

Speaking Out Briefing No. 6

Local Government Reform

Introduction

A Public Bill - The Local Government and Public Involvement in Health Bill, is currently progressing through Parliament incorporating the proposals in the White Paper *Strong and Prosperous Communities*. *Strong and Prosperous Communities* was published at the end of 2006 outlining the Government's plans to devolve power to local authorities and create stronger links between local councils and the people they serve. Many of the proposals outlined in the white paper have implications for voluntary sector organisations working with children and young people. NCVCCO and NCVYS are currently assessing the implications of the bill for the children and young people's VCS. As an interim measure we have outlined below the main points in the white paper.

The Local Government White Paper and *Bill Strong and Prosperous Communities* set out the Government's plans to reform the infrastructure through which children and young people's services are commissioned and delivered through a range of local authority, private sector and voluntary sector organisations. The Paper proposes a greater strategic role for local government, in co-ordination of the service commissioning process and enabling more effective local partnership working.

Strong and Prosperous Communities aims to reform the democratic links between local government and communities, creating a new set of duties for local authorities to place sustainable community development at the heart of commissioning strategies and to co-operate with local partners in setting local priorities to deliver this.

The aim of this briefing is to identify some of the implications for NCVCCO and NCVYS members and the voluntary and community sector of the proposed reforms in the white paper relating these to the Government's wider plans for community, civil, and neighbourhood renewal.



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Issues of particular relevance to the sector include:

- proposals for a national performance framework
- local planning and partnership frameworks;
- Local Public Service Agreements (Local PSAs)
- review of best value
- workforce development
- parish councils
- the local government finance system.

Chapter 1: Introduction Strong and Prosperous Communities

Chapter 1 presents an assessment of councils' progress in securing the aim of strong and prosperous communities and outlines a reformed local government structure building on the need to create stronger strategic leadership, effective local partnership working and more information provided to local people.

Chapter 2: Responsive Services and Empowered Communities

Chapter 2 makes the case that involving local communities and community groups in decisions about local services results in better quality services modelled on local needs. Proposals include:

- Extending choice in local service by enabling people to have more control of services they use.
- Giving people more say in running local services by reforming the best value regime to ensure that local authorities and other best value authorities inform, consult, involve and devolve to local citizens and communities, where appropriate.
- Encouraging local authorities to provide people with prompt information on the quality and performance of local services.
- Giving people a new right to an answer in response to suggestions or demand for action from their local authorities by strengthening the role of local councillors through an expanded Call for Community Action (CCfA).
- Empowerment of citizens and communities through various means including management and ownership of local assets and facilities.

Securing Participation – Best Value Guidance

New best value guidance will aim to ensure the participation of local citizens and local community groups. Communities' right to participate will be further strengthened by an improved commitment to information, participation in design; and asset transfer to community groups (2.19).

Local authorities working with their partners will decide how best to discharge their duty to inform, consult, involve and devolve (2.20).

To support the development of techniques for more responsive services Government will issue one piece of best value statutory guidance on the new best value regime and commissioning. The guidance will also identify best practice in extending choice and involving citizens throughout the commissioning cycle. Government will work with local authorities and suppliers on how best to provide contractual incentives for providers to meet the expectations of service users (2.21).

To strengthen the links between local councils and communities and to make services more responsive to local needs the White Paper proposes a number of changes to the ways that councils and communities communicate, including:

- Proposals to make councils publish comparative performance data measuring service provision against other local authorities (2.22).
- Enhancing the current routes through which communities (and the groups representing them) can raise concerns about local service provision, such as a more robust petition system (2.25).
- Community Calls for Action (CCfA). Councillors will have an important role in ensuring those least able to speak out, including children and young people are given the support to do so and that their views are taken into account (2.30).
- The options for more responsive and empowered communities will apply to children's services where there are existing systems for consultation, challenge and scrutiny, e.g. Local Safeguarding Children Boards (D11).

Examples of how decision making about services will move closer to the groups most affected by them include the creation of sub-local authority elected bodies, such as parish, community, and village councils (2.53). Another proposal is to take local authorities out of the decision altogether and allow communities to assume ownership of local authority assets, such as community centres (2.40). In the Government's pre-Budget report the Chancellor made available a £30million Community Assets Fund to allow groups to achieve this.

Implications for Child Care and Youth Organisations

As well as service users, local authorities will also be required to take steps to ensure greater participation by key bodies such as the voluntary and community sectors (2.18).

