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New Powers for Local Authorities?
A Summary of the Local Government White
Paper

CLES BULLETIN





Introduction

After months of anticipation and speculation the Local Government White Paper was finally released last week by the Department for Communities and Local Government (DCLG). The development of the paper has been fraught with Ministerial and Department alterations and questions over how much power Whitehall are really prepared to devolve. With speculation predicting changes in legislation to allow for large-scale local government reorganisation and strong powers for city regions amongst other things, the final paper is somewhat of an anti-climax. Rather than containing radical proposals and new legislative powers for local government and their partners the Local Government White Paper is more of a good practice handbook with many proposals for reform detailing many of the positive activities local authorities are doing anyway. It can therefore be viewed as a useful marker, reinforcing existing policy and giving some key pointers for the future.

There are a couple of chinks of opportunity for new governance arrangements and improved democracy detailed in the Local Government White Paper. There are improved opportunities for authorities in two-tier areas to put forward their case for becoming unitary authorities. There are new freedoms for unitary authorities to set up and administer new parish, town and neighbourhood councils where they believe there is sufficient democratic need and viability. There are proposals for councillors to develop greater skills and transfer those skills to the communities they serve as well as to enhance leadership activity. And there are new duties being placed on Local Strategic Partnerships and Local Area Agreements to be more accountable to partners and local people and also establish enhanced cross-authority working through the development of Multi Area Agreements.

When it comes to actual devolution of power to our towns, cities and city regions and big strategic issues the Local Government White Paper fails to offer real freedom over power and finance. At a time where the core cities and other towns desperately need stronger powers particularly over transport, economic development and skills to improve both local and national economies, there is

no sign of central government being willing to budge on control. This is despite evidence from London and overseas in Europe and the USA that devolved powers and devolved finances can systematically lead to stronger local places, greater investment and more competitive economies.

Despite these early criticisms of the Local Government White Paper, time will tell as to its effectiveness, as will legislative change and the ability of local authorities to adapt to suggestions and tailor them to their locality in innovative ways. Issues with regard to finance will also become clearer upon the publication of the Lyons Review expected in December and the 2007 Comprehensive Spending Review. This bulletin therefore aims to provide CLES members with an insight into the aims of the Local Government White Paper; look at some of the key areas for reform; and recommend how local authorities should respond to and move the Local Government White Paper forward.

Overview of the Local Government White Paper

The quality of public services and local authorities makes a huge difference to people's livelihoods. Everyday movements and lifestyle patterns are affected by where we live, how we travel, our health and education services and our ability to access and sustain employment. Local Government plays a key part of this and accounts for over a quarter of all public spending. However, despite the best efforts of the labour government since 1997 to improve public services and devolve decision making through Local Strategic Partnerships to be more locally responsive, there remain significant examples of central-local tensions and an unwillingness to devolve powers and finance over certain service areas, transport being a core example. The Local Government White Paper recognises that public and local services need to continue to improve and that local authorities and their leaders need the powers and the freedom to meet the needs of their communities and to tackle issues particularly relating to exclusion and deprivation. This community focus and link between local government and community is therefore reflected in the overarching theme of the Local Government White Paper of strong and prosperous communities.



The Local Government White Paper is shaped by five core areas of focus and aspiration that are strongly based on what is happening in many areas already on the ground:

- ❑ It looks at reforms for central and local government and other local public service providers;
- ❑ It looks at the frameworks and systems local and central government operate within;
- ❑ It looks at the structures and incentives for partnership working;
- ❑ It looks at the interaction of local public services with citizens and communities;
- ❑ It looks at new powers for local leaders to promote stronger and more visible leadership.

In order to achieve these visions and ambitions the Local Government White Paper calls for a new role for local government that reshapes public services around the citizens and communities who use them. It calls for a rebalancing of key relationships between central and local government, between local government and partners and between local government and citizens and communities. It calls for a new performance framework and one, which ensures a radical reduction in the amount of information that central government, demands from its local partners. These are the high-level objectives and visions of the Local Government White Paper. The following sections which follow the chapters of the paper looks at some of the core strategic thought behind and key facets of reform required to meet the overarching aim of strong and prosperous communities.

