

Local Government  
Yorkshire and  
Humber



**LYONS INQUIRY INTO LOCAL GOVERNMENT**

**NATIONAL PROSPERITY, LOCAL CHOICE AND CIVIC ENGAGEMENT**

**RESPONSE BY LOCAL GOVERNMENT YORKSHIRE AND HUMBER**

**SEPTEMBER 2006**

# **LOCAL GOVERNMENT YORKSHIRE AND HUMBER**

**Our Approach – Making a difference for people and communities in Yorkshire and Humber. Governance and delivery beyond boundaries**

**Our Challenge and Approach is Shaped by – Geography, History, Diversity of Communities and Economy.**

- 1.** Local Government in Yorkshire and Humber faces particular challenges and has great opportunities to seize. As a region of 5 million people and a land mass and geography six times the size of Luxemburg, we are like a small European nation.
- 2.** Considering people, place and prosperity we have strengths which are based on diversity of culture, of environment and of economic activity.
- 3.** Working with diversity and capturing the benefits of both rural and urban areas and the interplay between them is a priority for local councils in the region and for our city region partnerships.
- 4.** It is what has made sub regional and regional collaboration an important and meaningful process. We collaborate because we need to work beyond council boundaries on the things that make a difference to people and places. Improving transport and managing waste to name but two priorities. Dealing with the challenge of foot and mouth disease, improving flood defence are practical examples of our working together. Managing place means partnership across geographical and political boundaries.
- 5.** We have a pragmatic and collegiate approach, with no one Council dominating and all Parties working together. We are of the collective view that we have begun to create new working relationships with each other on the principal of adding value through collaboration. We do not want to just share good practice, we want to invent new practice at all levels as strategic leaders and as service deliverers.
- 6.** We face social and economic challenges from managing economic shift from mining and textiles, which left economic and social blight and had health and well being consequences which we have worked with partners such as Yorkshire Forward and Health to address. Much is made of duties and powers, in Yorkshire and Humber much that is achieved is based on the quality of relationships and a culture of working together. This needs to be developed further.
- 7.** Key for us is the further development of local delivery of integrated public service. Enabling this rather than proscribing what it should be is the role of National Government. What national government needs to do to enable at local level is a key question.

- 8.** There is often a common purpose between local and central government, which is never exploited fully. There needs to be developed relationships which maximise this. The development of LAA's illustrates the difficulty in achieving this as local councils have to build relationships with civil servants, whose main focus is process and who lack strategic authority within their system. Local government has shaped much of the framework of management that exists.
- 9.** Capping and the centralisation of business rate alongside the failure of some Councils to deliver undermined both Government and public confidence in local government.
- 10.** In rebuilding this trust Councils have focused on improving performance and have been successful in this. Continuous improvement is now part of the culture of many councils. Trust comes from delivering on key issues and acting purposefully. Visible leadership and reputation are a priority for us in Yorkshire and Humber. Lack of trust costs money which could be used differently to deliver public value.
- 11.** We are working together to deliver so that we build confidence that Local Government can deliver. This will encourage people to want to work with us, Government, Communities and Partners. We speak of local government as a sector but much of our focus is at the level of individual authority as members and managers. The more we develop a consciousness of our collective impact and our collective capacity the greater impact we will have.

#### **How We Work Together Now and What We Want to do More of.**

- 12.** We are tackling complex problems and need better Intelligence and a new attitude to working with people which recognises that we haven't got all the answers. The nature and culture of party politics puts pressure on us to appear to have all the answers. In Yorkshire and Humber building trust and collaboration across parties has driven our development.
- 13.** We need to develop a new professionalism in local government based on knowledge and not just skills which enables informed choice both for citizens and customers and members managing risks.
- 14.** Our approach to working together at regional, sub and city region levels is driven by shared vision and values, a common vision of what are we about . We care about people and communities but we aren't sure people believe that. The debate about role and function needs to be about what we want to achieve or it can appear that we are only concerned with the perpetuation of a system for its own sake which suits our purpose and not that of the public. We need to talk more about the issues and less about the process we need to be focused on people and place not organisation focused.
- 15.** Our response is based on our experience of developing effective response to our regional and local challenges.
- 16.** To play a full strategic role, councils need to create strategic partnerships with other councils to deliver on social, economic vision, environmental outcomes and improvement of services. These partnerships need to be based on delivering added value through collaboration.

