



Centre for Local
Economic Strategies

bulletin

Strengthening Local Democracy Consultation

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INTRODUCTION

The appointment of a new Minister for Communities and Local Government, John Denham, has brought further government rhetoric and potential policy in relation to the devolution of power toward local government and communities. The consultation paper on strengthening local democracy¹ is the latest publication of the Labour Government's twelve year tenure, designed to enable local authorities to more effectively shape their places and to address the balancing of representative and participatory democracy at the local level. The consultation paper makes a massive play on strengthening local government and the powers local authorities have to support local communities:

'So councils must be fully equipped with the powers they need to act decisively and effectively on behalf of their citizens: the powers and ability to scrutinise, influence and shape other services. This is a much stronger role for local government, placing it firmly at the centre of decision making in their community'. (p.6)

The consultation paper sets out a series of proposed reforms for the devolution of power which will give local authorities: greater power to scrutinise and oversee spending by partners and other organisations on addressing local issues; the ability to reduce levels of performance scrutiny from central government; the opportunity to explore the role of local government in tackling climate change and specifically in meeting UK carbon budgets; and the power to ensure sub-regional working is fully accountable to local residents. For CLES questions remain:

- Do these proposed reforms truly represent the greatest transfer of power to the local level as the consultation paper bills?
- Are the proposed reforms for local democratic renewal actually anything new or is this just more policy rhetoric?
- Are the proposals actually true factors of or real devolution?
- Are these actually powers that local government want?

This bulletin therefore provides a critical assessment of the Strengthening Local Democracy Consultation paper before offering CLES member authorities and other stakeholders the opportunity to discuss exactly the types of powers they would like at local and sub-regional levels.

¹ Communities and Local Government (2009) *Strengthening local democracy: Consultation*. London: HMSO.
<http://www.communities.gov.uk/publications/localgovernment/localdemocracyconsultation>

Policy context

The Strengthening Local Democracy Consultation is framed within the context of a number of recent central government interventions designed to devolve power toward the local. The partnership and performance focused Local Strategic Partnerships and Local Area Agreements have laid the foundations for a greater degree of trust between the central and local level over strategic policy and delivery decision making. This has been further emphasised in the local economic development focused proposals of the Sub-National Review of Economic Development and Regeneration² which are currently crawling through Parliament as the Local Democracy, Economic Development and Construction Bill³.

Add to this the often forgotten power to promote well-being from the Local Government Act 2000⁴ and the opportunities presented to local government to shape local physical, economic, social and environmental change through the Sustainable Communities Act 2007⁵, then it becomes clearer that this devolution rhetoric may actually be filtering through into reality. Indeed, the Government's response to the recession and other issues of key democratic importance, Building Britain's Future⁶, further describes this devolutionary commitment. In particular it sets out how '*Government wants to work with the people of this country to reform our democracy, overcome the recession and build the next generation of public services.*' Building Britain's Future makes it clear that this overarching vision will involve '*a radical dispersal of power both to the citizen and to their local elected representatives.*'

The focus upon place shaping and strengthening local government is also strongly related to the Lyon's Review⁷ from 2007, perhaps reflecting the fact that many of the strategic recommendations of the Lyon's Review have not yet filtered through into policy and reality, hence the need for the new Strengthening Local Democracy Consultation.

The principles of the Strengthening Local Democracy Consultation

The Strengthening Local Democracy Consultation paper is the first response to this renewed commitment towards democratic renewal, focused by devolved powers and responsibilities towards the local level. Local authorities are viewed as key actors in this process of local democratic renewal in the paper, acting as the means through which citizens can influence the decisions that affect their lives and their communities. However, to respond to these needs and effectively lead and shape place, local government needs powers and the Strengthening Local Democracy Consultation sets this as its core principle.

It recognises the validity of the role of councillors and councils in making sure that local services are responsive to the needs of local communities and recognises that they must therefore, be fully equipped with the powers they need to act decisively and effectively on behalf of their citizens, with particular powers around scrutinising, influencing and shaping other services.