The White Paper makes it potentially easier for Children's and Youth organisations to engage with local decision makers and to work through their communities to ensure that this is seen as a priority area. Overall, the reforms in Chapter 2 to the structure of local government and the creation of new democratic channels such as new parish and community councils are welcomed by groups representing the local partners VCS work with, such as the Local Government Authority (LGA) and rural campaign groups.¹

The provision to allow the establishment of new parish or community councils could have a potentially negative impact on some groups of children and young people. Parish and community councils will remain outside of the statutory duty to co-operate in setting Local Area Agreement targets for an area. Parish Councils will provide a mechanism for communities to have a greater degree of control over their 'public space' rather than being a means of bringing decision making on area wide issues closer to communities. Concerns over new parish/community councils' structure include a potential for them to be narrowly focussed around Anti-Social Behaviour issues, and not on wider promotion of well-being issues.²

Rural areas might find it difficult to co-ordinate across wide unitary or district councils. The CRC highlights difficulties which some authorities currently experience in liaising with a large number of parish councils, and that both the Local Government Bill and the White Paper are vague on actual working arrangements.³

Government will develop a support network to deliver better support for community capacity building to community groups and their statutory partners. The network will encourage public bodies who fund capacity building and service providers to work together to strengthen the ability of those least able to engage with public bodies at present. Government will also ensure that the outcome of the Review of the Third Sector in Social and Economic Regeneration strengthens the third sector's own ability to build community capacity .

¹ Briefing on Strong and Prosperous Communities (<http://whitepaper.lga.gov.uk/briefing.pdf>).

² Commission for Rural Communities,

³ HM Treasury, Review of Future Role of the Third Sector in Social and Economic Regeneration www.hm-treasury.gov.uk/pre_budget_report/prebud_pbr06/other_docs/prebud_pbr06_odthirdsector.cfm

Chapter 3:

Effective Accountable and Responsive Local Government

Chapter 3 explains how an improved local government structure can help empower communities by allowing elected representatives to act more effectively in addressing their concerns as ‘place-shapers’. Councils to be given more powers, including:

- An enhanced role for councillors as ‘democratic champions’ building on their ability to enact Community Calls for Action as a mechanism to strengthen this link and to replace the need for referenda (3.10-12).
- Increased powers for Local Councils to enact By-Laws independently of Secretary of State strengthening the ability of localities to take control of the issues that affect them – fixed-penalty notices to replace fines through the magistrate Courts (3.14).

To enable local councils to act more effectively in tackling local issues the White Paper introduces a range of reforms to strengthen the relationship between councils and communities:

- Four year term for council leaders and the transfer of executive power from committee system to the leader of the council (3.21-3.22).
- Reform to the decision making structures in local government with the introduction of a cabinet system, and council leaders having the power of patronage over cabinet members (3.20).
- Gradual move to whole council elections (3.43) at the discretion of the council and with permission of the Secretary of State – including the provision for single member wards (3.44).

The White Paper identifies a number of challenges to working effectively at local level to identify and deliver on local needs. There is an invitation from Government for two-tier authorities (e.g. areas governed by District and Local Councils) to apply for Unitary status (3.58). Where councils opt to retain the two tier structure there are challenges ahead for partnership working involving the co-ordination of commissioning and delivery across District, County and community level. A number of pathfinders are being sought to develop new ways of working together so these challenges can be met (3.62).

For organisations working with marginalised groups of young people chapter 3 raises a number of issues as a result of the mechanisms through which local communities decide on the local priorities that affect them:

- How will councillors be encouraged to respond to Community Calls for Action (CCfA) on marginalised or 'unpopular' groups of children and young people such as Traveller and Gypsy Children, children involved with the youth justice system, or looked after children placed away from their own local area?
- Will councillors acting as 'democratic champions' with closer links to their communities respond to unpopular issues such as youth offending in a 'positive' way, for instance where marginalised groups place a pressure on local education resources etc?
- How will Local Authorities ensure that Local Area Agreements continue to incorporate the five Every Child Matters outcomes into the commissioning framework where these conflict with local priorities established through Sustainable Communities Strategies?

Chapter 4: Strong Cities Strategic Regions

Third sector organisations have a significant role to play in the development of cities as globally and regionally competitive.

