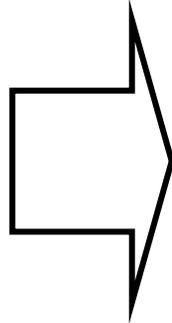


The White Paper is the beginning of a longer process

LG White Paper + legislation at earliest opportunity

Content outline:

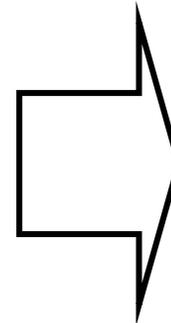
- Clear account of governance/ functions/ performance management at each spatial level
- Detailed account of institutional reforms and developing political leadership at each tier
- Set the context for future finance/ funding changes



Lyons review published

Possible contribution:

- Further detail on function/ form of sub-national governance
- Finance implications



Budget/ spending review

Key aims:

- Implementation of white paper/ bill
- Funding implications of governance changes
- Implementation of Lyons recommendations
- Implications of new functions at each tier

This process also needs to co-ordinate with and feed into wider government reform programmes – particularly police, transport, health and schools reform

There are three main objectives

The White Paper and the continuing change process will reform current governance and service delivery arrangements to meet the following objectives:-

1. Revitalise local democracy and empower citizens/ communities to shape government action that affects their lives
2. To drive and facilitate improved outcomes and value for money across the board
3. Protect and improve equity between the worst off individuals/ communities and the rest of England

- Note in some policy areas there will be trade offs between these objectives
- Under-pinned by a sustainable finance system

A lot of consultation – a lot of this is already in hand

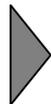
Stakeholder group	Main players
Local government representative organisations	LGA, Regional groupings (including ALG)
Local government officials	Chief Execs, SOLACE Board individual service directors
Local government elected members	Council leaders, backbenchers
Think tanks	NLGN, IPPR, The Young Foundation, The Smith Institute, LGIU etc.
Academics/ commentators	E.g. Gerry Stoker, Mike Emmerich, Tony Travers, Phil Swan
Unions	Unison, T&G, GMB
Public	General public
VCS	NACVO, ACEVO
Business	CBI, Small Business sector, Social Enterprise
Public partner bodies	PCTs, Police etc

Over the next few years – the configuration of governance and delivery arrangements will become increasingly important

- Central Government has generally centralised services since 1997 – this continues a historical trend
- This has brought us some benefits
 - Some services have shown significant improvements and the capacity of councils has significantly improved
- However, there are limits to this approach
 - Overall value for money has remained the same
 - Satisfaction with local services remains low
 - Local democracy is weak and, despite a desire to get involved, participation in local services is low
- Central and local funding are not likely to increase as fast as they have – therefore we need to work together to find ways of improving outcomes and engaging people in their local services
- The White Paper will address this question based on the principle of empowerment – facilitating citizens/ communities to influence government action that affects their lives

We are examining six main areas where current arrangements can be improved

Changing the central/ local performance management framework



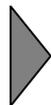
- Significant changes to the central/ local performance framework
 - Focussed on smaller set of national priorities
 - More bottom-up/ user accountability

Better economic growth for cities



- Devolution of functions associated with economic growth to cities alongside pooling of local funding to address these issues
- Possible new governance options

Improved local leadership



- Reforms to improve leadership/ democratic engagement at a local level
 - options include elected executives/ Mayors etc

Local government as a convener of public services



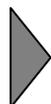
- Changes to increase the capacity for local government to act as a ‘convener’ of local public services

Community/ neighbourhood empowerment



- New powers and possibly new governance options for neighbourhoods to address very local issues

Local government structures



- Possible changes to local government structures in two tier areas and “shire” unitaries.

