

Lyon's Inquiry – response from Basingstoke and Deane Borough Council

Sir Michael Lyons – SirMichaelLyons@lyonsinquiry.org

Care of
Lee Burge
Room 3.12
Lyons Inquiry into Local Government
1 Horse Guards Road
London
SW1A 2HQ

Dear Sir

The Borough Council welcomes the opportunity to respond to the consultation on the Future of Local Government. We offer views from the perspective of a district council with “Excellent” status under the CPA criteria.

We have taken the approach of not responding to every question listed in the document, but to respond to the key issues of:

- The strategic role of local government
- Devolution and Decentralisation powers and responsibilities
- National standards vs local standards
- Pressures on local services
- Council Tax
- Ability to pay
- Other funding mechanisms

Where applicable the question numbers (for Part 1), or the para numbers seeking views (for Part 2), are referenced in the text.

There are three major strands that we would like to emphasise in our response:

the first is a local authority's role in restoring democracy – we believe it is essential that the local authority is elected and its representatives have real influence, providing leadership and ambition for the community:

secondly, we struggle to see any true evidence of devolution from the centre in the current set up, there is a real need to resolve the tensions between national and local priorities;

thirdly is the issue of tensions between the needs of urban and rural areas. Any future structure of local government in the South East must account for large towns like Basingstoke who are part of the significant growth of the region over the next 30 years. The urban areas have inherent tensions with rural hinterlands and this typifies many of the districts in the South East, and for Urban areas to reach their full potential and to grow in a supported and

Lyon's Inquiry – response from Basingstoke and Deane Borough Council

planned way a mechanism must be found to liberate that potential and at the same time protect the integrity of the rural communities.

The Borough Council offers this as a collection of views; the political parties have been invited to send their views separately.

Yours sincerely

Cllr Paul Harvey
Leader

Cllr Brian Gurden
Deputy Leader

PART 1 - Strategic Role

The description of the strategic role (Q1) is defined too narrowly, appearing to be merely regulatory. Serious omissions are:

- restoring democracy – essential to overcome the 'democratic deficit' and ensure elected representatives have real influence, and
- provide leadership and ambition
- overall responsibility for social economic and environmental wellbeing into the future
- the enabling role – over and beyond procurement or commissioning

Barriers to performing the strategic role (Q2) are:

- different types of local authorities – especially two-tier local authorities where there can be lack of clarity on responsibilities (which can end in duplication and wasted resources). Sometimes the responsibilities sit at the wrong level. Further it can act against collaboration as it may inject competition. There may be conflict of interest of members where an individual sits on both tiers.
- Local authority boundaries that do not reflect natural communities
- Lack of clarity and focus in messages coming from central government, coupled with the high number of initiatives and consultations. There is a lack of information and linkages on the wider debate, linkages between issues, and unhelpful timescales.

Success would flow (Q2) from increased freedoms and real flexibilities to act at the local level. A local example is the Job Centre plus that is supposed to develop a local agreement based on need; but they will only commit to the national standard.

It is vital that the Local Authority is elected (Q3). Primary responsibilities for the strategic functions has to be retained with an elected local authority – and this presents some tension with roles of non-elected agencies such as local strategic partnerships, that has no democratic mandate and cannot be voted out. Furthermore – elections are a fundamental basis of community engagement.

Part 1 – Devolution and decentralising powers and responsibilities

Devolution is not visible at the local level (Q5); structures have not changed and the wellbeing power is just a concept that has had little effect.

Tensions exist between national, regional and local priorities (Q5); regions do not always reflect natural regions. An example of where central government priorities differ from local pressure and opinion is of the waste collection service – where it has very high satisfaction rating despite relatively high cost.

Part 1 - National standards vs local standards

There is support to trust the public's response to where standards should apply (Q4 – ref table 1.2). National minimum standards should be set for:

- Education
- Police
- Fire
- 'Personal' social services
- Health

However, there is a need to separate out the democratic accountability and specialist/ professional support services – e.g. for education specialists to be allowed to give professional input without political involvement.

If national standards were in place then a local authority could step aside, or choose only to fund activities that bring additional benefit.

For some issues overall "wellbeing" should prevail with the local authority taking the community governance role.

Areas where greater variation in standards would be acceptable are:

- Waste collection
- Leisure
- Transport
- Benefits

Part 1- Pressures on local services

The main pressures on local services (Q6) often stem from central government, such as:

- Too many initiatives from central government (e.g. 11 Education Acts since 1997, Health reorganisations)
- Too many consultations – often local government is still trying to implement initiatives that consultations are seeking to replace
- Unfunded initiatives
- Unhelpful timescales – e.g. withdrawal of Social Housing Grant with no consultation, concessionary fares.
- Confusion over responsibilities and duplication of effort – e.g. with Benefits

Incentives could be centred around:

- Removing those services with national standards such as education from local authority funding and add more to general funding.
- Reducing ring-fenced grants tied to initiatives – and replacing with more core funding to spend on local priorities
- The introduction of freedoms and flexibilities to meet local need.

Greater responsibility for local services (Q7) could be engendered by more freedom to deliver outcomes, rather than focus on inputs and output

measures. A contractual approach would be potentially restrictive, and act against engaging the community on local priorities.

Part 2 – Local Government Funding

Council Tax is not a property tax (Ref 2.34) – but an occupancy tax. The links to service charges are unhelpful (Ref 2.39). Any alternative to Council Tax should be instead of it, not in addition. A small proportion of Council Tax is spent on district authority services, but the district local authority is viewed by the public as accountable for the overall Council Tax bill.

A joint political approach (at national level) is needed to address the development of alternatives.

Part 2 – Ability to Pay

Property bands are not related to income and ability to pay, and should relate to income. Council Tax Benefit (Ref 2.60) is complicated by means testing. The £16k asset threshold was set a long time ago. Much more needs to be done to encourage greater take up of Council Tax Benefit.

Any link to property values (Ref 2.71) would require regular re-evaluation.

Part 2 – Other Funding Mechanisms

The only solution for greater devolution is the opportunity to raise funding locally. An alternative would be for Income Tax collected nationally to have a mechanism to redistribute back to local authorities.

A huge incentive to attract business would be freedom to set business tax locally (Ref 2.113)