The White Paper identifies poverty and the lack of opportunity that results when minority groups fail to access mainstream services as a key barrier to the development of urban and regional development strategies. The third sector, in partnership with Regional Development Agencies (4.33) can play a positive role in creating opportunities through partnership with RDAs and other regional partners setting out business cases for economic and regional redevelopment (4.17).

Implications for Child Care and Youth Organisations

Under proposals set out in chapter 4, the main implications for Children and Youth Organisations are the introduction of Multi-Area Agreements (MAAs) to deliver on cross local authority issues as a step to the creation of strong city-regions. Multi Area Agreements will allow Local Strategic Partnerships to work across a range of regional partners, including Regional Development Agencies (RDAs) on cross cutting issues. One example of where this partnership would work is through the development of skills strategies with Sector Skills Councils on workforce development in the sector (4.33).

Chapter 5:

Local Government as a Strategic Leader and Place Shaper

Local Government will be given more powers and autonomy to provide an effective leadership role in co-ordinating responses to local issues.

The white paper proposes that Local Government will take a strategic lead in developing partnership working (5.11). Local Strategic Partnerships should be the overarching strategic partnership, bringing together a manageable number of key thematic partnerships to deliver the priorities agreed in the Local Area Agreement and Sustainable Community Strategy.

Thematic partnerships will include established partnerships such as Children's Trusts as well as new statutory partnerships for health and well-being which the Government intends to legislate for.

Key measures include:

- An increased role for Local Authorities on Local Strategic Partnerships.
- Local Area Agreements to be mandatory (5.11) and based on a duty of co-operation between Local Authorities and other partners.
- Representation – Government will work with national third sector umbrella bodies to establish a standard by which local third sector bodies should organise themselves to be effectively represented on Local Strategic Partnerships (5.20).
- Greater involvement of the community in identifying the priorities in the Local Authority Agreements – Sustainable Community Plans to be statutory and produced in participation with local communities (5.26).
- Use of the Local Area Agreement as the primary vehicle for setting local targets and the delivery plan for the Sustainable Community Plan (5.35).
- The Sustainable Community Strategy and other local and regional plans should have regard to each other.
- More area based funding streams will be brought into Local Area Agreements.

Implications for Child Care and Youth Organisations

The proposals aim to create the conditions in which partnership working is more likely to succeed.

- The 'relevant partners' listed at (5.27) include public bodies currently under the duty to co-operate to improve the well-being of children in their area under section 10 (1) of The Children's Act 2004. The additional duty under proposal will ensure that children's well-being is included in some of the Local Area Agreement targets.

- Children's Trust arrangements will be given greater opportunities to participate in the planning and commissioning of services under the chapter 5 proposal to increase the strategic role of Local Authorities through Local Strategic Partnerships.
- The strategic role of Local Authorities will be enhanced through Children's Trusts having an elected official taking a lead role by 2008.
- Partners on Local Strategic Partnership's Children's Trusts will be under a duty to agree local priorities through Local Area Agreements, increasing accountability to local people.
- Local Authorities will also have greater flexibility in how Local Area Agreement funding is spent under the proposal to end ring-fencing of funding under the current block arrangements. The current allocation of funding under four 'blocks', including one for 'children and young people' will cease in April 2009 with councils only having to have a regard to them.
- To overcome obstacles to data-sharing Government will draw on existing knowledge and good practice to provide advice on the existing statutory position with model protocols to support better data sharing. Where there is a need for further powers these will be sought (5.30).

Commissioning – best practice guidance

The White Paper states that the commissioning cycle involves: identifying needs, planning, sourcing, delivery, and performance management. Local Strategic Partnerships need to ensure that this approach is applied at both a strategic and operational level both in relation to its own activities and those of the thematic partnerships (5.68).

To support the development of a 'commissioning' role Government will issue new best value statutory guidance on key commissioning principles, community participation and competition. These principles will incorporate key Compact commitments on procurement and funding and will also support the Every Child Matters and *Our Health Our Care, Our Say* agendas (5.7).

Skills for strategic commissioning will be addressed through the national improvement strategy (5.71).

Chapter 6: A New Performance Framework

The Government aims to reduce radically the number of nationally-required local targets, performance indicators and reporting.

A new performance framework *Comprehensive Area Assessment* is proposed to replace the current Social Services star ratings, children's joint area reviews and the comprehensive performance assessments. The framework will be based on the principle of 'inspection proportionate to risk'.

