, and of what type of change they see as desirable. Under a model of social productivity, service management and innovation becomes more of a bottom-up process, beginning from the perspective of individuals and communities and integrating the service offer around them. This opens up the possibility of diverse forms of management (including devolved community and neighbourhood management) and different layers of influence and ownership of change. For example, at an individual level citizens could actively shape local service markets by directly commissioning and delivering services, which can be seen in adult social care with personal budgets and the role played by micro enterprises. At a broader community level, innovation could be shaped collectively through community commissioning. In other cases, where the issue is highly complex and impacts on the entire borough, change could be managed by the senior leadership.[84]

A central theme of Oldham Council's narrative of change is a progression from managerialism and centralised control (to achieve organisational competence) to transformation through embedding innovation into the core business of the council. Yet it is clear that this will not be without challenge, and the council could draw on tools such as City University's Local Councils' Innovation Framework and NESTA's innovation surveys to ensure that innovation is applied systematically across the organisation and is actively shaped by a range of local stakeholders.[85] A socially productive change and innovation framework for the council based on these insights could consider:

- A rebalanced relationship between elected members and senior managers. Are councillors being supported effectively enough to have their policies and political visions implemented?
- A new approach to risk management.
- Organisational culture. Is it being redefined to encourage innovation?
- Co-production and co-design. Is it being applied systematically and shaping the strategic direction of change in the council?
- Are citizens, neighbourhood teams, district partnerships, delivery partners and frontline teams (for example through 'business units') being supported effectively enough to become 'leading edge' innovators? And is the council investing in building this capacity and enabling democratic ownership of the co-operative reform agenda?

- What processes and mechanisms could be introduced for judging and effectively delivering innovation and proposed changes? And what will be the balance of power and responsibility between managers, elected members, frontline staff and communities in shaping these?

More representative at the top

Our research suggests that the routinely dysfunctional relationship between citizens and the council is not only due to residents' dependency on council services, but is also the result of a more fundamental cultural disconnection between senior decision-makers and managers and the communities they are intended to serve. In particular, several interviewees pointed to the lack of representativeness of the senior leadership, and the absence of their constructive interaction with certain communities, particularly Asian communities in deprived wards.

This was identified as a particular challenge for senior managers, many of whom are from outside Oldham and live outside of the borough. In important respects this is understandable: the senior management team was recruited to ensure the viability of the council and it has done a remarkable job in achieving and sustaining organisational competence. Yet as the previous section highlighted, it is important that public managers adopt a wider, democratic facilitative role beyond just the implementation of policy and the delivery of services. For the co-operative model to be truly transformative, it is vital for the senior leadership and management team to be truly embedded within the borough's communities and, over the long term, more representative of the borough.

Part of this will be about maximising the opportunities that will be provided by the co-operative agenda – for example through ensuring strong strategic linkages between the centre and districts by empowering ward councillors, engaging with district networks, strengthening neighbourhood working and generating a deeper knowledge and understanding of Oldham's communities.

Indeed, greater devolution is likely to have a positive impact on the future direction and make-up of the council, for example by equipping ward councillors with financial and executive decision-making skills, potentially opening up opportunities for future leadership roles. Similarly, frontline teams and junior officers (who are typically more representative of Oldham's population) could gain valuable experience in combining and balancing an innovative community focus with traditional imperatives around service efficiency – a skill set that could be highly desirable when recruiting the future generation of senior officers.

The council could also think about how it might actively support these potential opportunities through new approaches and strategies for recruitment and selection, training, skills and career development, employee support, and strategies for attracting the growing professional class in Oldham that largely chooses to work outside of the borough.

Adopting this agenda will not be without challenges and risks, particularly at a time of reduced funding when the need for organisational stability is paramount. Nevertheless, a cadre of senior leaders who are more embedded in the community and, over the long term, more representative will be vital to the success and integrity of the co-operative

agenda. The council often promotes the legitimacy of its co-operative agenda and its reputation as a co-operative council by pointing out that the vast majority of council employees live in and around the borough. However, this is not true of the top cadre of leaders and decision-makers – and putting in place long-term strategies to address this imbalance could be an important goal for the council.