In an era of economic uncertainty and democratic deficit and mistrust, local authorities are of crucial importance in enabling economic change and democratic renewal for a number of reasons:

- ***As strengtheners of democracy*** – local authorities are unique amongst public service providers in that they are directly elected, meaning that they have a key role in delivering

² Communities and Local Government (2007) *Prosperous Places: taking forward the Review of Sub-National Economic Development and Regeneration*. <http://www.communities.gov.uk/publications/citiesandregions/snr>

³ HM Government (2009) *Local Democracy, Economic Development and Construction Bill*.

<http://services.parliament.uk/bills/2008-09/localdemocracyeconomicdevelopmentandconstruction.html>

⁴ HM Government (2000) *Local Government Act 2000*. http://www.opsi.gov.uk/acts/acts2000/ukpga_20000022_en_1

⁵ HM Government (2007) *Sustainable Communities Act 2007*. http://www.opsi.gov.uk/acts/acts2007/ukpga_20070023_en_1

⁶ HM Government (2009) *Building Britain's Future*. http://www.hmg.gov.uk/media/27749/full_document.pdf

⁷ HM Treasury (2007) *Lyons Inquiry into Local Government*.

<http://www.webarchive.org.uk/wayback/archive/20070428120000/http://www.lyonsinquiry.org.uk/docs/final-complete.pdf>

services, in leading and contributing towards local partnerships, and in overseeing the well-being of citizens and communities;

- ***As promoters of value for money*** – local authorities have been keen makers of efficiencies in the public sector. There is however scope to go further through scrutinising wider spending in the locality;
- ***As promoters of economic development*** – local authorities have a crucial role to play in supporting communities through the current period of recession. They are uniquely placed to not only work with other local economic partners, but to lead them in preparing for future growth and recovery;
- ***As deliverers of personalised services*** – local authorities have the ability to deliver personalised services which are delivered flexibly and in response to local needs.

All these roles do need strengthened powers, which is what the proposals in the Strengthening Local Democracy Consultation are seeking to enable. As such the Government envisages a new powerful role for local authorities where they:

- Play a central role in delivering their entitlements, and have flexibility and autonomy in meeting local needs;
- Take on the responsibility for responding to emerging local challenges, particularly climate change and housing;
- Take greater responsibility for scrutinising and oversight of public money spent on local service delivery in an area, in order to drive improvements in services and increase value for money.

The proposed reforms of the Strengthening Local Democracy Consultation

The Strengthening Local Democracy Consultation sets out five key areas of reform designed to promote democratic renewal and strengthen the power and responsibility of local government:

Reform 1: changing local government's powers of scrutiny

Service delivery at the local level is no longer confined to the realms of the public sector. Since the competitiveness regimes of the 1980's, the increased importance of procurement, and the changing role of local government from deliverers towards enablers, local service delivery has involved a wider range of deliverers from the public, private and third sectors. This is fine where services actively engage communities in terms of being representative of needs, and in being responsive and representative in the local community. But what happens when services are not responsive to community needs, are not accountable to local government and are not performing well?

This is where the role of scrutiny comes in. Since the Local Government Act of 2000, there have been measures put in place to strengthen the scrutiny of local authority leadership and services. Scrutiny committees are a way in which non-executive councillors can represent the views of citizens by challenging the council leadership on issues they are responsible for. There are also certain named, and predominantly public sector partners, with a statutory duty to engage in the overview and scrutiny of Local Area Agreement targets at the local level including Jobcentre Plus, Primary Care Trusts and Regional Development Agencies.

However, there is a feeling, certainly given the diversity of organisations delivering services at the local level, that this role of scrutiny is not enough. A key way of enabling democratic renewal is to increase the power that citizens, communities and indeed local government have to scrutinise the delivery of activities in their locality. The Strengthening Local Democracy Consultation therefore sets out proposals to raise the role of scrutiny at the local level. In particular it suggests measures which: broaden the scope of powers which local authorities can use to carry out their scrutiny function; widen the range of organisations over which these powers can be used; and ensure that local people and their needs are the driving force behind these enhanced powers. This focus upon community level scrutiny of services was also a key element of the Empowerment White Paper in 2008 and particularly the proposed statutory duty for local authorities to respond to petitions.

