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Briefing 06/51

TO: ALL CHIEF EXECUTIVES, MAIN CONTACTS AND EMAIL CONTACTS (England)

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'Strong and Prosperous Communities' - The Local Government White Paper, DCLG

Executive Summary

Key issues:

- *The DCLG has published the White Paper 'Strong and Prosperous Communities'*
- *Aim is to rebalance the relationship between central government: local government: local people*
- *New legal framework to secure participation of local citizens and communities*
- *Local Area Agreements will be a requirement for county and unitary local authorities.*
- *Fewer national indicators and risk-triggered inspection*
- *More ambitious efficiency gains anticipated and a focus on collaboration, business process improvements and contestability*

1. Introduction

The Local Government White Paper 'Strong and Prosperous Communities' was issued by the Department of Communities and Local Government on 26th October, 2006. This briefing provides an overview of the White Paper and APSE will be issuing a series of briefings referring to individual sections.

A full copy of the White Paper is available by clicking on the following link: <http://www.communities.gov.uk/index.asp?id=1503999>. The Paper is in two volumes – Volume 1 looks at proposals, whereas Volume 2 describes the impact on specific themes; community safety, health and well-being, vulnerable people, children, young people and families, economic development, housing and planning, climate change and the role of the third sector. The White Paper

acknowledges the radical improvements made in local government over the last ten years and sets out a vision of *“of revitalized local authorities, working with their partners, to reshape public services around the citizens and communities that use them”*.

The new vision involves a rebalance of the relationship between central government: local government: local people. This includes:

Central and Local Government: reducing national targets and lighter touch inspection; and introducing local leadership models.

Local Government and its partners: a new framework for local authorities to work with other public service providers with new duties to work together to meet local needs and drive up service standards.

Local Government and citizens: giving local citizens more information on how services perform and more opportunities to get involved; new powers for citizens and local councillors to demand an answer when things go wrong through the Community Call for Action; and encouraging the development of local charters and neighbourhood management; councillors being allocated small budgets to deal with local problems and increasing opportunities for communities to take on the management or ownership of local facilities and assets.

The remainder of this briefing paper will examine the main proposals from Volume 1.

2. Responsive services and empowered communities

The proposals include better informing and consulting with service users, but they are more radical than simply consultation and go beyond this. They include influence over who provides the service, choice over the services they receive and being enabled to call local agencies to account if services fail. This will be enforced through a legal framework to require local authorities and other best value authorities to secure the participation of local citizens and communities.

The focus is on the neighbourhood level in terms of managing services with the development of neighbourhood charters containing local standards and priorities. This includes working more closely with neighbourhood policing teams and simplifying the process for setting up tenant management organisations.

3. Effective, accountable and responsive local government

The Paper encourages diversity in terms of the model for local leadership, with three choices for councils; a directly elected mayor, a directly elected executive of councillors or a leader elected by their fellow-councillors with a clear four year mandate. Councils will be able to move to whole-council elections and single

member wards to improve the accountability to voters. The Paper recognises the potential gains from unitary status in terms of leadership and efficiency and councils in shire areas will be able to seek unitary status.

4. Strong cities, strategic regions

The government will continue to work with local authorities and, where desirable, develop Multi-Area Agreements which cross local authority boundaries. However, there is a word of warning that there is a higher premium now on clear, transparent and accountable leadership. The aim is for a more coherent approach to transport in our biggest cities and the Department for Transport will propose a package of reforms.

5. Local government as a strategic leader and place-shaper

Local Area Agreements (LAA) will now be a requirement for county and unitary local authorities, which will include a single set of targets for improvement, tailored to local needs, agreed between Government and local partners. This will contain national minimum standards but will reflect local innovation and priorities. Delivery of these priorities will be the responsibility of key local partnerships such as the Crime and Disorder Reduction Partnership and the new health and well-being partnerships.

6. A new performance framework

The new performance framework continues the theme of 'minimising the burden', the strategy adopted by the Audit Commission. There will be around 35 priorities for each area through the LAA, plus statutory attainment and childcare targets. The number of indicators will be slimmed down to 200 outcome-based indicators covering national priorities. CPA will be replaced by CAA (Comprehensive Area Assessment), which will be more proportionate and risk-based and enable more targeted support or intervention when things go wrong.

