

DRAFT

**Response to the
Lyons Inquiry into
Local Government**



Foreword

Darlington Borough Council welcomes the opportunity to respond to the Lyons Inquiry into Local Government, particularly following the widening of the inquiry's remit to explore the linkage between local government funding and function.

In drafting this response, we have used the evidence and analysis from many different consultation exercises conducted over the lifetime of this unitary council (i.e. since 1997) since the inter-relationship of council tax levels and priorities for the local area have been a key driver of our corporate and financial planning. Timescales have not permitted bespoke consultation on the inquiry questions specifically, but the following have been used to shape our response:

- annual residents' surveys, which have been used to track public perceptions of community leadership success (through delivery of our community strategy), service delivery and perceptions of value for money;
- regular citizens panel surveys;
- focus groups used to determine the direction of the community strategy and on specific issues such as governance model of local government;
- focus groups from particular parts of the community e.g. young people, older people etc;
- our well-regarded LSP, which, unusually, comprises a large proportion of business sector representation;
- community partnerships in the most deprived parts of Darlington.

In integrating the data obtained from the above listed consultation, we have also brought to bear considerable experience arising from:

- experience of both two tier service provision (prior to 1997) and unitary structure since 1997;
- co-terminosity with major service providers e.g. police and PCT and recent experience of non-co-terminosity;
- a '4 star, improving well' authority which has demonstrated strong evidence of service improvement since achieving unitary status;
- a strong position on value for money - no authority in the country has higher satisfaction levels for less council tax;
- a second wave LAA area.

We believe therefore that we have a sound basis for responding to the inquiry and would be happy to follow up the information presented here in more detail.

What is the strategic role of local government?

Local government is responsible for promoting the well-being of residents. Through the democratic mandate of elected representatives, it is uniquely placed to do so.

Darlington Borough Council supports the 'place-shaping' analysis of the strategic role of local government presented in S.19 of the interim report¹.

¹ Lyons Inquiry into Local Government Consultation Paper and Interim Report, December 2005.

Case studies are offered below of each of the components of place-shaping.

- *Building and shaping local identity*

All of our consultation shows that local people have a strong and proud local identity. Despite significant challenges of deprivation, residents consistently refer to a high quality of life in the town based on very good communication links, a quality local environment and a long tradition of good quality access to arts and leisure. The town's heritage as the birthplace of railways is still a source of major pride. Appreciating this local identity and analysing the things that needed to be maintained as well as the things that needed to change, was the starting point for the development of Darlington's community strategy (adopted in April 2003). Extensive and intensive community consultation was used to develop an outcome focused community strategy that has been independently verified ² as being both Darlington specific and successfully implemented. This has been achieved through effective community leadership, not least through the direction and management of Darlington Partnership, the local LSP.

- *Representing the community, including in discussions and debates with organisations and parts of government at local, regional and national level*

Collaboration between the five unitary authorities that comprise the sub-region has been successful in shaping the Tees Valley. The Tees Valley Vision has provided the direction for economic regeneration and is being carried forward into City Region discussions.

Darlington has a strong track record of entering discussion at local, regional and national level for example:

- lobbying for unitary status for the local authority in recognition following consultation that this was in the best interests of local people;
- in the recent PCT structure debate, arguing for a new option to be included to preserve the benefits for local residents that have been achieved through strong partnership with a co-terminous PCT;
- lobbying as the 88th most deprived authority but which was not one of the 88 NRF authorities (2001 IMD), for better recognition of sub-ward based deprivation which is now beginning to emerge e.g. through safer strong communities funding.

- *Regulating harmful and disruptive behaviours*

In response to growing perceptions of increased anti-social behaviour in early 2004, the authority, with partners, called a community conference on anti-social behaviour. Over 200 people attended to develop ideas for addressing the issue resulting in the development of an anti-social behaviour action plan.

² CPA corporate assessment, April 2005.

- *Monitoring the cohesiveness of the community and supporting debate within the community, ensuring smaller voices are heard*

Gypsies and travellers make up the largest minority group within Darlington and are one of the 12 priority groups identified within the social inclusion strategy. The authority has been successful in addressing minority issues, whilst being careful not to create cohesion problems.

- *Helping to resolve disagreements, such as how to prioritise resources between services and areas or where new housing and development should be located*

West Park is an award winning example of this in Darlington where land reclamation, new housing, education, leisure and health facilities were successfully integrated. This included successfully lobbying the ODPM on planning issues avoiding, through community involvement, tensions normally associated with siting a mental health facility.