1. Responsive services and empowered communities

This part of the Local Government White Paper recognises that the best performing authorities and the most effective local councillors are those which are responsive to the varied needs of their communities and those which enable local people to shape and choose those services which they use on a personal basis. The paper wants this to be the normal pattern of working everywhere with people empowered to control their own lives, trusted to be consulted and wanting to be involved in running services. The Local Government White Paper

therefore proposes a number of reforms to extend choice in local services, give local people more say in running local services and new ways of communicating with local councillors.

Facet 1 – Community Call for Action

This reform calls for councillors to provide stronger links between local people, community groups and public service providers. This new mechanism will enable local people to ask councillors to take up a public service issue on their behalf and on the behalf of their community. The reform could be particularly effective in increasing engagement between councillors and communities and ensuring that vulnerable people and those least able to speak out are given the support to do so. The Community Call for Action is intended to strengthen the hand of councillors in resolving issues with the council executive and service providers.

Facet 2 – Devolving the power to create parish councils

The Local Government White Paper recognises that parish councils are an established and valued form of neighbourhood democracy and management. It therefore proposes the creation of further parish councils. In order to speed up the creation of such bodies a key reform of the paper is to devolve the power to create parishes away from central government and the Electoral Commission to district and unitary authorities. It also recognises that parishes are not the most effective form of neighbourhood or community governance everywhere and introduces new rights for London Boroughs to test parish governance.

2. Effective, accountable and responsive local government

Strong, responsive, effective and accountable local government is important to ensure that local economies grow and the expectations of citizens and communities are met. The Local Government White Paper recognises that the framework within which local authorities operate can still be a barrier to effective governance and that the strategic and democratic leadership provided by councillors and other elected leaders could be significantly improved. Whilst in some local authorities leadership is strong despite key governance



barriers. The paper proposes a number of reforms to help all authorities to develop their capacity and notably the effectiveness of their leaders.

Facet 3 – the skills of councillors

In addition to the Community Call for Action identified above the Local Government White Paper also seeks to promote the role of councillors as democratic champions through a series of other measures. Working with the Local Government Association, the Improvement and Development Agency and the Leadership Centre for Local Government, DCLG expect authorities to promote:

- a clearly defined role for councillors in championing the interest of their communities;
- greater diversity of councillors, making them more representative of their community;
- capacity-building and support for councillors to take on an enhanced role.

The last measure is particularly important in ensuring that councillors develop their skills and have the ability to transfer skills particularly with regard to regeneration to local communities.

Facet 4 – local leadership

One of the more controversial reforms proposed in the Local Government White Paper surrounds strategic leadership and directly elected mayors. With only 12 local authorities having introduced a directly elected mayor and with many local leaders facing an election every year, the paper calls for longer term, more stable and more visible local leadership. It therefore proposes to legislate so that there are three options or models of executive leadership for local authorities: a directly elected mayor with a 4 year term; a directly elected executive with a 4 year term; and an indirectly elected leader with a 4 year term. All executive powers will be vested in the mayor who will have responsibility for deciding how these powers should be devolved.

Facet 5 – developing two-tier local government

Local Government in the UK is structured in two contrasting and complex ways. There are those authorities in Scotland, Wales and parts of England, which can be viewed as ‘all-purpose’ with responsibility for all local authority functions. These authorities, known as unitary, metropolitan or London Borough predominantly cover large towns and cities, which have a large population and a strong civic identity and political leadership. The remainder of England has a two-tier system in which responsibility for services is divided between district and county councils. The partnership activity, funding responsibilities, and bureaucracy of two-tier authorities is often seen as more complex as a result of the competitive relationship that exists between the county and their district authorities. Many district boundaries also reflect artificial communities with little significance for local people. The Local Government White Paper recognises these complexities and calls for district authorities to bid to become an all-encompassing unitary. Authorities, however must be able to provide evidence as to how becoming a unitary authority will enhance strategic leadership, value for money and leadership.

