Entrenched inequality feared as councils plan for unpredictable future

Experts warn of 'known unknowns' in New Local Government Network study to map the path to 2015

Simon Parker Guardian Professional, Thursday 2 June 2011 08.30 BST

Councils predict entrenched inequality by 2015. Photograph: Jim Dyson/Getty Images

In times of austerity, with fast decisions to be taken on what to cut and how, planning for the future can easily get lost. But if we don't know what challenges local government is going to be facing in five years' time, how can we know that councils shaped today will be able to meet those challenges?

This is the problem that the New Local Government Network's research project "Life after the spending cuts" – a series of seminars, discussions and events to map out local government in 2015 – is trying to unpick.

One solution is to take a leaf out of Shell's book. In the 1980s the oil giant pioneered a technique known as scenario planning. The principle of the exercise was that if you look into the future and envisage all possible and potential outcomes, your ability to deal with these if and when they arise will be greater.

At a recent seminar, we assembled a group of 35 representatives from across the public and private sectors, including a number of councillors, to plan for the future of local government. We asked delegates to consider a series of potential challenges and asked them to rank the possibilities in terms of their importance and likelihood.

The results offer an interesting insight into what councils may be dealing with in five years' time.

What we look for in this exercise are the issues that will be important to councils and their localities but whose outcomes or impact are unpredictable or uncertain. It is these critical uncertainties – or "known unknowns", to quote Donald Rumsfeld – that councillors engaged in planning need to work through. So, what are these critical uncertainties?

There are a number of tricky issues, and they fall under the bracket of "big society": community cohesion, rebalancing private and public sector involvement in services and community participation. Participants clearly recognised the importance of these trends but did not seem to
think their emergence was certain. Far from it. This is a huge challenge for local authorities as they cut today and plan for tomorrow.

As councils adopt new models of service provision, involving non-public sector organisations, what role should councillors play in maintaining and developing the social fabric of their communities?

Public spending cuts and local revenue raising are viewed as important, but uncertain. With central funding contracting dramatically, the momentum towards local revenue raising powers is building. However, the doubt in delegates' minds about whether or not such autonomy will be afforded to them suggests it would be prudent for councillors to prepare for life with reduced central funding and without the additional fund-raising rights needed to plug the gap.

Another interesting conclusion was that despite the high-profile debates currently taking place, delegates believed that inequality would become more entrenched, but not more important. This indicated that policies may need to move from a model of ameliorating inequality towards one that simply accommodates inequality. Something that points towards greater personalisation as services are tailored to individuals and based on need, rather than on a universal basis, as the case is today.

Some in local government may not be comfortable with the scenarios that are thrown up and the emerging trends that they point to, but by making use of scenario planning and by digesting the possibilities now, councils will be better armed to face a wide set of challenges, should they arise.