



*Local Government Association*

# freedom to lead: trust to deliver



consultation proposals

# foreword

Local government has made huge strides over the last decade in terms of both performance and in value for money. It is the most efficient part of the public sector and has seen the biggest improvement in performance.

At the same time the social, economic and environmental challenges facing our communities are intense. On top of this we are now facing a lengthy period of spending constraint and real-term cuts. Public expectations remain high and people will look to councils and local partnerships to find new ways of maintaining and improving the quality of services which they receive.

Local government's contribution over the next few years will therefore be crucial. Elected councillors, the choices they make, and their dialogue with the public, will be at the frontline of efforts to bring the national finances back into balance.

Councils have always had to make judgements about the level of service provided in any particular area. That is why democratically elected councillors are at the heart of the decision-making process. We will need to demonstrate that we can continue to provide good local services at a time when financial resources are tightly constrained.

Through the current Total Place pilots, councils are already exploring with their local partners how they can work more effectively together at local level – cutting out duplication, sharing resources and targeting their combined efforts more effectively.

This experience points to a better way to govern localities. Realising this opportunity requires change at national and local level.

The remaining months between now and a general election offer a key moment in which to build a new framework for local accountability and the future of local government.

Local government leaders are rightly looking for ambitious solutions. We need much less central control if we are to deliver better services and lead our local areas. At the same time, increasing local accountability will strengthen our democracy and save public money.

In the earlier stage of our *Freedom to lead* consultation, we asked what needs to change, and why. In this second stage, we have set out a far reaching but realistic package of proposals that, if implemented will, we believe, put us and our partners in a better position to address the challenges we face in our communities.

We want to build a consensus around the need for change and the broad agenda which we have proposed. We are keen to hear from councils, their local partners and others on our proposition. We also want to hear from the main political parties as to how these ideas fit in with their plans.

**Councillor David Parsons CBE**  
**chairman, LGA improvement board**



# executive summary

The complexity of the challenges facing our communities, along with the pressures on public spending, require radically new and responsive ways of working across the public sector.

Councils are already responding, driving forward year-on-year service improvements and efficiency savings. But this is not enough.

Public services need to be redesigned and reshaped around the needs of local people; efficiency gains need to be driven out by greater joined-up working at local level; and innovation and creativity must be released by putting users and frontline staff at the heart of service design and delivery.

This will only be achieved if the constraints imposed on councils and their local partners by the current framework of funding streams, nationally imposed targets, performance monitoring and inspection are radically reformed.

This paper sets out our proposals for what a new accountability framework for localities might look like. It covers the role of national targets, the case for stability and certainty about resources, the agreement of priorities for place, the nature and role of inspection and arrangements for supporting improvement. It is about the governance and management of place.

Our proposals are framed as an 'offer' to government - setting out what local government can do locally to lead a collective effort to improve the quality of life for local people and to make public money go further. At the same time we set out what needs to change to enable this to happen - this is our 'ask'.

These proposals build on earlier work from the LGA Group including *Setting the pace* (on sector-led improvement) the more recent call for evidence on the LGA *Freedom to lead* campaign and our pre-budget submission *Delivering more for less*. We are working separately on future governance proposals for local public services which we will report on in the Spring.

At its heart our proposition is that local public service providers need to be liberated from unnecessary controls so that they can develop tailored responses appropriate to the challenges of their communities in a way that is co-ordinated, efficient and cost-effective.

We are not proposing a single uniform model. Approaches may need to be tailored to different parts of the country and the pace of change may also vary.

Local councillors are connected to their communities in a way that central government is not. Local interaction and local knowledge of people and place means that local government is the tier of government that people look to first to solve their problems.

Because the need for progress is so urgent we have focused on changes that can be introduced quickly, and without the need for major constitutional change. We have deliberately chosen not to restate the case for fundamental constitutional reform. Our views on the defects of the UK constitutional framework are already detailed in submissions to the Select Committee on the Balance of Power and in *One nation, two systems*<sup>1</sup>. These longer-term issues still need to be addressed. But major constitutional reform takes time which we feel we do not have.

