

Scrutiny Committee – 13th August 2009

9. Communities and Local Government – Local Democracy Consultation

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Purpose of the Report

To advise members of the publication of a consultation paper on local democratic renewal issued by John Denham, as Secretary of State for Communities and Local Government.

A full copy of the consultation paper is available on the Communities and Local Government Website (www.communities.gov.uk)

Action Required

Members are asked to discuss the relevant aspects of the paper and provide answers to the consultation questions as outlined at Appendix A to this report. The comments of the Scrutiny Committee will go forward to the District Executive at its meeting on 3rd September 2009.

Background

The consultation on the local democratic renewal paper builds on the commitment in Building Britain's Future, which sets out how government wants to work with the people to reform democracy, overcome the recession and build the next generation of public services exploring ways of increasing both the powers and the accountability of councils and city and sub regions.

This consultation explores whether local government has the powers it needs to meet today's challenges, as part of the Government's drive to renew Britain's democracy and build trust in the political system at all levels. It sets out a range of proposals to promote democratic renewal and strengthen the power and responsibility of local government by:

- **giving councils more scope to scrutinise the spending and decisions of local service providers;**
- **exploring whether there are barriers to using existing powers and whether there are other powers which councils should have;**
- exploring how the powers and responsibilities of sub-regional structures should be matched by clear and accountable leadership; and
- exploring how to articulate, develop and support the relationship between central and local government so that respective functions are clear and transparent to citizens.

Report

The following elements and highlighted key points have been extracted from chapter 1 – Local government at the centre of decision making and chapter 2 – Strong local government operating in the local interest of the consultation paper and will be

appropriate for Scrutiny to comment on and to provide answers to the consultation questions:

The role of councillors and councils, with their unique democratic mandate is critical to making sure that local services are responsive to the needs of their local communities. Citizens have a right to have their voices heard, and to expect those delivering services to care what they think.

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.

There are other imperatives driving the need for stronger local government.

- First, **strengthening democracy.**

Councils are unique among public service providers in being directly elected, but also in the range of services which they directly provide or indirectly secure, their role in leading and contributing to local partnerships, and their oversight of the well-being of their citizens and communities. That means they are best placed to provide local leadership and make sure that public services are being fairly and effectively delivered.

We now need to go further, making sure that local government has the powers it needs to respond to these emerging challenges and act decisively on behalf of their citizens to drive improvements in local public services.

We envision a powerful new role for local authorities where they:

- play a central role for citizens 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 combination of the new measures proposed in this consultation, together with recent reforms, amounts to the biggest transfer of power to elected councillors for a generation. But it is not designed to strengthen councils for their own sake – rather to strengthen the rights of citizens through their elected representatives.

Scope of consultation

This consultation sets out a range of measures to promote democratic renewal and strengthen the power and responsibility of local government by:

- **strengthening councils' ability to lead and coordinate services in their area. We propose to give councils more scope to scrutinise the spending and decisions of local service providers**

- **exploring whether there are barriers to using existing powers and whether there are other powers which councils should have Local government at the centre of decision-making**

Local government already plays a crucial role in improving their citizens' lives and their areas' prospects. Councillors are recognised and respected as community leaders. Councils are directly responsible for a broad range of services: both directly delivering some, and commissioning organisations to deliver others. They also have an important role in shaping and monitoring services in their area, for example in relation to local environmental standards. And they are a major player in local strategic partnerships and other groupings that bring service providers together.

As such, councils are best placed to understand and respond to issue of local concern, and to bring all agencies – public, private, third sector – to tackle crosscutting issues which affect their residents and their community.

Councils already have powers to coordinate and scrutinise some local services. But we need to make sure those powers are being properly used, and extend them much more widely. We do not propose to introduce new powers to benefit councils and councillors themselves: but to increase their capacity to act more decisively, over a broader range of local issues and services, in the interests of their residents. This is a natural extension of their existing leadership role.

In practice this should mean that:

- the council takes greater responsibility for co-ordinating service delivery, making sure that services are properly joined up and respond to local need
- **councillors are able to scrutinise and hold other services to account: other service providers would need to explain and justify their policies and spending.**

Local government at the centre of decision-making

Local government plays a crucial role in delivering better outcomes for their citizens and in shaping the local area. They are themselves responsible for a broad range of services – either directly or through commissioning and for monitoring how services are delivered. They lead or act as one of the major players in many partnerships. They also regulate issues such as environmental health.