7. Oldham's co-operative challenge: A social productivity model

Social productivity is 2020 Hub's approach to public service reform and social change. Our work with local authorities and other public sector organisations builds on social productivity as:

- An analytical framework for making sense of social and economic change over the long-term.
- A set of analytical and strategic tools to begin reshaping public service policy and practice.
- A means to re-think the role of the council within a changing ecosystem of public services and an economic context in flux.

Social productivity is about sustained culture change in public services – shifting from a culture of top-down, silo-based service delivery, to a culture that recognises that social value is co-created between the service and user. It is an approach that puts engagement, co-production and civic responsibility at the heart of public services and civic organisation – creating sustainable systems that build social capacity, foster community resilience, and work with the grain of people's lives.

According to the Commission on 2020 Public Services, social productivity is the idea that "public services should explicitly be judged by the extent to which they help citizens, families and communities to achieve the social outcomes they desire".[86] This means less focus on the particular services that are being – or have always been – delivered, and more focus on how the confluence of citizen agency, civil society and the state can collaboratively create the right conditions to improve social outcomes. It means thinking less ideologically about the role of the state, focusing instead on how citizens can be engaged, and how state, market and society can work together to solve public problems.

How can social productivity help address the challenges facing Oldham?[87]

- **The need for a different account of economic growth.** The relationship between citizens, state and society is already being rebalanced as the UK economy struggles to recover. We need a new model. This means a more significant share of growth must come from SMEs, social enterprise and new businesses embedded within local communities. Local authorities must play an enabling and catalysing role, and public services must be a driver of social and economic growth.
- **The need to nurture the 'hidden wealth' of citizens**. Social productivity is about services that are built around the capabilities citizens have, and the outcomes they want. Over the long term, this means holistic, integrated approaches that hold local commissioners to account for the needs of people and communities, not only the services being delivered. New models of local service governance can drive this.
- **The need to get 'more with less' from public services.** The principle of co-production is key. This recognises that value can be generated more efficiently from more co-operative and collaborative relationships between the service being delivered, and the citizens and communities consuming it. More from less is about driving efficiency and productivity through a new way of working that embraces different delivery models, and innovates within the public sector.
- **The need to foster community coherence and civic responsibility.** Different people and places start from different points in terms of their needs, resources and capabilities. This means that the local state and public services will need to play a strong role in building capacity and supporting collective capacity where it is needed. The need is particularly acute in places like Oldham, where inequalities along social, economic and ethnic lines have been stubborn and in some cases mutually reinforcing.
- **The need to find more sustainable ways of managing future demands.** Future social and economic demands – such as from an ageing society and a climate change – cannot be met through our existing delivery model. So public services must get better at unlocking resources, building long-term community resilience, and encouraging behaviour change. Local authorities must take the lead in doing this.
- **The need to be reflexive to changing citizen behaviours.** Patterns of living, learning and working are changing. For new demands to become opportunities, local authorities must get better at working with the grain of people's lives, mobilising a broader range of public, private and social resources, and deploying them more intelligently within communities.

A social productivity model for Oldham – Challenges and priorities

Challenges	Priorities
Developing a compelling Oldham co-operative vision	A new co-operative deal A social productivity Oldham spending and growth review
Supporting community coherence, capability and social cohesion	Address fragmentation as a test of community leadership Build networks that connect communities
Framing the future of Oldham's public services	Public service co-operatives Negotiated district autonomy
Building productive partnerships	A co-operative compact for Oldham A new governance deal with GMCA
Turning council improvement into social change	A roadmap for change The next generation of Oldham pioneers Develop a virtual co-op academy