In summary form, our 'offer' is for:

- strengthened collaborative working – better outcomes with more value for money;
- widening democratic leadership across all local public services;
- councillors equipped for the new challenges ahead;
- robust peer challenge underpinning continued improvement;
- sector-led support as an alternative to intervention;
- openness and accountability to local people;
- joint central/local work on better outcomes;
- a shared approach to public service improvement.

And our 'ask' is for:

- devolved autonomy to shape the totality of local public spending;
- a slimline set of national outcomes relevant to 'place';
- three-year area financial settlements;
- new-style area agreements negotiated outwards with citizens, and not upwards with government;
- proportionate inspection;
- a national inspectorate for local public service delivery;
- a single improvement framework for local public services;
- a new approach to intervention;
- devolution of public sector 'improvement' resources.

We now want to hear your views about our proposals. You can take part in the consultation by sending written submissions to: *Freedom to lead, trust to deliver*, Local Government Association, Local Government House, Smith Square, London SW1P 3HZ or by email to: [jointhedebate@lga.gov.uk](mailto:jointhedebate@lga.gov.uk)

The consultation closes on 10 March 2010.

A final proposition will be published in April 2010 based on the responses to these proposals and in the light of the lessons from the Total Place pilots.

### consultation questions

Q1: Do councils and their local partners support this ambitious level of devolution and local autonomy?

Q2: Are these the right principles? Are there others that we should be thinking about?

Q3: Seen from the local perspective, are the elements of this 'offer' the right ones?

Q4: As a local councillor how could your role be developed?

Q5: Seen from the perspective of those who hope to form the next government, how far will these measures help? What other changes and reforms should the local government sector be looking to?

Q6: Do these proposals feel like the right route to greater devolution and a clearer framework for local accountability? Are there elements that are missing?

Q7: Do these proposals involve an appropriate level of devolution of decision-making? Are there risks to maintenance of centrally-determined priorities, or minimum national standards for universal services?

Q8: The common theme of these proposals is for further evolutionary reform of public services and the machinery of government, but at a significantly faster and more radical pace. Is this the right approach, or do we need 'big bang' constitutional change?

# freedom and trust for localities

## our ambition

Our ambition has not changed. We want to create strong and thriving communities where people have good employment prospects, high standards of health and education, and the security to lead their lives to the full. Over the last decade, councils have worked increasingly closely with local public sector agencies to turn this ambition into reality.

To maintain improvement in a much less benign economic climate, we must now take joint working to a new level. We need machinery of government that is built around people and the places where they live, and not the departmental silos or delivery chains of Whitehall with their excessive bureaucracy and unresponsive decision-making. Government needs to move close to local people and communities. Stronger leadership of place gives us the best chance of meeting the pressures of the new decade.

Many people believe that their local council is responsible for public health, policing and other public services outside councils' remit. Public confusion about who does what, with ministers intervening in one-off service failures, is no way to govern. It will not prove sustainable in the decade ahead.

## a devolved approach

We have to find a better way. Our answer is a devolved approach that provides the flexibility required to enable different solutions for different places, reflecting local context, demographics and need.

Debates on devolution and localism go back over decades but now more than ever there is cross-party consensus on the direction of travel.<sup>2</sup>

The Conservative green paper on decentralisation, *Control shift*, makes a number of relevant proposals<sup>3</sup>. The present government also speaks regularly on the need for reform and a shift of gear in the machinery of government<sup>4</sup>. In the December 2008 pre-budget report and in proposals for 'smarter government'<sup>5</sup>, fresh commitments have been made to reduce targets and remove ring-fencing of area-based funding streams.

## a more cost-effective approach

Not only can the devolved approach which we are proposing facilitate more efficient and effective use of public finances at local level but it can also be delivered more cheaply.

The costs of our current national arrangements for performance management, upwards reporting, and inspection and regulation of public services, are disproportionate compared with other nations. It has been estimated that the cost of monitoring and inspecting just local government is in the region of £2bn.

It is not just in the area of inspection that significant savings could be made. The LGA has looked in depth at how government spends its money and identified how £4.5bn could be saved by reducing unnecessary Whitehall activity and the burdens which it imposes on town halls<sup>6</sup>.