In terms of broadening the scope of local authorities with regard to scrutiny, the Strengthening Local Democracy Consultation Paper suggests a broadening of the organisations and delivery activities that can be scrutinised by the local authority to include: police strategies; fire and rescue authorities; provision of transport and transport infrastructure; and Jobcentre Plus. Enhanced powers could mean the board members and officers of these organisations being required to appear in front of the scrutiny committees. The enhanced scrutiny function will additionally enable committees to make reports and recommendations on a wider range of services and organisations.

The enhanced scrutiny function is designed to bring service users and councillors closer together thus enabling democratic renewal. It is designed to enable greater local authority knowledge of how services are run and the scale of any duplication, leading to efficiency savings. It is designed to increase the role of local authorities as the democratically elected leaders and shapers of their places.

Critique 1: a positive message from central government

CLES are firm believers that the role of scrutiny has been vastly underplayed at the local level in recent years. Scrutiny not only holds local government services to account but it also enables a better understanding of what is and what is not working in local service delivery. Scrutiny should, in effect, form the key evidence base of Local Strategic Partnerships and subsequent Sustainable Community Strategies, together with wider delivery activities.

Critique 2: how will councillors consult?

Many of the messages portrayed in the Strengthening Local Democracy Consultation paper are based upon the premise that citizens will become more active in democracy through the auspices of councillors and through stronger local government. This is based on the assumption that councillors know of the community needs and issues that need to be subject to scrutiny. This is not always the case and there needs to be some mechanism which enables communities to contribute to both scrutiny and wider service delivery.

Critique 3: are partners open and willing to scrutiny?

The scrutiny proposals presented in the Strengthening Local Democracy Consultation paper are focused upon widening scrutiny arrangements to consider scrutinising a host of other functions and partners at the local level. The question remains as to exactly how willing partner organisations are to participate in scrutiny. It could potentially affect the capacity of the organisation, particularly in terms of delivery.

Critique 4: what about the local accountability of Regional Development Agencies?

The scrutiny proposals in the Strengthening Local Democracy Consultation paper appear to be at odds with those presented in the Local Democracy, Economic Development and Construction Bill for the scrutiny of Regional Development Agencies (RDAs). The Bill offers a very centralist approach for the scrutiny of RDAs. Yet, in effect RDAs deliver a host of activities in localities which are locally specific and should be open to local scrutiny arrangements. CLES would argue that RDAs should be one of the organisations scrutinised at the local level if the role of scrutiny is to become wider.

Critique 5: is enhanced scrutiny just a reactive response?

Whilst CLES welcomes and values the role of scrutiny in place, there are concerns as to the manner in which it is set out in the Strengthening Local Democracy Consultation. Scrutiny is far more of a reactive response to local challenges than a proactive one. What local government really needs are powers enabling them to respond proactively to challenges in the first place rather than later when services have been delivered poorly by others or against community wishes and needs. Enhanced scrutiny arrangements at the local level may also increase local government bureaucracy rather than temper it. Non-executive councillors will have far greater demands upon their capacity for the scrutiny function, potentially removing them from the business of their community and their needs.

Reform 2: reconsidering the powers required by local authorities

Local authorities have a clear and direct mandate from local people and communities to effectively and efficiently govern and manage their areas. In order to meet this mandate they need the necessary powers and responsibilities to meet the expectations of local people. Worryingly, but importantly, the Strengthening Local Democracy Consultation puts three key questions which need addressing with regard to local government powers:

- Do local authorities require strategic functions to meet the needs of local people? If so, do they need additional powers to do so?
- Are there barriers to local authorities exercising the powers they already have?
- Can central government lighten the central government inspection regime?

