

## **Congress of the Council of Europe Peer Review of Local Democracy in the UK**

### **Purpose**

For discussion and approval.

### **Summary**

This report summarises the recommendations of a recent international peer review of local democracy in the UK. There will be presentation from Andreas Kiefer, Secretary-General of the Congress of the Council of Europe, who will summarise the findings of the recent peer review. Cllr John Warmisham, the Leader of the UK Congress Delegation, will also be present to speak to the report.

Members are asked to consider how the report is taken forward in the UK.

### **Recommendation**

That the LGA Executive note the Congress report and agree follow-up actions.

### **Action**

Officers to take action as directed by Members.

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## **Council of Europe Peer Review of Local Democracy in the UK**

### **Background**

1. The Council of Europe was created at the initiative of Sir Winston Churchill, to promote post-war reconciliation and to promote good governance. The local and regional dimension is the remit of the Congress of Local & Regional Authorities, an assembly of local councillors nominated by each country: the UK has 18 full and 18 alternate members. The LGA nominates the English members to this body. The full membership is attached at **Appendix A**.
2. The primary responsibility of Congress is to monitor the standards set out in the Charter of Local Self-Government, to which the UK Government is a signatory. The Charter sets out standards to support local democracy across Europe. It commits central governments to applying basic rules guaranteeing the political, administrative and financial independence of local authorities.
3. Congress undertakes peer reviews of each member state to review how the standards set out in the Charter are being applied. Newer democracies (for example, in Central and Eastern Europe) are assessed frequently by peers from other nations. As a long-established democratic state, the UK has only been reviewed twice since the Charter was signed, in 1998 and last year.
4. The reviews are delivered by peers from other nations and offer a reflection on compliance with the Charter. As with all peer reviews, it is the responsibility of the reviewed to take action from the recommendations.

### **2014 report of the UK**

5. In March 2014, the Congress adopted its report on reviewing local and regional democracy in the United Kingdom. Their report was drafted by elected politicians from outside the UK and was based on two 2013 fact-finding visits to the LGA, Westminster, Yorkshire, Scotland, Wales and Northern Ireland, involving meetings with LGA members, local councils, Ministers and peers, and civil servants.
6. The full report (over 200 pages) is available on the COR website (<https://wcd.coe.int/ViewDoc.jsp?Ref=CG%2826%2910PROV&Language=lanEnglish&Ver=original&Site=COE&BackColorInternet=C3C3C3&BackColorIntranet=CACC9A&BackColorLogged=EFEA9C>) and is summarised below.
7. The Congress report expresses satisfaction that the UK is, in general, in compliance with the obligations taken under the Charter and that compared to the last evaluation in 1998 the situation has improved, notably through the devolution process in Scotland, Wales and Northern Ireland – though it notes that there is a distinct “English question” that needs to be resolved.

8. The 1998 report had significant concerns about the audit and inspection burdens on councils in England, especially by the Audit Commission. The 2014 review notes that this burden has been lifted and, as a result, there is now compliance with the Charter's standards.
9. The new review has some significant areas of concern, particularly as regards the financial resources of local authorities in England, the Barnett formula, councils' limited tax-raising powers and their dependence on government grants. As such, the reviews suggest that the UK does not meet the Charter's standards on local finance. The report also stresses that the position of English councils is far worse than councils in Scotland, Wales and Northern Ireland.
10. Finally, the review also underlines that there are ambiguities that need to be addressed in areas such as the lack of recognition in law of the right to local self-government, and the limitation of local authorities' discretion to manage local affairs through the intervention by various ministries of central government.

#### **Next steps**

11. The Congress has now finalised its report and the national response to the recommendations will be assessed in a future report to Congress.
12. The Department for Communities and Local Government (DCLG) has stated that it does not agree with the report's findings on finance and councils' constitutional position, though it has welcomed the general conclusion that the UK is mostly in compliance with the Charter.
13. As the onus is on UK bodies to take action from the report, Members may wish to consider how the recommendations from the report are fed into discussions with parties as they develop policies for 2015. There is a powerful argument to be made by the LGA from an international challenge comparing standards of local democracy with the "English gap", the advocacy of self-improvement (compared to past inspection regimes) and the concern about the financial position of councils in England falls below international standards