Spending such amounts on this activity is simply not a good use of public money. As argued in *Delivering more for less*, we all now have to question such activity in terms of 'what does it achieve, and can we afford it?'

The freedoms that we are proposing are the basic tools available to local tiers of government in many other parts of the world. International comparisons support this view<sup>7</sup>, and alongside this document we are publishing a background paper highlighting how this country's approach differs to that taken in other democracies. Too much of Whitehall remains conditioned to assume that UK centralist models are universal and unquestionable and this needs to change.

## implications

We recognise that arguments for more devolution and local autonomy have implications for the role played by national standards and reinforce the prospect of postcode lotteries. Devolution also brings with it new responsibilities and accountabilities.

We are ready for this - provided we have a framework within which we can govern effectively. By 'govern', we mean

the role of navigating ahead for people, helping to shape behaviours to ensure a sustainable future, protecting the vulnerable and resolving competing interests for the greater public good. In a period of recession, this has been described as 'place-shielding' as well as 'place-shaping'<sup>8</sup>. This is a role much wider than that of a delivery agent of the centre, commissioning services to meet targets set from above. It is about 'local government' once again meaning what it says on the tin.

**consultation question**

Q1: Do councils and their local partners support this ambitious level of devolution and local autonomy?



# principles for the next stage of reform

In identifying potential measures for the next stage of public service reform, we have looked for those which meet a set of principles developed from our consultation exercises carried out as part of *Setting the pace* and *Freedom to lead*. We are seeking reforms that:

- foster local autonomy;
- build more consistent accountability across all public bodies;
- embed representative democracy and the role of elected councillors;
- join-up public services locally – reducing fragmentation and duplication and delivering more for less, in terms of outcomes and costs;
- prove sustainable for future generations;
- eliminate unproductive or disproportionate regulation;
- make government simpler for people to understand, giving them more scope for influence and involvement at a time of national adjustment to changed economic circumstances;
- provide information to people in an accessible form, promoting public engagement and strengthening local scrutiny;
- are capable of swift implementation, with a minimum of new legislation or large-scale institutional re-organisation.

## consultation question

Q2: Are these the right principles? Are there others that we should be thinking about?

# our offer

Local councils are autonomous bodies. In making these proposals, the LGA Group recognises that some councils will want to move faster and further than others. We believe that the experience of the past decade, and the track record of the sector as a whole, makes this package of proposals a credible and realistic way forward.

We believe that local councils can deliver on this offer. It is made up of eight elements, as detailed below. In each case we start by summarising the problem which we believe local government, working with its partners, can help to solve:

## 1. Strengthened collaborative working leading to better outcomes and more value for money

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**The problem:** public sector effort is fragmented and does not maximise value for money. The public lack confidence that services are joined up. Greater personalisation of services is held back by institutional divides.

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The first part of our offer is stronger leadership at the local level of the collective effort to make places better and solve deep-seated economic and social problems. We will use every opportunity to work with local partners and with central government to achieve better outcomes on the ground.

The experience of Local Area Agreements, Multi-Area Agreements and Total Place is already being put to good use. In addition many councils have responded positively to the avenues opened up by the Sustainable Communities Act. We will build on this experience of partnership work, and on the lessons learned. We are confident that this is also the best way to eliminate waste and duplication and ensure that every pound spent delivers for local people.

We recognise that we must practice what we preach – fragmentation of public sector bodies applies equally to local government in two-tier areas.

Local government re-organisation has offered one route to greater integration, reduced costs, and more seamless services for people. Enhanced two-tier working has offered another. The LGA Group is confident that continued progress can be made on this front.

## 2. Widening democratic leadership across all local public services

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**The problem:** there is no logic or consistency in having some public services democratically accountable at local level, while others are not. This creates confusion in the relationship between people and the state. This decade will ask a lot from people, in terms of adapting to global economic pressures and climate change. Widened political leadership and democratic accountability will be essential to building consent.

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This part of our proposals would involve councils taking on a growing role in providing democratically accountable leadership across the full range of locally-delivered public services (primary health, policing, and employment services). This would take the Total Place pilot work to its next level. It would build on the growing community leadership role of local councils, as developed over the last decade.

