

## A VISION FOR URBAN AREAS

Joint SIGOMA/ODPM event on the Future of Local Government in urban areas  
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# Conference Report and Outcomes



Office of the  
Deputy Prime Minister  
Creating sustainable communities



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## A VISION FOR URBAN AREAS

The ODPM - inspired debate on the long-term future of local government, *local:vision*, raises issues and questions for every local authority in England. Through the *local:vision* debate, the Government is seeking to understand what the strategic role and function of local government should be in the future, given prevailing trends in government policy and changes in society (such as people's expectations, demography and new technology); and to build consensus for that new role across local, regional and central government as well as other partners.

On 31st October, SIGOMA and the ODPM jointly hosted a national event to look at the specific issues and opportunities facing larger urban areas in the northern, midland and south coast regions of England, and to ensure that these are considered as part of the debate. The aims of the event were to:

- **improve clarity:** define the constraints or opportunities the ODPM and local authorities need to address, and what proposals are being made for the future;
- **assess progress in urban areas:** examine the evidence and understand contrasting views on the future of local government for towns and cities;
- **build capacity:** improve SIGOMA's appreciation of the long-term questions and opportunities facing local authorities in England's urban areas; and
- **develop solutions:** provide an opportunity to identify areas for further work, so SIGOMA can present a shared and unified view to the Government on key issues.

Around seventy delegates took part, including officers and elected Members from SIGOMA authorities as well as specialists from other organisations and officials from the ODPM. Local Government Minister Phil Woolas MP gave the keynote address, emphasising the opportunity that local authorities now have to come forward with their own ideas for greater devolution, stronger local leadership, high quality services and changes to the finance system. Sir Brian Briscoe (LGA) and David Walker (The Guardian) each gave their own perspectives on the debate before delegates took part in workshop discussions and a panel session with high profile commentators, politicians and policy experts. This report provides a summary of the proceedings and discussions that took place at the conference, identifying key messages and options for the future.

## 1. KEY MESSAGES FROM THE MORNING PLENARY SESSION

*Chaired by Cllr Stephen Houghton (Chair, SIGOMA), Phil Woolas MP (Minister for Local Government), Sir Brian Briscoe (Chief Executive, LGA) and David Walker (Editor, Guardian's Public Magazine) provided the context for this event, opening up issues for discussion, presenting different perspectives from central government, local government and the media on the future of local government debate.*

The *local:vision* process seeks to address the incremental nature of previous local government reform with a coherent and widely agreed strategy, providing greater stability and consensus on the relationship between central and local government. This may entail radical reforms to the way councils operate, but it will also mean consolidating their functions and responsibilities around some widely accepted core roles. Many of the points made by the three speakers reflected this picture of change, marrying potential uncertainties with opportunities for local authorities:

- **Local Area Agreements:** the significance of LAAs is not yet recognized by many local authorities. LAAs could be a model for greater local control over all public spending. How can change be speeded up (e.g. with better joining up at central government level)? How can more services be included in the agreements (e.g. Learning and Skills Councils); and can agreements be made to work across local authority boundaries to create greater impacts (e.g. can councils work together on joint procurement)?
- **User Empowerment:** local people must be able to help drive service improvement and have a greater say if the quality of services is not adequate. This is especially important in severely deprived areas, where any service problems are magnified and tensions can be fuelled by inequality of opportunity. Tackling problems in these areas is a priority, but can only be achieved by everyone working together across localities to build understanding and respect both inside and outside these communities. How are, or how could, SIGOMA authorities lead this process locally?
- **Neighbourhood arrangements:** new models for delivering services and engaging local communities at the neighbourhood level are a large part of the Government's agenda. These should be seen as part of the commitment to devolve power 'through' and 'to' town and city halls, rather than around them. The question for SIGOMA is 'how' neighbourhood structures or services can work effectively and fairly in urban areas, without increasing costs.
- **Urban regeneration:** the recognized success in some city centres now needs to be replicated across the wider range of 56 towns and cities defined by the ODPM. The bigger, core cities, are central to this debate, but a city's success depends upon neighbouring towns and cities. The wider question is how local authorities organize themselves so that they can work more effectively together. There is no 'one-size fits all' solution.
- **Regional divides:** SIGOMA needs to be wary of the threat of a general pull of resources towards London, with the 2012 Olympics, big transport schemes and increased house building through the sustainable communities plan. There is a need to identify how SIGOMA authorities can capitalize on the economic benefits that the Olympics will bring.
- **Wider Government policy:** support and flexibility towards local government varies between government departments. The ODPM is leading the *local:vision* process, but we need to see all Government departments signing up to the outcomes and SIGOMA should look at the broader direction of travel for government policy - i.e. in education and skills, health, and law and order. Which services or flexibilities are 'off limits'?

