

Hartlepool Borough Council's
response to the

Lyons' Inquiry into Local Government



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Thank you for the opportunity to comment and provide views to inform the ongoing, and increasingly important, inquiry into the future of local government. It has to be accepted as an integral part of this inquiry that Local Authorities are at different stages of evolution and the current status of this evolution, and the preparedness to evolve further, is fundamental to their ability to deal with this transformation successfully.

It is important to ensure that the contextual framework, which incorporates regional, sub regional and locality is considered in conjunction with the role of Local Strategic Partnerships and recent announcements on "double devolution". Combined, these provide a complex environment within which to understand both the possibilities and potential for local government firmly rooted in the dual components of democratic accountability and locality based provision.

My response seeks to clarify where Hartlepool is in this "evolutionary continuum" but more importantly, Hartlepool Borough Council's position.

I have structured the response in the following manner:

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I have included throughout the submission examples of Joint Working and Collaborative Commissioning, which are displayed in the shaded section on the right of the page.

Section 1 Context

In simplistic terms the Government's Agenda for the public sector seems to revolve around the devolution of accountable decision-making to the level deemed most appropriate, whether that be regional, sub-regional, locality or "street level".

a) The context needs to be seen, in respect of the **North East**, through the following geographically based frameworks:

Region

Strategic decisions with regard to Planning, Housing, Transportation and Economic Development are already taken at a regional level, with some democratic input through Regional Assemblies. Strategic Health Authorities and Learning and Skills Councils are now moving up to regional level, with Police and Fire Services likely to follow. Whilst the regionalisation agenda is becoming clearer, governance at this level remains opaque. Unless there is stronger democratic input the outcome will be regional administration rather than governance.

The recent no vote for a directly elected regional assembly for the North East reflected a strong body of feeling amongst local people rejecting what they perceived as being a further layer of bureaucracy in favour of local democratic governance and accountability for public services. However, as regionalisation continues, this democratic deficit must be redressed.

City Regions

The Northern Way introduced the concept of 'city regions' at sub-regional level, acknowledging the growing body of evidence provided by European research, that successful city regions tend to be those with the most autonomy

and the powers which enable them to both plan for the longer term, and be sufficiently flexible to adapt to changing circumstances. The most successful adopt a polycentric approach, harnessing the strengths of a range of towns, cities and localities, rather than merely focusing upon one central area.

Tees Valley

The Tees Valley consists of the areas of five unitary authorities, all of which have four star (excellent) CPA status. Two of those authorities, Middlesbrough and ourselves have directly elected mayors, whilst Stockton-on-Tees is currently examining the feasibility of introducing a directly elected Cabinet. We also work together, on a polycentric basis, with our private, voluntary and community sector partners through the Tees Valley Partnership (TVP).

The TVP makes strategic decisions within the framework provided by the 'Tees Valley Vision', produced 4/5 years ago following extensive consultation. TVP deals directly with economic strategy, through its secretariat, and allocates 'Single Programme' monies from the Regional Development Agency (RDA). The Tees Valley is unique in having an Urban Regeneration Company (Tees Valley Regeneration Ltd.) covering the areas of five local authorities and acting as the main delivery vehicle for the TVP. A long term (15 year) Development Plan is currently being prepared to support the Tees Valley Vision.

The development and coordination of Planning, Transportation and Housing strategies is undertaken by a Joint Strategy Unit, acting on behalf of the five local authorities collectively, and the TVP.

As a consequence of the city region agenda the governance arrangements of the TVP are currently under review. However, given the firm foundations on

which to build, no great difficulty is envisaged in broadening the role of the TVP to reflect the wider regional remit, nor in formalising the partnership arrangements by means of a "super" Local Area Agreement (LAA).

Locality

At the more local, Borough/District level there is a plethora of organisations involved in commissioning and providing public services. Members of the public are extremely confused about whom does what. Very few people are able to accurately identify the responsibilities of, and the links between the following organisations:

- County Councils, Borough Councils, District Councils, Unitary Councils, Metropolitan Councils, Parish Councils;
- Strategic Health Authorities, Primary Care Trusts, Hospital Trusts, Foundation Hospitals;
- Police Authorities, Police Forces, Crime and Disorder Reduction Partnerships, Neighbourhood Policing;
- Local Education Authorities, Learning and Skills Councils, Connexions Service, Children and Young People's Strategic Partnerships, Children's Trusts;
- Local Strategic Partnerships, New Deal for Communities, Neighbourhood Renewal Partnerships, Community Empowerment Networks.

At the moment LAAs are seen to be the means by which clarification of objectives and transparent accountability will be achieved. Whilst they may do the former, they are more likely to further cloud the boundaries between organisations, rather than making accountability transparent. Although LAAs may be a step in the right direction, they are not a panacea but merely a tool to be used by Local Strategic Partnerships (LSPs).

