

Durham County Council Response to Lyons Inquiry into Local Government

Durham County Council welcomes the opportunity to contribute to the Lyons Inquiry into Local Government. The Council has sought to actively assist the Inquiry by hosting a residents' focus group whose views are captured and submitted in an accompanying presentation attached as Appendix 1. Similarly, Appendix 2 contains a summary and transcript from a broader consultation exercise held recently in County Durham, where residents voluntarily raised a number of issues relevant to the Inquiry's research. Rather than address each issue posed within the Inquiry's consultation in detail, this response highlights a range of themes, which Durham County Council would like to draw to Sir Michael's attention.

Partnership

In describing the role of Local Government, Sir Michael appears to omit the crucial role that councils carry out at the centre of broader coalitions for change in local areas. Across a broad range of forums (from strategic partnerships to local planning meetings) and on a plethora of projects (from local area agreements to street scene alterations) councils demonstrate effective local partnership leadership. This role includes motivating and bringing others to the partnership table, providing direction to collective efforts and cutting through professional detail to deliver change for residents on the ground. In many respects local government is therefore able to exert influence and coordinate action over and above its service provision brief. Crucially, councils have a significant duty as the accountable body for making partnership agreements work (e.g. Local Strategic Partnerships and Local Area Agreements).

Establishing and Reinvigorating Democratic Participation

Local Government provides a forum for democratic participation and as the most local tier of democracy, councils take seriously their role in enhancing public participation in decision making and public affairs. As well as encouraging individuals to vote, councils seek to encourage participation by establishing forums where they do not exist, for example youth democracy projects such as County Durham's award winning 'Investing In Children' project or even supporting the development of parish councils in areas which are currently not parished. In developing participation, councils are increasingly bringing together representational democracy with participative democracy, which embraces a broader range of engagement mechanisms, some of which are more suited to engaging 'communities of interest' and as such enable and empower hard to reach or seldom heard groups to have a say in public life.

As a democratically elected body, local government also carries a certain stability and stature in the local area which allows it to fulfil a strategic leadership role and drive forward longer term change or improvement programmes which are visible and accountable to the public. The emergence of quangos has been accompanied by short-termism in many instances, with a lack of public sector understanding of local needs and longer-term solutions to problems.

Scrutinising Service Providers

The democratic mandate is vital in enabling local government to legitimately challenge other public sector service providers (for example, the 'trigger powers' recently suggested within the ODPM's Local Strategic Partnership consultation paper).

The democratic mandate is also vital in terms of community leadership and representation; with elected members acting on behalf of citizens in challenging the service provision of public organisations and providing a direct and meaningful voice for residents over issues of concern. This can be at a very local level, with councillors actively campaigning around single issues, or at an organisational level where the council advocates on behalf of citizens' interests on matters of regional or national significance. It is important to note that County Councillors currently operate effectively in this role at a strategic (County), LSP (District) and neighbourhood level.

Concepts of 'Local'

In addressing this agenda, the Inquiry should acknowledge that the public has an elastic definition of 'local' which transcends close spatial proximity. As you will see in Appendix 1, when commenting upon areas of local service delivery, perceptions of 'local' vary from the front door (waste collection), to the end of the road (street lighting), to the local town (local retail and services). When commenting upon the benefits of living in an area, 'local' can expand to include nearby urban centres (retail and services) and sub-regional or regional aspects which people perceive to affect their quality of life (transport infrastructure and accessibility to cultural provision or the wider natural environment of countryside and coast). To meet public demand and expectations, Local Government must therefore be able to exert an influence and improve provision and quality across the range of 'local' scales and not just those which are in or in close proximity to the places in which people live.

Voluntary and Community Sector Involvement

Elements of the Inquiry's interim report appear to build upon on a traditional arms-length relationship between a council as the service provider and its communities as service recipients. This traditional model is changing, with an increasing focus on councils working more closely with the voluntary and community sector and service users to deliver services and take decisions together. At the strategic level this has been seen in the provision of services for people with learning disabilities, where a Partnership Board has been established which, chaired by a service user, influences the key strategic service decisions. The Board is currently in the process of developing a Service User Parliament, which will actively empower service users to stand as 'MPs' on a mandate to improve service delivery. At a neighbourhood level the council has also actively facilitated the involvement of communities in decision-making processes, with installation of enabling technologies across a number of community venues (e.g. the West Cornforth project).

Part of the new role of local government will be to enhance and support these other sectors in developing their capacity, experience and confidence to take on an enhanced role. This was a key point raised at County Durham's most recent 'State of the County Debate' (see Appendix 2) where speakers called for local communities to become active and for local government to respond to local community action as and when required; by being 'on tap as opposed to being on top'.