## 2. SUMMARY OF WORKSHOP DISCUSSIONS

*Four areas were defined by SIGOMA for some more focused discussions, reflecting current concerns amongst SIGOMA authorities. With inputs from experts in the field and ODPM officials, these sessions raised a number of questions for delegates to explore and address.*

Please note, the points made below reflect the views expressed by individual delegates at the event and do not necessarily reflect the views of the conference organisers.

## Workshop 1. Elected members and the leadership role

This workshop covered the role of elected members in scrutiny, community leadership and particular models like directly elected mayors, as well as more theoretical questions around the implications of new governance models for party politics in local government. Jo Dungey (LGIU) outlined the agenda so far and some of the options for the future.

### General observations of the issues:

- The directly elected executive model is seen to be attractive where it can provide some stability for a full 4 year term.
- At the city region level, the key for local authorities is to work collaboratively rather than introduce further tiers of government, for example through establishing an Executive Board model.
- The term 'Mayor' in the non-traditional sense just doesn't sound right to many. The role of the ceremonial mayor is far too entrenched in civic life and local people simply don't understand the concept of a directly elected mayor, even post Giuliani. Have English Mayors sufficient additional powers to set them apart from traditional leaders? Was the mayoral system just a 'bolt-on' to the executive forms of governance introduced under the 2000 Act?

### Looking at the future role of councillors:

- Community leadership: the community leadership role of councillors needs to be made a reality. This means greater powers to back up community planning and LAA processes so that there is more of a requirement for other agencies to become involved and greater influence on a wider range of services that can be better tailored to local needs.
- Remuneration must be considered: We can't expect young professionals in particular to give up a career and face being thrown on the dole queue if they fail to be re-elected. Experience from Europe suggests that a solution can be found. For example, the German Government provides a financial 'cushion' in the event of electoral failure (up to 12 months) in order to encourage people to stand for election to local authorities.
- Drawing income from sources other than the council: this can lead to accusations of pocket lining at the taxpayers expense, but councillors with other sources of income may feel more relaxed to challenge the authority's 'party-line' or to take riskier decisions if they are not seen to be 'in the pay of the council'.
- Overall, participants felt that the amateur/part-time ethos of councillors should be maintained but wanted more emphasis on the barriers that some groups can face to

become a councillor: e.g. women, where there may be a case for flexible working arrangements in order to reflect other responsibilities.

### Electoral issues

- What is a reasonable size for a ward? Although there are some important issues around the number of councillors serving in a ward, the main priority is to define the role of ward councillor more clearly before altering the structures. What exactly is expected of them and can we enshrine this first?
- The constant round of annual elections is seen as a treadmill that can create a loss of focus on council business between Christmas and May each year. A 4 year term for single member wards is a possible way forward to solve this. However, even Leaders and executives in authorities with all out elections are still subject to internal annual Group elections, so this should be addressed at the same time.