- *Working to make the local economy more successful, to support the creation of new businesses and jobs in the area, including through making the area attractive to new investment and skilled workers and helping to manage economic change.*

Darlington has been particularly successful in this area despite the significant challenges posed through the economic profile of the north east and the recent (2003) closure of the largest manufacturer in the town. Responding to regional and national economic change, Darlington Borough Council invested in a strategic approach to improving the local economy. Darlington Gateway was established as part of the sub-regional Tees Valley Vision in order to exploit Darlington's economic strengths and address current weaknesses. This led to the identification of particular service sectors to be targeted. Successes are evident in numbers of new jobs created and the increased income from business rate allocations.

- *Understanding local needs and preferences and making sure that the right services are provided to local people through a variety of arrangements including collective purchasing, commissioning from suppliers in the public, private and voluntary sectors, contracts or partnerships and direct delivery.*

The strength of the authority's strategies for understanding local needs and preferences are evident in the community strategy and Tees Valley Vision. Some of the methods of provision, in addition to direct delivery, that are currently under development include:

- collective purchasing with other sub-regional and regional authorities;
- capacity development within the voluntary and community sectors to improve the sector's capability to secure contracts;
- capacity building within the private sector, particularly SMEs on modern public procurement and e-procurement ;

- the development of a shared corporate services partnership with Stockton-on-Tees Borough Council.
- *Working with other bodies to respond to complex challenges such as dealing with natural disasters and other emergencies.*

Recent examples of success in this area include Darlington's response to the foot and mouth crisis and flooding.

Which elements of this role extend beyond services for which the council is directly responsible?

We would argue that all of the roles described above, and illustrated with Darlington case studies extend well beyond a "service delivery" role. The fact that Darlington has been addressing these roles for some time and with a significant degree of success stems directly from the authority's willingness to embrace a strong community leadership role. Whilst we have suggestions for how this role could be better supported nationally (see below), we believe that it is vital that councils community leadership role is recognised.

Does this role vary between different types of council?

The electoral mandate of councillors suggests to us that each council will be attempting to improve well-being in its area. However, our experience as both a district within a two-tier arrangement and, more recently, a unitary council demonstrates to us that the latter is a more successful way of playing a strategic role. All evidence – performance and user satisfaction backs this up.

How could councils perform this role more effectively?

Councils can demonstrate that they are getting better at performing their role as community leaders as well as improving service delivery. There is much greater evidence to support this improvement at local level than for central government. This is also true in terms of efficiency. However, as the interim report succinctly points out, there is a huge gulf between the public's understanding of the functions and funding of local government and reality. We believe that there are many ambiguities in central/local government relationships. Councils can get technically more proficient in their roles, but without greater understanding it will be very difficult to achieve step change.

Ambiguities include:

- council tax increases versus efficiency savings;
- the 'primacy' of local authorities versus the growing remits of LSPs and other partnerships;
- the promise of LAAs versus the reality of achieving joined up flexibilities at national level;
- performance improvements versus publicity re failing local government;
- more autonomy is needed so that government departments put local Government boundaries at the centre of their thinking.

How important is democracy or accountability in this process?

The complex interplay of priority setting involved in ‘place-shaping’ as well as in service delivery, combined with council tax setting makes democracy essential in this process. Councils are faced with assessing medium-long term strategic priorities, balancing these with service delivery perceptions and the requirements of central government. This is not a simple or trivial exercise. Managerial solutions will never be sufficient and it is vital that local people have recourse to the ballot box to ensure due accountability. In simple terms, there will always be difficult decisions to be made and hence politics is vital to the process. Low turnouts must be addressed, but are symptomatic in our view, at least in part, of a low level of understanding of local government. In developing alternative means of community engagement, care must be taken that we do not rely on still lower ‘mandates’.

What should local government do for local people and how can we ensure that it is fit for purpose?

Local government should promote its location in every sense – enabling local people to articulate their aspirations and priorities and engaging with other agencies and sectors to deliver improvements for local people. Much more effort must be put into broadening the public’s understanding of this place-shaping role. Quality public service delivery, both directly provided, commissioned from others should be taken as read.

How has the government’s approach to devolution and decentralisation affected local services?

The government’s desire to devolve and decentralise is welcome. It is also refreshing that there has not been a ‘one size fits all’ approach. To a large extent the fact that policy initiatives such as ‘double devolution’ are launched without definition enables many organisations such as local authorities to get involved in working up the detail and again this is welcome.