Examples of Joint Working and Collaborative Commissioning

Hartlepool Local Strategic Partnership

The Partnership is green rated by GONE is chaired by the MP and the vice chair is the elected mayor with representatives of all sectors on the board. The LSP acts as a mentor to another LSP. The LSP has taken a strategic approach to NRF for which delivery has been exemplary and it has a well-developed performance management framework (PMF) now reflected in single pot LAA submission. A number of key decisions have been taken by the partnership and then ratified by statutory partners. The partnership is now reviewing its structure and membership and the Hartlepool Community Strategy.

Tees Valley Joint Procurement Initiatives

Developing the sub-regional procurement role from the Regional Centre of Excellence the Tees Valley Authorities have formed a Joint Procurement Group to seek opportunities for collaboration on contracts and best practice generally. The basis of the collaboration is that on relevant Joint Contracts Local Authorities would share the lead role and therefore gain in efficiency.

The group meets on a monthly basis and some of the key outcomes to date include; a joint contract for stair lifts in place that not only included the five Local Authorities but also Housing Associations such as Housing Hartlepool and Erimus Housing; a joint contract for the provision and servicing of fire extinguishers to Local Authorities premises is underway; a joint feasibility study into how Waste Management Services could be provided more efficiently and effectively across the Tees Valley is being carried out.

Their potential has not been realised through developments to date, and is unlikely to be unless there is a more fundamental consideration on the part of central government of the key and focal role which local authorities play in their localities.

b) In addition to the geographically based perspective there is the need to consider the complimentary frameworks which exist and operate effectively at a **locality** level;

Local Strategic Partnerships

Local strategic partnerships provide an increasingly important mechanism for joining up services locally and in articulating a vision and aspirations of communities. LSPs have a key role to play in achieving the outcomes the Government wishes to see delivered through its devolutionary agenda in particular through improved and efficient systems for local partnership working and the joining up of service provision.

Hartlepool LSP has developed, since its inception, to be a highly effective vehicle for determining and delivering upon local community priorities whilst effectively addressing national floor targets. The LSP is chaired by the local Member of Parliament and the vice chair is the elected Mayor. The Community Strategy provides the framework for operating within the area, and its seven themes have been adopted by the Council as its strategic planning framework and have formed the basis for the development and agreement of the Local Area Agreement.

The Partnership is representative of the local community and the organisations from all sectors operating within it and has been rated Green A in respect of its performance management framework. The Partnership is underpinned by seven themed partnership groups with clear responsibility for delivering identified

outcomes through developing and agreeing programmes to meet this identified need. They provide the focus, but not the only driver, for cross-sector service improvement.

In addition to the themed partnerships there exists (to support these and to drive and deliver change) a range of specific groups, focussed either on client groups, client needs, identified priorities or deliverers. These groups consist of delivery agents and in some instances recipients of services from across the Borough. The scale and nature of the involvement of organisations, community and voluntary groups, the business sector and other agencies is very significant and a demonstration of participation in action. In broad terms, through these various mechanisms it is estimated that over 600 people are actively participating in the improvement of the borough on a regular basis. This does not include the very active community and voluntary sector which operates in Hartlepool.

However, looking at the wider context, LSPs were not set up to be the mechanism for the governance of all public services in an area. They are not legal entities and thus can only operate through the goodwill of the parties involved. The involvement of high numbers of local people in decision-making may have a negative impact upon local democracy – why bother to stand as a local councillor when you can be appointed to the same decision-making fora without the pressures representing your constituents can bring?

Local Authorities

Local authorities are at the centre of the communities they serve. They are recognised by local communities, whether they would describe it in this way or not, as being community leaders. There is widespread confusion amongst local people in relation to the detail of

which organisation provides which services but that does not distract from the expectation that their democratically elected councillor is best placed to address any issues which may arise. The recent Regional Assembly referendum in the North East, to which I have already alluded, provides a very clear demonstration of both regional and local acceptance of the perceived dissipation of local democratic accountability and control for service provision in localities. The democratic accountability of local authorities, combined with a clear legislative framework, provides the basis for effective local provision.

Mayoral Authorities

Directly Elected Mayors are highly visible and very well known within their localities. They are recognised as being the 'community leaders' for their whole locality, not just the Council. This differentiates mayoral authorities from the rest of the local government family. Directly Elected Mayors deal with issues right across the public service spectrum, but can only rely on the goodwill of public sector partners to get things done. The time is right for mayoral authorities formally to be given this wider 'Locality Plus' community leadership role.

Our Elected Mayor is the community leader for the town. He deals with the full range of local issues such as education and learning; health and social care; crime, disorder and neighbourhood policing; worklessness, job creation and economic regeneration; housing, recreation, culture and leisure. At present, for many of these issues he only has the goodwill related to his status to negotiate with, persuade and cajole our public sector partners to fulfil these locally determined needs. This is not always easy given that our partners' priorities tend to be achieving nationally determined targets. This essentially dissipates the impact of effort locally.