Changing central/ local performance management framework

Storyline

- **Issue:** Central Government imposes too many top down controls, targets etc. which prevent local areas developing the most appropriate solutions for local problems
- **Response:** Develop a more proportionate performance management regime based greater clarity of national/ local priorities – this is likely to lead to a smaller number of national priorities and a ‘genuine’ risk based approach. ‘Double devolution’ to provide greater bottom up/ horizontal accountability

Analysis

- Evidence of current performance burdens on local authorities - indicates significant duplication between different reporting regimes
- There is clearly a need to rebalance vertical, horizontal and bottom up accountability

Options we are considering (not exhaustive)

- Propositions for a new performance framework are being developed e.g.:
 - Build on the smaller number of inspectorates and replacing rolling inspection with a risk based, outcome focussed approach. Includes development of a single performance information set
 - Greater self assessment, user pressure and peer review

Better economic growth for cities/ city regions

Storyline

- **Issue:** There are a set of issues associated with employment markets that could be better managed by more effective co-operation at city regional levels
- **Response:** New powers and governance arrangements tailored to individual cities focused around economic development (particularly transport, skills and generic grants for economic development) – wider role for cultural/ social development?

Analysis

- State of the Cities report will provide analysis of the current position of the primary urban areas outside of London
- Strong evidence of continuing social and economic disparities between and within places
- Evidence suggests that strong city-regions are necessary for better economic growth

Options for consideration (not exhaustive)

- Cities developing business cases for new powers for their areas in January. Likely to focus around
 - Transport, skills, regeneration, housing and ‘strategic leadership’
 - Governance options likely to focus on city regions

Improved local leadership

Storyline

- **Issue:** Declining interest in local democracy. Greater need for local institutions to tailor solutions to local problems. Lack of impact of weak, anonymous leadership in some areas
- **Response:** All areas to have strong, visible, and accountable leadership that is representative of local citizens

Analysis

- Evidence that authorities with strong leadership and strong scrutiny arrangements perform better
- Lack of capacity of some councillors and leaders

Options for consideration (not exhaustive)

- Alternative governance options identified e.g.
 - Directly elected executives, directly elected mayors
 - Single member wards
 - All out elections
 - Further measures to change the role of the councillor (e.g. pay etc.)
- Links to the convenor role of local authorities

Local government as a convener of public services

Storyline

- **Issue:** Effective local partnership working is needed to drive up outcomes. Lack of clarity about the partnership framework and the relationship between central government and local partnerships
- **Response:** Local authority as 'first amongst equals' by leading local strategic partnerships. LAAs to allow for significant pooling and sharing of resources across institutional boundaries, simplified national outcomes framework; greater horizontal accountability; simplified performance framework

Analysis

- Mixed evidence on the ability of LSPs to improve local performance and wide variation in LSP performance
- LAAs still in pilot stage, working with other government departments to increase pooling of funding, reduce vertical accountability and allow local partnerships the flexibility to deliver outcomes

Options for consideration (not exhaustive)

- Range of options:
 - Statutory basis for LSPs with duty of co-operation on public sector bodies
 - Possible that LAAs are a vehicle for all area based funding and as a catalyst for more mature central/ local relationships
 - Greater scrutiny role for councils over wider public services

Community/ neighbourhood empowerment

Storyline

- **Issue:** Citizens don't feel engaged with their public services and lack effective ways to shape the place in which they live
- **Response:** Introduction of neighbourhood level arrangements across the country to allow local communities to shape the services they receive and become more involved in the democratic life of their area

Analysis

- General trends on civic engagement are known, but more work needs to be done on very local trends and needs to be broken down by service area
- However, there seems to be a lack of capacity and desire of some neighbourhoods to engage. Greater understanding required of why there is an expressed desire for engagement, but low participation when opportunities to engage are offered

Options for consideration (not exhaustive)

- Packages of options focussed around:
 - Neighbourhood service agreements and triggers
 - Delegated budgets
 - Neighbourhood policing and management

Local Government Structures

Storyline

- Issues: confused and complicated governance arrangements in two tier areas;
- Response:
 - Can local government structures be changed to deliver better outcomes for citizens?
 - Could structural change provide better leadership, more community engagement and better quality, vfm services?

Analysis

- Overlapping roles and responsibilities in two tier areas;
- Lack of strategic capacity of District Councils;
- Lack of community engagement of County Councils;
- Possible opportunities for efficiency gains.

Options for consideration (not exhaustive)

- Opt-in, not government dictat.