3. Strong cities, strategic regions

Following on from the State of Cities Report and key strategic debate around the economic benefits of city regions, the Local Government White Paper recognises that economic restructuring continues to affect the competitiveness of our core cities and towns. In order to bring the economic growth of core cities in line with European and global levels, the Local Government White Paper introduces a number of reforms designed not only to deal with the economics of our towns and cities, but also other challenges notably around worklessness, deprivation and poverty.



Facet 6 – Multi Area Agreements

The Local Government White Paper proposes that DCLG will support and work closely with local authorities that wish to develop Multi Area Agreements. It recognises that there are a number of outcomes that would be more effectively delivered through collaboration between local authorities at a sub-regional level. Many of the interventions needed to deliver sustainable economic development rely on action at a broader geographic scale than a single local authority.

Facet 7 – Co-ordinated leadership across City Regions

The Local Government White Paper recognises the way in which the core cities are developing new governance arrangements to manage and coordinate decisions across the city regions is positive. It endorses a co-ordinated approach in particular to economic development in order to achieve the greatest economic and social impact. The paper therefore calls for strong leadership models, including directly elected mayors to develop and co-ordinate city regional growth.

4. Local Government as strategic leaders and place-shapers

Local Strategic Partnerships and Local Area Agreements have to date been effective in bringing together various local agencies and groups to develop strategies and visions for their local area. Communities also require this strategic leadership to work together to address a locality's problems and challenges in a coordinated way. Over the past few years a growing number of local authorities have used these partnership tools to seize an agenda that Sir Michael Lyons calls 'place-shaping'. The Local Government White Paper provides a number of reforms to enhance the role of local authorities as 'place-shapers' and create the conditions for partnership to succeed.

Facet 8 – Strengthening Local Strategic Partnerships

In line with ongoing consultation work on the future of Local Strategic Partnerships and with the strong emphasis placed on local leadership, the Local Government White Paper calls for Local Strategic Partnerships to be more accountable to local people through strengthening the involvement of elected members in both executive and scrutiny roles. In some places this may mean elected members chairing the partnership. In others it may simply mean stronger and fuller involvement in the LSP process.

Facet 9 – A framework for effective and co-ordinated local service delivery

The Local Government White Paper proposes a clear framework for agreeing priorities that are acceptable both to local partners and to central government. Many authorities are likely to be doing these things anyway, but the framework brings more rigidity. It proposes the following duties:

- a duty for the local authority to prepare the Sustainable Community Strategy in consultation with others;
- a duty that the Sustainable Community Strategy and other local and regional plans are drawn up with regard to each other;
- a new duty for the upper-tier local authority in two-tier areas to prepare a Local Area Agreement in consultation with others;
- a new duty for the local authority and named partners (a list of 21 are provided in the paper) to cooperate with each other to agree the targets in the Local Area Agreement;
- a new duty for the local authority and named partners to have regard to relevant targets in the Local Area Agreement.

The paper also calls for more effective data-sharing between agencies to ensure targets are met.

5. A new performance framework

The Local Government White Paper proposes the development of a new performance framework to bring together a range of improvement factors more coherently to enable service commissioners and providers to be more responsive, effective and innovative. Improvement factors include the



empowerment of citizens and users and national targets. Proposals for reform include measures to make local people more knowledgeable of local services and local performance. The aim of the new performance framework is therefore to reduce radically the number of nationally required local targets, performance indicators and reporting and to replace these with new opportunities for citizens to hold their local providers to account for the quality of services. This is based on the ethos of bringing service users, service providers, local government and central government closer together.

Facet 10 – Clarity about national outcomes and priorities

The Local Government White Paper proposes vastly reducing the number of national indicators and outcomes. At present there are between 600 and 1200 indicators against which areas must report to central government. In coordination with decisions made in the 2007 Comprehensive Spending Review, the DCLG will seek to set out a single set of national priority outcomes. This will encompass around 200 indicators against which all areas will report.

