

## **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?**

*Local government is seen as having a commissioning, convening role that enables local services to be delivered in a joined up way. [ODPM senior official, 3/06]*

*Local authority should play an explicit role as community leader, provider, planner and scrutineer. [LGIU, 3/06]*

*Local government is not just about the provision of services. It has a major and unique role to play in helping to develop and deliver vision for its communities, making decisions and trade-offs on their behalf, shaping a strategic view of the area and its future ('place-shaping') [Lyons 12/05 Consultation Paper, Executive Summary, expanded in paragraph S.19]*

We agree with the elements in your description. We stress the importance of local government's roles as community leader and as regulator and enforcer, which includes making choices and resolving disagreements (e.g. land use planning). From the vantage point of a district council, we add an additional strategic element to your list – our role as shaper and leader of local partnerships of public, private and voluntary sector bodies created to attract and manage the use of resources for addressing local, cross-sector needs for services – giving communities their voices and dealing with their concerns over safety and quality of life.

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

Our strategic role should extend as widely as possible over services delivered to local people and influence provision by public, voluntary and private sectors. Our best work to date is often broader than 'local government'. The delineations among service responsibilities of various public sector bodies is not understood or valued by local people and artificial boundaries placed upon a strategic role only serve to dilute its impact.

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

A strategic role demands a sense of place. This sense is stronger for some councils than others, where the area covered is only an administrative boundary, rather than relating to economic markets or social contacts.

Strategic role requires prioritising and other difficult decisions. Some councils are more determined to address the needs of those least well-off, while others settle for being 'even-handed'. Differences between councils are not driven by whether they are counties, districts or unitaries, but possibly by how strong is the sense of place. Where strong, it may help those better off to support or accept prioritising provision towards the least well-off.

For example, Hastings is a district council in a two-tier shire county. Our district boundaries encompass the town areas of Hastings and St. Leonards; our local identity is shared with an urban 'place', distinct from a rural county, as identified by local residents. With the neighbouring town of Bexhill, part of Rother District, we work to draw in resources and organisations to address the needs of the urban population.

The county council in a two-tier area such as ours is an administrative entity rather than a 'place'. It seeks to balance the needs of its urban and rural, coastal and inland, more and less prosperous areas, and tends to allocate resources in an even-handed manner – considering need but also mindful of the demands of other parts of its disparate community.

## **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?**

Barriers to effective performance may include:

- Lack of sufficient leverage to encourage or require some other players to support full community leadership
- Confusion over how role should be performed in 2-tier local government areas, and complications or duplication of functions that sometimes arise
- Public confusion over respective service responsibilities and roles of county and district councils, lack of influence by districts on county decision making, and sometimes lack of engagement by counties in district level structures
- Organisational capacity to undertake the role and other demands on resources, including from inspection regimes
- Constraints on district councils' ability to raise funds to create capacity, where small demands to increase council tax (in absolute terms) translate into large percentage increases

- **In what circumstances does it work well and less well?**

Our strategic role works best in areas where our common, local objectives are clear – reducing deprivation through training and employment opportunities, addressing crime and fear of crime, tackling the physical signs of decay and neglect. We actively and successfully pursue sources of funding for physical and social regeneration projects with a specific, local focus.

Our strategic role works well when all participants engage at a sufficiently senior level and have among them sufficient ability to deliver desired outcomes or to influence their delivery.

Our role works less well when the above conditions are not met – for us, this includes transport infrastructure issues beyond local control, such as rail service and trunk roads.

- **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?**

Further improvements that would help us to perform the strategic role are:

- Simplification of local government by replacing 2-tier with unitary structures
- Encouragement of efficiency improvements that free up capacity
- Making clearer the extent (or limit) of our accountability to central Government, and the extent to which it funds us
- Trusting and further empowering local government, so that councillors make more real policy decisions
- Supporting bigger allowances for councillors who could not otherwise devote time to this work
- Greater accountability of other players to local government, reciprocating our greater accountability to local people

- **What are the key signs of success and failure?**

Key signs of success:

- More competition to become councillors, and better councillors
- Local government more sensitive to the needs and aspirations of its community, and making itself more accountable
- More electors who feel their vote has meaning and use it
- Communities with a greater sense of place, and stronger feelings (positive and negative) about their local government

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

It is critically important that those who play a key role in determining the activities of government at the local level are accountable to the electorate. Although we stress the need for community involvement in focusing services at the local level, it is unrealistic to imagine that all local people will have the time or the ability to be actively involved. There will always be activists and always be those who remain on the sidelines. Only the electoral process ensures that all people can ultimately have their say in the direction of local activities.

Being elected enables and empowers local government to perform its strategic role, articulating a vision for the area and leading a strategic partnership of service providers.

### ***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 standards setting, funding or choice of delivery mechanisms) of individual services which should be nationally controlled or locally controlled?**

In general (but there may be exceptions!):

- Services that are central Government priorities, and/or relate to individuals, should have national standards – with democratic accountability at national level
- Services that relate to groups, communities and places, and for which central Government actively supports devolution, should have minimum standards or complete local choice – with democratic accountability primarily at local level

So, to avoid ‘post code lotteries’:

- Health increasingly has national standards with local management of services, and individuals can make choices about how they use services
- State education for children is moving in the same direction
- Social services should do the same (and is inching a bit that way)

Minimum standards, local choice on delivery and local accountability should apply to:

- Waste collection and disposal, and street cleaning
- Housing ‘market management’ (including Housing Renewal)
- Homelessness (even though it is a service to individuals, its delivery is heavily influenced by local circumstances)
- Regulatory and enforcement functions like planning, licensing and trading standards

- **Are there services where greater variation in standards would be acceptable if there was clearer accountability and consultation with local people?**

Local standards, choice on delivery and accountability should apply to:

- Cultural services (broadest definition)
- Community services (including neighbourhood renewal)
- Economic development (including regeneration)
- Local transport (highways management, transport planning, etc.)

