

ENVIRONMENT POLICY DEVELOPMENT COMMITTEE

8 NOVEMBER 2006

ANALYSIS OF THE LOCAL GOVERNMENT WHITE PAPER

Overview

The long-awaited White Paper has provided local authorities with some new powers and it has stripped away some of the targets enforced from Whitehall, but has probably failed to live up to any previous expectations about radical reform – rather this paper is about the consolidation of a direction of travel for local authorities.

The Paper proposes devolved some powers to citizens – the much vaunted double-devolution concept. Nevertheless, the Government has done little more than create a framework of choices, built around the principles of partnership, greater leadership role and engaging citizens – allowing flexibility for local areas to choose the systems which meet their needs. Moreover, as the White Paper has been produced without the outcome of either the Lyons, or CSR07 reviews, it remains to be seen whether resources will follow to allow for the full implementation of the proposals.

In many ways the White Paper crystallises some of the proposals set out in previous Government documents, these notably include the cross-departmental *Together We Can* and *The State of The Cities Report*. Elements of the proposals to empower citizens can also be found in the 2005 reports: *Citizen Engagement and Public Services: Why Neighbourhoods Matter* and *Vibrant Local Leadership*.

Citizens are to be ‘empowered’ with new mechanisms to raise their concerns in Councils, call for action and to take direct control of some services. There is widespread belief that the current structure for local governance, with its overview and scrutiny and cabinet models has not delivered either the community leadership that was desired, nor the checks and balances. This paper goes some way to redressing these problems. Community cohesion is given a greater emphasis in the paper than has been the case in previous papers and the White Paper tries to set out some broad principles for engagement. From 2009 there will also be a new system of risk auditing and inspection.

The White Paper will require some primary legislation to implement the reforms. Chapter 9 of the paper details the next steps in terms of the reforms, though does not provide timescales. Consultations will be produced on:

1. revised best value duty
2. the proposed Community Call for Action
3. LSPs, LAA and Sustainable Community Strategy reforms

4. City development companies

Additional reviews will be commissioned into:

1. Community management and ownership of assets
2. Incentives and barriers to serving on Councils

Structures and Leadership

Leadership and flexibility

On the whole, the Government is aiming to give local authorities control over the models of governance that they create. However, the Government is also keen to strengthen leadership and attract new talent into local councils. Local councillors will be given enhanced powers to represent their local communities.

- Government has fought shy of a prescriptive course of mayors and city-regions – instead, they want more discussions between the cities and Government Departments.
- Two-tier local authorities will be able to move to single tier status if they wish to do so – this is to meet demand from a small band of local authorities who wish to move to unitary status.
- Greater flexibility in terms of local authority structures, with single member wards and parish councils being created. Proposals for new single tier local authorities must be submitted by 25th January 2007, with a final decision taken in July 07.
- New pathfinder governance arrangements are encouraged from those counties/districts which remain committed to a two-tier structure
- Three forms of local authority leadership – each with a four year mandate – directly elected majors, directly elected executives or indirectly elected leaders. The Government seems somewhat frustrated that there has been a lack of take up on existing new leadership models introduced when Labour first came to power.
- An independent review of the incentives and barriers to serving on councils will take place.
- New best practice proposals for Overview and Scrutiny will be developed

Citizen's rights

- Local people will be empowered to force local authorities to take action in their area and scrutiny committees will be given slightly enhanced powers. Community Calls For Action will however be as much about empowering back-bench local councillors as they are about empowering citizens.
- Local Area Agreements to be agreed with citizens and business

- Citizens to participate in the delivery of their local services – with a new Best Value target
- Extending choice in local services – eg nurseries, lettings, social care programmes etc
- Expanding neighbourhood management and management of community assets. Barry Quirk (CEO, Lewisham BC) is to lead a review of this policy area, concluding in the Spring 07.
- Extending the services which local communities can run – though the scope seems rather limited. Community groups will also be offered greater help, building their capacity over time to take on projects. This may be largely to meet concerns about some high profile, poorly run neighbourhood renewal projects.
- Encouraging local charters, setting out service standards and priorities. Local authorities will be free to decide their own policies on such charters.
- Renewed focus on community cohesion (chapter 7). The proposals include:
 - Improvement targets for Local Area Agreements
 - Additional support from central government
 - Share best practice and information
 - Establish for a on extremism
 - Encourage the Commission on Integration and Cohesion to produce detailed plans for implementation – to be published in June 2007
 - Publication of eight guiding principles for enhanced community cohesion (see page 158)

Partnerships and cities

- Local authorities will have to work across boundaries and with other public bodies to form new partnerships
- Local Area Agreements to be formed, setting out 35 areas for improvement
- Creation of multi-area agreements for city regions – these will be voluntary and will be formed and delivered at a local level. Such MAAs need not only apply to cities and support the growing trend of creating local authority sub-regional partnerships
- Reform of PTE/PTAs
- Reform and strengthen Local Strategic Partnerships. LSPs have generally failed to live up to initial expectations. These new reforms aim to ensure greater accountability to citizens and expect greater involvement and leadership from local authorities. Thematic partnerships will also be fostered.

- Local Area Agreements are to be refocused as delivery mechanisms for the Sustainable Community Strategies. More area-based funding will help support the creation of LAAs (details of the funding proposals can be found on page 104)
- New duties on local authorities (unitary or upper tier) to create LAAs and to cooperate with partners to meet agreed targets – this includes a list of named partners (see page 100). Local authorities will be charged with preparing the LAA
- Consultation on draft guidance to promote city development companies – these will most likely work at a city-region level
- Regional frameworks will remain – and will be enhanced through the following measures:
 - Sub-regional and regional spatial planning strategies, which are being reviewed by Kate Barker
 - New proposals for the operation of buses in cities will be announced by the DfT
 - City-regions to work closely with national cultural organisations to create a coherent ‘cultural offer’ for their area
 - Provide a business case for the eradication of poverty in their area

Performance framework and efficiency

The White Paper proposes a new performance framework for local authorities (chapter 6). It should be noted that the paper proposes a new system of audit from April 2009, which will be based on a combination of risk assessment, risk-triggered inspection and audit. Along with the various checks and balances described above, the Paper calls for:

- An annual risk assessment
- An annual scored use of resources judgement
- An annual score on direction of travel for the local authority
- Inspection based on risk assessments – on a more proportionate and tailored approach
- Streamlined intervention and support
- The Government will retain its rights to intervene where it believes that there is systematic under-performance or failure
- Ambitious new efficiency targets over the next few years
- Better use of new business process improvement techniques
- Improved use of tendering processes, smarter procurement and e-procurement
- Use of collaboration to help drive efficiency savings

- Following the publication of three-year formula grant settlements, the Government expects to see three-year Council Tax settlements being announced and three year grant funding for the voluntary sector
- The Government will work with partners to identify financial and resource flows across agencies and boundaries to better understand the interactions between Government organisations in a locality and their funding (page 148).

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