

LOCAL GOVERNMENT WHITE PAPER: STRONG AND PROSPEROUS COMMUNITIES

The White Paper promotes community and neighbourhood engagement. It develops the role of overview and scrutiny in relation to external bodies. It provides new requirements on service providers to engage with Sustainable Community Strategies and Local Area Agreements and sets out changes to the performance management and inspection regime. There are changed requirements for council constitutions, and a time-limited opportunity to apply for new unitary councils and/or pathfinders for new forms of two-tier working.

The Paper is in two volumes, with the main proposals for change in volume one, and volume two containing thematic chapters on: Community safety, Health and well-being, Vulnerable people, Children, young people and families, Economic development, housing and planning, Climate change, and the Third Sector. The full White Paper can be found on www.communities.gov.uk

Strong & Prosperous Communities (Chapter 1)

The White Paper emphasises that public services have improved since 1997, and that to continue, councils, their partners, and local communities, need to be given more power to shape services and communities. Community involvement, partnership and leadership are important themes throughout the White Paper.

Responsive services and empowered communities (Chapter 2)

This chapter focuses on the need for service improvement to be driven by individual choice and community involvement in decision-making.

Specific proposals are:

- **Choice in local services should be extended** where possible, e.g. choice-based letting for tenants.
- There will be **reform of Best Value** requirements on the existing duty to consult, extended to include promotion of wider public information, consultation, involvement in decision-making, and devolution of service delivery. Flexible, local approaches will be encouraged. There will be new statutory guidance on this.
- There will be more emphasis on **reporting performance and other service information locally**. All councils are encouraged to introduce a systematic approach to how they deal with public petitions.
- **Neighbourhood management**, and **neighbourhood charters** that set out service standards and priorities are encouraged.
- **Community Call for Action** arrangements will be introduced to formalise the right of people to raise local concerns with their ward councillor on local government matters and issues covered by partnerships within which the council is engaged. (This approach is already included in the current Police and Justice Bill, on community safety issues). Ward councillors will act as gatekeepers, and will be able to reject vexatious complaints. If the matter cannot be dealt with in other ways, it could be referred to the council's overview and scrutiny committee, which can require a response from relevant public bodies. Councils are encouraged to delegate powers and budgets to ward councillors to tackle minor problems

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- There will be some improvements to the processes of the **Local Government Ombudsman**. These include extending the remit to cover partnerships and joint arrangements used to exercise local authority functions, permitting investigations even where individual injustice is not found, closer links with other ombudsmen, and the ability to complain by phone and email.
- The government is interested in **community management and ownership of assets**, and will set up a review of how this can be promoted. In the meantime there will be a **fund to support refurbishment of buildings** where the council will transfer these to community management.
- The process **to create new town and parish councils** will be simplified and devolved to district and unitary councils. They may be called village, community or neighbourhood councils. Councils will be able to consider other forms of community governance as part of this process. The power of well-being will be extended to “quality” parish councils
- The government will seek to **strengthen support for community groups**.

Effective, accountable and responsive local government (Chapter 3)

This chapter emphasises the importance of local government leadership and proposes a range of changes to council constitutions:

Political Management Arrangements:

- There will be three options for Executive arrangements:
 - **directly elected mayor** and cabinet, mayor to have four year term (as at present)
 - **directly elected executive** (leader and cabinet) with four year term
 - **leader elected by council for four year term**, with cabinet chosen by leader.
- (No change will be required for ‘4th option authorities’ with populations of under 85,000 who do not have an Executive system)
- **All the executive powers of the Council will be vested in the mayor or leader**, who will appoint the cabinet, allocate any portfolios, and decide any delegation of executive powers to the cabinet, either to the cabinet as a whole or to its individual members. Councils will have the **option of having major planning applications determined by the executive, presumably by the mayor/leader, or delegated by him/her**. In addition, the cabinet member for planning matters will be encouraged to sit on Development Control Committee (to strengthen the relationship between planning policy and delivery). (Consultation on introducing a Housing and Planning Delivery Grant will also take place).
- There will be **no requirement to hold a referendum** before introducing an elected mayor (but powers for the public to call a referendum by petition will remain). Once an authority has adopted a mayoral or directly elected executive, the presumption will be that it will not change back to the indirectly elected leader option.