Many local people already believe that councils and councillors are responsible for these functions. So let's make them properly accountable. It is through this route that outcomes for local people can be best improved and waste and inefficiencies driven out.

The LGA has long encouraged the embedding of democratic leadership and accountability across local partnerships, including those dealing with crime and policing, primary health care, and employment services. Many areas have found good ways of achieving this through local consultation and negotiation.

We want this evolution to continue. Some areas will want to move faster than others, and some have already done so. London has advantages in having unique existing arrangements and coterminosity of public service functions. These are already allowing more radical ideas to develop (eg the London City Charter between the mayor and boroughs, and moves towards Primary Care Trust and local government integration through joint chief executive appointments and joined-up strategic commissioning).

The route to widened political leadership of place can also be found through new governance models for partnerships,





as already being developed for Multi-Area Agreements and Local Area Agreements, and we are currently developing proposals about how the governance of local public services might develop over the next few years.

### 3. Councillors equipped for the new challenges ahead

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**The problem:** decentralisation of power and control has helped other countries to revive civic life. The diminished role of local government in the UK has damaged the depth of experience and skills amongst locally-elected representatives. This has left gaps in the overall capacity of political leadership and direction across the country, at a time when it is badly needed.

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We will continue to develop the talent of our councillors so that they can fulfil these new roles. Councils have shown a growing commitment to councillor development. The *Be a councillor* campaign has helped to ensure that new talent is coming through as democratically-elected councillors.

The sector, acting collectively, has a strong record to build on, through the Leadership Centre for Local Government (LCLG)'s Leeds Castle programme and the IDeA's Leadership Academies. LCLG's work with political parties has explored the realities and challenges that local politicians face in making decisions and choices on behalf of their electorate. These choices will get harder, not easier, in the new decade.

### 4. Robust and systematic peer challenge

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**The problem:** the cost of the current top-down system of monitoring and inspecting local government and the wider public sector is not sustainable in the future. The current regime treats all councils the same in terms of audit and inspection and is not sufficiently tailored to performance or the challenges that councils face. The results achieved from a centralised approach do not justify the costs.

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The most recent survey of councils found that 65 per cent felt that the Comprehensive Area Assessment (CAA) was more burdensome than the system it replaced. Over the last decade, local government has improved significantly and is

now much more robust in its use of peer support as a means of challenging itself to improve.

*Setting the pace* suggested a number of commitments from local authorities, Regional Improvement and Efficiency Partnerships (RIEPS) and the LGA Group which we are now in a position to put forward as part of our offer to government. This should, in turn, support the case for radically slimming down the inspection regime.

These include:

- a) a commitment that every local authority will engage in a robust peer-led external challenge at least every three years and undertake self-evaluation annually;
- b) a commitment that every local authority will contribute to improvement across local government by engaging with RIEPs, providing councillor and officer peers and other support to authorities and sharing learning and knowledge through a variety of routes including communities of practice;
- c) making greater use of internal and external audit to provide some independent reassurance;
- d) making use of the role of appropriate statutory officers employed within councils to provide reassurance that the authority is not in danger of either corporate, financial or service-specific failure.

Finally, effective local scrutiny can also make a significant contribution to improvement by digging deeper into issues of concern and coming forward with recommendations for change.

We want to go further, and for all councils to lead an annual LSP locality self-evaluation. This would assess progress on the priorities in the area's sustainable community strategy and Local Area Agreement. The assessment would be informed by local evidence, including finance and probity audits, and would involve partners, sector peers, and community representatives to ensure that it is robust. The results would be reported to local people, providing a regular opportunity to hold the council and partners to account.

## 5. Sector-led support as an alternative to intervention

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**The problem:** the UK tradition of ministers reacting to ‘the sound of a falling bedpan’ in a local hospital have not helped to build world-class public services. Instant intervention has not solved long-term problems, and is confusing for people who want to know where the buck stops.

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Local government should be given the first shot at sorting out its own problems before governmental/regulatory intervention. Despite government commitments to this effect in the joint National Improvement and Efficiency strategy interventions by ministers and by officials continue.