7. Efficiency – transforming local services

The efficiency agenda will continue with the Comprehensive Spending Review 2007 due to contain ambitious efficiency gains. To achieve these, the White Paper purports collaboration between public bodies, business process improvement techniques and greater contestability.

8. Community cohesion

To promote community cohesion, the Paper supports stronger local leadership, greater resident participation in decisions and an enhanced role for community groups. The Government will provide support for local authorities facing

difficulties, will help share best practice and will support the establishment of forums.

9. Comment

More in-depth commentary will follow in the individual briefing papers.

Overall, APSE welcomes the recognition of the progress made by local authorities. Services are performing well and have demonstrated improvement. The White Paper recognises that local authorities have a role to play as a strategic leader and place-shaper across the public sector and this is welcomed by APSE. APSE believes in the importance of effective leadership and representation, irrespective of the political structure.

So, how do we realise that vision of councils as place-shapers? The emphasis in the Paper on shared services is appreciated by APSE. The potential benefits of collaboration can be noted in both back office functions such as finance and procurement as well as in front line services such as street scene service delivery or joint work with Primary Care Trust's on healthy living initiatives.

The focus on making services more responsive to citizens is also welcomed. The public are more discerning and want greater personalisation of services. There are major success stories where the public sector has developed choice, such as choice-based lettings for tenants of social housing, leisure activities, recycling and school meals. Choice has already been applied to the time, place and method of accessing services to fit into different lifestyles – web-based services, one-stop shops, neighbourhood contact points to name a few. It is vital, though, that choice doesn't diminish universal provision.

There is a paradox in the Paper between the vision of local authorities as community leaders with joined-up services and the fragmentation of assets and services associated with greater community ownership and contestability. Outsourcing services goes against everything that local authorities are trying to achieve in co-ordinating services effectively towards one common goal. The public want greater personalisation of services in packages that are coherent, not fragmented and remote. Councils that provide a strong core of directly provided services are able to respond to changes in priorities, both within neighbourhoods and at a national level.

The revised best value guidance on testing the competitiveness of services needs to be closely related to the performance of services. Where services are failing, there is the opportunity for challenge, but the reason behind this failure needs to be understood in the context of the local authority. Is the problem going to be resolved by a different provider or are there local circumstances causing such performance, such as demography? Since the introduction of best value, significant progress has been made on creating a holistic view of performance.

Competition is no longer about how cheap you can be – on the contrary, the focus on outcomes and customer consultation clearly highlight the need to provide quality services. A blanket policy of routine market-testing would increase the burden on local authorities and conflicts with *minimising the burden*, the strategy central to the new performance framework.

Another key issue is community ownership of local facilities and assets. Before any responsibility can be passed down by councils, questions need to be asked such as whether communities have the skills to manage complex contracts, whether there is a good business case to do this, potential damage to economies of scale. This can run the risk of assets being managed by well-meaning but inexperienced amateurs lacking in expertise or worse by extremists. Partnerships with community associations need to be managed via a quality framework and not a transfer in responsibility.

The new performance framework represents an opportunity to build on previous successes and focus performance on local priorities. The introduction of CAA (Comprehensive Area Assessment) represents a clear departure from labelling councils under the current CPA framework to focusing on a set of key outcomes, allowing for local prioritisation. What is remarkably different from CPA is the annual risk judgment which allows the government to reduce the amount of rolling inspections and introduce a system which allows inspection to be triggered. There is no doubt that the Audit Commission will still be interested in performance. Performance indicators will remain a vital element of performance management. As a result, APSE Performance Networks will take on a more important role in helping to fill the gap left by reduced Government requirements.

The Paper stresses the importance of councils promoting and publicising what they are already doing. This represents a new challenge for councils to find better and more innovative ways to engage with the public. The Community Call for Action potentially calves out a new role for local councillors and formalises the current feedback mechanisms. It provides local councillors with the power to demand action for a local issue, hence strengthening their local leadership role.

APSE will be formally responding to the Paper and will continue to represent the views of its membership.

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