Examples of Joint Working and Collaborative Commissioning

Connected Care

Connected Care is a partnership with Hartlepool PCT, Turning Point, local community groups etc to assist people with complex needs in a very disadvantaged area of the town. A 'social audit' was completed which involved local people in identifying the problems which had to be addressed. Connected Care workers, local people, are now being trained to help others navigate through the system and get the assistance they need from the various agencies without being passed from pillar to post. Local provision and community providers will be encouraged to develop wherever possible. This scheme was highlighted as good practice in the recent White Paper 'Our Health, Our Care, Our Say'.

Playing for Success

Partnership between the Council and Hartlepool United Football Club. During the last academic year 18 schools participated in the programme including primary, secondary and special schools. Evaluations of the first year of the programme indicate the centre was successful in using the environment of the football club to improve students literacy, numeracy and ICT skills, 96% of students enjoyed attending the programme with 91% feeling their learning skills had improved and the skills they had developed would help them with their schoolwork. The learning experiences at the PfS centre had a positive effect on how students viewed themselves as learners; the majority of parents (74%) felt the programme had helped their child become more self-confident. Part of the partnership is a base for the Newspapers in Education initiative with the Hartlepool Mail making PfS a partnership with two local private sector organisations.

Contradictory and often conflicting demands cannot be adequately or effectively resolved locally due to national restrictions.

Whilst there is a debate nationally in respect of the merits of elected Mayors there is no doubt they can, as in Hartlepool's case, act positively to coalesce opinion, priorities and effort.

Hartlepool Borough Council

Hartlepool Borough Council has been classified as excellent, now four star, since the introduction of the Comprehensive Performance Assessment. With a very strong base of high performing services and a clear focus on further improving both these and the corporate governance and development of the authority we have ensured that we have maintained this rating. The high performance of services is key to the considerations relating to the role and function of Local Authorities.

A clear focus on local priorities combined with highly effective development and operational management arrangements both within the Council and in relation to the Council's close working with external partners, ensures we have a strong core of services through which we work. The alignment of the priorities within the Community Strategy and those of the Council provides a streamlined framework within which to plan, deliver and manage performance.

Inherent within the Council's strategic and operational planning arrangements is the necessity to work closely with partners on shared priorities and outcomes (or those where there is a causal relationship between actions which partners may enact). To this end the authority has developed a broad range of jointly commissioned or provided services with a range of local providers. This provision has been developed on a pragmatic basis to

ensure effective and accountable service provision at a locality basis.

In order to provide some understanding of the complex, but highly effective, arrangements which have been put in place within Hartlepool I have attached an outline of the multitude of arrangements which have been developed to address the need to commission and provide a broad range of services (Appendix 1) and a number of examples of the services which have been implemented within this framework.

The arrangements which have been put in place are effective, but due to there being no overriding policy framework within which this can be developed, are less based on choice and more on necessity. The inherently democratic nature of local authorities provides the opportunity to ensure that commissioning and service provision can be allied to local democratic control and clearer accountability for both success and failure, should this be the case.

The impetus for the public sector is based upon efficient and joined up working. We have in place an ICT strategy, which fundamentally addresses the complexities of efficiency and effectiveness of what we do as a council. There is an implicit expectation that the regionalisation of service provision will both save money and increase the "effectiveness" of service provision, yet the nature of public expectation and the policy drive emanating from other parts of central government proffers a neighbourhood agenda. We are clearly focussed on delivering (or commissioning) services directly to the community and in the community, improving quality, responsiveness and the cohesiveness of service provision at a locality level.

Neighbourhood Working

The opportunities for resident choice are widespread and varied. Residents as individuals, as a small group or resident association and as a community can and do influence council policy and service provision in Hartlepool. Neighbourhoods play an important part in shaping the delivery of council service provision. In Hartlepool we recognise a neighbourhood is a flexible unit. In one instance it could be the whole of Hartlepool or in another a few residents living in one street; it could be a village or an area with its own special identity; it could have a long history or it could have begun yesterday.

Neighbourhood Management is about increasing the involvement of communities in the provision of local services and can involve the decentralisation of services. The council has developed an approach to ensure a balance between the expectations and desires of residents and government priorities.

A core integrated, co-ordinated and local service presence for delivering services, which focuses on flexible delivery with greater neighbourhood influence, provides the flexibility to shape and co-ordinate services at a local level. An example of this flexibility has been the introduction of neighbourhood area teams who provide day-to-day environmental and amenity maintenance of highway and other public areas, demonstrating the benefits in terms of responsiveness and quality of service delivered. Elected members have close links to their neighbourhood "Town Care Managers", working together to address all issues raised through ward surgeries and other correspondence, which comes their way.

Examples of Joint Working and Collaborative Commissioning

MALAP

The aim of the Multi-Agency Partnership for Looked After Children (MALAP) is to provide a co-ordinated approach to the development and improvement of services for Looked After Children (LAC). Central to this aim is the commitment to ensure service users and carers are fully involved in the development and commissioning process.