There are hints that central Government might be willing to devolve to cities or city-regions some functions of its regional bodies. We have worked well with our Regional Development Agency (RDA) on regeneration of a shire conurbation, but greater local influence and accountability would be welcome.

Conversely, the ‘boundary’ between local and ‘strategic’ (regional or national) transport might need to be revisited, in the light of changing (increasing) travel

patterns. Should an increase in the extent to which Highways Agency is responsible for 'main roads' be considered?

**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?**

Helpful:

- Development of Regional Offices, which have (a) acted as valuable points of contact with central Government for local authorities and others, and (b) helped in 'joining up' central Government on behalf of local bodies – the local knowledge they have gained has been particularly valuable in fulfilling these roles
- Development of RDAs similarly helpful – from our perspective, (a) in targeting regeneration funds to areas of greatest deprivation, and (b) in working with the Learning and Skills Council and higher education bodies to create structures locally aimed at raising further education aspirations, participation and standards
- Regional Assemblies have enabled planning, housing and transport issues to be addressed at a regional level, or in appropriate sub-regions (travel to work areas, housing market areas, etc.) rather than using artificial and inappropriate boundaries

Unhelpful:

- Unwillingness of central Government or its agencies sometimes to 'let go' and trust local bodies to deliver (too much central direction of inputs, process or outputs, rather than outcomes; disproportionate monitoring requirements, etc.)
- **Have changes based on central government priorities differed from those that might have been driven by local pressure and opinion?**

Priorities:

- Central Government priorities of regeneration, neighbourhood renewal, economic and social inclusion have fitted very well locally
- We are already working on 'double devolution' to neighbourhoods

Devolution, decentralisation and their absence:

- Increased local government involvement in licensing positively received
- Moves away from simple bidding for some regeneration funds, towards a more commissioning approach with greater local decision making, has been helpful

- But still too much bidding generally, albeit sometimes with pre-selection of those invited to bid (e.g. our recent successful Local Enterprise Growth Initiative bid, where only councils receiving Neighbourhood Renewal funding could apply)

### **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?**
- **Does confusion about responsibility and duplication of effort contribute to pressures?**
- **Would greater public understanding of the actual costs of public services help to manage expectations and pressures?**

#### Main types of pressure:

- Long term – Rising expectations of service users, sometimes imprudently raised by bodies outside local government
- Medium term – Ability to recruit and retain sufficient appropriately skilled staff to deliver required services
- Short term – Implementing change projects to extremely tight deadlines, often determined by central Government departments or agencies (e.g. for us: recent projects on recycling, multi-use games areas); late receipt of guidance from central Government on implementing new legislation

#### Managing these pressures:

- Long term – Both inevitable and generally desirable (we all want better services), but better public information on (a) what services costs, (b) how services are funded and (c) which part of public sector provides them, might help to reduce confusion and manage expectations (many local people believe district council responsible for range of services provided either by county council or other public sector bodies)
- Medium term – Improved employment practice; collaboration with other councils on training, etc.; pay flexibility to respond to market pressures
- Short term – Staff skills development to increase capabilities generally, and particularly in project management; development of better (evidence based) methods of prioritising work; efficiency improvement (working smarter, not harder) to create capacity and provide flexibility to respond to pressures; more devolution/flexibility from Central Government on

management of change projects (more trust that local government will delivery without tight central oversight)

- **How can we ensure that the system provides the proper incentives and rewards for using resources efficiently?**
- External assessments of organisational efficiency, which are proportionate in relation to organisational size and the volume/range of activity, undertaken by assessors with appropriate expertise
- Targeting of assessment activity away from efficient organisations (as ‘reward’, as is currently happening to some extent)
- Central Government does not interfere in local decision-making on services (except where national standards apply, or to ensure minimum standards where these apply), so that local democratic processes are allowed to make volume/range of service and local funding decisions
- More encouragement and help for training and management development of both council members and officers, to better equip the organisation for the above

#### **Scope for a new agreement**

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

*If local authorities do not have the authority, power and capacity to achieve the outcomes expected of them by the public and by central government, the concept of a ‘strategic role’ will over time be demonstrated as having no substance or sustainability, and be exposed as rhetoric justifying a continuing centralising trend. [LGIU, 3/06]*

We agree with the above statement.

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

Elements of a new framework:

- Services with national standards – national democratic accountability
- Services with minimum standards – primarily local democratic accountability
- Services with complete local choice – local democratic accountability

Locally operated Local Area Agreements (LAA) – join up services, ‘thematic’ activities, etc. at local level:

- Local government lead (with appropriate duties/powers)

- Central Government is important player, but not leader, and brings small number of priorities to the table (as well as resources and some service delivery roles)
- LAA conforms to national service standards, minimum standards and local choice, as appropriate
- Administration of stretch target pump priming and reward funds devolved to local government (working to central Government guidelines)
- Partners in the LAA should be accountable to each other, performance should be publicly reported, with democratic accountability primarily at local level
- As much of central/local government performance management (which can be in both directions) as possible should be channelled through LAA – exceptions should be individually justified and regularly reviewed
- If a contractual approach to LAA is considered, it should be based on that used for 'NHS contracts' in its 'internal market', than on contracts enforceable through normal legal processes