The scale of the change implied by a co-operative model for local governance cannot be overestimated. It involves very different operating principles to those which have guided municipalism for the last hundred or so years, turning the relationship between citizens and councils on its head. Oldham Council has achieved a significant amount of change since the initial policy and strategy building blocks were put in place last year. But in terms of its ambition it has some way still to go. The next round of service devolution will see pilots on youth services and highways. There is a commitment to develop a comprehensive strategy for helping to shape a more productive local economy. More work is also being planned to explore the potential for extending social value through the promotion of mutual and co-operative service delivery vehicles. 2020 Hub was asked not just to describe what has been achieved so far but to assess what challenges the council faces, how these might be addressed, and how community leadership can help knit a future strategy together. We set out below what we see as being some of the major challenges that need to be addressed, along with some recommendations about how these can be resolved as part of the next phase of co-operative reform.

Challenge 1 – Developing a compelling Oldham co-operative vision

Whilst many people who we spoke to in the town like the general idea of a co-operative borough, they feel that it needs more depth and clarity. In particular it needs to be focused more strongly around the big issues facing the borough – for example, poverty, economic recession and the impact of welfare reform.

A new co-operative deal

Oldham needs to begin codifying the terms of a new deal which should be extended to citizens, public sector organisations, civil society organisations and businesses. This should be ambitious in scope, and should set out the commitments expected from each party to build a more socially and economically productive town.

The council should consider developing this in the form of a 'membership club', featuring a range of negotiated benefits. For individuals this could include cheaper transport (fares), collectively negotiated heating and electricity bills and an extension of the Oldham Card discount scheme. For businesses and civil society, the council should explore a commitment to inclusive procurement and local supply-chain development, and a commitment to voluntary sector capacity development. Our research also uncovered interest in a future role for the council in the financial and mortgage sector – offering brokerage and access to finance for those marginalised from mainstream personal finance and business development opportunities.

A social productivity Oldham spending and growth review

Effective co-operative working will be contingent on awareness of the resources and relationships within the borough, and a strategic approach to managing them. We therefore propose a local social productivity spending and growth review, in the run up to HM Treasury's 2013 Spending Review. This would build on and broaden Total Place pilot work (which analysed the receipt and distribution of public money within 13 geographical areas as part of an H.M. Treasury initiative in 2010) to examine the resources, networks and relationships which make up Oldham's social and political economy, include extensive public consultation about priorities for spending and integration and set out the basis of a new growth model for Oldham.

Challenge 2 – Community cohesion and capability

Often the elephant in the room when discussing change in Oldham is the reality of fragmentation; along both ethnic and socio-economic lines. Moreover, in a relatively small town it is striking how prevalent 'urban myths' are about the behaviour and values of different communities. A key priority should therefore be to drive community cohesion. This should be built from the ground up rather than from the town hall – a process that should go to the heart of co-operation, developing social capital and building frameworks for trust and accountability.

Addressing fragmentation as a test of community leadership

This is about explicitly and openly addressing some of the most difficult

issues in Oldham – many of which emanate from a lack of understanding or a lack of connection between and within the borough's communities. From the centre, this means carefully demonstrating an even handed approach on social issues such as fly tipping across all communities, whilst at the same time myth busting about behavioural differences. We heard, for example, a number of different and contradictory accounts about fly-tipping that had created confusion and resentment within different parts of the council and the community.

The extent to which elected members can help address these issues is a key test of community leadership in Oldham. Ward councillors must be open about the behavioural and cultural challenges within their communities, and be honest and better-informed about the problems within others. If Oldham's residents are being asked to take greater responsibility for their own behaviour, then councillors must lead the way and help change the shape of often arbitrary demand for council action. This means that future iterations of the Local Leaders Programme must give them the tools to do so.