### The scrutiny function of councils

- All partnerships in receipt of public finances should be subject to local authority scrutiny, extending the approach used for health and Primary Care Trusts to partnerships led by other local agencies. The best scrutiny work is done from the 'bottom up', i.e. dealing with issues that affect local people is the best way of engaging non-executive councillors and local communities. This will include police and education as well as health and council services.

### Devolution from Town Hall to communities

- The crucial role of backbench councillors could be reinvigorated by some form of local devolution. But there is some tension between the aims of devolving budgets to local areas and the cost-cutting aims of the Gershon efficiency agenda. How does local and central Government balance or even unite these competing forces?
- Local councils will need to maintain a corporate centre for direction, the importance of which is seen in lessons from other areas and earlier experiences of devolution - e.g. Tower Hamlets delegated some powers and resources to more local areas in the 1990s. There is clearly a need to define what services and what roles can be better devolved.

## Workshop 2. Neighbourhoods and citizen engagement

This workshop covered the practicalities of any new neighbourhood structures and governance mechanisms, as well as questions on how community engagement can be maximized and how elected members can take on the community leadership role as leading advocates for their neighbourhoods. Ines Newman (LGIU) introduced delegates to three different models of neighbourhood arrangements and the principles being promoted by the government.

### Major points from discussions:

- Local authorities realise this is their opportunity to influence the debate and drive this part of the local government modernization agenda. Some authorities are keen to push ahead, these need Government support and should be encouraging other local authorities by identifying the best models and sharing learning.
- The principles set by the Government for neighbourhood arrangements are supported - particularly on the issues of supporting (adding to) local democracy. Local democracy needs to be at the heart of all neighbourhood arrangements, whatever model is adopted.
- There is strong support for the idea of a national neighbourhoods framework with local discretion to implement elements of it - i.e. "no one size fits all". But within this there are still differing views about what should be or could be the role of the ward member in neighbourhoods and how this fits with the scrutiny role.
- There is concern about delegating budgets to neighbourhoods as it may divert resources from the most disadvantaged wards. The local authority emphasis should be on enabling neighbourhoods to influence mainstream spending and services to meet neighbourhood priorities more effectively, rather than simply directing spending to different areas.
- The focus should also be on building relationships between local partners (e.g. health, police, voluntary sector) about the models that can be adapted so every major service is more responsive. There is significant interest in the idea that localisation of LAAs and LSPs could be a way forward for neighbourhoods. For example, mini LSPs in neighbourhoods could make more use of existing resources and increase capacity for some services, once they are established.
- A strong feeling that the bureaucracy faced by local government and the apparently inconsistent messages from central Government act as barriers to progress on this agenda - for example how well will the drive for Gershon efficiencies sit with the desire to set up or enhance neighbourhood structures?
- Some tools cannot be applied to neighbourhoods and there was serious concern about giving ASBO powers to neighbourhood bodies - many feel these powers would be divisive and damaging to local cohesion. Instead a neighbourhood body should look at how to tackle anti-social behaviour in partnership, locally.
- A general consensus was shown among all delegates on the likely costs of neighbourhood structures - neighbourhood devolution is expensive and there needs to be greater recognition of this with appropriate resources provided for set up. Neighbourhood structures may also need new budgets to be identified for community development, capacity building and providing greater support to local councillors.

### Workshop 3. Central-local relations/performance framework

This workshop was designed to look beyond councils to other stakeholders. SIGOMA authorities need to understand the different contributions of their local partners to driving change in public services, asking how relationships will change in the future and how councils can engage with other bodies more constructively. Martin Horton of the IDeA introduced the subject and raised questions for local authorities to answer.

#### How will central-local relationships change in the future and can central government be reassured that the capability and capacity exists within local government to deliver their side of the devolution and decentralisation deal?

