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Lyons Inquiry into Local Government An Initial Bradford District Response to the Consultation Paper

Bradford Council welcomes the opportunity to contribute to this debate, which gets to the very roots of Local Government's place in society. However, this is also a debate that overlaps with a number of other developments, not least the ODPM's work to develop a 10 year vision for Local Government and proposals around a 'New Deal for Cities and regions'. Other Government Departments are also carrying out initiatives on related questions, such as the Home Office programme for Civil Renewal, and these also have important implications for local government.

As such, many of the themes in the Lyons' Inquiry Report are already being discussed or developed and Bradford Council is keen for the Inquiry to be able to join together these different debates so that unified and comprehensive findings can be produced that make connections between initiatives in different Government departments.

To support this, Bradford Council is keen to supply an initial response to the consultation questions set out in the Interim Report and will be continuing to work on the important questions that have still to be addressed. Bradford Council wishes to particularly emphasise:

- The need to give greater acknowledgement to some core roles for local government on: democracy, direct service delivery, diversity, prospects for the future of places (from cities through to sustainable communities and neighbourhoods) and fairness; ensuring that communities are not left behind when facing economic, environmental or social challenges
- That accountability should be about who makes the decisions on how resources are spent, with local councillors having distinct roles in this regard.
- The way that local government funding currently compromises that accountability.
- The need for more clarity between the different forms of national standards and minimum standards, with more emphasis on higher level, outcome based measures for both
 - local well-being/sustainable communities; and



- for the majority and totality of local public services in the round
- The impact that the passporting of funding has on devolution and accountability.
- The pressures on local services caused in urban areas by a poor tax base, population migration and the inability of the current system to make sure that resources go to areas of need or areas in need of investment to secure the foundations for prosperity over-and-above 'service delivery'.
- The brokerage role that local councils can provide between Central Government and local communities, which needs a single agreement between central and local government rather than different Whitehall departments pursuing separate programmes of work

RESPONSE TO THEMES IN THE CONSULTATION PAPER

The Strategic role of local Government

1. Defining the strategic role

The definition of 'place-shaping' set out in the Report is particularly useful in its approach to identifying the more 'intangible' or difficult to quantify roles of local government. This is especially important in urban areas, where economic, social and environmental prosperity is overseen and facilitated by local authorities.

However, the current definition could be strengthened by giving more prominence to the most important roles of councils. As part of the ODPM local: vision process, Bradford Council is seeking to demonstrate what these are, based on a number of core principles for local government. These are:

- Local democracy and leadership – at its heart, effective local government needs the mandate provided by its democratically elected members to work with, and on behalf of, local communities, setting a clear lead to ensure prosperity and secure the future of the locality in the round
- Practical results and real improvements – to strengthen local democracy and ensure that government as a whole meets the needs of communities, local government needs to have a real impact; this means direct service delivery, if locally determined as the most appropriate mechanism, as well as the ability to influence and commission, acting as an agent of change for local well-being.
- A sense of place – different towns and cities have different characteristics with varying opportunities and challenges facing each. These characteristics make local areas what they are and local government itself is part of this diversity. Applying the principles of subsidiarity and proportionality should ensure greater local determination of what matters and what solutions ought to be put in place.
- Fairness – diversity and a sense of place should not mean inequality. Local government should seek to work towards the well-being of all its communities and this principle needs to be inherent in national policies and funding systems.

2. Tools needed by Councils to perform a strategic role more effectively

The recent rounds of CPA results demonstrate that many local councils have improved their efficiency and performance, and are ready to take on this increased strategic role. This needs greater acknowledgement to demonstrate the fundamental shift to long-term outcomes-based leadership, complementing the well-established 'services improvement' and resident satisfaction agendas.

Many of the tools needed by Councils to fulfil this strategic role relate to local determination, local-proofing and to local finance, and these are referenced below.

3. The importance of locally elected accountability

Local elections give local authorities the legitimacy, the accountability and the in-depth knowledge of an area to perform the more strategic role.