Building networks that connect communities

Whilst devolution to the six districts is a critical component of co-operative Oldham, this must not be allowed to arbitrarily sever networks which extend across those boundaries. The districts should be part of a matrix of governance that extends across Oldham, and the new community development officers must tap into existing social networks and help connect these across districts. The development officers should combine customer insight technology drawn from neighbourhood town hall services with social network analysis and micro-mapping of hyper-local community groups to develop an assets, values and deficits social map of their districts.

Social and community network analysis is a nascent area of policy research, but initiatives such as the RSA's Connected Communities and ChangeMakers programmes can help to identify the social 'hubs', 'connectors' and power relationships that define communities. The local voluntary sector itself is also a resource with valuable information about community organisation, local value networks and a strong sense of place that will be vital to the effective working of district partnerships within the wider community. It is important that, as community development officers build their own picture, they use all the tools at their disposal to create rigorous network maps that can form the basis of smarter local working.

Challenge 3 – The future of Oldham's public services

The co-operative approach implies some very big changes to public services in Oldham but there isn't yet a coherent picture of what this will mean for the public service delivery landscape. If demand management, co-production and social and economic growth are the priorities then this will need more than efficiency, responsiveness and devolution.

Public service co-ops
The next stage of service change will need to develop new delivery models that can help square the circle between cost saving, co-operative working and building value. That will mean enabling the development of co-operative ownership models with employees and local communities which can catalyse new markets and respond to demand opportunities outside the scope of the public sector. Our research uncovered real sensitivities about the trajectory of co-operative reform, and the specific threat of outsourcing for a council steeped in public sector values. So it will be important to clearly distinguish the features of a co-operative approach from traditional outsourcing. This will require ingenuity and policy innovation in order to develop co-operative service delivery models that can create social value, maintain jobs and promote social productivity.

Negotiated district autonomy
Each district should negotiate its own service and budget devolution deal, based on a demonstrable economic and social value case, as well as evidence of capability and support from councillors, and the local community. Negotiated autonomy must be a 'deal' – flexible to the realities of particular districts, and should include commitments around service delivery, demand management and budget allocation. A comparative macro-model is offered by the current Cabinet Office round of city deals, where city regions (notably including Greater Manchester) have taken a differentiated approach that leverages the comparative advantage of their cities. At a neighbourhood level negotiated autonomy will need to trade off greater budget discretion against commitments to improve social outcomes and service responsiveness.

Challenge 4 – Building productive partnerships
Oldham is in a different position from some of the other towns and cities that are pioneering new models of local governance, because it is part of the wider public service and political landscape of Greater Manchester (a city region which already has a very clear direction of travel). This limits the scope of hard power available to the council to drive its agenda for change. On the other hand, it puts a great premium on soft power, which is a major facet of community leadership. The challenge for Oldham is to blend the two – to cajole, negotiate, broker with and enthuse its public service and local government partners, just as it is already doing with its local citizens.

A co-operative compact for Oldham
A co-operative compact should signify a new way of working – setting out how health, policing, schools and FE should work together with businesses, voluntary sector organisations and district partnerships. The key partner organisations should be drawn into the work of the Co-operative Commission whose mission should be to enshrine a more collaborative and integrated way of working across Oldham.

   Oldham is already moving in this direction, but codifying this on paper is a commitment device that can help shift organisational behaviour over the long term. Again, there are national mirrors: chair of Compact Voice Simon Blake has recently argued in a national context that a 'compact

with teeth' is required to 'know, and stick by, the 'rules of the game'. This need is no less at a local level, and the potential is there for the Co-operative Commission to use a new compact to increase the pace of change in the borough.

A new governance deal within GMCA

Oldham should lead the development of smarter working within the new governance landscape of Greater Manchester. The twin drivers of neighbourhood decentralisation and conurbation wide strategic co-ordination beg some important questions about the need to maintain separate administrative and management functions across the boroughs. Building on the GMCA city deal the opportunity exists to limit duplication and integrate structures and capabilities across boroughs. Oldham should take the opportunity to lead from the edges of the metropolis.

