

1 Part 1 - Role and function of Local Government

The East Riding of Yorkshire Councils response for each of these themes in Part 1 is as follows:

1.1 The Strategic Role of Local Government

The East Riding of Yorkshire Council values its unique strategic role and considers the key elements of this to be:

- community leader
- place shaper
- commissioner and deliverer of services
- the voice at a national and regional level for the locality and
- quality control of public services in the area (the scrutiny role).

In order to fulfil these roles effectively the Council needs:

- flexibility in applying agreed national standards to the locality
- the authority to have influence on public sector delivery beyond the confines of the Council services including the voluntary and community sector
- the freedom to deliver services in the most appropriate way for the locality and
- support from central government in terms of realistic funding based on the challenges of the locality e.g. rurality.

The barriers to performing these roles effectively include:

- too much central control
- the silo mentality of central government departments
- the diverse performance and audit regime across the public sector
- inadequate funding
- lack of flexibility in the delivery of services and
- the lack of coterminous boundaries for public sector providers
- lack of permeability, for example between central and local government officers.

1.2 Devolution and Decentralisation

In terms of devolution and decentralisation it is felt that the effectiveness of centralism has reached its limits and we are, therefore, receptive to these discussions about reform. We would welcome the exploration of how decentralisation can work through initiatives such as the Rural Pathfinder.

In terms of which services should meet national standards in all areas and those which should be entirely down to local choice a clear distinction is visible. We feel that services which are critical to the individual (personal services) and services which are critical to the environment should be governed by national standards. Other services should have discretion to enable responses to be made which are most appropriate to the locality, for example cultural and other broadly discretionary services. A greater dialogue on the setting of national standards would also be welcomed, including the funding of related work.

We believe that greater devolution in areas like the East Riding will lead to better public services and greater efficiency, and there is currently frustration through apparent devolution which transpires not to be as flexible as expected. For example throughout the Local Area Agreement process there seems to have been a reluctance to enable the development of Agreements that are entirely meaningful for the local area. This and other councils are very aware of their local priorities and how best to deliver them – this is not always acknowledged by the level of control exerted by central government. Evidence in the East Riding shows that the Government is reluctant to ‘trust’ local authorities even through initiatives like the LAA: the initiative is still very focused on national priorities with very little positive movement to agree really meaningful freedoms and flexibilities. The CPA requirements to meet nationally calculated thresholds in all service blocks mitigates against local priorities and context, especially in the cultural block.

1.3 Managing Pressures on Local Services

The main pressure faced by the East Riding of Yorkshire Council is the increasingly high expectation of residents in the context of continually decreasing resources. Other issues surround the pressure to:

- affect and influence the performance within other organisations, bearing in mind that the Council is judged on the performance of other agencies
- conform to performance frameworks set centrally by the CPA rather than locally in agreement with the community
- deliver to conflicting priorities between government departments
- increase capacity of partners, especially in the voluntary and community sector.

It is useful that one of the clearest findings of the inquiry’s work is that the public has a very weak understanding of local government, how it is funded, and the balance between local and central government as this is our experience in the East Riding. We feel that a greater public understanding of local government would assist the Council in the management of residents’ expectations and their perceptions of the Council. The move to a national unitary landscape would assist this in two tier authorities.

1.4 Scope for a New Agreement

We feel that the most effective way of making the responsibility for local services clearer between local government, central government and other agencies would be to minimise the number of agencies delivering services in a locality and, in particular, move to reduce the number of national centralised organisations delivering locally. Where possible we feel that services should be delivered by the organisation closest to the community.

2 **Part 2 – Local government funding**

2.1 The Lyons inquiry has identified that growing pressures and expectations on local government from a range of sources are likely to be unsustainable. This would appear reasonable given that council tax bills have increased annually above inflation since the introduction of council tax in 1993-4.

2.2 The Lyons inquiry has highlighted a number of problems of council tax, including annual increases (as stated above), high visibility form of taxation, the ‘gearing effect’, the complexity of local government funding and the public perception that council tax is ‘unfair’.

- 2.3 Council Tax Benefit (CTB) has the highest number of people eligible for means tested benefit, but also the highest proportion of unclaimed benefit, particularly amongst older people. Lyons will return to the CTB issue in greater detail in his final report.
- 2.4 The report discusses the Government's decision to not go ahead with revaluation of properties in 2007. Sir Michael suggests the revaluation was hindered by poor public perception of how the revaluation might work, and that revaluation would have actually improved the fairness of council tax.
- 2.5 The work carried out so far suggests a reform of the CTB system, rather than through restructuring council tax. The Lyons inquiry has also reviewed other options for taxation and funding, such as local income tax, business rates collected locally, land taxation and user charges for certain services.
- 2.6 This document does not exhaustively report on the wide range of analysis conducted by the Inquiry team, nor does it include any recommendations on funding issues. Sir Michael intends to explore further many of the issues in this part of the report, and return to them in more detail in his final report.

3 Conclusion

This response to the consultation is designed to reflect that the East Riding supports the arguments for shifting the balance of governance to the local level and welcomes the opportunity for recognition that Councils should be given the more freedom to respond to the needs of local people.

The Council's Cabinet did, however, express concerns regarding the time limit that was set for responses to consultation documents.