

## **STRENGTHENING LOCAL DEMOCRACY**

On 21 July the Department for Communities and Local Government (CLG) published the consultation paper 'Strengthening local democracy' which is focused on promoting local democratic renewal by strengthening the capacity of local government to serve citizens.

The government previously set out how it wants to work with the people to reform our democracy in 'Building Britain's Future'. This latest consultation, launched by the new Secretary of State at seminar organised by New Local Government Network, sets out a range of measures intended to promote democratic renewal and strengthen the power and responsibility of local government.

While the consultation is primarily aimed at principal authorities and other public service providers (such as police and health authorities) it is important that first tier of local government contributes to the proposals and the wider debate on improving and strengthening democracy at the local level. A number of areas and measures contained in the proposals may impact upon local councils directly, while in other areas there are opportunities for our tier of local government to make a significant contribution. In order to provide as comprehensive a consultation response as possible we are also asking a number of further questions and seeking case study evidence. It is intended that this extra information will more fully evidence our response.

The consultation asks 26 questions broken down into five main topic areas, which are set out below:

### Local government at the centre of decision making

The Government is of the view that principal local authorities are best placed to understand and respond to issues of local concern, and to bring all agencies – public, private, third sector – together to tackle cross-cutting issues which affect their residents and their community. As a result it proposes to strengthen their capacity to do this: specifically by giving them greater powers to scrutinise other services and how they spend their money. The Government's aspiration is that councillors should become a local point of accountability, having a clear remit to sort out general problems and failures.

Although councils already have powers to coordinate and scrutinise some local services it is intended that they be extended more widely. In practice it is intended that this would mean that:

- the council takes greater responsibility for co-ordinating service delivery, making sure that services are properly joined up and respond to local needs; and that

- councillors are able to scrutinise and hold other services to account: other service providers would need to explain and justify their policies and spending.

Question 1: Do you agree that Government should extend scrutiny powers in relation to Local Area Agreement (LAA) partners to cover the range of their activities in an area, not just those limited to specific LAA targets?

ANSWER : Yes

Question 2: Does Government need to make scrutiny powers more explicit in relation to local councils' role in scrutinising expenditure on delivery of local public services in an area? If so, what is the best way of achieving this?

ANSWER: *Yes. The power to scrutinize should be simple and explicit and simply require a 'Scrutiny Committee' to resolve that any action by another body using public funds should, in the public interest, be reviewed/scrutinised. Local Authorities should be required to make adequate provision in their budgets, both in terms of money and resources to fund the Scrutiny role. Government should, if it believes this role to be so important, make provision in the grant settlement to fund the major part of such costs, since the scrutiny role will, to a large extent, be undertaken in relation to bodies established by the Government.*

Question 3: Do you agree that Government should bring all or some of the local public services as set out in this chapter fully under the local authority scrutiny regime? Are there other bodies who would benefit from scrutiny by Local Government?

ANSWER: *Yes. All Quangos and any other organization supported by public funds (including lottery) to a level of, say, 75% of its net expenditure.*

Question 4: How far do you agree that Government should extend scrutiny powers to enable committees to require attendance by officers or board members of external organisations to give evidence at scrutiny hearings, similar to the powers already in existence for health and police?

ANSWER: *Yes. It is essential that Officers or Board Members can be required to attend, otherwise they could make the scrutiny totally ineffective.*

Question 5: What more could be done to ensure that councils adequately resource and support the local government scrutiny function to carry out its role to full effect?

ANSWER: *Three things. Firstly, a minimum spend should be required, of which the major portion should be funded by Government. Secondly, the level of scrutiny done and*

*organisation thereof should be part of the peer group review process. Thirdly, public notice (in the press/Annual Report) should be given of proposed and completed reviews with outcomes.*

Question 6: How can council leaders ensure that scrutiny is a core function of how their organisations do business and have a full and proper role in scrutinising the full range of local public services?

*ANSWER: Exceedingly difficult. But implementation of suggestions to questions 2) and 5) would help. There might also be a role for some members to be appointed by Town and Parish Councils from amongst their Members.*

Question 7: What more could be done to better connect and promote the important role of local government scrutiny to local communities, for example, citizens as expert advisers to committees?

*ANSWER: See response to 6) above.*

#### Strong local government operating in the local interest

The Government intends to introduce entitlements for citizens. It states that citizens must have confidence that key public services will deliver a certain level of service. As a result it intends that principal authorities will have greater autonomy to decide how to deliver those entitlements, offering a greater freedom to innovate.

Question 8: How best should any reduction in numbers of LAA targets ensure that services are responsive to the most important local needs and priorities as well as national entitlements?