Extending Overview & Scrutiny Powers:

- **Overview and scrutiny powers will be extended** over key partner organisations also covered by the duty to co-operate with Local Area Agreements and will be engaged with the Community Calls for Action (see before).
- (Both of these are paralleled by extended scrutiny powers in the Police and Justice Bill, which will soon receive Royal Assent. This introduces the Community Call for Action over crime and disorder matters, and scrutiny powers over Crime and Disorder Reduction Partnerships.)

Electoral arrangements:

- The White Paper proposes changes in the law to enable all councils to move to all-out local elections, where they choose to do so. Councils will be able to ask the Electoral Commission to review wards to **introduce single member wards**.

Recruitment of councillors:

- The White Paper proposes an independent review of the incentives and barriers to serving on councils. It would like to see the range of councillors being more representative of communities in terms of age, gender and ethnic background.

Bye-laws and fixed penalty notices:

- Councils will gain powers to enact byelaws, without Secretary of State confirmation, and enforce them through fixed penalty notices

Standards Framework:

- There will be legislation to simplify the Standards framework, to create a **more locally based regime** (with most breaches of code determined locally), and amend the rules on personal and prejudicial interests, revising the code of conduct to allow members to speak and vote on planning and licensing matters, unless their interest is “greater than most other people in the ward.”

Proposals for new Unitaries and Two-tier Pathfinder:

- In two-tier areas, an Invitation has been published to enable councils to make proposals for unitary local government, or two-tier pathfinders to improve partnership working by 25 January 2007. (see later)

Strong cities, strategic regions (Chapter 4)

This chapter sets out proposals to further national and regional economic growth in cities and regions, through improving the quality of governance and leadership. Specific proposals include:

- Continuing review of the need to improve sub-national working, particularly on regeneration and economic growth.
- Reform of Passenger Transport Authorities and Executives, with more council representation, to enable a more coherent approach to transport in the major cities.
- Encouraging development of Multi-Area Agreements between authorities and partners, to support cross-boundary collaboration.
- Where there is local support, to encourage stronger leadership models for cities, such as elected mayors.

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

- This chapter reviews the council's community leadership and place-shaping role and puts forward proposals to strengthen this through development of Local Strategic Partnerships (LSPs) and Local Area Agreements (LAAs). Specific proposals are:

Local Area Agreements and LSPs:

- There will be a **duty on upper tier councils to prepare a Local Area Agreement in consultation with others**, alongside the Sustainable Community Strategy, and a **duty of named partners (including District Councils) to co-operate in agreeing (and having regard to) targets in the LAA**.
- Named partners are listed on page 100 of the White Paper, and include: police, probation, Youth Offending Teams, NHS bodies, Learning and Skills Councils, Jobcentre Plus, Health and Safety Executive, Fire and rescue authorities, Passenger Transport Authorities, Highways Agency, Environment Agency, Natural England, Regional Development Agencies, National Park Authorities, the Broads Authority and waste disposal authorities.
- A new model of LAAs is intended to strengthen partnership working and council leadership of the LAA, and to streamline and simplify funding and consultation. The LAAs will encompass more area-based funding, and the four blocks of funding will be replaced by a 'single pot'. "Multi area agreements" (MAAs) will allow localities to extend the geographic scope of the LAA and apply the principles to a sub regional area.
- There will be an expectation that **council leaders and portfolio holders play a strong role in LSPs** (agreeing the appointment of the chair of the LSP) with Council executive members chairing or leading relevant thematic partnerships.
- **Statutory partnerships for health and well-being** under the LSP will follow a similar model to Crime and Disorder Reduction Partnerships and Children's Trusts.
- The role of district LSPs in two-tier areas is not clearly set out.
- There will be streamlining of requirements to help **integrate the development of community planning and spatial development plans**, including consultation requirements.

