

## **2006 – Change and challenge**

### **LGA summer review**

Change is the word that characterises the first six months of 2006. Change in local government with the May local elections bringing new political leadership to many councils up and down the country. Change at the LGA with a new chief executive succeeding Sir Brian Briscoe at the end of June. Change in the two main opposition parties, as the two new leaders settle into their roles. And widespread change across Government with a far reaching reshuffle in early May.

This reshuffle is significant. It brings new personalities into the top jobs in Government, and across the ministerial ranks in those departments where the LGA has daily contact. It sees changes to the ‘machinery of government’ with a new Department for Communities and Local Government, taking on wider responsibilities for community cohesion, civic engagement and equalities. It brings a new Secretary of State for local government, and, critically, it means delays to the local government white paper, widely expected in June, now not due until October.

The word to characterise the next six months is challenge. Local government is at a tipping point in its relationship with government - and there is everything to play for: work over the last couple of years, together with improvement in performance as evidenced by CPA , has changed the environment such that government ministers are now advocating localism and double devolution as a key element of public sector reform. However a key challenge persists for local government, and that is the pressing need to reform the local government finance system. Over the years, council tax has become a political football. The extension of the Lyons inquiry to encompass the role and function of local government as well as finance, has kicked financial reform into the long grass and we need to continue to lobby very hard.

## **January – June - the influences on local people and local places**

### ***January***

- David Miliband, then Cabinet minister with responsibility for local government, announces that the Comprehensive Performance Assessment for local government has reached its sell-by date. The ‘son of CPA’ , as set out in the LGA’s manifesto 05 with a focus on the citizen, is born.
- The Government’s respect action plan is announced – new powers for councils

### ***February***

- The LGA’s Sustainable Communities summit in Manchester promotes councils’ place making role
- David Miliband puts his commitment behind a bold and radical devolution of powers to local government
- Education and Inspections bill published
- By February, more than 100 councils are signed up to the LGA’s campaign to improve the Reputation of local government

## ***March***

- The Chancellor's budget statement – successes for local government's long term lobbying for a planning gain supplement, but a missed opportunity to announce council tax reform, and only 2% real terms increases for public services. Sets the tone for next year's Comprehensive Spending Review
- The Liberal Democrats announce their new leader – Sir Menzies Campbell
- Announcements on the final shape of new structures for police forces and local health bodies – to include the coterminosity we argued for.
- The ODPM's State of the Cities report sets out a 'blueprint for devolution'
- Council tax bills sent to every household
- In health and social care – the NHS cash crisis gathers momentum, Sir Derek Wanless' report recognises need for sustainable funding for health and social care, and LGA survey highlights social services funding black hole
- 214 county and unitary councils sign up to 66 new Local Area Agreements

## ***April***

- Environmental issues rise up the agenda as new Conservative leader David Cameron visits the polar ice caps

## ***May***

- Local elections – 4,300 councillors stand for election
- Interim report from Sir Michael Lyons' 'root and branch review' of local government – makes the case for localism and setting councils free
- The LGA publishes 'Closer to People and Places' – our vision for the future of local government
- Professor Tony Travers's report on new transport powers (commissioned by the LGA) published

## ***June***

- Secretary of State for local government announces the white paper will be published in October
- Government unveils four new strands of public sector reform
- Education bill enters the House of Lords
- LGA launches its Fair Care campaign to give older people the care they deserve

## **Success for people and places**

### ***Closer to people and places***

The LGA's response to this challenging agenda has been to set an ambitious course for local government – and to demonstrate that councils do and will act in the best interests of local people – no matter what the pressures and constraints of the national agenda. In late May we launched Closer to People and Places. Backed by the LGA's political leadership in all parties, this report sets out a radical new vision to put power into the hands of local people, voluntary organisations and local councils. Closer to People and Places sets out specific proposals to deliver local government's ambitions to improve public services, widen access and

choice, ensure better use of the public's money. Our ambition is to create attractive, vibrant, prosperous, safe and friendly places where people are proud to live.

**We have commissioned and published detailed proposals from Professor Tony Travers for devolution of transport powers, and work on other economic devolution proposals is underway.**

Our proposals have been well received by Government, political parties, national party organisations, the voluntary and community sector, and, of course, councils themselves. We will build on this success. We worked closely with councils to test our proposals and thinking at each step of the way – and will continue to work with them to deliver it.

### **Improving year on year**

We know that local government is in the best possible shape to deliver these ambitions. At the turn of the year the Audit Commission's Comprehensive Performance Assessment (CPA) results showed that 70% of our largest councils are performing consistently well against what has been called the 'harder test', and that council performance has improved for the fourth year running. Alongside this the Treasury acknowledges that local government is leading the public sector in making efficiency savings – to the tune of £58 million a month.

In March, 214 ambitious councils signed up to 66 new Local Area Agreements – contracts that give local people the chance to define priorities for their area, with councils co-ordinating all local public services to improve efficiency, devise innovative solutions to local issues and ensure that people experience better outcomes.

At our first ever two day improvement summit in February the LGA and Improvement and Development Agency launched the a package of proposals – entitled 'Driving Improvement' – to replace the current CPA system, which we believe is past its sell-by date. The centrepiece of our approach is using customer data to drive improvement, and making local people's satisfaction with services the ultimate measure of performance. The stronger accountability proposals are seen by government as central to greater devolution, and in Closer to People and Places we built on "driving improvement" proposing a local performance and accountability framework for all local public services. We are already in discussion with ministers, Government Departments and inspectorates to make this a reality, with early field demonstrators leading up to April 2008. .

