



THE LOCAL GOVERNMENT WHITE PAPER STRONG AND PROSPEROUS COMMUNITIES

1. INTRODUCTION

- 1.1 The Government has recently published a White Paper setting out a wide range of proposals for the future of local government.
- 1.2 Although it is not formally a consultation document, its general approach is to seek “a new relationship with local government based on a mature conversation about what is best for local people”. Many of the proposals will be developed in consultation with local government and where necessary be the subject of further guidance or legislation (for which provision was made in the Queen’s speech).
- 1.3 There is therefore time for New Forest elected members to explore the proposals in the document and contribute to the “conversation”. In order to begin this process a session on the implications for the authority will be held before the next Council meeting on 18 December.
- 1.4 There is however one part of the White Paper that requires a more urgent response. The White Paper contains an invitation to all Councils to submit proposals for unitary structures or to be pathfinders for pioneering new two-tier models of working by 25 January 2007.

2. MAIN FEATURES

- 2.1 A summary of the White Paper prepared by the Local Government Association is attached as Appendix 1. In general it welcomes the document as a positive step towards greater localism, and one which reflects its own influential report, “Closer to People and Places”. It does see the proposal as only a first step, and presses for much greater devolution of power to local government. It is to be welcomed that the White Paper recognises and seeks to build on the success of local councils.
- 2.2 The headlines include:
 - a new performance framework with less targets and streamlined inspection
 - councils to be “strategic leaders and place-shapers”
 - stronger political leadership with elected mayors or Council leaders in place for four years
 - stronger role for “front-line” councillors and scrutiny
 - a push for efficiency and transformation
 - empowerment of neighbourhoods
 - an economic focus on cities and strategic regions

- 2.3 It should be noted that the report does not cover major financial issues. The forthcoming Lyons Report (expected early in the new year) and the Comprehensive Spending Review 07 will have a great impact on the ability of councils to deliver an enhanced role.

3. UNITARY/TWO TIER PIONEER INVITATION

- 3.1 The White Paper argues for the benefits of unitary local government and indeed much of it presupposes a unitary and, arguably, urban model. It does not however propose a general restructuring because of the difficulties and costs involved. Instead it looks for a limited number of volunteers.
- 3.2 There is no doubt that New Forest District Council could provide a very powerful case for unitary status. In the last national structural review in 1994 the Local Government Commission proposed that the New Forest should be a unitary council alongside Southampton and Portsmouth. It concluded that the New Forest was “a distinct area with clear community identity and interests, while also capable of providing convenient and effective local government”.
- 3.3 The New Forest district has the second highest population of any district in the country (c170,000), higher than many existing unitaries. It was found to have one of the strongest senses of community identity of any area. It has been rated “excellent and improving” in its Comprehensive Performance Assessment and has one of the highest scores nationally for prudent use of resources. Last time public support for a separate New Forest Authority was 80%. As one of the biggest and best district councils in the country, a unitary New Forest Council, working closely with the New Forest National Park Authority, would be well placed to give the leadership and quality services this unique area deserves.
- 3.4 And yet. Any proposal to bid for unitary status would be of itself expensive both for the council and for those who would undoubtedly argue against it. It could also distract the council from the provision of efficient services potentially for a lengthy period. The Government has also made it clear that it is only looking to accept a limited number of bids, and the fashion for unitaries is, for the moment, to have larger populations than those accepted in 1994. The tight timescale and tough conditions for acceptance make any bid highly risky. Unlike last time there will be no Central Government financial support. Perhaps the most compelling case against a bid is that it would be divisive at a time when the Council is working hard with Hampshire County Council and other Councils and bodies to deliver better services without the need for structural reform. In the end what matters most to people is the quality and cost of services they receive rather than who they receive them from.
- 3.5 If Members do not decide to bid for unitary status at this time, the other decision is whether or not to bid to become a pathfinder for improved two-tier working. Again the Council would be well placed to submit an attractive proposal alongside Hampshire County Council. New Forest has taken a leading role in the sub-region of Hampshire and the Isle of Wight in promoting joint working. The Leader chairs the HIOW Improvement Board and is a member of the LAA Board. Other members and senior officers are playing leading roles in a wide range of partnerships.

- 3.6 It is very clear that partnership working, including promoting and engaging in shared services where a case can be proven, will be vital to the authority's future. This is a key theme of the Procurement Strategy currently being considered by Members. What is not clear is the benefit to be gained from a Pathfinder bid. There is no money attached to the status and the privilege of periodical special evaluation/inspection by Central Government is at best dubious. The invitation also seems unduly restrictive in that while the County is an important partner, it is far from the only one. Relationships with the Local Strategic Partnership, Town and Parish Councils, with the National Park, with Test Valley and other neighbours, with the Partnership for Urban South Hampshire, are all important. Finally it is very unlikely that all of the other 10 District Councils in Hampshire would agree to make a united bid.

