

Islington Council

LYONS INQUIRY INTO LOCAL GOVERNMENT

RESPONSE TO CONSULTATION PAPER AND INTERIM REPORT

Islington welcomes the Lyons Enquiry into the role of local government and the opportunity to review the way in which local government can perform more effectively to deliver accountable, tailored services to local people.

We are of the firm view that changes proposed should aid transparency, democratic accountability and accessibility and reduce bureaucracy.

We would also welcome the decision to focus on increasing the effectiveness and accountability of services, rather than revising inter-borough geographical boundaries.

Central to the local delivery of high quality, universally accessible, value for money and democratically accountable public services is local government and in London that is the London Boroughs. There is and needs to be an acceptance that these boroughs do know what their residents and local communities want and can deliver it to them.

Local boroughs such as Islington should have a clearer understanding of their role. They should also have direct input into the development of regional strategies, and through this increase their transparency, public recognition and accountability. In general they should also be more directly accountable to the public and less to central government.

No review of Local Government can be separated from an understanding of the environment in which it works and delivers services. For us, partnership is key, and this is best demonstrated by our enthusiastic embracing of the Local Area Agreement. For this to be real and for partnerships to be respected and relied upon, partners must take each other into account when they plan and commit. We believe that central government must be seen to espouse this ethos, so that when, as at the moment, health service financing is centre stage, the decisions about that funding can be made in full understanding of the obligations that Health partners are undertaking through the LAA.

This is an opportunity, as we see the role of Local Government as the key elected body with a mandate to argue for service provision locally and to ensure that that provision is delivered. We are keen to have democratic input across the entire provision of public services including health, transport and further education.

The strategic role of local government

Question 1

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

Which elements of this role should extend to services other than those for which local government is directly responsible, and how?

How does the strategic role vary between different types of councils?

Local Government constitutes the only elected multi service organisation accountable to the people of an area for a wide range of services. It has an interest in resolving competing demands and acting in the interest of the well being of the community as a whole. Local Government, by virtue of elections will wish to campaign and advocate for the people of the area on a range of service which may be either only capable of being influenced or totally outside its remit. We believe that this is largely what is meant by the “community leadership” philosophy to which the government subscribes.

We would also be happy to extend the role of local government into one which provided for there to be greater say in the management and accountability regimes around other services which are important to the community. The issues around management of access to health and other services are different but not of a different order of magnitude that those around the management of existing services and many of the skill sets and requirements can be seen to overlap.

By virtue of being local, local government is rooted in the local community and has a direct relationship with residents, businesses and those who provide services to them. Local Government has typically and traditionally used its position as a major service provider to give it the influence to shape and negotiate with other service providers and public agencies.

In areas where services to the public are not provided by the public sector, but are nevertheless essential, such as utilities, elected representatives should also have the opportunity to represent the interests of their residents. This is the case especially but not only when the service is provided by a monopoly provider. The provision of major utilities would remain principally the responsibility of private sector organisations, but boroughs and where appropriate the Mayor and GLA could have the opportunity and powers to hold them to account and where appropriate intervene in the interests of their residents. The first extension of responsibility to local authorities could be by extending the scrutiny role, which is already available to us in relation to health.

Question 2

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

What are the existing 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?

Coterminous boundaries with our partners such as PCTs, and Borough Police Commanders greatly assist with taking the community leadership role within an area. Many boroughs, including ourselves are moving towards greater collaboration around service delivery. This can best be fostered in an environment which understands and respects that different communities will have different priorities, different needs and ambitions.

Whilst we recognise that the improvement agenda and CPA have driven improvement across local government, a barrier to delivering at a strategic level remains the volume of regulation and the inevitable presumption that where regulation and inspection take place, they will tend towards the presumption of uniformity of service design and delivery. We believe that further improvements in efficiency, performance can be achieved without further regulation. If the burden of central government inspection could be lifted there would be a useful role for the ALG in co-ordinating work within London to generate peer support with the impact of monitoring and improving Borough performance.

Central government needs to allow local government to govern locally, within clear frameworks of operation, resources, power, respect and the support of peers. What councils need is authority and capacity.