A new performance framework (Chapter 6)

The Paper sets out a new performance framework which aims to **reduce the number of nationally-required targets**, providing new opportunities for local accountability. Specific proposals are:

- Elements of **Best Value will be changed**, sharpening focus on citizen engagement, and competition (testing competitiveness of services and introducing fair & open competition where practical) and **removing requirements for a Best Value Performance Plan and Best Value reviews**. All parish councils will be exempt from Best Value requirements.
- The government will set out a **single set of about two hundred national indicators** for all local partners. Local improvement targets will then be agreed through LAAs.
- **Strengthening citizen's role in driving improvement** and monitoring performance (linked to proposals in Chapter 5).
- **Councils will report annually on LAAs**. This information will be fed to the Audit Commission and other inspectorates, and inform an annual review of the area's performance co-ordinated by the regional Government Office.

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- Changes to inspection will include, from 2009, development of a **Comprehensive Area Assessment** (building on CPA), based on a combination of risk assessment, largely risk-triggered inspection and audit. The Audit Commission will continue to publish an annual Direction of Travel judgement for each council, scored for comparability between councils. There will also be an annual Use of Resources judgement.
- The government will agree with the LGA a **national improvement strategy** to tackle poor performance and national intervention powers will be retained.

Efficiency – transforming local services (Chapter 7)

This chapter emphasises the need to drive efficiency in use of resources, including new technology. Proposals include:

- **Ambitious efficiency gains** to be required as part of the 2007 Comprehensive Spending Review (all signals point to this setting out a much tougher grant settlement)
- Government will publish **three-year council tax projections** (to aid stability for the voluntary sector as well as to assist with medium term financial planning), and provide “expert support” to councils and their partners to meet efficiency challenges.
- Ensuring administrative boundaries do not act as a barrier to service improvement and efficiency – looking for **more collaboration between Councils** and across public bodies.
- Promoting business improvement techniques (e.g. business optimisation through re-engineering processes) and greater contestability in services, leading to **more open competition** in local government service markets

Community cohesion (Chapter 8)

This chapter emphasises the need to provide more specific support to councils and their partners in addressing community cohesion issues. Proposals include:

- Providing **support for councils** which wish to include cohesion issues in community strategies and LAAs.
- Providing **new guidance** on how overview and scrutiny can support community cohesion.
- Government will support **local establishment of forums on extremism** where necessary.
- Government will encourage the Commission on Integration and Cohesion to provide detailed plans on promotion of cohesion.

Steps towards implementation (Chapter 9)

This chapter provides a summary of what the government will do to implement the White Paper, including the need for new legislation, reviews, and revised or new Guidance. Other proposed government initiatives to support the White Paper are also listed. The **Queen’s speech on 15 November** announced a Local Government Bill.

Implications for Two-Tier Areas

Alongside the two volumes of the Local Government White Paper, the government published a separate paper that set out how councils could make proposals for new unitary structures and/or to become pathfinders for new arrangements in two-tier areas. Even if authorities do not bid for either opportunity, the White Paper makes it clear that **'no change' is not an option** and they expect all two-tier areas to develop their joint working to achieve the same results.

The paper sets out the criteria against which the proposals will be evaluated. The new arrangements will have to:

- enhance strategic leadership, neighbourhood empowerment, value for money and equity
- command a broad cross-section of support
- be affordable, representing value for money and meeting any costs of change from councils' existing resources.

Proposals for unitary structures:

Every council (outside Greater London and the Metropolitan Counties) including unitary authorities, is invited, if they wish, to make a proposal for future unitary local government structures for their area.

The area of any proposed future unitary authority must consist of either the whole of the area of an existing local authority – county or district council (including those with unitary status) or a combination of whole areas. Where a council (or councils) propose to create a unitary council for part of the area, the proposal has to cover the arrangements for the rest of the area.