4. FINANCIAL IMPLICATIONS

- 4.1 A bid for unitary status would require a supplementary estimate of the order of £50,000 which would establish the longer term financial case.

5. ENVIRONMENTAL IMPLICATIONS

- 5.1 None directly from the paper. The proposals for sustainable community strategies will require the Council to play a lead role in determining the environmental, economic and social future for the area.

6. CRIME AND DISORDER IMPLICATIONS

- 6.1 None directly. The paper confirms and strengthens local authorities' key role in community safety issues, including the new powers of community calls for action.

7. PORTFOLIO HOLDER COMMENTS

- 7.1 The Portfolio Holder supports the general principles of working with Hampshire County Council and other partners.

8. RECOMMENDATIONS

- 8.1 That Cabinet notes that a workshop will be held for all Members on 18 December.
- 8.2 That Cabinet recommends to Council whether or not the authority should accept the invitation to bid for unitary status and/or to bid for pioneering two-tier working.

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Background Papers:

Local Government White Paper
Strong and Prosperous Communities

Local government white paper – LGA briefing

26 October 2006

LGA key messages on today's local government white paper

- The white paper is encouraging and reflects some of the LGA's long-standing demands for deregulation. It takes significant steps with proposals to strengthen local leadership, enhance the role of frontline councillors, cut back the plethora of national targets, streamline inspection and broaden the scope of local area agreements.
- The white paper does not, however, reflect our call in 'Closer to People and Places' to devolve national and regional powers to cities, towns and counties.
- This is only the first step. We want to see our devolutionary vision made a reality. This means the Government must go further with stronger measures in the Queen's Speech, the Lyons review and next year's Comprehensive Spending Review.

Key proposals in the local government white paper

- **A new performance framework** that will cut the number of national performance indicators to 200, and targets to around 50 and replace CPA with new assessment arrangements with a reduced and risk-based role for inspection.
- **An enhanced role for councils as strategic leaders and place-shapers** through stronger Local Strategic Partnerships and next-generation Local Area Agreements (LAAs) with wider scope and importance, and a duty to cooperate between councils and local partners
- **Stronger cities, strategic regions**, reforming Passenger Transport Authorities and the development of LAAs into sub-regional Multi-Area Agreements.
- **Stronger political leadership** by requiring all councils to opt for a directly-elected mayor, directly-elected executive or indirectly-elected leader for a four-year term.
- **An invitation** to councils in shire areas to bid for unitary status or enhanced two-tier working.
- **A strengthened role for front-line councillors** including powers to respond to community calls for action on local issues and greater freedom to speak up on planning and licensing issues affecting their wards.
- **A wider and stronger role for scrutiny** including the power to require evidence from all local service providers and a duty on them to have regard to scrutiny recommendations.
- **Devolution** of powers, including removing the requirement for Secretary of State's consent to bye-laws and the creation of parish councils.
- **Community cohesion** – councils encouraged to put integration and cohesion at the heart of community strategies and LAAs.

Further details

Information on the LGA's work on the white paper can be accessed here <http://whitepaper.lga.gov.uk/> and we have set up an inquiry line which you can contact on 020 7947 8885 and white.paper@lga.gov.uk.

Summary of key chapters and proposals

Responsive services and empowered communities (chapter 2)

Proposals to increase choice in public services and devolve power to the community level including:

- A 'community call for action' enabling citizens to address serious or persistent problems across all local public services;
- Reform of parish councils so that District and Unitary councils can create them, they can exist in London, quality parish councils get a power of well-being but councils can choose to have an alternative form of community governance;
- Encouraging neighbourhood management, community ownership and management of assets

LGA view

- We believe that frontline councillors should have the power to take up serious local problems on behalf of their constituents and the LGA and IDeA are taking this agenda forward through our *Closer to People* campaign, providing best practice advice to councils, and a programme of support to develop the role of frontline councillors.
- On parishes - we believe that the reforms around parish councils are significant and this is a sensible step in devolving power closer to people.
- We support responsible community ownership of assets providing their sale does not compromise the ability of councils to invest in new infrastructure by accessing current resources.

