

Lyons Review into Local Government – Kettering Borough Council Comments

Context:

Kettering Borough Council welcomes the invitation from Sir Michael Lyons to comment on his interim findings and consultation document.

It is with interest that the Council notes Sir Michael's comments that,

"I sense we are approaching a 'tipping point' towards consensus around the need for change for local government"

and the Council certainly believes that change is required if in the future local authorities are going to be able to meet local needs and wants in an accountable and democratic fashion.

This response seeks to make a number of high level comments rather than get drawn into technical or operational detail. However, one issue that the Council feels strongly on is how the inquiry can properly consider the issue of what the 'role and functions' of local authorities are without considering what the future structure of local government should be. Whilst it is appreciated that the future structure of local government is something specifically outside the scope of Sir Michael's remit, it is clear that consideration of the two are mutually inclusive and it is important therefore that the two dovetailed together. In saying this, like any other large organisation, it is important that 'form follows function' to ensure that there is clarity over purpose and ultimately success.

The following sections contain comments about the seven main questions posed in the interim report.

Strategic Role of Local Government:

1. *What is the strategic role of local government? Is my description sufficient, or are there more elements you would add?*

It is important that the strategic role is considered and its scope fully understood if local government is to operate from an appropriate platform from which to deliver services and make resource allocation choices.

The strategic role of 'place shaping' is a concept that the Council agrees with, indeed it believes that one of the key questions that any national governance framework should consider is 'what is it like to live around here?'

In broad terms, the items included under 'place shaping' in section 19 of the inquiry findings appear appropriate, in particular those that relate to the local authorities role in Community Leadership and promoting social and economic wellbeing (and growth). However, an item that has not been mentioned that may require further consideration is what role a local authority should play in promoting / leading sustainability.

In performing a strategic role, it is important that local government understands and has the tools to deliver what is expected of it. A question that needs to be answered is to what extent local government is an instrument to deliver central government policy and to what extent local choice can be exercised to meet the wants and desires of local people. Local authorities should have sufficient freedoms and flexibilities to meet local needs as they choose and to raise local revenues in support of this – without such freedoms it is difficult to see how the local democratic process can work effectively because local councillors are not able to exercise local choices to the level they would like and hence it is difficult to evaluate the real effectiveness in political terms when it comes to the ballot box.

The issue of national prescription vs local choice (and affordability) is key to the whole issue of the strategic role and the ability of local government to deliver. Currently, the level of national prescription (re: plans, strategy, inspection, returns) is such that areas where local choice could be enacted are prohibited because valuable resources are used to ensure national compliance (rather than satisfy local needs and choices) and local decisions are curtailed as a result of government intervention (eg, capping).

2. *What tools do Councils need to perform the strategic role more effectively?*

The key tools that Councils need to perform their strategic role more effectively include:

- ◆ A clear understanding of what the strategic role is;
- ◆ Be perceived by customers as a credible deliver of day to day services;
- ◆ Raise its image and brand through effective practices of reputations management (aided by national bodies where possible);
- ◆ Access to appropriate and high level skills and resources – this means being to compete with the private sector to attract and retain high calibre resources;
- ◆ Ability to raise more revenue locally to meet local needs (including the removal of central government ‘capping’);
- ◆ More flexible application of promised freedoms and flexibilities (and the stability to use them), Ability to take advantage of new freedoms to raise funds (eg, use of prudential borrowing) without having a ‘catch 22’ situation in relation to the implications on council tax due to national restrictions;
- ◆ With the exception of meeting minimum standards, people should pay for the services that they receive. Local authorities should be free to set appropriate charges for the services they provide (including all planning fees) to ensure that there are no subsidies provided from the public purse to fund the activities of private companies;
- ◆ The current system is based on thinking about local government functions a number of decades ago. Much has changed since that time, most recently the general power of wellbeing that exists without an effective framework from which to deliver it. The duplication of many elements of the local government framework in areas (eg, multiple community plans, LSP’s) illustrate the inefficient use of public funds under the current system;
- ◆ Residents should pay for the services that they receive in a transparent manner;
- ◆ An increase in the proportion of revenue raised locally would help promote local democracy as residents could see the fruits of their local charges more evidently as local services adapt to meet local needs rather than trying to promote local democracy by simply explaining what public sector body provides each service.
- ◆ Close interaction with other public sector bodies and stakeholders;
- ◆ Public sector bodies that are of sufficient ‘critical mass’ to deliver services in the most effective and efficient way however are such that they are ‘small’ enough to be responsive to local needs, issues and wants;
- ◆ Effective mechanisms and arrangements to deal with short term capacity issues collectively rather than being exposed to severe market pressures (and costs) to ensure priority targets are met.

3. *How important is the fact that local government is elected in relation to its ability and legitimacy to perform the role?*

To answer this question, firstly the ‘role’ must be determined and secondly there would need to be some thought about what ‘form’ local government should take.

However, in high level terms it is important that local councillors have the ability to make decisions that will have a real and significant impact on the services that are received by local residents without fear or favour of central government intervention. Without greater local choice and freedoms it is difficult to see how the local democratic process can work effectively.

The role that elected members play in strategy and policy formulation is critical, however if customers are to see their elected members having more local choice over what happens in their respective area it is important that any changes proposed from this inquiry ensure that the leverage of local government is strengthened to increase its mandate over local issues and wants.

Devolution and Decentralisation:

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?*

The issue of national vs local is at the heart of the inquiry. Clearly the Country is very diverse in terms of local needs and issues and the question is how can local needs and choices be met across the Country (to allow local democracy to work) whilst at the same time a number of national standards are met (to allow national democracy also to operate).