- Local authorities need to be able to balance their accountability to central government and to local people. But councils are currently using too many resources proving their capability to Government rather than local people.
- There is some sympathy for the view that local authorities should do their core work well to earn credibility (i.e. basic services). But there is evidence of success in the CPA results of many SIGOMA councils and this now needs to be reflected in future proposals.
- Direct support and 'working evidence' is just as effective as formal inspections in driving improvement - e.g. Nottingham City had support from senior Whitehall officials to tackle crime and work with the Home Office better. This was successful.
- The new performance and improvement framework should improve aspirations for local services and choice, but this need to be owned and driven by local government. It should help to reduce centrally imposed targets, but will need to set national minimum targets.

#### Should a duty to participate with the local authority be placed on certain local public service providers in drawing up and implementing community strategies? Which agencies?

- Local authorities want to be able to set the strategic direction for their areas and be confident that this will be taken up in every public service. But experience has been mixed. A more balanced approach could be achieved if all agencies are reviewed together 'in the round', i.e. identifying the 'weakest link' in delivering change rather than just a local authority - e.g. include RDA or Learning and Skills Council.
- There are different relationships between local authorities and different government departments - local authorities have better relationships with departments like the ODPM than others such as Transport, Education and Skills and Health. Local Authorities need to be able to tell departments where they are not picking up local/regional agendas.
- There is support for LAAs to feed messages back into government about the way that their services could be delivered better. Why are LAAs not exciting elected Members as much as Ministers? Are they too technically drawn up? Have they been led by financial aims or is it just a matter of time before councillors understand the benefits of LAAs?
- There is a capacity problem in local authorities' ability to make sense of government policy. It is difficult for councils to be forward thinking and work proactively with Whitehall as their capacity is already being taken up by centrally driven work e.g. Best Value, CPA, etc.

## Workshop 4. Personalisation in public services

This workshop was about looking ahead to consider what services people may expect in 10 years time, how local authorities could deliver these and the range of issues involved as services move to greater personalisation and choice for local people. Ben Page (MORI) looked at recent experience and the views expressed in different opinion polls.

### Initial comments from the presentation

- It is important for public services to provide a seamless response to the local community it serves. Silo working is still widespread in some authorities - we need to break down some of the distinctions and demarcations between different council departments.
- The way councils treat people is fundamental to their perception of the service they receive - e.g. 53% of callers in one survey, hung up when they heard an automated response, 63% of those who persisted hung up because the call took too long.
- 'Choice' is not necessarily important to everyone, it is often just about getting a good service

### What are the key issues and opportunities over the next decade and how do we tackle them?

- Fragmentation of services is an issue. The separation of different services and providers makes them difficult to join up and so difficult to treat the individual as a whole. Whose job is it to join them up? E.g. difficulties can be caused where there is a split between commissioner and provider roles of local services.
- The importance of value for money. It is important to get the balance right between personal services and finance - local government (as opposed to private firms) is not in a position to charge a premium, but should still be able to provide and finance more personalised services.
- Communicating what people get for their money - there is a need for local authorities to market their services better. The initial point of contact is very important. Communication needs to be personal, in plain English with officers taking responsibility for each caller.

### What should be done about tackling serious under performance?

- Scrutiny has an important role to play. It puts pressure on Members at different levels but is not being used well enough across the board. For example, scrutiny panels can be influenced by 'party politics' within a Council, which limits the part it can play in driving change.

### How can we deliver more joined up and personalised services?

- In order to deliver joined up services, councils need a strong corporate centre. The cabinet system has helped strengthen corporate decision-making and cross-cutting portfolios can help to join up services.
- Would it be possible for individuals contacting the council to have a 'personal account', with all the information about his/her dealings with an authority on one file? The recent changes to join-up children's services at a local level could provide a model of best practice.

### 3 Key Points

- 1. Communication** - providing people who contact a council with a more positive experience. Councils need to market what they do better and to provide feedback to local people, following up contacts more effectively. This requires ownership by officers and members.
- 2. Scrutiny** - Delegates agreed that scrutiny is a good way to improve service performance.
- 3. An effective corporate system** - there was consensus on the importance of a strong corporate centre to reduce fragmentation of public services and join up services locally.