Beyond this, however, councillors are community leaders – taking a broad view of the well-being of local people and communities in a way which is not expected of other public service providers. So they are best placed to understand and respond to local concerns, bringing all the relevant agencies together – public, private, third sector –to tackle cross-cutting issues.

In each local authority area, billions of pounds are spent every year by a wide range of service providers, including the National Health Service, the local police service and the local authority itself. For example, a recent analysis in Cumbria demonstrated that £7.1bn of public money was spent in the county in 2008.

This consultation proposes that councils should have greater scrutiny and oversight of this spending. This will give citizens, working with their councillors, greater influence over how public money is spent. We propose to broaden local authority scrutiny powers and extend them to a wider range of organisations, so that they can better influence local decision making.

This would go beyond simply monitoring spending by other bodies and put councils at the centre of local decision-making, challenging other services to improve. This stronger role for councils acting on behalf of citizens should be part of their contribution to coordinating frontline delivery across service providers.

The challenge

Local residents should be able to influence the shape of their area and the services they receive. We want citizens to have a real say in how these challenges are tackled, and on what happens in their communities. This could include getting involved in local budgeting decisions, having a say in how local public services are run, taking part in petitions, or by taking over facilities for their community.

However, most people only have limited time or opportunity to become directly involved in decisions which affect them. So alongside the right to directly shape and influence services must go the right to elect a local authority with real power to champion the needs of their local area – one that is clear about its responsibilities to local citizens. Citizens also need to be confident that when decisions are made about things that affect them, it is informed by their concerns and not just by the interests of those running the service. **That is why we believe that elected councillors, selected by voters to represent their interests, should have greater influence over unelected service providers.**

Our aspiration is for councils to become a local point of accountability for services across their area. The clearest and most effective way to do that is to give councillors greater oversight and responsibility for public spending in their area. Councillors, on behalf of their citizens, should be able to scrutinise public spending provision, influence decision-making and hold other service providers to account. Councils also represent the interests of local organisations, including business and third sector.

This has the potential to better deliver the personalised services people want and expect, while at the same time ensuring that every taxpayer's pound is used to maximum effect. By giving councils the capacity to look more coherently at public money spent delivering local public services in an area; people will be able to see more clearly how and by whom their money is being spent. **Understanding and overseeing expenditure on local service delivery will be a priority for the whole council – its leaders and all members.**

The Calling and Counting Cumbria project which inspired the current Total Place initiative showed that £7.1bn of public money was spent in 2008 in the county.

£1.9bn was controlled or directed by local bodies of which:

- forty-two per cent was from the county council
- thirty-seven per cent from NHS bodies and
- fourteen per cent from district councils
- six per cent from the police authority.

The sums involved show how important it is to have one body monitoring this spending to make sure it is being used to best effect. It is clear this role should fall to councils, with their direct mandate to act on behalf of citizens.

The best way to support councils take on this stronger role is to increase their powers of scrutiny. Councils do currently have some well-established powers of

scrutiny over health and police services. But these have not yet had the impact, which we believe is necessary. We therefore set out proposals to:

- **broaden the scope of powers which councils can use to carry out their scrutiny function**
- **widen the range of organisations over which these powers can be used**
- **ensure that local people and their needs are the driving force behind these enhanced powers.**

Total Place

Big efficiency savings have already been delivered while services have improved. But more services can and should be designed around the needs of individuals, rather than around the convenience of institutions. This should both improve the standard of service people receive, and encourage the innovation and efficiency, that are vital to delivering the high standards and value for money that people quite rightly demand from their services. This means finding new ways of doing things, sharing best practice and acting jointly for the common good.

To deliver the improvements needed in public services, we need a deeper understanding of the needs of the community, space for local responsiveness and innovation, and effective co-operation – between public services locally and between central and local government. The Total Place pilots aim to demonstrate the clear benefits of service providers working together effectively to improve services by removing inefficiency and duplication between organizations and putting the needs of users first. They will seek to highlight where central Government can remove unintended barriers which prevent services working effectively together, so creating stronger incentives for co-operation and joint improvement.

How does scrutiny currently work?