Challenge 5 – Turning council improvement into social change

One of the major challenges which Oldham Council faces is to embody the change it wants to see in the borough. The council had a strong change architecture in place to drive the council's recovery during its improvement phase, but this was a classic command and control model. You can't drive co-operation in the same way. Instead bottom up drivers are needed, which are embedded in local communities, in democratic politics and in social entrepreneurship. At the same time these need to be connected to other similar change processes which are happening elsewhere across the country, because the co-operative way of doing things takes Oldham into relatively uncharted waters, and beyond the comfort zone of traditional administrative orthodoxies. So experiences need to be shared with change makers both inside and outside Oldham. This will pose challenges to the way in which councillors and officers see their roles and how they interact with local communities.

A roadmap for change

A roadmap for change with clear milestones can build confidence and help maintain momentum. It can help provide a sense of shared purpose between the co-operative partners and it can give citizens and others the means to scrutinise and hold to account the progress towards a co-operative Oldham. Our research highlighted the need for this greater sense of clarity and direction both outside the council, but also internally, for officers who are committed to the ideal, but less sure of the tangible direction of reform.

The next generation of Oldham pioneers

In the medium term the aim should be to nurture and develop entrepreneurial staff who are locally based, so that they can become agents of social productivity and co-operation in their communities. At the same time the political parties will need to reassess the way in which elected members are selected, trained and supported.

Developing a Virtual Co-op Academy

Co-operative working requires a co-operative approach to policy development and change management. So the council should explore avenues to broaden the stakeholder base for local policy development, drawing on the resources and policy networks that already exist in the borough, the broader Greater Manchester city region and beyond. Greater Manchester's higher education institutions, Oldham's FE colleges and a wider network of progressive local authorities and policy partners could be brought together as part of a co-operative policy unit that could support the design and implementation of Oldham's future policy agenda. Many of these educational institutions will already be providing vocational and professional training for Oldham's future workforce, including council staff. The establishment of a Virtual Co-op Academy could help provide a clearer framework for this relationship with the local social economy. It could also be a centre for sharing research and ideas about emerging co-operative and co-production best practice, together with applied research on social value metrics and outcomes. Additionally, it could provide a local base for councillor and officer training and development.

The role of community leadership in driving change

Our analysis of the challenges and opportunities for Oldham began by looking through the lens of community leadership. The changing role of councillors is not only central to the sustainability and resilience of Oldham's communities, it is the glue that can knit the strands of Oldham's co-operative council model together. So we end with some specific recommendations for Oldham's Local Leaders Programme.

- **More structured support for councillors.** This is about ensuring that elected members are fully supported in their changing roles, and are given the tools to become effective community leaders. Segmented, personalised support is key. District caseworkers currently offer support to members, but the council should explore allocating account managers to councillors on a 1:2 basis to provide personalised support in accessing information, responding quickly and effectively to residents, and navigating new ways of working. Drawing on the experience of Sunderland City Council's successful community Leadership Programme, account managers could be recruited voluntarily as part of the leadership development of younger officers – mirroring the way fast-track civil servants are seconded to Ministerial private offices as a key element of continuing professional development.
- **Leverage the potential of new technology.** Digital technology is a relatively untapped opportunity within the Local Leaders Programme. Ward, district and council-wide news can be relayed in online bulletins and made smartphone ready for councillors to access quickly and easily. A directory of services and key contacts – a vital part of dealing with residents' queries – can be stored online and updated in realtime, giving councillors a ready resource. Member satisfaction can be measured regularly through online pulse surveys, which can provide a means of accounting for the effectiveness of change and a measure of

council responsiveness. The account manager roles introduced above will be a crucial support function for those councillors unused to digital and mobile working.