### 3. KEY POINTS RAISED IN AFTERNOON PANEL SESSION

*The workshops were followed by a wider panel session where issues from throughout the day could be raised and explored with Neil Turner MP, Alison Seabeck MP, Mark Hunter MP and Ines Newman of the LGIU.*

#### Summary of the questions and issues raised

**Community engagement:** Delegates raised points around the role of elected Members in their community as well as questions on the likely numbers of councillors in the future. The case for retaining the numbers of councillors and their work in local communities needs to be made more strongly, but linked to the wider strategy for local government and the responsibilities of councils in the future.

**Position of elected members:** Panel members and delegates discussed the numbers and caliber of people likely to be attracted to public service in the future and the need to provide more support for elected members, making the role more attractive - e.g. direct officer support, proper salaries and greater recognition for work in local communities.

**Professionalising the work of the executive:** Delegates referred to the increasing workload of many councillors and the number of bodies that many are now part of. Although there are good arguments for improving the support, remuneration etc of councillors, some would be concerned to see councillors become 'professionals' and more managerial - more akin to an officer role rather than one of representing communities.

**Scrutiny role:** delegates and panel members discussed the successes and weaknesses of scrutiny at the local level. Scrutiny can place constructive pressure on cabinet members to improve performance and has been linked to the performance management of services in some areas, but scrutiny panels are also important in policy development. Scrutiny needs to lead on ideas and innovation as well as monitor their implementation. There is some support for extending the work of scrutiny panels beyond local authority services, although this is difficult in some areas without some forms of statutory or legal support.

**A bottom up approach:** a successful authority needs different types of councillors with different abilities and aspirations - community engagement, cabinet member, scrutiny member, etc. Overall, it is important to define these different roles of elected Members first, working from the 'bottom up' to make sure that the structure and numbers of local councillors are fit for purpose in the future.

**Local services provision:** A number of delegates made links to recent government announcements, such as in the Education White Paper, and the changing responsibilities of local authorities towards key local services. The current debate on local authority services needs to be better informed about the quality of local government services, their importance and the potential pitfalls or costs of the 'commissioning model' for local services. Local Government generally needs to be better at managing its reputation and demonstrating the quality (and importance) of services it delivers, whilst continuing to engage in the debate on minimum national standards and constructive competition.

## 4. OVERVIEW OF KEY THEMES AND NEXT STEPS

### Key themes arising from the event

The number of participants and their level of involvement at this event indicate the importance that SIGOMA authorities assign to the *local:vision* process, as well as a commitment to the long term future of local government. Although some frustrations were aired on different issues, the overall tone of discussions was positive and forward looking, generating a real desire to address some difficult questions. This energy now needs to be channelled so that further ideas, and some more tangible key messages, can be developed on behalf of SIGOMA. A number of over-arching themes can be identified from the event and used to inform future proposals. They are around:

- **The need to be proactive**

Despite some expression of disappointment at Ministers' decision to postpone council tax revaluation, the extension of Sir Michael Lyons' review to look at the strategic role and function of local authorities now provides some space for the local government sector to develop its own ideas on the future. Local authorities should consider putting forward their own vision for local government with some detailed suggestions for change and improvement, rather than simply responding to those of others. Local government has a strong case to make, with improvements in services and evidence from the CPA to demonstrate how they are addressing the modernization issue. But, over the medium and long term, changes to the way that local authorities operate will still be significant and so all councils need to work through SIGOMA and other networks to make their contribution to this future.