Scrutiny powers are a potentially powerful tool, which enables councillors to represent the views of citizens on services which the council is not directly responsible for. Councils use scrutiny committees in a similar way to select committees in Parliament. These committees of non-executive councillors are able to challenge the council leadership on the issues they are responsible for. They also carry out reviews into local issues of importance and make reports and recommendations for change to those taking the decisions.

Overview and scrutiny has a different scope for different services – with health, and crime and disorder being the most advanced. For other bodies, the requirements relate to the LAA targets. The bodies that are currently required to engage in overview and scrutiny in relation to LAA targets include Environment Agency, Fire and Rescue Authorities, JobCentre Plus, Youth Offending Teams, Police Authorities, Primary Care Trusts, Regional Development Agencies, Learning and Skills Council, and the Homes and Communities Agency.

There are, however, no formal limits on what local government scrutiny can look at – committees can examine any issue of importance to the community. Many committees look at the work of a range of public and private service providers and they can request information from these bodies. They work in partnership with health bodies and police forces to scrutinise local health and crime and disorder issues, meaning that elected members can already have a voice over how these

services are delivered. This autumn we will publish statutory guidance for local authorities, people working in the NHS and interested people that will set out how overview and scrutiny can be improved in the health services.

We are also strengthening the scrutiny function so that:

- councils will also be able to scrutinise other public bodies working with the council on the priority targets set out in the local area agreement
- councils will be required to designate a dedicated scrutiny officer
- residents will be able to appeal to the scrutiny committee if they are not satisfied with their council's response to a public petition.

Scope of scrutiny arrangements

Scrutiny powers have come a long way since their introduction in the constitutional changes brought into force in 2000. However, scrutiny too often relies on the voluntary cooperation of service providers.

For scrutiny to really punch its weight, there needs to be a strong connection between scrutiny committees and local people. In many authorities, members of the public can, and do already get involved in scrutiny in a range of ways, including suggesting topics for review, or by being a co-opted member of a committee. There are good examples of this working in practice – for example, when Tower Hamlets carried out a review of young people's participation in sports leading up to the Olympics, an extensive consultation informed by the views of around 300 young people helped to shape the recommendations made by the scrutiny committee. However, as yet this level of involvement remains relatively limited.

The duty on councils to promote democracy, requiring them to explain the opportunities for people to influence decisions affecting public services and how they can get involved, should go some way to address this. But we are seeking views on how we could go further still and make sure that citizens have a stronger connection to their scrutiny committees.

Extending the scope of formal scrutiny arrangements

We want to examine whether the scope of scrutiny powers should be increased so that they cover all of the issues that matter to the local community. Other than for health, and crime and disorder matters, formal scrutiny powers are currently limited to those bodies that are under a duty to co-operate with a local authority in setting and delivering the priorities established in the Local Area Agreement (LAA). Other than on crime and disorder, and on health, scrutiny committees can only use these powers when the issue at hand falls under the scope of priorities set out in the LAA.

But the issues that matter to local people often go beyond the scope of LAAs. And they relate to many other organisations than just those who are responsible for delivering the priorities set out in this agreement. Although in some places, other local service providers who have not formally signed up to the LAA – for example utility companies – voluntarily co-operate with council scrutiny reviews, this is not always the case. Whilst they each have their own accountability arrangements and standards to uphold (for example Ofgem's role for gas and electricity companies), there are currently no requirements to respond to issues raised by council scrutiny committees despite the impact that the activities of these bodies can

sometimes have on the local area. In too many cases, in order to address issues of concern, scrutiny committees have to come up with ways to persuade or shame other agencies into attending their meetings or co-operating with reviews. In some cases, their requests are flatly refused. If they are to act effectively on citizen's behalf, on all the issues which matter to them, we need to further strengthen the scrutiny powers which councils have. This would mean:

- **broadening** the number of bodies which can be subject to scrutiny committees: not limited to those responsible for health, crime and disorder or council functions, nor just those responsible for priority targets set out in the LAA
- **enhancing** the powers which these committees have. Officers and board members could be required to appear in front of the committee
- **enabling** scrutiny committees to make reports and recommendations to a wider range of bodies for their consideration, and these bodies could be required to have regard to the recommendations and formally respond to scrutiny committees

This consultation will seek views on the issues which should be subject to this enhanced scrutiny. Subject to views, we propose to offer councils greater scrutiny over:

- **police strategies in local authority areas**, plans for which will be developed for consultation by the Home Office in the autumn
- **fire and rescue authorities**, to make sure their plans fully reflect the right balance of protection, prevention and response for different communities; and to examine performance of individual fire and rescue authorities against their published equality and diversity plans
- **local authorities' delivery of high-quality educational provision** to meet local demands and aspirations as well as for supporting and challenging schools to improve. These issues as set out in the Department for Children, Schools and Families' White Paper on 21st Century Schools would ensure further support to these issues that are of great importance to parents and more widely to local communities
- **probation authorities** over issues such as release of ex-offenders into an area, or making sure that they have timely access to local services that may be critical to prevent further offending. Councillors could also have a role in scrutinising the other partners involved in supporting reducing offending
- **provision of public transport and transport infrastructure**
- **Jobcentre Plus** and other employment related services in the local area
- **utility companies**: for example, where repairs which are badly organised and co-ordinated, causing unreasonable inconvenience, the overview and scrutiny committee would be able to look into the matter and make recommendations which the utility company would be required to have regard to, on future improvement programmes
- **young people's education and skills issues**, while recognising the independence of colleges and other learning providers. These services have a high degree of relevance for local communities, as shown by 84% of areas having at least one of the skills indicators in their Local Area Agreement and this has been recognised by the Government's decision to transfer funding to local authorities for education and training

for 16–18-year-olds, supported by the creation of the Young Person’s Learning Agency. Ensuring that these broader scrutiny powers apply to this issue and the range of partners involved will enable the ambition to put the young learner at the heart of a system to be fully realised. The Learning and Skills Council and its adult skills successor body, the Skills Funding Agency, will continue to be subject to the duty to co-operate through the LAA process.

Making scrutiny work more effectively for citizens

Those scrutiny committees which are really effective are those which are well supported by their local authority. We are already requiring lead councils to designate an officer to support the scrutiny committee, which will help raise the profile and visibility of scrutiny.

The proposals in this consultation will further increase the status of scrutiny as one of the council’s central roles. As the democratically accountable leaders of their areas, it will be a priority for every council leader to ensure that their council’s scrutiny activities are effective. This will involve leaders and council executives considering carefully the resources that are devoted to scrutiny and the status accorded to those leading the scrutiny work.

One option is to place a duty on council chief executives to ensure that committees have adequate resources to carry out their work. While recognising the importance of scrutiny, this would also mean that final decisions on how best to organize resources are left with those who are best-placed to make them.

We also believe that scrutiny should take greater visibility and recognition as befits its vital role. A visible commitment by a local authority to the importance of overview of scrutiny would be ranking the position of chair of certain overview and scrutiny committees in the authority on a par with a cabinet post. This might include the special responsibility allowance for this post being equal to that of a cabinet member in the authority.

There is also the question of whether, and how, in extending scrutiny, executive members could be further involved in these activities in relation to the full range of local public services. This would have to be consistent with the need to avoid conflicts of interest between the executive’s decision-making role and the ability of the non-executive councillors to scrutinise those decisions.

There are also more open questions about the support that councils and those individuals charged with carrying out this function may need. As well as fully understanding how their council operates, councillors will need to fully appreciate the complexities of partnership working, and the context and legal framework in which those partners operate. They may well benefit from

- expert advice from citizens or interest groups
- more training and support
- wider opportunities for sharing best practice

This consultation asks how best, in addition to any statutory measures, the local government scrutiny function can best be supported, possibly through measures identified above.

Summary

Building on the current arrangements in place, we propose to strengthen the existing scrutiny powers as follows (a summary of the relationship between current and potential future local government scrutiny powers is included at Appendix B (Annex A in the Consultation Paper) including a list of duty to co-operate bodies):

- making the description of scrutiny powers more explicit about local councils' role in scrutinising expenditure on delivery of local public services in an area
- bringing a range of local public services fully under the scrutiny powers of local authorities with a focus on what matters for local people and local communities more generally to a wider range of bodies whose activities may be crucial to the development of the area
- extending scrutiny powers to enable committees to require attendance by officers or board members from partner bodies to give evidence at scrutiny hearings (similar to the powers already in existence for health and police)

At their most developed, the proposals in this consultation paper could mean a total of almost £250 billion public money would be subject to council scrutiny. This includes councils' own spending plus potentially more than £100 billion of public money a year spent on key local public services that were delivered locally but not by local government

In all these proposals it will be important to strike the right balance to ensure that the operational independence of external bodies is not compromised. These proposals are not about scrutinising the day to day actions of police officers, or clinical decisions, for example, but rather to enable councils to scrutinise the way in which services are delivered. We have a duty to citizens to ensure that bodies spending public money and delivering public services in local areas are open to appropriate, proper challenge and effective scrutiny by the democratically elected councillors for that area. We are also clear that local scrutiny must keep to those issues, which affect local service delivery.