Barriers to Success

The two-tier system of local government is a restraining influence on service improvement and responsive delivery. Although the tiers can and do work well together at times (e.g. the Local Area Agreement process) many partnership projects are complicated by the fact that there are so many competing perspectives brought to bear.

Local Government seldom speaks with one voice on behalf of citizens and advocacy is diluted as a result. Unitary government and co-terminosity with partners' boundaries would certainly result in more efficient, more flexible and more responsive public services.

Recent consultations such as the State of the County debate (Appendix 2) indicate that in spite of the outcomes of two reviews in the last decade in County Durham, there is majority support for moving to unitary local government once and for all. Two-tier local government can be seen to confuse the public and complicate public accountability. We would therefore endorse the comments in the consultation paper about multi-faceted and complex governance models resulting in confusion and a lack of trust.

Government's Approach to Devolution / Decentralisation

In a practical sense, as Local Government is being challenged to take on a new and innovative role which is central to the Government's modernization agenda, local government professionals must be given the time and space to experiment and take risks in partnership with their communities. In essence, as people-focussed organizations, local government will take time to adapt, but as long as standards in service delivery are not affected by change in role, central government must accept this as part of natural change management processes.

The North East has very recent experience of a conflict between central and local policy with the referendum for an Elected Regional Assembly (ERA). In this example, the ERA was perceived by many residents as a threat to local government, with the 'no' campaign presenting regional government as a replacement for county local government. Residents resoundingly rejected the regional assembly proposal and in the 18 months since the referendum, have continued to voice opposition to the regional tier, and a desire for strong local government to protect their interests in wider regional and national debates (see Appendix 2).

Double Devolution

Durham County Council welcomes the current debate around 'double devolution' and would support the inclusion of principles around local empowerment being included within the Inquiry's findings. As such, the County Council is actively investigating mechanisms whereby control and decisions around service delivery can be devolved to a neighbourhood level, for example, through 'Charter' agreements with Town and Parish Councils. In responding to Government's agenda around devolution Local Government will have a key role to play in maintaining appropriate safeguards and minimum standards in relation to service equity and quality.

Building upon the public views expressed during the Referendum for an Elected Regional Assembly however, if local government is to be emboldened and actively pursue the 'double

devolution' agenda, national government must go beyond its current conception of national-local devolution and support real and significant devolution of central powers to the local level. Similarly, where excessive national targets are in place, central departments should be encouraged to unite around this policy of localism and 'cut the vertical ties', allowing local government and its partners to pursue local priorities.

Financial perspectives

Local Government finance is clearly a key strand of the Inquiry's work, and we are pleased to see that the Inquiry has identified common themes regarding the funding of local government in its Interim Report. This work also provides some assurance that the Inquiry's findings will, hopefully, result in some benefit in terms of a fairer system for funding local government. From a financial perspective we believe that the principle considerations for Durham County Council are:

- If Council Tax is to be credible in the eyes of the public, it is essential that revaluations take place on a timely and regular basis. (2.36)
- Any alternative system introduced needs to "guarantee" the stream of income to local authorities, and be simple to operate and administrate. It must also be possible to explain the system in simple terms to the wider public. (2.52 – 2.53)
- In terms of fairness, the ability of the Authority's residents to pay must be taken into account in order to ensure that poorer residents are not paying a disproportionate part of their income in Council Tax. In other words the regressive nature of the Council Tax should be addressed. This might be achieved by the splitting of Band A into two bands and the creation of extra bands for higher value properties. Alternatively, but probably less likely, an alternative, fairer method of raising tax might be found (2.54 – 2.57)
- The system of Council Tax Benefit should be reformed to ensure that take-up is improved, or alternatively a rebate system be introduced to address the problems that this tax poses for some tax-payers. (2.58 – 2.64)
- Whatever system is introduced it is essential that full Resource Equalisation is applied in order that those authorities with low tax raising capacity are not disadvantaged. (2.110 – 2.114)

Conclusion

Durham County Council welcomes the Lyons Inquiry as an opportunity to explicitly define the role and remit of Local Government in public service improvement, and present a financial framework which ensures that funding mechanisms are fair for all residents and robust enough for the sector to fulfil a challenging role. In the context of a range of central policies advocating devolution of decision making powers, the Inquiry presents an opportunity to define with absolute clarity which powers or services can be devolved from central to local government, and where communities have the appetite and capacity, support for the principle of local government enabling neighbourhoods to adopt an increased role in decisions affecting their local area. As the Inquiry formulates its findings we would suggest that it attempts to depict a flexible governance framework that reflects the realities of modern and proactive local government; striving for a mature, equitable

relationship between central and local government which is ambitious in working innovatively and creatively in partnership with its communities.