- **Broadening and deepening central-local relationships**

Currently, central-local relations are largely defined through 'performance management' regimes with targets, indicators, improvement plans etc. This relationship needs to be broader and more meaningful, and could be strengthened in two main areas. First of all, both central and local government need to look at ways in which direct links between individual councils and government departments can be fostered more constructively. For example, more productive relationships have been formed where civil servants and local authorities work together on an agreed issue or problem. This may mean individual civil servants based with local officers to make improvements on the ground or it may mean local authorities influencing the way

that other government departments or agencies (like Health, Work and Pensions or Education) operate. Secondly, LAAs need to be understood better and used more creatively to excite local councillors and feed messages/concerns back to a wider range of central government departments so that blockages can be removed and changes acted upon.

- **Defining local leadership and strengthening accountability**

Colouring every element of the discussion on the future of local government are questions about the roles and responsibilities of elected councillors and the wider status of democracy in the future. Elected members give local government its greatest strength and credibility, and this can be used to good effect across a wide range of local issues. But there are acknowledged problems with the current system, including the need to attract new candidates, improve their influence over other agencies and increase voter turnout. New approaches, such as directly elected cabinets, better remuneration, all out elections and changes to ward boundaries may help, but should be applied differentially to suit the needs of different areas. There was consensus however, that the first task must be to define exactly what the roles of councillors should be in the future (particularly with regard to neighbourhood structures), strengthening the community leadership element of this role.

- **Devolution and neighbourhoods**

Most urban authorities have already established some form of devolved powers/structures to local areas or they have established specific neighbourhoods with special resources and powers. The issue is not new, but the full scope and implications of wider devolution is still being grasped. The overall aim of delivering better services, in poorer urban areas as well as wealthier districts, needs to be the driving force of any other neighbourhood arrangements. A national neighbourhoods framework will receive strong support if it can be implemented with local discretion and can be used to enhance the role of local ward members in promoting service improvement across a range of organisations and with greater support from the local community. As part of the ongoing debate, local and central government need to agree what could and what should not be devolved, so that local authorities can tailor neighbourhood structures to local needs. To extend and improve devolution of some powers, services or authority, resources will also need to be assessed and allocated on a realistic basis.

### Next steps

The comments and ideas received so far in the *local:vision* debate have helped to shape proposals on key issues. Particularly important from this event have been ideas on neighbourhoods and devolved responsibilities; the need to define the roles of elected members and discussions around the need for a new framework to improve central-local relations as well as local performance. But all of the issues raised, and contained within this report, will now feed directly into the *local:vision* process in order to develop proposals further.

The *local:vision* debate will be drawn together in a White Paper in the summer of 2006, which will provide the beginning of a new settlement between citizens, communities, local and central government that enables the best possible outcomes to be secured for all communities.

The White Paper will set out a clear vision for the future role and function of local government. It will provide opportunities to shift power from central government down to users, communities and local government so that services are regulated from the bottom up, not the top down as well as providing the opportunity to ensure that greater freedom is combined with efficiency and equity.

It will bring together the various policy areas that have been explored throughout the debate including proposals on local leadership, neighbourhoods and citizen engagement, a new performance framework and empowering users, whilst also drawing on the 'New Deal for Cities' agenda and local government efficiency.

Additional work and discussions will be held by the ODPM and SIGOMA to take forward the debate in the run up to the White Paper and beyond, to ensure that the issues and opportunities facing larger urban areas in the northern, midland and south coast regions of England are fully considered. As part of this, SIGOMA will identify its own set of key messages, and a clearer evidence base of what is working well, to help define the kind of proposals that would work best in urban areas.

If you would like to feed in your views on this debate please contact the Local Government Strategy Unit at ODPM on [localvision@odpm.gsi.gov.uk](mailto:localvision@odpm.gsi.gov.uk). For further information on the debate as it progresses, and to access the discussion documents published to date, please visit the *local:vision* website at [www.odpm.gov.uk/localvision](http://www.odpm.gov.uk/localvision)



## SIGOMA

The Special Interest Group of Municipal Authorities

SIGOMA represents 35 Metropolitan Authorities and 11 of the major unitary councils in the Northern, Midland and South Coast regions of England.

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