However there are significant drawbacks to the approach taken so far which are having adverse impacts on local services:

- there is no clear message for the public e.g. the range of organisations and structures proposed is proliferating in a confusing manner: foundation hospitals, trust schools etc;
- it is not clear that the above structures, and to a large extent partnerships, are actually involving more people or are tending towards more specialist representation;
- little attention appears to have been paid to national research e.g. through MORI as to what representation most people wish to see;
- there has been little investment in developing citizenship within schools;
- there are conflicting policies launched at the same time e.g. regionalisation of PCTs, police forces through efficiency arguments and at the same time greater

- neighbourhood focus. We are not aware of work to quantify cost/benefits of partnership/neighbourhood working;
- the result is that a confusing baseline picture is become ever more confusing.

What are the barriers of public confidence? Are there capability issues?

National research demonstrates that public confidence is driven by perception of value for money. We therefore seem to have a very unfortunate starting point where council tax levels have risen substantially in the last decade more as a result of national funding technicalities than as a result of prolificacy and/or inefficiency. Our experience of budget consultation with our LSP demonstrates that even experienced partners have little understanding of how local services are financed. This is not in the interests of either local or central government. Lack of transparency hinders mature debate and decision-making.

The regulatory framework in which local government operates has many shortcomings e.g. the number of centrally prescribed targets etc. However it has enabled local authorities to raise their game, including addressing capability. There is a clearer link between performance improvement and career prospects of senior officers.

What gives people in your area a sense of community?

Our consultation points to the following:

- a shared heritage and sense of high quality of life;
- a strong identity of a single town;
- strong identification with local services e.g. local PCT and schools;
- our experience of unitary transition demonstrates a strong identification with a single all purpose local authority.

Size is a very important factor in this unitary council's success. Because the council covers an area for which there is such a strong sense of community, place shaping and service delivery can be achieved very effectively for a much lower population than civil servants currently consider optimum for unitary authorities. We would be very interested in being a case study for the inquiry to enable local government to benefit from finding out what works.

Which services should meet national standards, which should meet minimum standards and which should be down to local choice?

We believe that complete uniformity in the provision of public services is undesirable and economically inefficient. Local knowledge is necessary for services and functions to be delivered effectively and efficiently. It is overly simplistic however to assume that we can make a choice between local variation and national standards. It seems to us that the theory of balancing local and national requirements and targets has been developed in LAAs. The problem is that LAAs have not been implemented yet according to that theory. An analogy can be drawn with staff or community empowerment: if there is no true devolution of power, then there is no real

empowerment. The principle of ‘earned autonomy’ again is a sound one that is yet to be put into practice.

How has the Government’s approach to decentralisation and devolution affected your authority?

See answer to previous question on devolution and decentralisation.

What is the right balance between national standards and local variation?

A concentration on a smaller number of national standards which are supplemented locally with targets that mean most to local areas seems to us to balance national challenge nationally with the creativity/flexibility that local variation can supply. This is in embryonic form within LAAs at present and could and should be developed further.

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

- Greater public understanding of the strategic role of councils.
- A clear subsidiary principle where services are delivered at an agreed level based on efficiency of delivery and appropriate responsiveness to local people.
- Clearer relationship between local authorities and LSPs.
- LAAs developed along lines for which they were originally intended.
- Earned autonomy put into practice.

How can pressures on local services be managed more effectively?

The current annual ‘debate’ on the inadequacy of central funding/local authorities ‘crying wolf’ does little to enhance the public image of both central and local government.

Would greater devolution of responsibility enable pressures to be managed more effectively?

Yes.

What in your area are the top three priorities for you as citizens (or councillors) given the cost of each of them to your authority?

The top three strategic priorities for citizens (as derived from focus group consultations within the LSP) concern the things that most need changing to shape Darlington:

- improve the local economy;
- increase educational attainment;
- improve social inclusion.

Resident surveys in Darlington, as in other parts of the country consistently highlight those issues which are important to residents and most in need of improvement:

- crime and anti-social behaviour;
- clean streets;
- activities for teenagers.

Does confusion about responsibility and duplication of effort contribute to pressures?

LAAAs in theory offer the opportunity to analyse all public spending in an area and develop an agreed approach to the achievement of outcomes. If such an approach were developed and fully implemented, there would be real local incentives to remove duplication and clarify responsibility. We have developed an innovative LAA that is seeking to pilot this arrangement.

Darlington is an interesting example of what is achievable through major agencies being co-terminous. We would argue that this has been a major factor in the development of mature and effective partnerships in the town. Our experience of two-tier/unitary and co-terminous/non-co-terminous boundaries in the recent past gives us strong empirical evidence to support our opinion.