There are representatives from all of the main agencies involved in Looked After Children & Young People. They have monitored work across the agencies e.g. Healthy Care Audit, Reviewing of children, creation of interagency protocols [Connexions and the Young Person's Service, Youth Offending Service and Young Person's Service], Personal Education Plans as well as contributing significantly to the involvement of young people in developing the services on offer to them.

There is an active work plan that is consistent with local needs that reflects the regional picture that is monitored through a regional meeting of the chairs of the 12 MALAPs.

Planning One Stop Shop

Hartlepool Planning One Stop Shop was set up as a pilot national initiative and has been sustained to support the development control planning process. It involves a range of partners from within the authority and other public bodies, providing informal integrated pre-application advice on planning applications, other developments and related matters.

Neighbourhood consultative forums

operate across the town bringing a geographical dimension to the work of the Council. The forums are facilitated by the Town Care Managers, chaired by an elected member with the vice chair being a resident, elected by local people. The forums allow local people to raise issues of concern; they act as a consultation mechanism for our Elected Mayor and his Executive, Council and LSP to consult with residents. The forums have proven to be very successful, with council policy and services having been adapted to suit neighbourhood requirements.

The forum chairs and vice chairs sit on the LSP representing the views of their forum. Resident representatives also serve on the Council's scrutiny committees. They have the same role as an elected member, but with no voting rights as this is precluded by law.

Neighbourhood Action Plans. The Local Strategic Partnership is charged with preparing a Neighbourhood Renewal Strategy (NRS) within which all neighbourhoods requiring priority status, based upon need, are identified. Neighbourhood Action Plans (NAPs) for each of these neighbourhoods are being prepared, setting out priorities and issues in detail. The implementation and monitoring of the NAPs is the responsibility of the Town Care Managers, who work closely with the Community Empowerment Network (CEN) in setting up local community forums. These forums are chaired by an independent person, e.g. local priest, police inspector or resident, they meet monthly, and service providers attend the meeting and are held to account. The NAPs provide service providers with information to shape their services to address community concerns.

c) Conclusion

Whilst there must be, and always will be a place for the engagement with and involvement of local people, local structures are now extremely complex. A truly efficient local governance model must have a democratic mandate, and as local authorities already have community leadership responsibilities and well being powers, they are ideally placed to take on an extended public service role as follows:

- * commissioner for all public services in a locality, to reduce the current fragmentation and confusion, and improve value for money obtained;
- * having the potential to directly provide services;
- * having responsibility for public service improvement and performance and for ensuring that services are delivered to best effect not necessarily at least cost;
- * offering choice in service delivery, not just the 'who and what' but also in the 'how and when';
- * being the source of information and access point for public services and public service information;
- * having a regulatory role (environmental health, planning, licensing etc); and
- * ensuring the safety of local communities.

Section 2 Strategic Role of Local Government

I would now like to turn to the specific questions you have raised in your consultation and respond to them in turn.

Question 1: What is the Strategic Role of Local Government

- Which elements of this role should extend to services other than those for which local government is directly responsible?
- How does this strategic role vary between different types of Councils?

Hartlepool Borough Council plays a strong leadership role, championing and advocating on behalf of local communities, underpinned by its democratic mandate, which places it at the heart of local democracy. This means that the Council is uniquely placed in Hartlepool to embrace the principles set out by the Government in its ten-year vision for local authorities. Consolidation and clarification of this role and agreement on the purpose of local government is vital to making progress on the Government's agenda of public service improvement and efficiency and achieving better outcomes for citizens and communities.

Local government should be the principal organisation accountable for public spending, working with all partners (including the business and voluntary sectors) to affect change at different spatial levels but focussing on the locality level (I have covered this in further detail in section 3). Such a role would place local government at the heart of the public sector and local communities, and harness the expertise, experience and resource available within local authorities.

Examples of Joint Working and Collaborative Commissioning

Families Accessing Support Team (FAST)

This is a project linked to the local authority Community Safety Strategy, managed by Children's Services through the Children's Fund and operated through a consortium of five voluntary sector providers. Each of the providers has a team member who is responsible for offering their core area of expertise in the team. This ensures that a team of five staff has a network behind them that strengthens the whole service. The principle of integrated working is providing a range of services through the one funding stream. The Children's Fund Manager monitors the project and ensures that new initiatives are taken into consideration in development of the project. The project has already proven that its design ensures that new partners can add to the breadth of the project.

Area Regeneration Partnerships

Area regeneration partnerships provide a local dimension to regeneration activity including for example the highly rated Hartlepool New Deal for Communities Partnership and the Hartlepool Revival Housing Regeneration Company, which deliver regeneration and housing market renewal (HMR) in central Hartlepool. These are supported by Regeneration & Planning Department staff and through secondment etc, and they work closely with teams within the authority and other partners.