- 17.** These collaborative arrangements are currently exploring what remit and powers are needed to be effective and what, if any, additional governance arrangements are needed. Detail on this is available.
- 18.** Within the collaborative arrangements e.g. the North Yorkshire Partnership, councils are working through who should lead on specific developments on behalf of the whole system. This makes the issue of split functions between authorities less relevant. However, principles of subsidiarity, i.e. do what works best, at the appropriate level. Decision making as close as possible to where something needs to happen.
- 19.** If relationships and shared vision are key to building trust and confidence both with government and the public then this is an area for significant development. National Government needs to consider its relationship management with local government and local councils need to re invent their relationships with people and communities. Where this works well is where councils create real dialogue and listen and respond.
- 20.** We believe that elected councils' ability and legitimacy is highly significant and does enable communities to express overall the focus and direction they want for the place they live in. The development of greater connection and real support to local councillors as well as strategic leaders to be effective in delivering on their democratic mandate is work we are undertaking and is important in building legitimacy. The public turn to local councils for support on the whole range of public services and even without formal mandate councils secure improvement on the strength of their democratic mandate. This could be improved with additional government mandate.

### **The Case for Local Choice - Convenor, Leadership Role**

- 21.** Today local authorities are facing a wide range of demands, we are required to deliver cost effective services, which meet the needs of people, protect the most vulnerable whilst providing for greater personal choice. Services must be responsive to the needs of people and places.
- 22.** How we can be effective working in systems, influencing and leveraging; securing outcomes without direct control is a key question for local leadership. In Yorkshire and Humber the "Promoting Choice and customer service" agendas are important to us and we have pioneered development of service access initiatives and quality business process.
- 23.** Peoples' expectations have risen and society has become more diverse in both economic and demographic terms. The increasing size of the elderly population poses challenges to the future provision of public services, increased mobility and ethnic diversity also require services to be more flexible and responsive.
- 24.** It is at a local level where services can really respond to these changes and meet the needs of both neighbourhoods and individual citizens. Priorities for delivery must be driven by local needs, aspirations and circumstances and it is at the local level where appropriate and effective solutions can be developed and delivered.

- 25.** It is also where individuals can effectively participate and shape public services in their area. Where decision-making can be most accountable and open to challenge.
- 26.** Citizen engagement must be on a number of different levels, from informing and consulting through to devolvement of budgets and decision-making. The level of engagement must be flexible and appropriate to different issues, different neighbourhoods and community requirements.
- 27.** People are interested in specific and very local issues, e.g. how safe is their street, how clean is their neighbourhood, and how good is their local school. How they are involved in shaping these services needs to be appropriate to both the issue and the people. Approaches to participation and engagement must be flexible and adaptable to the needs, diversity and capacity of individuals and neighbourhoods.
- 28.** There needs to be an understanding that local people do not always have the appetite to get involved and it is difficult to achieve local support to nationally set policies that do not reflect local needs or address local problems. Resolutions to issues that are prescribed nationally are not always accepted in local areas.
- 29.** Due to the complexity of public service delivery people simply do not understand the relationships and responsibilities between partners in a locality and what is delivered by Government Departments. This in turn makes it a difficult for them to be involved and we must all work to demystify the current arrangements.
- 30.** Local variance and difference will be driven by different levels of confidence and different appetites for risk. The cultural sector illustrates this point well. The development of experimental theatre or sculpture parks or water sports facilities is not something which is nationally driven but which emerges from local context and which regional and national frameworks enable and resource according to strategic priorities and the strength of the proposition.
- 31.** To encourage people to be involved they need to be able to see that they can influence decisions, have some control over resources and priority setting and that decision making is transparent and this can be best achieved at the local level. Increased participation and involvement can lead to strengthened community cohesion and can challenge discrimination.
- 32.** Maximising diversity will create economic and social cohesion and value. Concepts of fairness and justice need to be debated and redefined. Enabling contribution and engagement rather than securing equal access or outcomes is more important in the new context. What should be standard is the fairness and engagement with the issues which affect different communities.
- 33.** Within the Region we have applied this principle to our consideration of structures and in particular the arrangements for Regional Investment Planning and City Regions. Rather than trying to create common structures across the region we have recognised that an approach focused on the three City Region economies will work for most of the region but not the large sparsely populated rural areas or the Coastal areas which do not relate to the city economies or each other. Bilateral arrangements are being developed to address these issues of diversity.

- 34.** The role of ward councillor is key to successful neighbourhood working and participation. They can act as a catalyst for effective engagement with local people and play an important leadership role in developing their area and can ensure all public services meet the needs of neighbourhoods and are delivered effectively. However, they need have the appropriate skills and support to undertake the role successfully.
- 35.** The scrutiny role of members needs to be developed especially in the context of the wider public sector. This could lead to a robust and independent role of members in communities, acting as a strong voice for their area and ensuring the accountability of all public sector providers at both a local and regional level.
- 36.** Local Government needs to have increased control over other public service providers in an area, ensuring best value is achieved and that their services meet the needs of citizens. Local authorities are often judged on the performance of other public service providers but have little control over the delivery of those services.
- 37.** Local priorities must be agreed with the people who live in an area and these must be delivered by all service providers. These priorities must be based on the needs and aspirations of the citizens and not based on central government requirements.