All councils will put in place systems to ensure that problems are not ignored. In addition, the LGA improvement board will put in place stronger mechanisms for ensuring that the sector (including the RIEP’s and the national improvement architecture) is providing the necessary support for councils. The LGA Group would, if necessary, seek the support of the national political parties in addressing any instances of dysfunction arising from political mismanagement in local authorities that could not be resolved from within the local government family.

## 6. Openness and accountability to local people

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**The problem:** the potential for local people to get the best out of public services and to drive their continued improvement has been held back by complex and disparate information sources. People need to have easy access to real time data about the performance of public sector organisations in their area.

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The sector fully supports the concept of making available good-quality and reliable place-based data on progress against national and local outcomes.

We will provide annual reporting by councils – to taxpayers and to funders, including to government. This will include making local information on performance against outcomes and on value for money available on an on-going basis.

We recognise that this needs commitment by councils and

partnerships to communicate with local people, and to collaborate in publishing national comparisons.

A sector-owned information and data function would develop standard definitions enabling local data to be collected on a consistent basis and benchmarked for comparative purposes.

International experience shows how this can be achieved through local authority collaboration and sectoral oversight, as opposed to central mandate.

Geographic scale of reporting is important, if information is to be useful and relevant to peoples’ concerns. The growing part played by district-level LSPs and neighbourhood partnership arrangements will be critical in building greater involvement and engagement.

## 7. Joint central/local work on ‘national outcomes’ and indicators

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**The problem:** the current set of national Public Service Agreements and national indicators have little resonance with the average person. There are too many national indicators and too many of them are measures of governmental inputs and throughputs, and not real outcomes for people.

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*Putting the front line first: smarter government* acknowledges the need for further rationalisation of the national indicator set and related target regimes.

As part of the offer from the sector, we would suggest a new approach to the development of those Public Service Agreements or ‘national outcomes’ which are most relevant to local public service delivery and to behavioural change (eg public health, climate change).

The local government sector would contribute actively to the development of an updated but small set of PSAs/national outcomes that reflected more meaningfully the aspirations and measures of long-term life satisfaction and wellbeing of local people. This theme is developed further in the ‘ask’, set out below.



The sector would then commit to integrating these measures within an updated framework. This would include the conduct and publication of place satisfaction surveys every 2-3 years.

## 8. A shared approach to public service improvement

**The problem:** resources for improvement in the public sector are spread across multiple agencies with varying accountabilities. This makes it hard to re-direct funds to where they are needed most, and creates duplication of effort.

The LGA Group has taken significant steps to provide a much more efficient and effective political membership and support structure for councils. We want to build on this and look at ways of rationalising and unifying the improvement architecture further.

Constructive dialogue between the national improvement agencies has developed in recent years. The LGA Group would welcome a closer look at the scope for a single federated arrangement for public sector improvement. This would involve continued discussions between the IDeA, the NHS Institute, the National Police Improvement Agency, and relevant bodies in other fields.

The varying remits of such bodies and the specific responsibilities for which they are funded, are complex and would all need to be addressed. The LGA Group wishes to restate its interest in more unified and integrated arrangements as a route to giving better results at less overall cost. (The same principles were argued for in the development of the National Improvement and Efficiency Strategy in 2008<sup>9</sup>)

This set of eight measures and reforms is the contribution that local government can bring to the table, in charting a way forward over the new decade. We have called it an 'offer' because it comes with a clear 'ask' of the next government. The two elements need to be seen as a whole.

### consultation questions

Q3: Seen from the local perspective, are the elements of this 'offer' the right ones?

Q4: As a local councillor how could your role be developed?

Q5: Seen from the perspective of those who hope to form the next government, how far will these measures help? What other changes and reforms should the local government sector be looking for?

# our ask

If local councils, and their political leadership, are to move forward on these lines, there needs to be significant movement on devolution and 'letting go' from the centre.

Local councils have tried hard to make work the existing machinery of government and public service delivery. It has proved uphill work. International comparisons demonstrate that the UK discharges public functions in ways that are out of line with our peer nations, involving higher levels of complexity, central direction and regulation.