But local elections alone are not sufficient. Every effort is needed to ensure the right type and degree of elected member inputs and that this is accountable.

Work could reflect the need to enhance the three different elected member roles around:

- Strategic Leadership - elected members have authority to set the policy framework in which well-being is secured and services delivered, providing the community leadership that is needed on long-term and/or difficult decisions. This often means arbitrating between some central priorities, addressing local priorities and reflecting the wide-range of local opinions about the 'best courses' of action
- Local - elected members can ensure that well-being is progressing in neighbourhoods and communities and that services are delivered well in neighbourhoods and for users, acting as a powerful voice for local people with the agents of change and the wide range of service providers – ie at the street level.
- Scrutiny - as part of their roles, and to strengthen accountability, councils and councillors need to set out what citizens have a right to expect for the District and in terms of provision (by and through the public purse) so that they be held to account and be judged on their impact. Scrutiny, the third role, supports this process.

However, local accountability is often compromised because of funding issues and the local levels of council tax rates – there is no obvious connection between what people pay in taxes and what they get in terms of local well-being/ sustainable development or through local services. This is largely due to

- the levels of control exerted on funding decisions by Government and lack of revaluation for council tax purposes
- the multiplicity of streams of resources and activity. The LAA is in part addressing by looking at some of the 'additional' funds available to support the delivery of local (sustainable) Community Strategies. The totality of local public expenditure, mainstream, additional and otherwise is both critical information and territory for local government to oversee and seek to influence.

Devolution and decentralisation

4. National standards for services and local choice

The interim report is right to point out the 'accountability gap' between central and local government. Greater accountability needs to be under-pinned by national measures to improve local flexibility, increase transparency and not reward inefficiencies.

Councils should be able to make decisions on how resources are spent and how well-being is secured and how local services are delivered to meet high level and outcome based national and local objectives. Bradford Council supports the principle that local authorities need greater control over how funding is used locally to address both these national, as well as local, priorities.

Local government also needs greater clarity and differentiation between what is meant by national standards and minimum standards, this could differentiate between:

- National standards to service entitlements – certain services are delivered locally but need minimum levels of service entitlements. We would suggest access to social care services, access to health services and education especially fall in this category as well as social housing provision.
- Service level performance – certain local services have some very prescriptive performance standards set for them. This includes services like health and education mentioned above, but also encompasses other areas, for example land-use planning decisions have a standard eight week target for the statutory process, other local services like libraries have set standards for access, etc
- Output (quality) based standards – these are more output based targets, such as educational attainment, unemployment rates, etc
- Well-being outcomes – measuring and assessing local well-being and progress towards longer-term outcomes for localities will be central to (Sustainable) Community Strategies and to supporting the re-connection of ‘delivery’ of activities to the achievement of goals.

5. How the Government’s approach is currently affecting our areas

Bradford Council would prefer to see central government concentrating on the first and third type of national standards, defined above, with less of the second type. Local Government needs a small number of high level outcomes performance targets and aspirations so that they can translate and lead these as workable programmes ‘on the ground’. This is central to the place-shaping role.

Greater local devolution has also been compromised with the increase in passporting of funding to local services, reducing the freedom of local councils to decide where their spending priorities should lie. Developments like the Dedicated Schools Grant have made this situation more difficult, giving local councils less room to manoeuvre and invest in securing local outcomes or to spend on local priorities for service improvement.

In contrast, other government decisions have strengthened local autonomy and the strategic role of councils. For example, non ring fenced funding like the NRF has been seen to increase the influence and scope of local authority working, helping councils to work with a wider range of partners to develop locally specific solutions to local problems of social exclusion and deprivation, identified nationally

Managing pressures on local services

6. Managing pressures more effectively

Bradford Council would differentiate between three distinct sets of pressures on local services at the current time:

- Demand side pressures, ie the increasing costs of services and the increasing level of local service provision. For example, this is currently being driven by increasing expectations of communities, fuel costs, waste disposal costs, wage costs and the increasing range of responsibilities of local authorities being given to councils by central government.
- Supply pressures, ie the decreasing ability of councils to provide for services. For example, this is currently being driven by the structural problems within the local

government finance system and its inability to ensure that finance is distributed in line with local needs. Bradford Council's evidence concerns this latter point.