6. Efficiency – transforming local services

In line with the thoughts of the Gershon review, the Local Government White Paper recognises that whilst local authorities are likely to meet the £3bn efficiency target, they are likely to need to challenge traditional methods of delivery to meet rising aspirations of public services and a reducing public purse. This part of the paper provides a framework of tools to encourage efficiency amongst local authorities.

Facet 11 – Smarter procurement

Procurement has a key role in providing high quality services and extending the choice offered to communities. The Local Government White Paper proposes building on good procurement practices to support national and local priorities and also to ensure efficiencies. Extending the role of the private and voluntary sectors in procurement is a positive of achieving this.

7. Community Cohesion

Community cohesion is an objective in all local authorities in the country. However in some areas particularly where change and migration levels are high, local authorities face significant challenges in shaping public services and addressing cohesion issues. Whilst linked to many of the other proposals and process reforms identified in the paper, cohesion requires more specific support.

Facet 12 – Strengthening partnership working on community cohesion

The Local Government White Paper states that Sustainable Community Strategies and Local Area Agreements are key vehicles for tackling community cohesion issues. They present the opportunity to identify problems and develop solutions supported by partners from the public, private and importantly voluntary and community sector.

Facet 13 – Improving leadership on community cohesion

Leadership is a key theme of the Local Government White Paper and a strong theme of the community cohesion section. It aims to promote leaders who can be advocates for cohesion, who can represent the diversity of their communities, and who can embody a set of values which is shared across groups and places.

Responding to the Local Government White Paper in Localities

The Local Government White Paper proposes a number of strong process, governance and leadership reforms, which have been identified in the facets above, most notably in requiring authorities to directly elect mayors, executives or leaders for a minimum four-year term and in developing Community Calls for Action for councillors. However, when it comes to devolution, there appears to be no strong commitment from central government and no measures for devolving power and finances to the local level despite a strong emphasis on partnership. When it comes to legislating some of the proposals of the paper greater care needs to be taken to consider the potential advantages of devolving further power to



the local level and finances as the forthcoming Lyons Review and next years Comprehensive Spending Review are likely to highlight.

CLES members within the public, private and voluntary and community sectors need to be aware that legislation that emerges from the Local Government White Paper will require changes in the way in which central and local government and local partners work. In particular they will need to adapt at all levels to reforms which:

- ❑ Enable councillors to act as advocates for their communities through the Community Call for Action;
- ❑ Enable district and unitary authorities to create new parish or community councils;
- ❑ Enable councils in London to form parish or community councils;
- ❑ Advocate stronger local leadership and longer terms of leadership through optional executive models;
- ❑ Enable authorities in two-tier areas to seek unitary status;
- ❑ Place a duty on an upper-tier or unitary authority to prepare Local Area Agreements in consultation with named partners.

CLES will be carrying out research on different aspects of the Local Government White Paper and how it affects different organisations and partnerships over the course of the coming months. A major piece of work will be a policy pamphlet asking what the Local Government White Paper means locally and in particular what it means for regeneration, economic development and tackling social exclusion. We would like this publication to be shaped by the thoughts and experiences of our member organisations from around the country. If you have a case study of good practice relating to any of the proposals identified in the white paper please let us know. We will also be in contact shortly to discuss the following seven questions:

1. Do you think the governance reforms identified in the White Paper will enhance local democracy and leadership?
2. Will the White Paper lead to communities becoming more engaged and more active citizens?

3. Will the proposals of the White Paper lead to improved relationships and enhanced accountability between local government and particularly councillors and local citizens?
4. Do you think there are any areas in which the White Paper should have considered devolving more powers and decision making from central to local government?
5. Does your authority have plans to take advantage of any of the optional opportunities indicated in the White Paper? E.g. creating parish councils e.g becoming a unitary authority e.g executive leadership of any type.
6. How do you think the White Paper will facilitate local economic growth?
7. How do think the White Paper will address social exclusion issues?

If you would like to respond to any of the questions above or have any queries about the Local Government White Paper, please contact Matthew Jackson, Policy Researcher on 0161 236 7036 or email matthewjackson@cles.org.uk