- **Recruitment and skills development.** This is about planning and providing for the next generation of councillors. Stronger links with Oldham's Youth Council – including the fast-tracking of 'star' candidates – should be encouraged. Targeted open days and online resources can introduce people to the changing role of councillor in Oldham, ensuring that the public perception of the role reflects the evolving reality of community leadership and devolved working. The council should also explore more explicit opportunities to work with political parties in pre-selection – again ensuring that candidates are elected with open eyes, and awareness of their responsibilities and the leadership role they will be expected to play.

- **Commissioning.** A particular focus on councillor development in the future will need to be placed on commissioning. Here councillors will need to be able deploy skills that enable them to help their communities determine the services and support they need, whilst at the same time being able to facilitate the integration of these around hubs that relate to the grain of people's lives. They will need to ensure that neighbourhood commissioning doesn't just end in fragmentation and/or the reinforcement of existing community divisions. And they will need to be able to lead a process of community dialogue which enables demand management, social justice and community cohesion to be reflected in the new service deals for districts. This will require training, talent development and peer group learning and should ideally be facilitated through the Co-operative Academy proposed above.

Appendix

Methodology

2020 Hub at the RSA was commissioned by Oldham Council, with half of the funding coming from the Leadership Centre for Local Government, to undertake a research study with a final standalone paper to review and contribute to the development of Oldham Council's nascent co-operative model of local government.

In particular, we were asked to:

- Examine how the co-operative model has developed so far, with key emerging themes and opportunities for development and how these might fit into current and future strategic aims and priorities for the council.
- Look at the key strands of the co-operative council model, particularly its focus on strong local leadership and the programme of devolution.
- Situate these changes within a wider local and national social, economic and public policy context, including by drawing on key concepts such as co-production, behaviour change, public service reform and social productivity.
- Set out what the key challenges will be for the council as it moves towards the next phase of its co-operative repositioning.
- Make recommendations about how these challenges might be met.

The research process has involved the following:

- A literature review of the co-operative council model, community leadership and public service reform in a local government context.
- Desk research and analysis of trends in local government, localism, and how councils across the country have responded to the radically changed fiscal and public policy environment – including case studies covering devolution, councillor development, community leadership and public service reform and innovation.
- Analysis of Oldham Council strategy, policy and finance papers.
- Analysis of the Leader's blogs and media articles and interviews.
- In-depth, semi-structured interviews with key stakeholders, including:
  - Council Leader
  - Deputy Leader
  - Chief Executive
  - Assistant Chief Executive
  - Senior officers and elected members with responsibility for key strands of the co-operative model and the council's policy agenda
  - Cabinet members

- Ward and parish councillors
- Members of district teams and partners in two diverse district partnerships (West Oldham and Royton, Shaw and Crompton) including councillors, a community development officer, a caseworker, a district co-ordinator and service officers
- Local Voluntary Sector leaders
- A major third sector service provider
- A major not for profit housing association

The research was carried out between May and September 2012 and will contribute to the next stage of the Local Leaders Programme and the co-operative council reform agenda.

Limitations

Despite the broad range of interviews we were able to undertake (around 20 in total) with a diverse pool of stakeholders in Oldham, this was nevertheless a relatively small scale study with expected limitations in time, resource and capacity. Moreover, there were some gaps in our final sample of interviewees which could have influenced our findings. This was partly due to the explosion in Shaw and the understandable unavailability of some councillors, as well as the general unavailability of some key stakeholders and issues of time and capacity. Some of these gaps are as follows:

- Business leaders
- Citizens and local community groups (e.g. faith based groups or leaders)
- A larger, cross-party sample of ward councillors, including a chair of a district partnership
- An additional district team and partners from a third District Partnership (Failsworth and Hollinwood)

It should also be noted that this project was designed to be the beginning of a broad strategic conversation on the future direction of the co-operative council model and was not intended to be a large-scale, systematic analysis and evaluation of the council's reform programme; nor was it asked to produce a set of policy 'solutions'. In this respect, the scope and breadth of the research was consistent with the aims of the project.