*ANSWER: If the correct targets are selected, it would be possible to identify whether the right services are being delivered effectively. It should not be necessary to require information in minutia across every service. Experienced Managers and, indeed, the public are usually able to determine the effectiveness of a service on the most simple high level data.*

Question 9: Should councils have a power to engage in mutual insurance arrangements?

*ANSWER: No, this is a specialist area in which Local Authorities tend not to have sufficient knowledge and expertise. The inclusion of the word 'mutual' should not be misinterpreted as 'public good.' Provision of insurance facilities is a pure, commercial operation and should be seen and operated as such and Local Authorities are not the type of vehicle to carry out that task.*

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Question 10: Are there other powers needed to cover engagement in further complex arrangements of a possibly speculative nature outside of existing powers?

*ANSWER: Local Authorities should concentrate on service delivery. They should not be involved in highly speculative commercial projects. That should rest with risk takers and entrepreneurs in the private sector, rather than allow Local Authorities to gamble with public funds. Where Local Authorities do need to get involved in speculative arrangements, it should only be on the basis that all the Local Authority's costs are underwritten by financially sound external organisations.*

Question 11: Do you agree that greater powers should be premised on demonstration of local confidence? How should this be demonstrated? How can councils best reverse the decline in confidence?

*ANSWER: Yes. There needs to be a direct link between voting and the level of services delivered and the costs thereof, so that the public know what they will get when they vote for one candidate/party or another. For example, this could mean that Manifestos and budgets must be published before elections and parties will have to deliver in line with their Manifestos and budgets.*

Question 12: Are there core issues that should have greater council control which councils believe they are currently prevented from undertaking? If so what are they and what is the case for councils to take on these roles?

*ANSWER: Business rates setting and receipt of income should be transferred back to Councils. Councillors would then be directly accountable to business tax/rate payers and they would have a direct interest in encouraging appropriate commercial development. The absence of a direct financial link between economically healthy businesses and council income can have a detrimental effect on the economic prosperity of an area.*

Question 13: Do you agree that there should be a review of the structure of local partnerships with a view to identifying unhelpful overlap and duplication? Are there particular issues on which such a review should focus?

*ANSWER: As with everything, periodic reviews at a high level are beneficial. This should not however be read as to suggest that review of the minutia is desirable or necessary.*

Supplementary information – NALC would be grateful for further information about your experiences of engaging with Local Strategic Partnerships (LSPs) and Local Area Agreements (LAAs), both good and bad experiences. In your view what have been the characteristics of both good and bad partnership working in these areas? NALC intends using this information set out the local councils experience and illustrate how good, effective partnerships can be beneficial.

*ANSWER: In this area, the County and District Councils do not give the impression of seeking and maintaining partnership working with local councils and generally, often due to resource constraints, the LSP's and LAA's are not much more than talking shops. Certainly there appears to be a limited distribution of information back to local councils from either source. Much of the problem can be attributed to resource availability rather than intention.*

#### Local authorities tackling climate change

The Government are of the view that a number of principal authorities are already at the forefront of action to tackle climate change. The consultation looks at how they can contribute to meeting national carbon emissions.

Question 14: How is the current national indicator system working to incentivise local authorities to take action on climate change? Should Government take new steps to enable local authorities to play a greater role in this agenda?

*ANSWER: The Council is not completely clear how this is working, but it does seem that it is reactive rather than moving back to a baseline position of reducing emissions at source. To do this, greater emphasis must be placed on reducing the need to travel. See response to 15) below.*

Question 15: Where can local authorities add most value in meeting climate change aims, and what should Government do to help them do so, giving consideration to the proposals set out in this chapter?

*ANSWER: The Council's recently completed consultation on its Town Plan showed that residents wish to live, work, shop and play in the town. But national and local planning policies deny them the opportunity to achieve these aims. There are no sites allocated for immediate use for new housing or employment purposes and there is a lack of resources to provide new shopping and sports facilities. National Government policies, which District Planning Authorities must follow, provide for massive expansion next to existing major urban conurbations, with little or no development being allowed in and around small market towns or even urban villages. The Government policies have created a major misunderstanding and misinterpretation of the phrase 'green belt' to such an extent that it is now commonly thought that 'green belt' land has important physical characteristics in itself, rather than the original intention when 'green belt' was first established that it was to be an area between two urban settlements to avoid urban sprawl and the unintentioned joining up of two urban areas. Land with special characteristics is, and should be, protected in the manner of SSI's and perhaps more land should be so designated. But the Government should move back to the original intention of the 'green belt', which is an open area between two urban settlements and look at re-designating how much open area is necessary between two settlements in order to ensure the economic viability of both.*

Question 16: How does Government ensure that national policies reinforce local efforts – for example, around transport, renewable energy, and energy efficiency?