The consultation paper suggests that since 1997, local authorities have gained significant powers, responsibilities and financial freedoms from central government including: the ability to target local priorities through Local Area Agreements; the power to promote well-being which is designed to enable local authorities to promote and improve the economic, social and environmental well-being of their areas; and the reduction of the inspection burden through the new Comprehensive Area Assessment regime. Given the poor take up of, and the general confusion over, the power to promote well-being questions remain as to whether local authorities actually feel more powerful as a result of these legislative measures. The Strengthening Local Democracy Consultation suggests a number of measures by which these powers and responsibilities can be further enhanced:

- ***Entitlements for citizens rather than targets*** – the consultation paper outlines proposals for a reform of public services which is not based upon targets for delivery but is more focused upon the entitlements of citizens. It proposes the introduction of new enforceable entitlements which will require public services to ensure that residents' rights are met. As part of this, the Government will review the possibility of reducing the number of Local Area Agreement targets agreed between localities and government;
- ***Changing the power of wellbeing*** – given recent difficulties with the power to promote well-being, the Strengthening Local Democracy Consultation outlines some proposed changes to the power. This primarily includes a proposal to introduce, at the first legislative opportunity, a specific power to enable local authorities to engage in mutual insurance arrangements;
- ***Strengthening confidence in local authorities*** – given the recent poor results of local authorities in relation to the Place Survey 2008, the consultation asks for thoughts as to how central government can enable local government to rebuild declining confidence in government and service delivery;
- ***Strengthening health and social care functions*** – the Strengthening Local Democracy Consultation further outlines government support over enabling strategic relations between local authorities and Primary Care Trusts. This includes active support for local initiatives which share staff between the two organisations and which develop joint accountability and scrutiny arrangements;
- ***Reducing the central government performance burden*** – there has been a strong rhetoric from central government in recent years that centrally led prescription and inspection has been significantly reduced. This is open to debate, but the consultation paper suggests that with the reforms to scrutiny, coupled with the move towards entitlements there may well be reductions in the volume of central prescription and inspection.

Critique 6: this is decentralisation not devolution

Like many of the proposals contained in the Strengthening Local Democracy Consultation paper, the proposals around powers suggest a distinct rhetoric-reality mismatch. In the eyes of CLES, many of the proposed actions are not true devolution, but decentralisation. Devolution occurs where whole swathes of powers are moved from the centre to the region or locality, as has been the process in Scotland and Wales. Decentralisation occurs where small elements of policy are given over to greater local control, but still with monitoring from the centre. The policy

interventions described above represent small tinkering at the margins of devolution. Local Area Agreements, for example, whilst subject to potential change, are not true devolved policies. They are decentralised decision making powers which enable local authorities and partners to consider local needs but still report against pre-defined national level indicators. The consultation paper's proposals around powers do nothing to suggest that decentralisation will become devolution any time soon.

Similarly the issue of the reduced performance burden is an important one to critique. The tone of the consultation paper almost suggests that central government are giving local authorities a host of new devolved powers and that they are also throwing into the mix reduced target setting and performance requirements. This is simply not the case. The devolutionary powers proposed are minimal, as are the performance reductions, meaning that the Government are not really that willing to let go of power.

Critique 7: a welcome move towards outcomes rather than outputs

The proposals suggested in the consultation around moving towards entitlements for citizens in service delivery and reducing the burden of central government inspection are welcome. The move towards an outcome focused culture when it comes to service delivery has long been promised and is actually a key element of the Government's Regeneration Framework⁸. It suggests a move towards more citizen focused, individualised and personalised approaches to service delivery.

Critique 8: will government ever come to a consensus as to what powers local authorities need?

The issue of devolution to regional and local levels is not a new one. Indeed it has been a key theme of Labour policy since 1997, through the devolution of powers and responsibilities to Scotland, Wales and Northern Ireland and the variety of rhetoric in England. The question remains as to will Government ever decide what powers local authorities can feasibly, effectively and efficiently deliver upon. There is a significant lack of consensus on exactly what local government can deliver and the powers they can have responsibility for.