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55. Ed Miliband launched Labour's 'predistribution' plan in September 2012. For an elaboration of what it means for public services and the economy, see M. O'Neill, 'Predistribution: an unsappy name for an inspiring idea', the Guardian *Comment is Free*, 12 September 2012. Available at: www.guardian.co.uk

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63. Stoker, G. (2011) "Was Local Governance Such a Good Idea?" Public Administration Vol. 89, No. 1

64. NLGN (2012) "The Localist Manifesto: The report of the commission on next localism", June 2012.

65. However, this does seem to be changing as district partnerships develop. For example in East Oldham, First Choice Homes is working on a new neighbourhood strategy which will be aligned with district partnership priorities and seek to join local services in collaborative relationships and assess the impact of Welfare reforms. See http://committees.oldham.gov.uk/documents/s26784/Minutes%20of%20Previous%20Meeting.pdf

66. On the value of 'light touch' support, see for example M. Taylor et al. (2007), 'Changing neighbourhoods: The impact of 'light touch' support in 20 communities', Joseph Rowntree Foundation. Available at: www.jrf.org.uk/publications/changing-neighbourhoods-impact-light-touch-support-20-communities

67. We have been informed that one ward, Roundthorn Salem, has commissioned a social network analysis. See N. Pecorelli and C. Harding (2011), 'Social networks in Roundthorn Salem'.

68. See for example C. Durose et al. (2011), 'Towards the 'Big Society': What role for neighbourhood working? Evidence from a comparative European study', Centre for Analysis of Social Exclusion, LSE. This study also distinguishes between 'invited spaces' produced by the state and 'popular spaces' created by people, and explores how the two can be balanced and combined to promote inclusion in opportunities for participation and co-production.

69. See L. Lucas and J. Carr-West (2012), 'Future Service Partnerships: How the private and community sectors can generate social value together', LGiU. Available at: www.lgiu.org.uk/future-service-partnerships-how-the-private-and-community-sectors-can-generate-social-value-together/

70. L. Lucas and J. Carr-West (2012), 'Future Service Partnerships', cited above.

71. On the increasing importance of this balance (and particularly the current Government's focus on productivity), see www.idea.gov.uk/idk/aio/23885112

72. On the importance of effective and democratic partnership governance structures for community commissioning, see for example the Cabinet Office's case studies of a Local Integrated Services (LIS) approach to community commissioning, available at: www.cabinetoffice.gov.uk/resource-library/community-commissioning-case-studies

73. See Ibid. Also see L. Bunt and Charles Leadbeater (2012), 'The Art of Exit: In search of creative decommissioning', NESTA. Available at: www.nesta.org.uk/library/documents/ArtofExit.pdf

74. L. Richardson (2012), 'Working in Neighbourhoods, active citizenship and localism', Joseph Rowntree Foundation. Available at: www.jrf.org.uk/publications/working-in-neighbourhoods

75. See Local Government Improvement and Development (2010), 'Reshaping the Partnership Landscape', Briefing Note 1. Available at: www.idea.gov.uk/idk/aio/23885112

76. See for example I&DEA's 'Internal communications' resource at http://webarchive.nationalarchives.gov.uk/20100402134053/idea.gov.uk/idk/core/page.do?pageid=7816302. Also see North East Derbyshire District Council's experience with this at www.cipr.co.uk/sites/default/files/MID-12114013.pdf.

77. LGiU (2012), 'Risk and Reward: Local Government and Risk in the New Public Realm', available at: https://www.zurich.co.uk/NR/rdonlyres/D08A7B23-7371-4DCE-A4A6-43E77EB632C4/0/RiskandRewardFinal.pdf

78. On this, see for example R. Blaug et al. 'Public value, politics and public management: a literature review', The Work Foundation. Accessed at: www.theworkfoundation.com/downloadpublication/report/117_117_politics_lit_review.pdf

79. This is a view espoused by, for example, the 'principal-agent' theory. See ibid. p. 10.

80. Mountjoy R S and Watson D J, 'A Case for Reinterpreted Dichotomy of Politics and Administration as a Professional Standard in Council-Manager Government', *Public Administration Review*, Vol 55 No 3, pp. 231–239, 1995. Cited in Ibid. p. 14.