ANSWER: *The first priority, which will produce the largest gains, must be a reduction in the need to travel and the enhancement of public transport.*

Supplementary information – NALC would be grateful for any information you might be able to provide with respect to activities, however big or small, that you undertake in your local area that contribute to efforts to tackle climate change. NALC intends using this information to highlight the positive contribution local councils already make and how they could become a key local partner in this area.

ANSWER: *The Town Council is endeavouring to persuade other Authorities that the message given to us during the consultation on the Town Plan (see 15 above) should be acknowledged and the Government should be prepared to allow District Planning Authorities more flexibility in preparation of the various local Strategic Planning Documents so that they more accurately reflect the needs of particular settlements.*

### Sub-regional working

The Government is of the view that partnership working is vital to tackling those problems which cross principal local authority boundaries – especially to promote economic growth across a wider area. The Government has announced two city-region pilots. These will test how greater freedom and responsibilities for the partnerships in these areas can help them to deliver greater economic prosperity. This consultation asks how the powers of city and sub-regions could be further strengthened.

Question 17: Should the activity of sub-regional partnerships be required to be subject to scrutiny arrangements?

ANSWER: *Yes. All bodies or organizations that receive or are supported from public funds should be subject to the same scrutiny regime. See also response to question 3).*

Question 18: Should councils' joint overview and scrutiny committees be able to require sub-regional bodies to provide them with information on the full range of their activities and to consider their recommendations on sub-regional matters?

ANSWER: *Yes, these bodies should be subject to the same rules/regulations as other publicly funded bodies.*

Question 19: Should the duty to respond to petitions be extended to sub-regional bodies?

ANSWER: *Yes.*

Question 20: Do current and planned models for joint working give people a clear enough voice in decisions that are made sub-regionally?

*ANSWER: The public do not understand the multiple layers of decision making. If the level of joint working envisaged is necessary, this calls into question the very structure of the Government's regional bodies and their relationship with local Government. If the Government believe in subsidiarity and democratic legitimacy, it is difficult to see why central Government should be involved so much with matters dealt with at regional level. A fundamental review of functions retained at the centre should be undertaken with the aim of transferring responsibility to more locally, democratically elected bodies such as Unitary/County/District Local Authorities.*

Question 21: How could Government go further to make existing and planned city and sub-regional structures more accountable, in addition to the suggestions in this document?

*ANSWER: See response to question 20).*

Question 22: Should Government give more powers and responsibilities to city and sub-regions? If so, what powers or responsibilities should be made available?

*ANSWER: The multiple layering envisaged simply leads to more bureaucracy. Structures should be reviewed as suggested in response to question 20).*

Question 23: Is there a need for direct democratic accountability at the sub-regional level? What would be the best means of achieving this, giving consideration to the options set out above?

*ANSWER: Yes. The whole tenor of this series of questions has shades of Government feeling the need to maintain central control, which simply leads to bureaucracy and blurring of levels of responsibility. The public want clarity and a clear definition of which Authority is responsible for which service, with as few different Authorities as practical. The growth in different Government agencies of one type or another for various areas of activity or indeed levels of activity within one area of operation, simply leads to more bureaucracy and fudging of issues.*

### Clear relationships with local government

Given developments in the nature of the relationship between central and local government, the Government is asking whether and how this relationship should be articulated in order to make these respective roles and responsibilities clearer to the public. Government is also of the view that consideration should be given to how this would work in practice and how the fulfillment of responsibilities could be monitored.

Question 24: Should central and local government's roles be more formally established?

ANSWER: *On the basis that responsibility should be at the lowest level practical and with the Government only being involved in those issues where a national perspective is essential.*

Question 25: What are your views on the draft principles set out as a way of achieving this ambition?

ANSWER: *There is an assumption that Government must 'control and supervise' Local Authorities. Governments should have more trust in the democratic nature of Local Government and seek to introduce arrangements that give Local Authorities specific powers and tax raising facilities and give the electorate the real power that Government is attempting to take on to itself.*

Question 26: Do you agree that an ombudsman-style arrangement and a joint select committee of both Houses of Parliament are the correct approaches to oversee and enforce these principles, if adopted?

ANSWER: *Ombudsman style arrangements, yes. The joint select committee role should be restricted to investigating and reporting on Local Authority performance and not as an enforcing body.*

A copy of the consultation document can be found at <http://tinyurl.com/l5hbr8>

Responses to inform the NALC submission should be sent to [dave.mahon@nalc.gov.uk](mailto:dave.mahon@nalc.gov.uk) by **Friday 18 September 2009** at the latest.

Alternatively you may wish to respond directly, the consultation closes on **Friday 2 October 2009**, although we would welcome a copy of your response. Submissions can be sent to:

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