These proposals are not intended to add additional layers of bureaucratic process. On the contrary, they are intended to simplify the existing arrangements by removing certain limitations and restrictions that exist within the current legislative framework. Nor do we see these proposals leading to a free for all investigation of external bodies, or multiple requests for information from individual councillors. Many scrutiny committees will continue to operate as they do now; investigating issues of concern to local people as part of an agreed programme of work for the year and most of those issues are likely to relate to priorities already identified in the local area agreement. For those issues that do not, scrutiny committees would be able to use their enhanced powers in order to fully investigate on behalf of local people. In using their powers, scrutiny committees would be expected to consider the potential burdens of their requests on external bodies (in the same way as they will for LAA scrutiny under the current arrangements). This is an important issue, generally, but is more so when a body that will be scrutinised has a relationship with a number of individual councils. In these instances we would expect the individual councils to consider the impact of this 'many to one' situation in when and how they approach other bodies, for instance in issues of common interests joining up of requests with others. We will consider how best manage this issue in taking forward any proposals from this consultation.

Strong local government operating in the local interest

A critical question for this consultation is whether councils have the right powers to (a) address the challenges their communities face today and (b) to deliver improved and more efficient services for citizens.

This is particularly important given the introduction of entitlements as set out in *Building Britain's Future*. As local authorities start to respond, and as they become responsible for greater scrutiny and oversight, it is right that we ask whether they have the capacity they need to deliver for their local citizens.

The Government also wants to reduce bureaucracy and the burdens associated with inspection. This consultation considers how we can build upon the introduction of the new system of comprehensive area assessment.

The challenge

Councils have a clear and direct mandate from local people to govern their areas. Councils, therefore, need to have the necessary power and responsibility to meet the legitimate expectations of local people. This is at the heart of strong local government.

There are three important issues under consideration here:

- **First, do councils require strategic functions to meet the needs of local people?**
- **Second, are there barriers to councils exercising the powers they already have?**
- **Third, can we lighten the central Government inspection regime?**

Government has already done much to free councils from unnecessary performance management. However, the introduction of entitlements and the effective use of scrutiny may allow councils to identify and resolve performance issues earlier, and therefore reduce the need for central government intervention. This is not to say that intervention will never happen. It is right that Government should intervene where there is critical or sustained underperformance, especially in the case of services that safeguard the most vulnerable. However the aim is for such underperformance to be rarer, and as a consequence for intervention to be limited to the most serious concerns.

These changes would need to be matched by growing public confidence in local authorities' ability to shape services or their area. As such, the continuing transfer of power depends on citizens' demonstrable and growing confidence in councils.

Councils need governance models that readily deliver (a) strategic leadership, (b) sharp accountability, and (c) effective and efficient decision taking. It is recognized that this can be achieved through a range of models, including with a mayor.

The current picture Current levels of devolution

Since 1997 local authorities have gained significant powers, responsibilities and financial freedoms from central government. This has included the three year finance settlement, a new prudential borrowing regime, and powers to promote the economic, social, and environmental well-being of their area. Through Local Area Agreements (LAAs), councils work with their partners to target local priorities and meet local needs.

The measures proposed in this consultation, together with recent reforms, represent the most substantial and radical transfer of power to councils for a generation.

Entitlements

Building Britain's Future sets out the Government's programme for further reform of public services, based on moving from a system based primarily on targets and central direction to one where individuals have enforceable entitlements over the service they receive. Wherever they live, citizens will be able to have confidence that public services will deliver a certain level of service.

For local authorities, this will bring greater autonomy to decide how these entitlements will be met and generate greater freedom to innovate.