For us in Islington there are many measures of success from having been the fastest improving council in 2005 to a huge increase in resident and staff satisfaction with services and as an employer of choice.

In Islington we have demonstrated clearly that local government can successfully reform itself, being the only Council to move from POOR to GOOD in CPA ratings within two years

For London, the relatively recent arrival of a regional tier, in the form of the Mayor and the GLA has added complexity and some measure of confusion to the debate about strategy and accountability. In its turn, the fact that the GLA is currently itself being reviewed makes this question more difficult to address than in reality it should be.

Question 3

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

The fact that Local Government is elected is the basis of its legitimacy and accountability and the basis from which it derives the right to assert community leadership.

Being elected gives local government critical authority:

- To levy taxation
- To set local priorities
- To deliver services which are accountable and open to scrutiny
- To speak up for local interests
- To take a community leadership role which has an accountable body

The electoral process ensures the voter can decide whether the local council and its representatives deliver good, effective services that meet local needs. We would support greater accountability through the ballot box as opposed to accountability exercised by proxy through the processes of inspection and regulation.

Devolution and decentralisation

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 (such as standard setting, funding or choice of delivery mechanisms) 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?

The balance between national standards and local control is always going to be a difficult one. Greater accountability allows for the possibility of both greater variation and real public involvement and choice about how that is exercised. The confusion which exists in the public mind about the accountability for standards and delivery in different public services is best exercised through local government which is typically more accessible, more enabled and more responsive than other government mechanisms.

Greater devolution must be accompanied by some assurance that the bodies given influence or control over publicly owned assets are accountable, competent and representative. We are therefore cautious about taking control out of an elected arena.

We do not seek to say that individual services should have central and/or national standards. Clearly, we already live in a mixed economy and should continue to do so.

Where standards are set nationally there should be flexibility for local interpretation and challenge as appropriate.

Where public services are provided through other agencies or the private sector local government should have a defined watchdog role in holding them to account, representing local people.

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?

In answering this question, we must begin with the accountability point. Devolution or decentralisation to groups of unaccountable people who may not represent their community may impede the use of resources in the interest of the wider community and may undermine the very point and purpose of any local accountability at all.

The Government has recently been promoting more neighbourhood management, greater devolution of services and greater personalisation and choice in services. We subscribe to the view that decisions should be delegated to and influenced by those most closely impacted by those decisions and to that end we welcome this initiative. It is, however, the case that making this a reality can generate additional expense in service delivery and often runs counter to the implementation of "Gershon" efficiency principles including joint procurement and multi borough contracting. If the Government is serious about achieving this greater level of devolution, it will need to support local government funding in order for this to be delivered.

Neighbourhood devolution offers opportunities to bring democracy to the lowest level possible and which we have already embraced in Islington. We have actively promoted Area committees (see below) and seek to give them a real role at the heart of decision making within and on behalf of local communities.

We believe that it is a central principle of democracy that tiers of government, decision-making and accountability should be as close as possible to the people they serve. Many areas, which are legally the responsibility of boroughs to deliver, are most appropriately decided at a more local level, such as neighbourhoods. In Islington we have introduced Area Committees, which make decisions on local issues such as planning, licensing (until the power to do so was removed by Parliament), introduction of new parking zones, and certain local environmental improvements. They also discuss and contribute the perspective of their own local Area to corporate decisions made centrally by the Council. They have carried out these responsibilities well, and have undoubtedly successfully engaged residents in the work of the Council as it affects them, who would not otherwise have become engaged.

Important services such as policing and health can be exposed to a more appropriate degree of scrutiny within the communities they serve, and indeed for them to experience actual accountability. Area committees are in many ways ideally placed to do this, and in Islington area committees have successfully discussed their services with both the Primary Care Trust and the local Police on several occasions. We are considering how we can expand what we already do and indeed how we extend it across our partnerships.

Further, there is also no reason why area committees should limit themselves to the operations of bodies in the public sector. In Islington our area committees, in conjunction with the Council's scrutiny function, have successfully been used as a forum for the public to challenge important service providers in the private sector, such as the Post Office, and Thames Water Ltd.

Managing pressures on local services

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 the 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 efficiently?

Clearly there are a huge range of pressures on local government from demand led growth, local policy priorities and national initiatives, cost increases, public expectation and in an inner city borough like Islington, widely differing communities and a transient population.