Comprehensive Area Assessment will use a set of 200 National Priority Indicators to measure how local authorities, and partners working through Local Area Agreements, are meeting the National Priority Outcomes set out in 2007 Comprehensive Spending Review (6.31). Each Local Area Agreement will include 35 targets agreed between the partners in the agreement and Government that will take forward these national priorities at a local level, taking into account the differences in local needs.

As part of the Comprehensive Area Assessment a range of 'judgements' on performance will be made:

- An annual risk judgement, covering risks related to outcomes, services and organisations in the area, and the extent to which these risks are being effectively managed.
- A scored Direction of Travel judgement for each local authority, assessing the pace of improvement and the likelihood that this improvement will continue.
- A scored Use of Resources judgement for every local authority assessing organisational effectiveness and how well they use resources to support priorities and service improvements.
- Judgements from any inspection activity flowing from the risk assessment.

Best Value and Competition

Drawing on the experiences of best value authorities' Government will reform elements of best value by relaxing more prescriptive process requirements, and sharpening the focus on citizen engagement and competition. Local authorities will be encouraged to strengthen their approach to competition by testing the competitiveness of services and, where services are under-performing, introducing fair and open competition where practical (6.25).

Implications for Child Care and Youth Organisations

The framework raises a number of issues for child care organisations:

- Some specific areas of children's services will be subjected to further 'time-limited' output indicators, such as Extended Schools and Children's Centres (D20)
- Automatic 'rolling inspection' will be retained to protect the interests of vulnerable groups of young people, including Children in Care (D22)

Some potential partner organisations of NCVCCO and NYCVS members have welcomed the move to risk based inspection, including the Local Government Association, welcoming the removal of the need for bodies such as libraries and other 'recreational' organisations to be subject to the same level of inspection as care homes and schools.⁴

Chapter 7: Efficiency Transforming Local Services

Councils and their partners will aim to improve local services through regional partnerships. Key to the improvement in services is greater competition in bidding for contracts, and better collaboration between councils where effectiveness and efficiency gains can be achieved (7.20). Other measures include:

- A more open competition process to create greater contestability in the local government services markets (7.10).
- Three year grant funding to become the norm for third-sector organisations delivering services with public money. Greater stability of funding for local government provides an opportunity for a step-change in the funding and procurement relationship between local government and the third sector. (7.56)

⁴ Sir Simon Milton, "D-day for local government", *Public Finance*, 24 November 2006, p17

Market Development

Working with local government, commissioners and providers, Government will explore opportunities to develop and shape the local government services market, to encourage a diversity of suppliers across the public, private and the third sectors. This will include considering ways to stimulate new markets in order to secure alternative provision as well increase capacity and competitiveness.

This will be complemented by sector-specific activities, led by the relevant central government department, working with Communities and Local Government, local government and the private and third sectors. This will build upon the work already undertaken by Government on markets such as children's services, social care and waste infrastructure, and the work of the Regional Centre's of Excellence.

The third sector – voluntary, community and social enterprises – will be a key part of this mixed market, bringing with it a wealth of expertise and experience with user groups, as well as innovative and cost-effective approaches to delivery.

Implications for Child Care and Youth Organisations

The three year funding commitment will allow organisations offering services to children and young people to plan more effective services. Key Compact funding and procurement principles and best practice guidance for local government on third sector funding will support this aim building on existing Treasury guidance.⁵

Chapter 8: Community Cohesion

This chapter sets out the importance of local councils leading actions to improve community cohesion.

Implications for Child Care and Youth Organisations

- Community cohesion is placed clearly within the new Local Area Agreement structure.

⁵ Improving Financial Relationships with the Third Sector, Guidance to Funders and Purchasers, HM Treasury 2006

Chapter 9: Implementation Consultation & Guidance

The Government will consult on consolidated and light-touch guidance (statutory, where appropriate) including on:

- the revised best value duty, including community participation, commissioning and competition, and third sector funding;
- the Community Call for Action, Overview and Scrutiny and governance reforms;
- Local Strategic Partnerships, Sustainable Community Strategies and Local Area Agreements;

Speaking Out Series:

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Speaking Out Briefing No. 5 – Community Cohesion

Speaking Out Briefing No. 6 – The Local Government White Paper

Speaking Out is a partnership between The National Council for Voluntary Child Care Organisations (NCVCCO) and The National Council of Voluntary Youth Organisations (NCVYS).

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