The Government's green paper on Rights and Responsibilities recognises that a broad range of related entitlements are already embedded in UK legislation and reflected in the institutions which oversee their implementation. Many of these entitlements are enforceable, either because mechanisms to ensure their delivery (such as tribunals) are explicitly provided for in legislation or because they are susceptible to judicial review by the courts. Legally enforceable entitlements to a variety of social and economic welfare provisions are not a new concept in the UK. But in considering ways to set out new entitlements, including in relation to local government, there is a range of possible options which lie across a continuum. As explored in the green paper the options range from a set of legally enforceable provisions, to duties and responsibilities placed on public authorities, to statements of principle which would not be justifiable in the courts but would be enforceable through non legal means.

Current powers

Councils already enjoy wide ranging powers – most significantly, the 'well-being power' introduced in the Local Government Act 2000, which gives councils a general power of first resort to promote and improve the economic, social and environmental well-being of their areas.

Wide-ranging local government responsibilities

Through LAAs, councils and other local agencies are working in partnership to identify and focus their efforts on the things that matter most to local people and which will make the most difference to the quality of life in their area.

This focus on local need and ambition drives innovation in other areas. Partners are increasingly recognising the links between their work – for example, planning policy has been influenced by the recognition that a well-designed built environment can promote health and well-being and help develop sustainable communities, providing opportunities for people to build physical activity into their lives. Planning also helps ensure the provision of high-quality health and social care facilities.

A growing number of primary care trusts and local authorities are working closely together to deliver their commitments to health and social care in the local area. This has been encouraged by the joint approach to issues set out in the joint strategic needs assessment and includes pooling/aligning of budgets, joint appointments and shared oversight.

Reducing bureaucracy and inspection

Effective performance is an important part of building trust between citizens and local government. Central government is committed to safeguarding citizens' interests whilst reducing the burden of bureaucracy and inspection. As a result, since 2003-04 we have reduced the cost of public service inspection by a third. Government has improved and refined the system of inspection for councils and has agreed an improvement and efficiency strategy published jointly with the Local Government Association which deals with the issue of when government should intervene. These reforms should further reduce inspection and bureaucracy for local councils. With these changes comes responsibility for councils to ensure that they exercise all their functions transparently, fairly, efficiently and in the best interests of the people they serve.

Through the new comprehensive area assessment (CAA), Government has committed to proportionate, integrated assessment of local public service. All councils will be assessed, but stronger performers can expect to be inspected less often. CAA will bring together assessments of performance across each local area and focus more on the delivery of outcomes, on citizens' experiences and perspectives, and on places and partnerships rather than just individual institutions. This new system will also be much more open and visible for citizens – for example, the inspectorates are developing a user friendly web-based reporting tool for their assessments which are due to be published by the end of the year.

The six inspectorates of local services are working together more closely than ever before. Inspectorates are working along 'Collect Once, Use Numerous Times' (COUNT) principles. And we are committed to further reducing the burden of inspection by making best use of local performance management arrangements and existing data to inform judgements, rather than requiring further evidence.

The effect of CAA will mean that inspection is targeted where it can have the greatest impact or where the risks of failure are most significant. Over time, we expect that other performance frameworks will become closely aligned with CAA so that it becomes the main assessment of public services. We will monitor progress to make sure that CAA brings the expected benefits.

Even in well run organisations, things will go wrong from time to time. When they do it is essential the council puts things right quickly and wrongs are righted. Elected councillors have a crucial part to play in ensuring this happens – that high standards are set and maintained and that services are responsive to the needs of their residents.

But in some cases specialist support will be needed from outside the authority. The improvement and efficiency strategy makes it clear that this support should come first from others working in local government.

Central government retains the ability to intervene where there is critical or sustained underperformance, for example where entitlements are not met. In such instances, the required action by government may range from: an improvement notice (issued by the appropriate Secretary of State); use of statutory powers to direct the organisation to take specific action to secure recovery or improvement; or in the most serious cases, the relevant Secretary of State may appoint a nominee to exercise certain specified functions of the authority.

Future options

A strong, revitalised local democracy needs the appropriate powers and freedoms to drive forward results for local people. In addressing the challenges facing our country there are important questions about the nature of local government's role.

Entitlements

Building Britain's Future advanced a new agenda for our public services and local government. It outlined how the next stage of public service reform will be characterised by moving from a system based primarily on targets and central direction to one where individuals and communities will have enforceable entitlements over the services they receive.