There is a need to consolidate local government's pivotal role across a range of key areas including for example, economic development, regeneration, children and young people (including careers advice through connexions), adult services, housing, planning, transport, environment, waste, and embracing other sectors such as police (re: neighbourhood/community policing), fire (re: prevention), skills (re: LSC locality working) and health.

These roles can operate appropriately across different spatial areas and both within and across boundaries, giving councils:

- a key role in strategic and democratic leadership, in championing an area, giving direction to partners to find appropriate solutions and joining up services;
- adopting a role as the principal organisation for which public spending in an area is accountable;
- an integral role in working collaboratively within the sector and with other partners, including the business and voluntary sectors, to affect change.

In terms of service delivery, underpinned by their local democratic mandate, community leadership responsibilities and well-being powers, local authorities should have a key role as:

- commissioner for public services in a locality to reduce the current fragmentation and confusion, and also assist in cost reduction;
- have the potential to provide services;
- have responsibility for public service improvement and performance and for ensuring that services are delivered to best effect not necessarily at least cost;

- offer choice in service delivery, not just in the 'who and what' but also in the 'how and when';
- be the source of information and access point for public services and public service information;
- have a regulatory role (environmental health, planning, licensing etc); and
- ensure the safety of local communities.

The role of elected members, in shaping and developing solutions and taking things forward on behalf of Hartlepool lies at the heart of the role outlined above. It is this local democratic mandate and accountability, which makes local government distinctive, and locally elected councillors are at the heart of this and are accountable at the ballot box.

Question 2: What tools do councils need to perform the strategic role more effectively?

- **What are the barriers to councils performing this role effectively?**
- **In what circumstances does it work well and less well?**
- **Are further improvements in performance, efficiency and accountability needed before local government can most effectively play this strategic role and be trusted to do so?**
- **What are the key signs of success and failure?**

We need the necessary freedoms, flexibilities and resources to be able, amongst other things, to collaborate appropriately to deliver effectively at a locality level and have the tools to do the job, through a devolutionary approach across all areas including transport, housing, and economic development.

The role of councils needs to be clearly understood by all partners, citizens and communities. As a Mayoral authority we are in a different position to most of the local government community. The Mayor is seen as a community leader with very

high recognition amongst the local community. The co-operation and joint working possible at the moment is based on influence and effective informal networks. The Government needs to be very clear about its support for the central role for local government and there needs to be clarity in terms of the different roles for different levels of government.

A statutory duty for other parts of the public sector to fully engage and to contribute to pooling resources and capacity etc (through LSPs for example) will be critical. If we are to commission as well as provide services we need the powers to set the parameters of this and to ensure that the services provided truly meet local needs, and to call in any change service contracts and provision if standards are not met.

The extent to which further improvements in performance, efficiency and accountability are needed before this strategic role can be performed will always be relative to the "status" of the organisation in question. Hartlepool Borough Council, as I have outlined previously has a clearly demonstrated base of high performance, delivery and efficiency. Allied to a high performing LSP, delivering in terms of performance and governance, the question from our perspective would more appropriately be, "what else could we do?"

Examples of Joint Working and Collaborative Commissioning

Hartlepool Children's Fund Partnership

This partnership has a wide range of membership (parents, voluntary and community sector and officers) who all genuinely feel that they have an equal say in decision-making. The partnership was brought together to manage a central government grant aimed at working on the preventative agenda. Managed based on three key principles:-

- All services commissioned from the voluntary sector;
- Access to services would be through referral; and
- Services would be developed as a consequence of input from children, young people and their carers.

This partnership approach to service development has given Hartlepool a model to use in developing future services, which may be driven by the local authority through statutory responsibility but are delivered through a wide range of stakeholders.

Hartlepool Working Solutions

Hartlepool Working Solutions works with a raft of partners in the private, voluntary and public sector at a local and sub-regional level to assist residents into employment and training. A number of successful initiatives have been evolved through the work of this team and some have now been extended across the Tees Valley. In parallel, a business incubator system is being implemented in conjunction with partners from all sectors to provide business start-ups and growth.

Question 3: How important is the fact that local government is elected in relation to its ability and legitimacy to perform this role

The local democratic accountability of local government is fundamental not only to ability and legitimacy but also accountability. In the North East the recent Regional Assembly referendum result reject emphatically the regional "control" of provision. Hartlepool Borough Council is aware of the agenda for the regionalisation of public services (Police, Health, Learning and Skills Councils, etc.). This regionalisation has no recognised legitimacy or accountability at a locality level.

Local accountability for effective public sector service provision is important to ensure a close alignment between local (community) priorities, policy, provision and efficiency. No other organisation has the same degree of legitimacy in this respect.

Question 4: Which services (or parts of services) should meet national standards in all areas of the country? Which should meet minimum standards? Which should be entirely down to local choice?