### **Building councils' reputation**

By June nearly 200 councils had signed up to the LGA's campaign to build the reputation of local government. We know that public satisfaction with services is improving, but that the overall approval rating of councils does not keep pace. Over the past year the Reputation Campaign has been seeking to reverse this trend, and give councillors and officers the recognition they deserve. Councils sign up to the campaign and commit to take core actions in both their local communications activity and to improve their local environments. This is starting to bear fruit. Recent figures from Ipsos MORI, the LGA's partners in the Reputation campaign, show that there has been a 20% net rise in the number of people who would say their council provides 'value for money' to just under 50% of people. And the numbers of those claiming that their council is 'remote and impersonal' has also fallen. The Reputation

campaign shows both our citizens and central government just how seriously we take a strong focus on local people and local places and underpins our campaign for devolution. But there is still much to do.

### **Ensuring councils have a strong leadership role in education**

Schools are another political football. In March the controversial education and inspection bill was first debated in the House of Commons. The LGA has been lobbying MPs of all parties at each stage of the legislation to ensure that councils have the right powers to deliver the strategic leadership role that the bill proposes for them, and to seek wide-ranging changes to the Government's plans for schools. In particular we are pushing for an admissions system that makes sure that every child has access to a school place and we are calling for the Government's own Every Child Matter's agenda to be embedded in the current proposals. The LGA is leading a coalition of children's charities, unions, and representative bodies to lobby on this bill.

The education proposals were also the focus of our presence at the Labour and Liberal Democrat spring party conferences and the then Education Secretary Ruth Kelly addressed our popular fringe meeting in Blackpool.

### **Fair care**

The £1.77 billion black hole in social care budgets, revealed by annual survey of social services departments in March this year, is a stark reminder that action is needed now to counter the effects of an ageing population, the financial crisis in the NHS and the soaring cost of social care contracts with the private and voluntary sector providers.

The survey underlines the need for the LGA's Fair Care Campaign – launched at the end of June. Fair Care is working with key national organisations to ensure that older people get the care they deserve, by ensuring that they are supported by a social care sector that is adequately resourced.

### **Renewing our partnership with Government**

The Central-Local Partnership (CLP) is at the hub of the LGA's relations with Government, and nearly ten years after its creation it continues to provide a genuine opportunity for top level engagement. Ongoing discussions at the CLP on spending pressures, the forthcoming local government white paper and work on next year's Comprehensive Spending Review are examples of where this relationship is working well.

However, one of the most important challenges we face is to convince everyone in government of the value of a bold and radical devolution of powers to local people and places. The CLP can provide a forum for this. Recent agreement by ministers and local government leaders to take the actions set out in our Manifesto of autumn 2005 as the basis for a work programme for the partnership, and to focus on action, will help to make this goal achievable.

## **Improvement, efficiency and partnership - working for local government**

Change and challenge applies as much to the LGA as it does to local councils and local government as a whole. As an Association we are nearly ten years old – and since our inception we have sought to improve the way we work on behalf of local councils and the local people they serve. Last year the LGA committed to ‘doing less, better’ and in the first half of this year we have continued to make our business more efficient, by pursuing a closer partnership with local government’s central bodies. We have frozen subscription levels and the amount of ‘top sliced’ funding given to local government’s central bodies – without reducing our capacity to deliver for our member authorities.

The project that started nearly two years ago to streamline and integrate the work of all the national organisations working for local government has continued apace over the past six months. Following the creation of the Local Government Employers (LGE) in October, Jan Parkinson was appointed in March as its first managing director. Her priorities will be to focus on the major pay and pensions issues ahead and create a confident, customer-focused organisation. Mayor of Lewisham, Steve Bullock, is the chair of the new LGE board. To coincide with the retirement the Local Government International Bureau’s (LGIB) current Director, the work of the LGIB is also being reviewed. The review will look at the scope to further integrate the LGIB’s work, and in particular its European lobbying and policy capacity to better represent local government’s interest at European and international level

In recent years the LGA has worked to make its lobbying more effective and evidence based. In June changes to the structure of the policy and lobbying effort of the organisation were finalised, to continue this thrust. With a streamlined policy directorate, the LGA will seek to make use of ‘big hitters’ from councils, think tanks and elsewhere to deliver the challenging agenda we have set out in Closer to People and Places.

And it’s all change at the top of the LGA. After ten years as the LGA’s chief executive, Sir Brian Briscoe departed in June. He has brought together three national associations into a single voice for local government, and secured the LGA’s headquarters at what was Transport House in the heart of Westminster. His successor is Paul Coen, currently Chief Executive at Essex County Council.

## **Challenges ahead**

We cannot be accused of resting on our laurels. We have achieved much on behalf of local government – but the next six months will be critical.

The top priority for the LGA’s new chief executive and the LGA’s political leadership will be to deliver the Closer to People and Places agenda, influence the anticipated local government white paper and ensuing legislation, and engage more of our membership in this work. If the Government is to deliver on its commitment to bold and radical decentralisation then the reform of local government finance, alongside a new performance and accountability framework

for localities must form the central plank of the local government bill announced in the November Queen's Speech.

The importance of our work on the Comprehensive Spending Review cannot be underestimated. We are already fully engaged with councils, the Treasury, Department for Communities and Local Government, and the big Government spending departments to ensure that we achieve the best possible outcome for local councils – in terms of both funding for local government, but also formalising a framework of national-level objectives and regulation that is strategic and light-touch.

All of these objectives – delivering Closer to People and Places, influencing the local government white paper and legislation, and the run up to the spending review –are significant parts of local government's Campaign for Devolution.

This is a big agenda. To deliver it we need to make a bigger impact and improve our performance and demonstrate that we offer value for money. But that does not mean we will take our eye off the ball in terms of continuous improvement. The integration and streamlining of the national organisations working for local government will intensify.