Critique 9: what powers do local government actually want?

As with many Government consultation papers, the paper has been released before there has been active engagement with key stakeholders, in this case local government and local partners. The Strengthening Local Democracy Consultation paper is centrally driven and written by central government civil servants. There is a question as to whether this sort of exercise is useful, and whether more effective consultation in relation to devolution could be undertaken by simply asking local authorities what types of powers they actually want. This would provide a far more reflective view of what needs to happen with regards to powers and responsibilities and would also potentially foster central-local trust and more effective relations.

Critique 10: what about participatory democracy?

A significant proportion of the reforms proposed in the Strengthening Local Democracy Consultation relate to representative democracy, that is the role of elected members, local government and their partners. But what about participatory democracy? Democratic renewal requires both strong leadership from local government and an active involvement and empowerment of the local community. The consultation, like the Empowerment White Paper fails to effectively balance representative and participatory democratic considerations. A much more radical approach than that suggested in the consultation paper is required to truly re-engage people and communities with local decision-making and democracy.

Reform 3: local authority powers to tackling climate change

Climate change is described in the consultation paper as the greatest long-term threat facing the world today. Given this, it seeks views on whether local authorities have the right powers and

⁸ Department for Communities and Local Government (2008) Transforming Places; changing lives: a framework for regeneration. <http://www.communities.gov.uk/documents/citiesandregions/pdf/896104.pdf>

responsibilities to help address climate change. In particular it asks for views on enabling local authorities a greater role in tackling climate change through local carbon budgets or other mechanisms. Key suggested mechanisms include:

- An exploration of the role that local government could take in meeting UK carbon budgets, and how this might work at the local level;
- An exploration of how local authorities and RDAs can work together to ensure that communities benefit from low carbon economic development;
- An exploration of how local authorities can work with energy suppliers on targeting work to improve energy efficiency, and to make best use of new support for renewable electricity and heat;
- Support for authorities who wish to offer innovative financing for energy efficiency and renewable energy and potentially green mortgages;
- Encouragement of authorities to use the Business Rates Supplements Act 2009 to raise funds to support emissions reductions projects;
- Encouragement of authorities to use existing powers to ensure minimum energy efficiency standards for housing;
- Encouragement of more community engagement to develop locally and community owned energy solutions.

Critique 11: the climate change proposals are a bit woolly

The proposals around climate change are a classic case of Government not really knowing what to do about a very significant issue and therefore being open to a broad range of suggestions from local government and other stakeholders to provide a solution. This appears in contrast to the other contents of the Strengthening Local Democracy Consultation which are very prescriptive as to the powers and responsibilities which Government are consulting upon. In reality, the proposals do not really go far enough in tackling the issue of climate change at the local level. There is a need for much greater innovative thought and creativity as to how local government can support national climate change objectives in addition to meeting targets around emissions reductions.

Critique 12: greater pro-activeness in promoting the available powers is required

The reforms around climate change are the third time in the consultation paper where the Government mention that they expect local authorities to make better use of existing powers. The Business Rates Supplements Act 2009, follows mention of the power to promote well-being and the Sustainable Communities Act 2007. This suggests that Government needs to be more proactive in raising awareness of available powers and that local authorities need to be effective in utilising them.

The overarching message portrayed in the Strengthening Local Democracy Consultation paper with regard to local authority powers for tackling climate change is that new freedoms and responsibilities will be delegated to local authorities who put in place plans that add value to national policy and which have local support.