Our 'ask' is made up of nine elements of further change and reform, as detailed below. Implementing these changes would make a reality of the 2007 central-local concordat between the government and the LGA. They would bring us closer to the European Charter of Local Self Governance, to which the UK has been signed up (on paper) for over a decade.

## 1. Devolved autonomy to shape the totality of local public sector spending in an area (place-based budget accountability)

Local government is the tier of government that people look to first to solve problems. This means that councils should be the assumed vehicle for delivery and therefore have a greater role in overseeing a broader range of public services delivered locally. One way of achieving this would be through local government commissioning a broader set of services. Such an approach builds on the new approach for securing education and training provision for 16-19 year olds.

We recognise that this may take some time and therefore in the meantime we would want to move towards place-based budget accountability across local public services.

The aim would be:

- to provide a single visible forum and decision point, which the public can both understand and access, for the determination of major public sector budgets for the area;
- to strengthen the role of elected councillors in multi-agency partnership working.

One way of achieving this in the short term might be to require a selection of the 'named partners' under the 2007 Act to submit their main spending plans to the full council (via the LSP for the area), for sign-off. A vote by a majority of the council would require an amendment to spending plans.

This arrangement would take a step further the 'responsible authority' concept built into the 2007 Local Government and Public Involvement in Health Act. It would also give real teeth to the community leadership role of local councils, and offer a relatively simple route to extending the democratic mandate of locally-elected councillors across a wider span of public services.

However we recognise that this is complex and challenging territory and that there may be alternative ways of implementing place-based budget accountability across local public services. We also want to explore a greater role for local government for making more effective use of all public sector assets in a place. We need to do more work on these issues and we need to take account of and build on relevant lessons emerging from the Total Place pilots.

We are particularly keen to receive views on this proposal and how it might be implemented.

## 2. Slimline set of national/local outcomes relevant to 'place'

As part of a reconfigured approach to Public Service Agreements, we would argue for a new approach to the development of those PSAs or 'national outcomes' which are most relevant to local public service delivery and to behavioural change (eg public health, climate change).

As indicated above the local government sector would contribute actively to the development of an updated but small set of PSAs/national outcomes that reflected more meaningfully the aspirations and measures of long-term life satisfaction and wellbeing of people.

Once determined, no more than five of these national outcomes would be the subject of negotiated agreement between central government and any individual area.

This would replace the current central/local element of Local Area Agreements, maintaining a line of sight from central government to individual place.

### 3. Three year 'area financial settlements'

This would mean government converting its budget plans into a set of place-based totals. These would cover all funding sources for which some local discretion and fine-tuning makes sense. What was included and excluded would be in line with parliament's original intentions for Local Spending Reports under the Sustainable Communities Act, ie locally-relevant expenditure excluding matters such as defence.

We recognise that any government would want to retain scope to override such settlements over a three year period, and that initially the area would not have full control. But moves towards this model would help local decision-makers to work as a collaborative partnership, within a budget envelope, to explore more radical ways of achieving better outcomes at less cost.

Within the area settlement, there would need to be minimal ring-fencing. This would be justified only where central government could demonstrate better evidence than the area as to why funding should be earmarked to specific programmes. The aggregation of funding streams and removal of ring-fencing undertaken to date, along with the introduction of Area Based Grant, have been valuable interim steps to devolve decision-making. There is room to go further. The scope and pace of further removal of ring-fencing could be phased over one or more spending rounds.

### 4. New-style area agreements negotiated outwards with citizens

This measure has been proposed several times in the past<sup>10</sup>. The basic concept of a place-based 'agreement' with a defined set of outcomes, unique to each local area has proved powerful and effective. But the original vision of a variable local/central set of priorities for individual localities was subverted into a Whitehall-led reiteration of a centralist performance framework.

Coupled with a much streamlined set of locally relevant PSAs and national indicators, we would argue for the 2011-14 generation of Local Area Agreements to be negotiated outwards with citizens, and not upwards with government. Much of the same framework and ways of working would continue, with councils drawing partners together to develop a sustainable community strategy for the area.

From such strategies, a set of specific outcomes and targets would be consulted on and firmed up in dialogue with local people. The resultant three-year action plans would provide the basis for collaborative delivery, and annual reporting to the public, by all key partners in the area.