- Are there aspects of individual services, which should be nationally controlled or locally controlled?
- Are there services where greater local variation in standards would be acceptable if there was clearer accountability and consultation with local people?

Local government is not and should not be perceived as local administration of national services. It forms a fundamental part of a thriving 21st Century democracy and we must ensure that it is able to continue to flourish and provide local democratic leadership allied with accountability.

Some areas of activity (e.g. education, health and regulatory functions) might benefit from national standards in part, but the general principle should relate to ensuring that there is as much flexibility for local choice as possible.

Furthermore there is scope for greater variation in standards being acceptable if there is clearer accountability and consultation (and engagement) with local people. It is also the case that if the Government's ambitions for 'voice and choice' for local citizens is able to be realised, citizens and communities will in turn, proportionately and appropriately, need to accept responsibility and accountability for any actions they are empowered to make. Local government will need to be resourced appropriately to enable the necessary community capacity building.

Question 5: How has the Government's approach to devolution and decentralisation affected your area and your local services?

- Which aspects of the current system are helpful and unhelpful and why?
- Have changes based on central government priorities differed from those that might have been driven by local pressure and opinion?

There are a range of developments, which have the potential to impact positively in this area, the most recent of which relates to Local Area Agreements. The potential of this opportunity is significant, to realise this requires greater trust and ultimately a "leap of faith".

However experience has demonstrated that central Government needs to be more 'joined up' in its approach. Whilst some Government departments (most notably, and unsurprisingly ODPM) seem to be convinced about the merits of decentralisation through the LAA route, others (most notably DfES, DWP and others) do not and this can be very disruptive and a real barrier to change.

This needs addressing and quickly in order to ensure that the credibility of 'Government' per se is not damaged irreparably.

Government priorities are not necessarily local priorities as research by MORI and others on what matters to local people has amply demonstrated. Flexibility, freedoms and resources to respond to local priorities and ambitions will be vital for the future.

Any structural change in other sectors (LSCs, police and health, for example) needs to ensure that the local dimension is able to be firmly embraced by local government in a new devolutionary settlement. We consider this new settlement needs to go further, allowing us to develop new partnerships and work collaboratively.

Question 6: How can pressures on local services be managed more effectively?

- What are the main types of pressures faced by local services and how are they currently managed?
- Which are most difficult to manage and why?
- Would greater devolution of responsibility enable pressures to be managed more effectively?
- Do confusion about responsibility and duplication of effort contribute to pressures?
- Would greater public understanding of the actual cost of public services help to manage expectations and pressures?
- How can we ensure that the system provides the proper incentives and rewards for using resources effectively?

There exists an important opportunity in any new settlement to reduce existing fragmentation, eliminate waste and create better strategic deployment of public resources and service provision.

The multi-functional nature of local authorities is a great strength and means they can 'add value' by ensuring that

Examples of Joint Working and Collaborative Commissioning

The Family Support Panel

Hartlepool Family Support Panel is a project based on the Youth Inclusion Support Panel process developed by the Youth Justice Board. In Hartlepool the scope of the panel has been widened to take into account prevention of Social Inclusion as well as prevention of offending.

The panel has been extremely successful in gaining the ongoing commitment of a wide range of local statutory and voluntary agencies who come together on a regular basis to discuss referral cases, share information and work together to solve problems. The panel is managed by local authority officers but involves partners from the Police, Health, Connexions and the voluntary sector. The family Support Process involves pooling resources, integrated working, joint assessment and sharing information. In addition, the panel is well placed and experienced to implement the Common Assessment Framework, the lead professional initiative and aspects of the information sharing and assessment process.

Drugs Action team

The Drugs Action Team (DAT) and Drugs Intervention Programme (DIP) teams involve close partnership working with a range of partners and commissioning of services in an integrated manner. The Drugs Treatment Centre brings together a number of public and voluntary sector agencies in an integrated modern single site service provision close to the town centre.

services are integrated to meet citizens' needs. In the current climate, this is being weakened by Government eroding powers and functions. The creation of new agencies and organisations, alongside constant re-organisation, contributes to the continuation of disruption and encourages fragmentation and waste of resources. Accountability for the deployment of resources and decisions affecting the public sector is an issue to be addressed, and one, which is increasingly recognised by citizens. Enhanced clarity over accountability will also serve to address the perceived weak understanding of local government highlighted within the Lyons' interim report.

As I have made clear, the local government of the future should encompass a broader range of services as confusion about responsibility and duplication of effort contributes greatly to creating unnecessary pressures on local services. This is why I propose a clear role for local government in commissioning services across the public sector. Responsibility and accountability will become very transparent.

Question 7: How could responsibility for local services be made clearer between local government, central government and other agencies ?

Local authorities have a fundamental role in ensuring the economic, social and environmental well-being of an area, which needs to be firmly embedded in any new settlement.