Clearly, the concept of the postcode lottery is not one that is acceptable to the public across a range of services where they could legitimately expect a similar standard of service no matter where they live. One way of considering this is:

- ◆ There should be national minimum standards across the Country for a number of high profile service areas (eg, Police, Health, Education, Social Services, Public Health) – and the funding for such national minimum standards should largely be provided from the central government.
- ◆ Standard of services above these minimum standards are a matter of local choice and are to be funded from local charges (ie, minimum standards with local discretion beyond them).
- ◆ This would result in a system where national minimum standards are applied but without detailed prescription.
- ◆ It is important that there is more local choice to promote diversity and innovation in public service delivery whilst also having sufficient controls that ensures equality in service provision.

For any system to work effectively, there needs to be a movement away from the current environment of central government 'micro-managing' local government – this could be achieved through the establishment of minimum national standards, discretionary local standards but both being backed by local authorities having reliable performance management systems that, in their own right meet minimum standards. Whatever system is proposed, it must undoubtedly have provision to increase choice and scope at a local level.

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

To date the Council has little direct experience upon which to comment in this area. The Council has recently signed-up to a county wide LAA submission and it hopes that the flexibilities and freedoms that can be levered from this process come to fruition.

At a micro level, the recent decentralisation of the licensing function did have resource and workload implications and was not helped by some of the late information that was distributed nationally. The Council entered an innovative partnership with neighbouring authorities to share the administrative burden and costs and performed to a high standard to make the transition work.

At our level of local government there is little evidence of either devolution or decentralisation, and it would be potentially misleading to suggest that there has been any real downward movement in this area.

The Government's original agenda was to establish regional assemblies, and to this end several quango bodies were set up to report to that new level of government. In fact, the

regional assemblies were abandoned because there was no support for them even in areas deemed by the government to be most receptive to the idea. The quangos, such as GOEM and EMDA, remain in place, however, hovering in a sort of administrative purgatory between central government and local government. They are largely responsible to the ODPM, to which they report.

Two conclusions can be drawn from this state of affairs:

- ◆ Far from devolution and decentralisation, the current government is actually centralising control in many areas;
- ◆ There is a lack of democratic accountability inherent in these bodies which further diminishes any influence which can be brought to bear by local government

Local Area Agreements have been set up in order to rationalise funding streams from a large number of sources to a disparate set of bodies, but it is clear that the creation of LAA's has been driven by a desire to group bodies together rather than to keep them in an autonomous position. This, too, does not suggest a move to devolution or decentralisation.

Managing Pressures on Local Services:

6. *What are the main types of pressures faced by local government and what challenges do authorities face in managing them?*

The main pressures and ways in which local services could be managed more effectively include;

- ◆ Central Government understanding the key service issues that local government face and allocate sufficient funding to help meet them. This should include ensuring that key service pressures are understood and adequate funding is made available (eg, waste collection and disposal pressures, and the need to meet new statutory requirements);
- ◆ Greater ability to raise resources locally and also charge for other services that the Council provides. A good example here are the anomalies of how and at what level statutory planning fees are set at – there is significant scope to increase the level of planning fees to make them more equitable and also ensure that council taxpayers do not subsidise the activities of commercial companies, by itself some movement on issues such as these can have a major impact on local income generation and could help soften some of the national funding pressures that currently exist.
- ◆ Overhaul of the current system of local government finance that is neither simple enough to understand nor complex enough to deal effectively with proper resource allocation issues. The 'gearing issue' is one that is difficult for council's to deal with and conceptually is an issue that is not explainable to the public or something that the public cares about – it is an element of confusion that is not helped by central government referring to % increase in grant and inflation and muddying the messages that local authorities are trying to communicate to customers at budget and council tax setting time. The gearing issue is a particular concern for district councils.
- ◆ Removal of unnecessary regulation burden so that resources can be released to the front line. Local government is often swamped by a plethora of directives and instructions from various government departments (sometimes coordinated, often not) – responding to these utilises precious resources especially at district council level often resulting in little or no direct benefit to the man on the street. As a council we would ask that the amount and level of such government guidance and intervention is significantly reduced.
- ◆ Removal of central government capping / intervention that restricts local choice.
- ◆ Better control locally of reputation issues (image and branding)
- ◆ Minimum standards / charter-mark status for local performance management systems that reduce even further regulation burden
- ◆ Real measures in place to assess how effective a local authority is re: 'place shaping'.
- ◆ Greater level of real collaborative working and reduction in duplicated service delivery at local and national level

- ◆ Better use of output measures and user choice

Scope for a New Agreement:

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

The key comments the Council wishes to make include:

- ◆ Again, the main issues are tied up with the strategic role question;
- ◆ The lack of public understanding of who provides which service – in operational terms does it really matter whether the public at large know who provides which service? It is important that they receive a good service and that they know where to go / who to speak to if they have concerns or queries. Given that this review is not looking at ‘form’, local authorities should ensure that they work in collaboration with each other so that no matter who is actually responsible for providing the service, the user receives a seamless service and only has one main point of contact. At Kettering we take pride that our customer service centres are staffed by staff from the Borough Council and other agencies (and are indistinguishable) and also that we have our staff working in the health sector in a similar vein.
- ◆ It is arguable that the public at large are only interested in receiving a good quality service at a reasonable cost – rather than being overly concerned about who actually provides it
- ◆ Local democracy will not be promoted by simply explaining who does what – it will be by engaging local people in the debate about ‘what is it like to live around here’ and the main way to do this is to give more local discretion so that local choices can be made to improve services to local people and thus engaging them in where improvement should be made but in an environment where their decisions actually have a tangible effect on what services a local authority delivers.