The introduction of new entitlements will require public services to ensure that residents' rights to these are met. Local government will have a key role in ensuring these entitlements are delivered and the proposals for enhanced scrutiny in this document will help councillors deliver this.

As entitlements to public services are introduced we shall review the possibility of reducing the number of LAA targets agreed with government. This builds on the recommendation in the Treasury's report on the Operational Efficiency Programme and will give local areas and services greater autonomy in delivering improved outcomes. However, as the experience of LAAs has demonstrated, there is great value in important local needs and priorities being formally recognised between central government and local agencies. We will, therefore, consider how a reduction in LAA targets may work in practice, for example by being accompanied by proposals to ensure that public services in an area pledge to meet the most important priorities of their citizens.

Building confidence in councils

As established above, a continuing transfer of power needs to be clearly linked to citizens' demonstrable and growing confidence in councils. A key issue is therefore how councils can build confidence amongst local people in their ability to deliver for the area. This is important to begin to reverse the decline in confidence shown by recent surveys.

We are asking how that can best be achieved, including how central government can support local government in their efforts to rebuild declining confidence.

Health and social care functions

There are already many strong links between local government and Primary Care Trusts, reflecting the importance of joint working in this area and reflecting the community leadership role of local government.

This can be seen in relation to:

- issues of public health – such as teenage pregnancy and obesity – where local government already plays a direct role
- recognising the links between a good local environment, local service provision and general good health and

- an increasing sense that local primary care health services play an important community role – whether supporting people back into work or enabling people to access broader ranges of advice and support beyond direct health intervention.

This is reflected in:

- the importance of health indicators in LAAs
- government's further commitments to allow commissioning and provision for health to be locally led
- strengthening the overview and scrutiny function of local authorities so that they can make a pro-active contribution to local decision making across the NHS. Many Primary Care Trusts and local authorities are already working together on joint appointments with the ambition to improve joint working between health and local government. Joint appointments are being explored in a number of local areas around: joint commissioning managers of children's services; joint heads for integrated commissioning for adult services; older people commissioners and mental health services.

Ensuring effective integrated transport

The Local Transport Act 2008 allows cities and other places to make proposals to improve the way transport is planned and delivered in their area. Integrated Transport Authorities, with powers specifically tailored to the place in question, can then be created through secondary legislation. The Local Democracy, Economic Development and Construction Bill, currently before Parliament, would pave the way for a similar arrangement covering wider functions as well, such as like land-use planning and economic development.

The developments of scrutiny proposed in this document will support good local engagement within cities, as elsewhere. It will be important to ensure that whilst citywide bodies are responsive to the needs of local communities, they act in the best interests of the city as a whole, as discussed later in this document. However, there remain questions of what more can be done to ensure ITAs and councils support each other in developing effective transport for local communities and also whether ITAs, that cross council boundaries, have sufficient powers, incentives and levers to meet their ambition. These are issues that this consultation would welcome comment on.

Reducing bureaucracy and inspection

The improvement and efficiency strategy published jointly with the Local Government Association sets out the Government's approach to intervention.

There is a powerful case for the next stage of development to be one where effective local scrutiny, coupled with entitlements, leads to reductions in the volume of central prescription and inspection. This will not be an immediate change, and relies on local government delivering on the use of powers and responsibility given, but responses to this consultation should bear this long-term ambition in mind.

Partnerships

Strong local partnerships are needed to deliver the high quality public services that citizens expect and democratically elected leaders and councillors are getting involved in partnerships to good effect. The first assessments of the Audit Commission and other

inspectors under the comprehensive area assessment are looking at the delivery of outcomes delivered in partnership. But we cannot take effective partnership working for granted. Effective partnerships generally share a number of strong characteristics that seek to actively empower and engage with their partners and communities. Research into Local Strategic Partnerships and Beacon councils has identified that partners need:

- informal as well as formal ways of working
- developed trust and understanding
- strong connections to the democratic processes
- mechanisms for scrutiny and holding partners to account
- to raise aspirations and are ambitious and challenging
- to keep things simple
- transparency on what partners contribute
- space to innovate – to look for new solutions
- good information systems.

Whilst much partnership working is useful and effective, we also need to ask whether all the partnerships are needed or whether they could be streamlined. We need to make sure that each is essential, with a clear purpose and remit, with easily understood responsibilities.

Financial Implications

None

Background Papers: Strengthening Local Democracy Consultation July 2009