Local Area Agreements (LAAs), for example, offer an opportunity to move towards a system of genuine strategic negotiation between local and central government to agree on key strategic priorities and targets for a local community. We want to ensure that LAAs are able to be used to maximum effect to achieve the ambitions agreed for their local areas. It is important, in fact

crucial, that Government takes an approach across all its departments, which encourages the greater operation of freedoms and flexibilities, powers and resources if LAAs are to operate effectively.

It appears the Government is recognising the pivotal role that local authorities can play in tackling fundamental issues affecting communities and I welcome the significant strengthening of local democratic oversight of health services as set out in the health White Paper 'Our care, our health, our say' and the proposals in that paper for the integration of preventative health and social care.

It is imperative that this commitment is followed through in real terms.

SECTION 3 Form

Unitary authorities are clearly more efficient and effective than two tier authorities. However proper consideration needs to be given to the relative strengths of the theoretical optimum size of unitary authorities (particularly as we are to become mainly commissioners of services) as opposed to those authorities based upon natural communities, such as Hartlepool. We have proven that small is beautiful!

Examples of Joint Working and Collaborative Commissioning

Multi Link

The Multilink team is a multi-disciplinary team of social workers, nurses and therapists which has been successful in minimising admissions to hospital or residential care, and avoiding delayed discharges from hospital. In a crisis at home or when a person is ready for hospital discharge they are able to very quickly arrange a full package of intermediate care to help people retain or regain their independence. This partnership with Hartlepool PCT and North Tees and Hartlepool NHS Trust won a national award, and the results are described as 'exemplary' by CSCI.

Tees and North Yorkshire NHS LIFT Project

The Council is part of the Care 25 Strategic Partnering Board – the delivery mechanism for improved health and social care premises. The Board comprises representatives from PCTs, the Strategic Health Authority, local authorities and private sector partners.

There are two schemes in Hartlepool where the council has worked with this 'LIFT' group and Hartlepool PCT in assembling land for new premises to be constructed. At Owton Rossmere this included liaising with the Owton Rossmere Community Group whose building will actually be joined to and provide support to a new health centre. The Town Centre proposal is a flagship centre of major proportion involving major land transactions. There will also be an opportunity for joint working in terms of sharing accommodation and providing shared services.

SECTION 4 Local Government Finance

Any future deal for devolution must be underpinned by a financial system, which is simple, fair, equitable and adequate and able to support a new role for local government.

The financial system and settlement ought to recognise that the North of England, and more specifically Hartlepool is different, and has a different set of challenges (and opportunities) which need to be embraced. The Government has over recent years utilised a number of financial tools and initiatives (NRF, LEGIs etc) to assist areas affected by deprivation, and this has been very much welcomed. But in simple terms, we need to be given financial implements and fiscal measures, which support a devolutionary approach. This will enable local government to further develop its role as a place shaper through infrastructure and other development, for it to come up with innovative and funded solutions to those challenges and to ensure that joined up, high quality and value for money services are able to be provided.

The Lyons' Interim report identified a lack of understanding by the general public of how local government is funded. The application of a number of underpinning principles would assist in addressing this issue:

- **accountability** - there should be a clear relationship between local authorities and local taxpayers, through the local tax system, so that local taxpayers can see that the level of tax they pay makes a difference to the level of service they receive.
- **transparency** - taxpayers should be able to understand the connection between the executive decisions taken by their local authority and the

level of council tax levied by that authority;

- **fairness** - taxes raised should be fair, both in the way they affect individuals and in their incidence on authorities. The system should equalise for differences between needs and resources for authorities, which, if not equalised, could lead to taxpayers in different areas paying different amounts for a similar level of service;
- **stability and predictability** – income sources should preferably be relatively stable between years and be capable of being predicted to help with financial planning over a three year period at least. Whilst the most recent settlement moves some way to addressing this issue, changes to the grant mechanism resulted in a settlement, which was unnecessarily complex and lacking in transparency.
- **sufficiency** - there should be sufficient resources from a variety of sources to enable local government to secure the delivery of services to a high standard;
- **variety/buoyancy of income** - authorities should have access to a variety of sources of local income, a sufficient proportion of which should be buoyant; and
- **efficiency and value for money** - the system should enable efficiency and value for money in the delivery of services and should seek to minimise administrative costs.

In the context of these principles there are a number of issues which are particularly important to Hartlepool.

Resource Equalisation

Current arrangements provide only partial resource equalisation, which is not automatically updated. This means spending above the national base level of council tax is not equalised and the gap between actual spending and the level that is equalised is likely to grow over time in line with previous trends. We would wish to see full resource equalisation, which is kept up to date and applied to any new funding sources. There are options for achieving this, for example "dynamic" equalisation arrangements. It would be possible to equalise for incremental revenue raising through matching payments for incremental revenue raised. This would allow authorities to receive the same additional revenue for the same tax rise – "equal pain for equal gain". Matching payments could be made through a central adjustment rather than through a direct transfer from "tax rich" to "tax poor" authorities.