- Outcomes pressures arising from the potential re-alignment of resources to secure long-term outcomes and District priorities for prosperity and in the foundations for prosperity. The transition to more vibrant communities with enabling local and central government requires clarity on what 'over-and-above' service delivery entails and how local government can move beyond being 'ambitious' for its locality to a central driving role in securing successful and sustainable places.

Bradford Council has concerns about the service pressures in both urban and rural areas being brought about by the reality of :

- The low tax base caused by widespread deprivation, making it difficult to raise finance for local services and local priorities;
- Lack of revaluation of properties for council tax purposes, meaning that a greater burden for funding services falls on poorer communities;
- Demographic change and population movement, leading to changes in available finance without a corresponding reduction in the cost of service provision or a recognition of the need to generate investment locally in prosperity and the foundations for prosperity 'over-and-above' service delivery.
- Damping of formula funding outcomes, where more up to date and fairer funding formulas are introduced, these have been scaled back so that resources are not delivered to the areas that need them.

Scope for a new agreement

7. Clarifying the responsibility for local services between local and central government and other agencies.

Overall, Bradford Council concludes that one of the roles of a local councils is to be a 'broker' between central government and local people - making links between communities and citizens on the one hand and central government on the other. To some degree this role means that local authorities are translating:

- Local outcomes, priorities and aspirations into national 'speak'
- different forms of national targets, discussed above, into locally specific targets and local programmes of services
- seeking to ensure the good governance of a District without the degree of autonomy to more effectively lead and address the prospects and potential for a District overall well-being

To make this work better, the broker role requires one single agreement between central and local government rather than several different departments pursuing their own programmes of work. In this sense, local area agreements may be a helpful model, but currently cover only part of the national and local agenda. If the local agenda is to be articulated through the (Sustainable) Community Strategy and through political leadership then this needs to be reflected beyond talk in the 'Deal for Devolution' into the LGWP and across Whitehall to make place-shaping a critical and valued part of the constitutional settlement for the 21st Century.

Bradford Council would support a reduction in centrally set targets, with a small number of outcome measures and output related 'public service' targets used to set a framework for local places and local authorities. These would be translated into locally relevant delivery and service plans.

Working with the government, greater public understanding can be helped by acknowledging the

- challenges of place-shaping and of addressing long-term outcomes and prospects over-and-above the wide range of 'public services'
- 'mixed economy' of both contributors to 'well-being' of a locality and providers public services working at local level

FURTHER WORK FROM BRADFORD COUNCIL

As noted above, this is an initial response from Bradford Council and further information on any of the points made above can be provided. Further support to the Inquiry may be provided on more detailed and considered evidence on a number of ongoing finance issues. This may include:

- The Council tax system – Bradford Council acknowledges and supports the emphasis on ensuring that council tax remains the principal local government tax. However, the Council still maintains that the fairness of council tax can be improved and strengthened by increasing the number of council tax bands.
- The pressures on council tax –Bradford Council supports the analysis of pressures on council tax now being made by the Inquiry, particularly the very low tax raising base in urban areas and the need to strengthen the accountability links between council tax-payers and local spending decisions.
- The need for equalisation – the Interim report acknowledges the need for equalisation as an ongoing element of local government funding, but seeks to look for a better balance between equalisation and financial incentives to encourage development. Bradford Council supports this approach
- The need for revaluation of council tax properties – Bradford Council maintains that this is still an important issue and will continue to limit the fairness of council tax until the Government finally addresses it directly.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D.M. Kennedy', with a long horizontal flourish extending to the right.

David Kennedy
Interim Chief Executive