

# **Lyons Inquiry into Local Government**

**Sir Michael Lyons**

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# Important role of LG in economic issues

- Many live issues and debates, including:
  - Economic development
  - Barker
  - City regions
  - Infrastructure
  - Recognition of the importance of LG services to business

# Devolution and decentralisation

- Could give local authorities and communities more scope to:
  - Join up provision and spending locally
  - Promote the distinctiveness of their local areas
  - Balance different priorities and areas of spending
  - Debate the need for and objectives of investment in local infrastructure
  - Benefit from the rewards of change, not just the costs

# However - hard questions

- **Responsibility:** are councils willing to take responsibility for tough choices under constrained resources?
- **Capacity:** do they have the capacity to do this?
- **Trust:** can we explain high levels of trust in local services, but low levels of trust in LG?
- **National standards:** under what circumstances will the public endorse variation in services?
- **Confusion:** how can citizens understand the choices and trade-offs available to them?

# Old remit

- Consider the **detailed case for changes to local government funding** and **make recommendations** regarding:
  - Reform of council tax
  - Case for shifting the current balance of funding and providing local authorities with increased revenue raising flexibility
  - Other options, eg local income tax, reform of non domestic rates and other local taxes and charges

# Work under new remit

## **1. Strategic role of local government**

- Consider changing strategic role of local government in the context of national and local priorities for local services; and implications for accountability;

## **2. Devolution and decentralisation**

- Role in improving local services, their responsiveness to users, and efficiency;

## **3. Pressures:**

- Consider changes which help to manage pressures on local services

## **4. Report in time for CSR 2007**

# 1. Key questions: Strategic Role

1. What is LG's place-shaping role?
2. What do local people want from LG?
3. What can improve choice, efficiency and satisfaction?

## 2. Key questions: Devolution and Pressures

1. What should be the role of LG in delivery of national priorities and services?
2. How effective are delivery mechanisms for LG services LG; how could they be improved?
3. Who should make hard choices about local priorities and services?
4. What are the sources of pressures on local services; how could they be managed better?
5. Could devolution help?

# 3. Key questions: Funding

1. How should local government be paid for, in light of wider work?
2. How important is it that the costs of local services are funded by local taxation?
3. What incentives can be offered to councils in their place-shaping role, particularly economic development?

# Findings so far

- **Research shows low public understanding of local taxation, funding and services:**
  - What council tax pays for (most think the majority of services)
  - Who is responsible for decisions on key services nationally and locally
  - The costs of services
- **Confusion is partly caused by complexity**

# Opportunity for change?

- Reaching a “tipping point” towards consensus for a change in central-local balance?
- CSR and White Paper work
  - some uncertainty eg re-organisation – could this be an opportunity?
- ‘Double devolution’ – how we fit in

# But public debate is essential

- Hard political decisions depend on evidence of what public want
- Not a technical discussion between local and central government
- Need recommendations which are acceptable to local and central government – and citizens
- Devolution depends on public understanding of choices available to them, and confidence in local government

# How can you help?

1. A **public debate** in every community
2. Holding a **public engagement event** within your authority
3. Submitting **responses** to the detailed consultation questions outlined in my Interim Report (deadline 13 March)
4. Submitting **evidence and examples** to the Inquiry relating to existing public engagement work which is relevant to our key areas of research
5. Sending us **specific case study examples** of relevant practice within your authority