The current lack of full resource equalisation arrangements contributes to higher levels of council tax in the North East. With full resource equalisation Band D taxes would be slightly lower in the North East. It would also reduce council tax levels for authorities with some of the lowest tax bases, which have higher Band D tax levels.

Revaluation

Council tax levels need to be underpinned by up to date valuations requiring council tax revaluation to be completed and implemented at the earliest opportunity. House prices have changed significantly since the last valuation in 1991 and increases in the North have lagged behind the national increase, although there have been significant increases in the region in recent years. The lower increase in property values is also mirrored by lower

Examples of Joint Working and Collaborative Commissioning

Burbank Community Safety Initiative

The real strength of this community leadership project lies in the unique approach that consolidates a proven model for effective leadership behaviour (in a community context) and an established approach to structured problem solving, customised for community leaders and service providers. Both approaches are action focused and practical and have a proven track record in achieving results.

The results are increasingly apparent in the pilot area (Burbank). Numbers involved in neighbourhood issues have grown from an initial handful of key players. A new initiative BURT (Burbank Uniting Residents Together) emerged in 2005, individuals are standing up and being counted on neighbourhood issues, and new skills are being exhibited in the chairing of meetings, project working, sports facilities, community food co-ops, the involvement of young people etc and the apparent increased resilience of the existing community groups. This is becoming an illustration of real community leadership in action at the "sharp end".

From : The British Journal of Leadership in Public Services March 2006

disposable household income, which impacts on the ability to pay.

Such revaluations would ensure that funding mechanisms take into account wealth as well as income. A property tax by its nature is not simply a proxy for a tax on income. The higher and increasing property values in London and the South East have allowed people to make gains in property values and also holds higher amounts of equity, which can be released at a future date. While the ability to pay council tax from income is clearly important, the tax on property is more complex than simply trying to align it solely with incomes. The issue of the property tax reflecting wealth as opposed to simply income is an issue that the review team may wish to consider in more detail.

Equity

The Interim Report makes reference to the perceived 'unfairness' of current council tax arrangements, whilst also highlighting the complexity of fairness as a concept. Any reform of the council tax must result in a tax that is seen to be fairer by local tax payers.

Capital financing

In terms of capital financing, future arrangements need to be more joined up. Currently, local authorities are expected to co-ordinate the financing of physical infrastructure and projects at a local level. However, at national level, Government Departments (DfES, DH, Home Office, etc) have different programmes which work on different timescales and with a range of different funding models (PFI, Lift, prudential borrowing etc). To achieve better co-ordination, efficiency and effectiveness on the ground, there needs to be improved co-ordination of capital funding streams at national, regional and sub-regional level.

In terms of PFI Building Schools for the Future (BSF) the framework is narrow and inflexible and not necessarily capable of producing the outcomes anticipated by councils and their communities. On a more general point, in terms of both capital and revenue spend we need to be able to co-join and align funding and resources to achieve maximum impact. We believe that this principle should apply across public services and councils are ideally placed to form appropriate partnerships for different purposes to enable this alignment.

SECTION 5 Summary

The challenge facing local government is significant and this is clearly a time of much potential change. In responding to your consultation I have outlined the complexities and successes at a local level. There are however a number of fundamental and important points I would like to make in conclusion.

The perception amongst residents of the role and functions of the local authority is much broader than the Council's statutory base for service provision. In this respect we are no different from a large number of other local authorities. We do however have to factor in the regionalisation of a number of public services and the question of accountability and local influence become more important (among both residents and elected members). There is a perception that local accountability for public sector service provision is being significantly diminished through proposals currently either being developed or consulted upon (in relation to Police, Primary Care Trust, Fire Brigade and Learning and Skills Council), and in relation to both citizens and what is increasingly being seen as a democratic deficit.

A closer link with the local community and service users, improving sensitivity to local needs so as to maximise the benefits and outcomes from service provision whilst enhancing local accountability, should be the main aim. In addition it provides for a closer relationship between decision-making, accountability for regional performance

and the factors which typify success at a locality level.

Some authorities are more advanced than others. The concept of an evolutionary approach to change, allied with strong community, public and business sector involvement in the improvement of a locality, provides for a sustainable basis for continued improvement. Hartlepool Borough Council, with the added advantage of a directly elected Mayor, is currently in a position where it has significant influence with other providers and can lead both through example and with its influence. This is a trait, which should be demonstrated by all of the best authorities.

There is a danger that this strength could be significantly undermined by an unconsidered response to the multitude of challenges with which we are faced. The strength of democratic accountability at a local level may potentially be devalued by a combination of the regionalisation of service provision and the marginalisation of local councillors. There is merit in questioning the extent to which local people will want to put themselves forward for election in the future when they may see the potential to influence local provision through unelected (and broadly unaccountable) means.

Hartlepool Borough Council is ideally placed to take the agenda for high quality public sector provision forward in our area. I look forward to the findings of your inquiry.