Reform 4: tracking the accountability of the sub-regional sphere

In recent years there has been a significant growth in city and sub-regional governance mechanisms. This has come through Multi Area Agreements and other forms of non directly accountable arrangements. This non-accountability is a problem. Few ordinary citizens understand how these partnerships work, what influence they have over service delivery, and what powers they have. Many have simply never heard of city or sub-regional partnerships and to a degree Regional Development Agencies. The Strengthening Local Democracy Consultation paper therefore sets out proposed mechanisms to ensure that sub-regional or city-regional partnerships are as accessible, transparent and accountable as possible. Key proposals include:

- Making it a requirement that the activities of sub-regional partnerships are subject to scrutiny;

- Enabling joint overview and scrutiny committees to require sub-regional structures, and their partners, to provide them with a broader range of information and to consider their recommendations on sub-regional matters;
- Applying the duty to respond to petitions to sub-regional partnerships as well as local authorities.

The consultation on strengthening local democracy also calls for strategic views on how sub-regional and city-regional partnerships are managed. It calls in particular for views on options around: establishing city-region leaders; on creating new sub-regional local authorities; on creating mayors for city and sub-regions; and upon creating a combination of a directly elected mayor and directly elected sub-regional scrutiny body as is the case in London.

Critique 13: citizen understanding is required of the sub-regional sphere

The argument that has shaped policy around city and sub-regional governance is that it is a geography that communities can relate to because it reflects travel to work and travel to shop patterns and it is reflective of natural economic geographies. Given that Government are advocating future powers for economic development, regeneration and transport for sub-regional governance mechanisms such as Economic Prosperity Boards, it will be important that the distinction between local authority and sub-regional delivery is clear. The reforms around the scrutiny and accountability of sub-regional bodies announced in the Strengthening Local Democracy Consultation are thus important.

Critique 14: scrutiny requires cross authority buy-in

The purpose of sub-regional governance is that it enables cross authority working on issues that cross natural boundaries. Any scrutiny of sub-regional working therefore needs to be equally reflective of non-executive councillors from each of the representative authorities of a sub-regional partnership and probably wider partners. Related to this, sub-regional scrutiny needs to be entwined with local accountability. Even if the sub-region is the best scale to deliver certain services and activities, these must be accountable to the electorate of the localities that encompass the sub-region.

Critique 15: it all depends on the powers

A lot of the proposals detailed in the Strengthening Local Democracy Consultation paper are circumstantial until Government actually decides which delivery powers and activities sub-regional partnerships will have responsibility for. Additionally, given that only two sub-regions, Greater Leeds and Greater Manchester have been given formal and statutory city-regional status, it is a little early to be discussing scrutiny.

Reform 5: improving central-local relations

The introduction of Local Area Agreements in 2005 was designed to be a key method of improving relationships and working between central and local government. This relationship is deemed to be key to enabling stronger local democracy and stronger local government. Central-local relations are clearly still a problem given the emphasis placed upon it in the Strengthening Local Democracy Consultation. It sets out a set of eight core principles of what local government is for and which lay the core aspects for the relationship with central government. This however, appears solely as to what the function of local government should be rather than the combined central-local discourse. The eight principles are as follows:

- Local government comprises councils, composed of members democratically elected by citizens of a local area, and having powers and duties which Parliament grants;
- Local government enables democratic local decision making and action by, and on behalf of, communities;
- Local government should be free to exercise its functions in the interests of their citizens without unnecessary direction or control from central government or other agencies, while recognising that central government should intervene where there is critical or sustained underperformance;
- Local government must exercise its functions fairly and openly, and to seek to ensure that all local citizens are aware of their rights and responsibilities in relation to those functions;

- Local government must seek to ensure that people are informed about what the council is doing, and can participate in the affairs of councils;
- All those participating in local public life should act in accordance with the seven principles of public life promulgated by the Committee on Standards in Public Life, and in line with accepted standards of financial management and efficiency;
- Local government should have the powers and responsibility to provide leadership for its area, being responsive to its communities and having an understanding of their needs and priorities;
- Local government should exercise a challenge role in relation to the services provided for its citizens by other local and regional public services providers.