Effective, accountable and responsive local government (chapter 3)

Key proposals include:

- Bids invited from councils for unitary status and for pathfinders on two tier working arrangements;
- Councils required to adopt one of three political management arrangements (directly-elected mayor, directly-elected executive or indirectly-elected leader for four-year terms)
- Localised code of conduct for councillors with revised standards board role with greater freedom over councillors speaking and voting on local planning and licensing issues;
- Independent review of incentives and barriers to becoming a councillor and measures to promote more diverse and representative councillors;
- Strengthened council overview and scrutiny powers, devolution to councils of bye-laws, fixed penalty notice powers and whole council elections (which could lead to single-member wards)

LGA view

- We support those councils, including counties and districts in two-tier areas, who are working together to share services and integrate decision-making to provide a better deal for tax-payers. But we are resolutely opposed to imposed restructuring. Experience shows that imposed reorganisation of local government always takes longer, costs more and delivers less than it ever intended;
- On political management - we want to see strong accountable leadership in local government but there is no right model, whether mayor or leader, for all areas. What is most important is the extent to which the real powers to make things happen in their communities are devolved to these leaders.
- We believe that measures to free up councillors to speak out on local issues on behalf of constituents will enable them to get on with the job of putting people first.
- We have begun work with the main political parties on a campaign to raise awareness of the role of councillors and encourage more people to come forward to stand.
- Devolving byelaws and fixed penalty notices to district and parish councils is a sensible move as it reflects the fact that councils have a better understanding of the important issues in their area and will be more able to protect local residents and improve local quality of life.

Strong cities, strategic regions (chapter 4)

Key proposals include:

- A sub-national review of economic development and regeneration looking at where powers should sit, feeding into Comprehensive Spending Review 2007;

- Reform of Passenger Transport Authorities (PTAs) with stronger powers to regulate bus services;
- Work to develop multi area agreements (MAAs) to support effective collaboration at the larger city-region level (but this need not only apply to cities) using the principles on which LAAs are based;
- Encourage stronger leadership, including elected mayors where there is local support.

LGA view

- Creating places where people can thrive is a priority for local government and the LGA will soon be publishing an analysis of the evidence on economic devolution and views on the areas where powers and funding need to be further devolved in the near future (including the business rate).
- We believe that a strengthening of PTA powers is needed to improve the quality of local bus services but that all councils should have options available to them, including franchising
- We support MAAs and the need to encourage stronger leadership, so long as no specific model is imposed. We have proposed three models for MAAs – Metropolitan Area Agreements, City Area Agreements and Shire Area Agreements.

Local government as strategic leader and place-shaper (chapter 5)

Key proposals include:

- A new duty for upper-tier councils to prepare LAAs, and a duty for partners in the agreement to co-operate and have regard to LAA targets;
- Strengthened LSPs with council leaders expected to play a lead role;
- New health and wellbeing statutory partnerships, greater involvement of the voluntary and community sector and duties and guidance around sustainable community strategies.

LGA view

- We think that the proposed strengthening of LAAs will lead to more effective and ambitious council-led public service partnerships. The LAA should be widened to cover 'mainstream' as well as 'area-based' funding to really change the services people use for the better;
- Strengthened LSPs and health and well-being partnerships will also improve the ability of councils to lead the co-ordination of the range of services their communities use

New Performance Framework (chapter 6)

Key proposals include:

- National outcomes to reflect priorities – with progress on national outcomes to be measured against a core set of 200 indicators and a maximum of 35 targets with 18 DfES targets on early years and performance
- An annual Comprehensive Area Assessment, replacing Comprehensive Performance Assessment, Joint Area Reviews, Annual Performance Assessment and Social Services star rating by March 2009 with the Audit Commission acting as 'gatekeeper' on inspection.
- Poor performance to be tackled through a sector-led approach with fall back powers for the Secretary of State to intervene.

LGA view

- We share the aim of putting customers at the heart of high quality services and have published good practice advice with the National Consumer Council on how to best measure and react to customer satisfaction information.
- We believe that the announcement on national outcomes and indicators is a very positive development. These are moves towards our proposals for a national outcomes framework which we will be seeking to pursue in discussions with government.

Efficiency- transforming local services (chapter 7)

Key proposals include:

- Ambitious efficiency gains expected over the next few years
- To be achieved through collaboration across the public sector and greater competition in local government service markets
- Expectation that three year budgets for councils will mean three year council tax projections and three year agreements with the voluntary and community sector

LGA view

- Councils are at the forefront of making public sector efficiency gains in order to ensure an ever better deal for taxpayers and are we are in discussions with government about how further improvements can be made.
- On three year council tax projections – the LGA believes that councils them selves should decide when they report on council tax figures. Government needs to recognise the local realities which can make this difficult, for example, elections and unfunded pressures.

Community cohesion (chapter 8)

Key proposals include:

- Community cohesion should be appropriately embedded in the new performance framework, LSPs and the priorities of LAAs with tackling extremism becoming “core business”
- The Commission on Integration and Cohesion will produce more detailed plans on this issue when it reports next year

LGA view

- The LGA recognises that creating strong, vital and cohesive communities is one of the most important issues that we face. Our vision for councils is one of strong local partnerships that prioritise community cohesion and encourages community participation in local decision-making.