The proposal must be presented in the form of a business case and supporting financial analysis, including a full description of the proposed local government structure; the strategic aim of the proposal; main benefits of the proposal; and the timing of benefits. There are tough 'affordability' criteria for making a unitary bid: i.e. "all costs incurred as a result of reorganisation are met locally without increasing council tax".

There must be support from a range of key partners, residents, service users, and other stakeholders, but **consensus from, or within, all sectors will not be required** for a bid to be made.

Timetable:

- The deadline for the submission of proposals is **25 January 2007**.
- The government will assess the proposals (against the criteria) and announce at the end of March 2007 which proposals will proceed to the consultation stage, which should be completed by the end of June 2007.
- The proposals will then be re-assessed to take account of the consultation and any development of the business case.
- It is intended that the government will announce by the end of July 2007 which proposals will go on to implementation.
- Elections to the new unitaries would take place in May 2008, and they would be up and running by April 2009.

The government envisages only creating a limited number of new unitary councils (8 has been suggested). Proposals will be prioritised before the stakeholder consultation takes place.

Proposals for pathfinders:

Partnerships of a county council and **all** the district councils in the county area are invited, on a voluntary basis, to apply to pioneer "*an innovative two-tier model of their choice for their area, and to make a proposal setting out their intentions for developing and implementing this model*".

The aim of the two-tier model should be:

- unified service delivery, with service users having no need to understand whether the county, district, or other service provider is responsible
- stronger leadership for place shaping
- effective accountability arrangements so that people know who is responsible for what decision
- shared back office functions and integrated service delivery mechanisms.

The new two-tier model must relate to the whole of the county area and should meet the same criteria as the proposed new unitary structures. The closing date for bids is **25 January 2005**.

The proposal should identify how the model can be developed within existing legislation and what legislative changes would be needed to achieve new innovative governance models, such as "*moving to a common group of employees or a single cadre of councillors within the county area*".

The Government intends, by the end of March 2007, to decide which pathfinder proposals it will work with. These pathfinders will be subject to independent long term evaluation continuing for a number of years. The evaluation will look at the processes of changing to the various new governance models. The paper stresses that it expects partnerships whose proposals are not accepted to continue to take forward their proposals, to the extent possible under current legislation.

Wiltshire

Debates on the Local Government White Paper have already been held at the County Council and at West Wiltshire District Council. The resolutions made are as follows:

Wiltshire County Council, 7 November 2006 resolved:

- (i) to note the contents of the White Paper and requests the Chief Executive to prepare reports for Cabinet, Scrutiny Committees, Council and other committees as appropriate concerning those proposals of particular significance to the Council.
- (ii) to note in particular the deadline for the invitation to Councils in 'two-tier' Counties to submit joint bids for 'pathfinder' status and/or to submit proposals for unitary local government, and request the Chief Executive to prepare a further report on these opportunities, working with the District Councils and other partners, including County Councillors.
- (iii) to agree to hold an extraordinary meeting on 23 January, 2007 in order to consider that report and to decide whether to submit proposals by the deadline of 25 January, 2007.

A more recent report to the County Council Cabinet suggests the date of the extraordinary meeting will be brought forward and sets out the Chief Executive's plans for undertaking research – including seeking information from the District Councils – in order that a further report can be presented to the County Council.

West Wiltshire District Council, 8 November 2006 resolved:

- a) That this Council does not support Wiltshire County Council in its actions of rushing into preparatory work for a unitary status or pathfinder bid for submission to Government by the deadline of 25 January 2007 as set out in the invitation to councils in the recent White Paper.
- b) That this Council considers any such action to be an unwanted distraction and regrets the lack of opportunity for full and proper democratic debate amongst all parties involved.
- c) That this Council looks forward to the opportunity of a measured and paced full and frank discussion involving all 3 tiers of local Government and everyone this will affect, namely the people of West Wiltshire and beyond to secure a way ahead for the future of local Government.
- d) That this Council nevertheless looks forward to continuing co-operation between the four district councils and the County Council in fields identified already such as the Customer First Project.
- e) That there should be urgent consultation with the other Wiltshire district councils to reach a consensus and that this Council takes the lead in achieving this.