81. On the need for public management and public services to become more 'socialised', see Matthew Taylor, 'NPM – RIP', September 2011. Accessed at: www.matthewtaylorsblog.com/thersa/npm-rip/

82. Gerry Stoker (2006), 'Public Value Management: A New Narrative for Networked Governance?', The American Review of Public Administration', Vol. 36, No. 1, p. 47.

83. See Ibid. and R. Blaug et al. 'Public value, politics and public management' (full citation above).

84. 2020 Public Services Trust, 'From social security to social productivity: a vision for 2020 Public Services', September 2010. Also see H. Kippin & B. Lucas (2011) 'From Big Society to Social Productivity' RSA & 2020 Public Services Hub.

85. See City University's Local Councils' Innovation Framework at http://creativity.city.ac.uk/accelerating_local_govt_innov.html. For NESTA's innovation surveys, see for example A. Hughes et al. (2011), 'Innovation in Public Sector Organisations: A pilot survey for measuring innovation across the public sector'. Available at www.nesta.org.uk/library/documents/Innovation_in_public_sector_organisations_v9.pdf

86. Commission on 2020 Public Services, 'From Social Security to Social Productivity: A vision for 2020 Public Services', London, 2020 PST

87. This box represents strands of 2020 Hub's work with local authorities, central government, national service sectors and the voluntary and private sector.

The energy switching initiative below is an example of Oldham Council campaigning on behalf of residents:

Power to the people

Oldham's Collective Energy Switching Campaign

"We all know that increasing energy bills are one of the biggest concerns for our residents.

Oldham Council, in association with Ichoosr, have developed a ground breaking scheme which can deliver significant savings in energy bills. By working together as local councils we can all do our bit to help our residents in these hard times"

Cllr Jim McMahon
Leader of Oldham Council
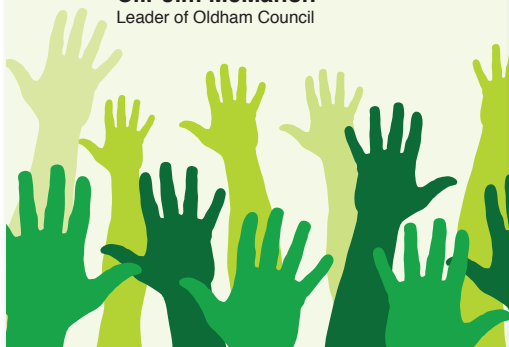
Key Facts

The more authorities who participate the greater the benefit to all – a true example of co-operative values.

The scheme will deliver savings of up to £150 per year for individual households.

The scheme allows for those on pre-payment meters to participate – giving real choice to some of our most hard pressed households.

Unlike other schemes the finder's fee is retained by participating authorities allowing for the creation of local community benefit schemes.

Ichoosr are an experienced operator and have an excellent track record of working with local councils.

For more information on the Oldham scheme contact Adam Hackett at adam.hackett@oldham.gov.uk or call 0161 770 3438

For details on the Ichoosr switching product please visit their web site www.ichoosr.com/en/ or email filip.vissers@ichoosr.com

Oldham Council

The 2020 Public Services Hub is a research and policy development hub created from the legacy of the 2020 Public Services Trust in early 2011. It specialises in developing practice-based research on social productivity in public services. as part of RSA's Action and Research Centre (ARC), the Hub works collaboratively with local public service organisations, national sector leaders and other national partners to develop social value and social productivity thinking into local and national practice.

The RSA: an enlightenment organisation committed to finding innovative practical solutions to today's social challenges. Through its ideas, research and 27,000-strong Fellowship it seeks to understand and enhance human capability so we can close the gap between today's reality and people's hopes for a better world.