### 5. Proportionate inspection

The current system of government monitoring and inspection is not sustainable over the next decade. It is disproportionate and a sector-led approach will be more effective and cheaper.

In the context of the more locally-owned approach to performance monitoring and evaluation that we have set out above, inspection of councils and their local partners would be streamlined and sharply focused on areas of high risk where the impact of failure is severe, eg safeguarding services for children and vulnerable adults. External annual audit of financial accounts, and associated legal and probity work would be retained to give reassurance to taxpayers that public money is being properly spent.

### 6. A national inspectorate for local public service delivery

The focus on improved outcomes through greater joint working across the public sector at local level will inevitably increase as the pressure on resources drives more innovative and joined-up approaches. The Total Place pilots are already beginning to show the way. As a result it is not inappropriate to suggest that the current configuration of inspectorates should be reviewed.

In *One country, two systems* we suggested that external challenge should be carried out by a single inspectorate that is accountable to parliament. This would support a streamlined, integrated approach to making judgements,

recognising the increasingly cross-cutting nature of outcomes and reduce the cost of inspection. Reporting to parliament would also enable the single inspectorate to include in its judgement an assessment of the extent to which government activity impacts on the delivery of outcomes in a locality eg the impact of statutory intervention, the extent to which national targets imposed on localities are delivered and the extent to which central intervention and direction is helping or hindering partners from working together.

### 7. A single improvement framework for local public services

Our arguments to reduce the cost and burden of regulatory activity and substitute a more place-based approach apply equally to the way we support improvement at local level. Bringing more convergence to the cultures and mindsets of different professions is a key element of Total Place thinking.

The LGA Group will continue its work on *Getting closer*, to rationalise the institutional architecture within the sector and will also be continuing its work with the NHS Institute and National Police Improvement Agency to achieve greater cross-sector collaboration on improvement activity.

Bigger and bolder steps involving other national agencies and bodies are also required. The government needs to deliver on its commitment in the National Improvement and Efficiency strategy to rationalise improvement support bodies for which it has direct responsibility.

### 8. A new approach to intervention

As a consequence of our centralist machinery of government, public attitudes and expectations on intervention follow suit. Recent research confirms the longstanding feature of UK government<sup>12</sup>, that ministers are expected to act on each and every local service failure.

Changing public perceptions will take time. But it can be done, as the experience of a decade of new governance arrangements for Scotland, Wales, and London has shown.

Local government must be given the first shot at sorting out its own problems before governmental/regulatory intervention. The rationale for this is that a local government-led approach is more likely to be effective, sustainable and less expensive. There was strong support for this concept from *Setting the pace* and over time we would see this extending beyond just local government to other key parts of the public sector.

Joined-up early intervention in the event of any local service failure across councils and their key partners should replace ministerial or central responses. RIEPs and the LGA Group, particularly the IDEa, would have a key role in providing an independent and robust means of monitoring and supporting councils where there are corporate or service-specific failures.

We recognise that there may still be times when government has to intervene but this should be the last resort. The sector should always be given a chance to sort out any problems first. The suggested framework for doing so is set out in our 'offer' above.

### 9. Devolution of public sector 'improvement' resources

All those resources currently devoted to the improvement of local public services but managed by central government (eg field forces, Improvement staff in government offices, relevant non-departmental public bodies) should move from central government to local government.

This would be in line with the concept that the sector is given the first opportunity to resolve any failures within the sector. It would also be clearer for the sector to understand where to go for support. We believe significant savings can also be achieved from this approach.

**consultation questions**

Q6: Do these proposals feel like the right route to greater devolution and a clearer framework for local accountability? Are there elements that are missing?

Q7: Do these proposals involve an appropriate level of devolution of decision-making? Are there risks to maintenance of centrally-determined priorities, or minimum national standards for universal services?

# the working relationship between central and local government

Central government is right to want to maintain some accountability from the centre to localities. Local Area Agreements and Comprehensive Area Assessment are the current tools that ministers use, along with feedback from government offices. We believe that it is possible to go further in devolving decision-making while maintaining sufficient national oversight. This would also cut out much of the costs of upwards reporting.