### **Local and National Services**

- 38.** The relationship between central and local government must be improved and trust in local government by central government is necessary for responsibilities to be devolved. There needs to be a clear and transparent agreement of roles and responsibilities for central and local government.
- 39.** Government needs to take a more strategic role, establishing overall direction, reducing the number of performance targets and funding local authorities in a fair and efficient way. The way Whitehall is organised needs to be reviewed, Government Departments need to be more streamlined, more efficient and there needs to be increased collaboration across the Departments if improved delivery across all public services at a local level is to be achieved.
- 40.** The Gershon Review identified an £8 billion cost of regulating public services. For local government this means £2.5 billion spent on government issuing directives, prescribing performance indicators, overseeing bid funding schemes and inspecting local authorities.
- 41.** If regulatory systems are to continue to be about enforcement then conformity will be produced and at a great financial cost. Local authorities need significant freedoms to innovate and deliver for localities and individuals. The public and political pressure to maintain national standards for national flagship services, such as health and education, continue whilst at the same time there is a stated desire for local flexibility and encouragement to move to personalised services.
- 42.** Local government is about meeting citizen needs. Those needs might be locally, regionally, or centrally determined. Local Government needs to intercede on behalf of its citizens and negotiate with agencies at all levels, so as to translate those needs into priorities and to explore how best to meet those priorities.

- 43.** Enabling frameworks with robust local process for determining local variation should be the model. The new Licensing arrangements were an attempt at this. The balance of prescription in the framework will depend on the level of risk and trust on that specific issue.
- 44.** Maximising diversity and re inventing notions of fairness are important in this area. Standards should not simply be driven by professionals but also by politicians and public.
- 45.** The cost of regulation and inspection by Government must be reduced and greater emphasis needs to be placed on improved outcomes for people but local authorities need greater freedoms to achieve those outcomes. The system must be streamlined, bureaucracy and costs reduced and accountability should be focussed more towards the local level rather than upwards towards Government.
- 46.** It is felt that the current system of target setting amounts to covert hypothecation and that the performance improvement agenda is driving the costs up in an unmanaged and uncoordinated way.
- 47.** Government interventions have increased council tax in many ways. The cost of intervention on targets is higher than the funding provided by Government and this results in an increase in council tax.
- 48.** One example of where changes are required is the drive for efficiency with year on year savings by councils, however, the efficiency reviews imposed by Government are overly bureaucratic and place significant cost implications on councils in terms collating and reporting the information. It is estimated that for a large shire district this would be between £50,000 and £100,000 per annum.
- 49.** The reviews are not felt to have prompted a radical change in local authorities as efficiencies are and have for some time, constantly been sought and achieved by councils and are driven by the constant spending pressures on local authorities, such as equal pay, rather than the requirements of the Reviews. We have concerns that similar process driven activity on shared services could follow the production of the Varney report.
- 50.** There are many ways in which the efficiency of councils is monitored and assessed and these, together with the constant threat of capping are viewed as more than sufficient to ensuring the efficient operation of local authorities without Government adding yet a further bureaucratic and inefficient process.
- 51.** Future regulation needs to be streamlined, more cost effective and less burdensome, however, if it were internalised within the local government system it could be based on learning models which would be more likely to generate energy and more sustainable for the sector. We are developing strong member led regional and sub regional structures to drive improvement and challenge councils.
- 52.** Public accountability of services needs to improve and changes to public reporting could play a key role in this. Public reporting needs to be undertaken in a way which is easily understood and accessible by citizens.