Critique 16: this is meant to be a two way relationship

The very nature of the term central-local relations suggests that both sides of Government need to be involved to ensure more effective working and relations. This two sided approach is not necessarily reflected in the Strengthening Local Democracy Consultation which focuses largely upon the role of local government in central-local relations. Whilst the eight principles for local government seem fair enough, there needs to be an equal reflection of the role of the central aspect of central-local relations. Without this there is a degree of arrogance and again rhetoric-reality mismatch on central government's approach to devolution of power.

Critique 17: the scrutiny burden on the local from the centre

The Strengthening Local Democracy Consultation is very strong in outlining proposals in relation to scrutiny in the locality and in proposals that have a rhetoric of devolution. What it does not consider however, besides a token gesture around reduced numbers of Local Area Agreement targets, is how strengthening the role of local government can be matched with reductions in the centrally led scrutiny of local government. What is really needed is a rebalancing of central-local relations so that there is an acknowledgement that local innovation and creativity can be sometimes stifled by the weight of central scrutiny arrangements and the continued obsession with targets.

Concluding thoughts

In October 2008, CLES wrote a short article in the MJ⁹ magazine which responded to the Government's call for proposals in relation to the powers provided in the Sustainable Communities Act 2007. In this we outlined the seven key flexibilities or greater powers which we felt local authorities required to improve local places and, in light of the economic downturn, local economies. The seven point devolutionary blueprint was as follows:

- First, central government needs to change the belief that it cannot give away tax raising powers to local authorities. There are opportunities from allowing local government to develop and implement their own fiscal policy;
- Second, welfare policy, welfare reform and welfare delivery remains extremely centralised or embedded in Jobcentre Plus. Why not therefore give local government the power to develop their own, localised systems of welfare?
- Third, central government should reduce the extent to which it micromanages the process of Local Area Agreements and Multi Area Agreements from Whitehall. Why not further reduce the number of indicators local authorities and partners are required to report upon, thus enabling more locally reflective indicators?
- Fourth, central government should also consider giving up on their belief in non-accountable local health where local health is isolated from democratically accountable council members. To enable effective and integrated regeneration and local economic development, health should be much more closely linked to local democratic process and delivery;
- Fifth, and crucially, central government should re-examine their belief that the market is the most effective way of directing investment and instead own up to the limitations of market economics in being able to make decisions about public service investment. Why not, as is the case of some

⁹ Longlands, S. and Jackson, M. (2008) 'Turning real power on its head'. *The MJ*: 30th October 2008.

European States, enable residents to make decisions about spend of council taxation, such as for example, 1% of council tax, to be spent on supporting community organisations and assets?

- Sixth, central government should provide greater flexibility at the local level to respond to housing market stagnation. Why not enable greater local flexibility to tackle issues such as homelessness through enhanced negotiations with developers?
- Seventh, central government should through community benefit clauses re-examine the impact of the procurement process upon local economies. Why not investigate EU Procurement Law to ensure that we can allow local authorities greater flexibility in procurement to allow them to contract to local small businesses and social enterprise for local economic benefit?

Whilst it is great to see that our suggestions around reducing Local Area Agreement indicators and bringing local health organisations and local authorities closer together are reflected in the consultation paper on strengthening local democracy, the remainder of the proposed reforms are open to some critique. Given the centrally led nature of the consultation paper, what is really needed is a frank and open debate as to exactly what powers local authorities want from central government. Only then can policy move forward that enables both democratic renewal and strengthened central-local relations.

An invite to discuss local government powers further

CLES will be responding directly to the consultation paper on strengthening local democracy. But to shape this response we would like CLES members and others to support us so that we can portray a really strong message to central government as to exactly what powers local government want to shape places, communities and democratic renewal at the local level. We would therefore welcome member thoughts on:

- The proposed reforms suggested in the Strengthening Local Democracy Consultation paper;
- The 26 set questions contained in the Strengthening Local Democracy Consultation paper;
- The types of powers local authorities would actually like to see devolved to the local level.

If you would like to provide thoughts on any of the above elements or to discuss this bulletin further please contact: Matthew Jackson at CLES on 0161 236 7036 or matthewjackson@cles.org.uk

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