Conflicting targets can cause pressure points that are difficult to resolve, such as reducing health inequalities in a borough with a large transient population Meeting central government targets in some areas without reflecting local priorities or room for negotiation to deal with local needs can mean poor value for money.

We believe that London needs special funding – the cost of living and the cost of services and the level of tourism and the difference between day time and evening footfall and the use of services by people who don't live here are all issues which mean that we need to be funded in a way that is different from boroughs outside London. Further, more than any other urban area in the UK a significant portion of the people who earn their good remuneration within the region then take it home outside of the region to spend it. Escalating land values particularly in London also mean that whenever a homeowner moves house the new owner is almost inevitably more affluent. The reverse is the true in the allocation of social housing. This pressure pulls communities apart and there is an urgent need for public resources to address the deprivation that London's perceived affluence conceals.

A central element of accountable local authorities being able to take important decisions about their own areas, is the power to fund them, and not to be overly restricted by externally imposed constraints on how their money is spent. We regret the fact that in recent years the threat of capping of Council Tax has meant that councils have become more and more reliant on central government for their funding, and that more and more of that support is subject to "ring fencing", "earmarking" and "pass porting".

Cost pressures can be hard to manage but this is can be down to local market failure, e.g. adult care. The solutions are more likely to lie in the hands of local government, individually or collectively, than to come from outside.

Boroughs should be able to raise more of their income themselves, putting decisions about the level of tax they pay to fund local services, back in the hands of local taxpayers. They should also have a wider range of instruments through which they can exercise this discretion, including some local control of business rates – few other public bodies around the world are dependent solely on one instrument of taxation, as boroughs are on Council Tax. The advent of Business Improvement Districts is a step in the right direction. The issues of accountability to taxpayers must also be addressed.

The ODPM's Balance of Funding Review may also address this and the ALG is also looking at other forms of local tax, which could be collected by London Councils. – where is our stuff about local income tax There is a range of other charges, which can be levied such as for street furniture as well as the opportunity for good and excellent councils to trade.

At present London loses out because both its Council Tax income and grant from central government are determined on the basis of the numbers of people resident in boroughs, rather than of the number of people actually present in the boroughs every day, and using services there. A very large number of people live outside London but every day travel into the city, where they use public services. Clearly residency needs to remain a central part of the system, but the system also needs to be adjusted so as to compensate for the size of the non-resident but service-using population.

The Local Area Agreement gives us a real opportunity to improve local services through our partnerships. Central to this is our ability as agencies to resource plan and fund and commission services . If we can all agree at a local level on our joint priorities it is inimical to local government that central government should be able to impact on them through changes to funding etc without due consideration.

Scope for a new agreement

Question 7

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

*What might this mean for the current performance management framework?
Would a more contractual approach for a small number of key central priorities help to achieve this?*

For London we would wish to see a clear distinction between co-ordination between boroughs, which is a developing and positive phenomenon; on the one hand, and those areas where it is important to take a strategic pan-London view on the other.

Implementing this would mean:

A much reduced role for GOL
active participation by the GLA in developing the Mayor's Strategies,
the GLA increasing their scrutiny of public services, including looking at a wider range of services
an increased role for the boroughs in service delivery,
extending the responsibility of boroughs for service delivery into what are currently the 'GLA family' agencies

We would like to see much greater clarity about what government seeks to require on individual services that is settled through dialogue between central and local government and informed by public debate

Conclusion

Islington welcomes the debate and broad thinking that this review has generated and any changes which bring about greater accountability and democracy at a local level.

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The strategic role of local government

The strategic role of local government, one we might term “place-shaping”, encompasses:

- Building and shaping local identity;
- Representing the community, including in discussions and debates with organisations and parts of government at local, regional and national level;
- Regulating harmful and disruptive behaviours;
- Maintaining the cohesiveness of the community and supporting debate within the community, ensuring smaller voices are heard;
- Helping to resolve disagreements, such as over how to prioritise resources between services and areas, or where new housing and development should be located;
- 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;
- 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; and
- Working with other bodies to respond to complex challenges such as dealing with natural disasters and other emergencies.