## Place Shaping

- 53.** The Lyons report describes place shaping and the ultimate purpose of local government as ‘taking responsibility for the well being of an area and its communities, reflecting its distinctive identity and promoting its interests and future prosperity’ and ‘requires councils to take responsibility for influencing and effecting things beyond their narrowly defined public service responsibilities’. However, there is a need to bring together the key players in localities in a more effective way to improve joined up service delivery and outcomes that really matter locally.
- 54.** Local authorities, with their democratic mandate, need to be at the forefront of this leading other public service providers, overseeing public expenditure delivering better value for money in an area and holding other service sector providers to account. This will enable local authorities to take their full leadership role in an area and ensure improved outcomes are delivered.
- 55.** We are beginning to work with the new Strategic Health Authority and four police authorities in the Region to identify common agenda and build integrated public service at the local level and have established a Regional Service Delivery Advisory Group, involving all key delivery partners, to take this work forward.
- 56.** Budget streams should be managed through joint planning and resource allocation across the public services as this will ensure effective delivery of shared priorities, create shared services and more efficient service procurement. With the increased pressure for improved outcomes and diminishing resources expected from the CSR 07, this will become ever more important.
- 57.** There needs to be a recognition that the ‘place shaping’ role itself will require resourcing if we are to be effective. The indicators of success or failure will be the changing outcomes for local people. More effective working by partners across a locality should impact positively on user satisfaction rates, key performance indicators and the delivery of LAA targets and outcomes.
- 58.** Local Area Agreements (LAA’s) have provided new opportunities for local authorities to work together more effectively with their partners and communities and there is opportunity to more fully integrate the public service sector to ensure increased efficiency, improved service delivery and better outcomes for people and places. However, we are concerned at the direction at the direction that LAA’s are taking with too much prescriptive guidance inhibiting local response.
- 59.** LAA’s have become a convenient control mechanism to enable Government to micro manage activities at a local level. Throughout the LAA process there seems to be a reluctance by Government to enable the development of agreements that are entirely meaningful for the local area. Councils are very aware of their local priorities and how to deliver them and this is not always acknowledged by the level of control exerted by central government. It is evident that central government is reluctant to trust local authorities even through initiatives like LAA’s which are still very focused on national priorities.

- 60.** It is expected that the Local Government White Paper will include that Regional Government Offices will undertake an annual assessment of a locality through the LAA and LSP. The key question here is who has the capability and competence to undertake this role at Government Offices. This is of major concern to local authorities in the Region.

### **Economic Development**

- 61.** Local authorities should have greater influence over policies that have an impact on local economic development, including transport, housing and skills and powers need to be devolved to them.
- 62.** The barriers to economic development are infrastructure issues and local authorities need both the power and resources to develop transport links and provision. The Leeds experience, where it took 15 years for Government to consider their tram proposal and then to refuse permission, cannot continue.
- 63.** LAA should be constructed to provide sufficient freedoms to achieve economic growth. Local authorities in Yorkshire and Humber are in discussions with Yorkshire Forward, the Regional Development Agency, on how the fourth block of LAA's can be utilised for economic development. This could create a local economic master plan for an area and form part of sub regional investment plans.
- 64.** Each area needs to establish an economic vision, a long-term master plan, which is not limited to the geographic boundaries of local authorities. There is a leadership role to be played by local authorities in economic development and they also need to support and enable businesses.
- 65.** Greater collaboration of the activities of government organisations is needed and their delivery should be more focussed to the needs of the locality rather than national objectives.

### **Social Well-being**

- 66.** Local government plays a vital role in developing social well-being of an area and this includes services it is not directly responsible for. This convening role with other service providers, such as the police and health, is often complex and problematic. For example, the cost shunting to cover the financial problems of the NHS has caused major problems for council budgets and is an ongoing concern for local authorities in Yorkshire and Humber.
- 67.** There is a need to understand the collective spend of the NHS and local government in an area and for increased collaboration on commissioning, procurement and service delivery.
- 68.** The constant initiative culture of the Department of Health is also of concern and the resultant lack of stability makes it difficult to work in a collaborative way at a local level. The role of the new Regional Strategic Health Authorities will be vital in creating the much required constancy at the regional and local level.

- 69.** The roles and responsibilities of the police and local authorities in social well-being are often confused and not clearly understood by the public. They both play vital roles in community safety and cohesion in an area but there needs to be increased collaboration, joint service delivery and increased accountability of policing services at a local level.
- 70.** A strategic vision for an area needs to be established across all service providers and then local authorities need to take their full leadership role in holding partners to account for delivery. To achieve this there needs to be the sharing of data across the public service providers, joint performance indicators and performance monitoring systems and robust scrutiny arrangements.
- 71.** Co-production, enlisting the ideas and efforts of those governed needs to be developed. Service users, social providers and the public sector need to organise support in new ways and these need to be focused on and designed by users.

## **Conclusion**

- 72.** This is a pivotal time for local government. We need to seize all opportunities to ensure we deliver for people and localities. With our democratic mandate we need to play our full leadership role in localities, leading and holding to account other public service providers and ensuring improved outcomes for all. Local Government needs to intercede on behalf of its citizens and negotiate with agencies at all levels, so as to translate those needs into priorities and to explore how best to meet those priorities.
- 73.** To do this effectively we need greater influence over policies that have an impact on localities including transport, housing and skills and powers in these areas need to be devolved to us.
- 74.** We need a new relationship with central Government which is based on trust and a shared vision and there needs to be a clear and transparent agreement of roles and responsibilities for central and local government. Great benefits would be achieved through improved collaboration of the activities of government organisations and their delivery should be more focussed to the needs of the locality rather than national objectives.