If government wants to help areas to respond to current challenges, and if it is serious about localism and devolution, then it needs to change the way that public resources are allocated and distributed, from the centre to localities.

As Total Place is telling us, the route taken by public funds, from citizen as taxpayer to citizen as local user and consumer of services, fails many tests - visibility, simplicity, and democratic accountability are amongst them.

Total Place mapping shows that whilst £7,000 per person is spent on local services like health, education and care for the elderly, only £350 is controlled by the local politicians that people elect to represent them.

At a time when every taxpayer's pound must count and be seen to count, urgent and radical change is needed.

## variable geography and pace of reform

The structures of English local government and public service delivery could hardly be more complex. They are the product of serial tinkering and incremental change. This is an acknowledged weakness in terms of public trust and understanding. But it offers one advantage, at a time when urgent change is needed. That is the flexibility for areas to move at variable speeds and with tailored local arrangements.

We have already seen, with Local Area Agreements and local strategic partnerships and more recently with Multi-Area Agreements and their sub-regional governance structures, how better governance arrangements can be implemented in real-life settings without major institutional restructuring or organisational upheaval.

The results may not be uniform, as different models and approaches are tested on the ground. Whitehall may have had initial concerns at some parts of the country proceeding at a different pace and on different lines. But overall, the results have been positive. Flexibility for areas to move at variable speeds, and with tailored local arrangements, has proved a plus.

We would argue for a continuation of this approach, particularly in relation to the governance of partnerships. The common principle we seek is that the public should be clear about who is in charge, and should be comfortable with local partnership arrangements, accountable ultimately to councils. The ballot box at local elections is the most direct way to ensure that these requirements are upheld over time.

### consultation question

Q8: The common theme of these proposals is for further evolutionary reform of public services and the machinery of government, but at a significantly faster and more radical pace. Is this the right approach, or do we need 'big bang' constitutional change?



# conclusion and next steps

We want to hear from councils, local partners and partnerships on the proposals we have set out. What we are putting forward is based on what we have heard to date through our consultation on *Setting the pace* and our call for evidence through *Freedom to lead*. We now need wider feedback on whether we are moving in the right direction.

We also call on all the major political parties to reflect on these proposals, and to spell out their response in their manifestos. The public want to know where to look for leadership in the months ahead. Whether expenditure cuts start in earnest in 2010 or 2011 is not the key issue. Their depth, duration, and the consequences for local communities are the main concerns.

Local government can help to find a way forward. Councils can bring their local partners with them, working to make the best use of reduced resources. Local government workforces can join with other public sector colleagues in doing more with less, and explaining new realities to citizens and service users.

There is a real risk that the leadership, commitment, and motivation will ebb away if nothing else changes. That is why the 'deal' set out in this prospectus needs negotiation and early settlement.

Now of all times, local government needs freedom to lead, and trust to deliver.

## How to respond

By post:  
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The consultation closes on 10th March 2010.

# End notes

- 1 *One country, two systems* LGA Dec 2008
- 2 See eg Institute of Government's *Performance Art* Nov 2008
- 3 *Control Shift: Returning Power to Local Communities*, Conservative Policy green paper No.9 2008
- 4 HMG publications *Working Together and Building Britain's' Future*
- 5 *Putting the Frontline First: Smarter Government*, HMG Dec 2009
- 6 *Delivering more for less: maximising value in the public sector*, LGA Nov 2009
- 7 *With a little help from our friends: international lessons for English local government* Localis and LGA January 2009, Council of Europe report on central government supervision/control of local government, Nov 2006
- 8 Barry Quirk, *Local Government Chronicle* October 2008
- 9 *National Improvement and Efficiency Strategy*, CLG and LGA January 2008
- 10 *A very English revolution: achieving better and bolder LAAs*, LGA March 2007, and *One country, two systems*, *ibid.*
- 11 *One country, two systems* LGA Dec 2008, Chapter 7
- 12 *Who's accountable: the challenge of giving away power in a centralised state* IPPR and PWC 2009



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organisations which work together to support, promote  
and improve local government.

