

our future

a prospectus for local government



Local Government Association

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Introduction

Ten years ago local government came together and created the Local Government Association (LGA) to be its voice in the national arena.

Councils have achieved much over that decade. They now have a track record of improving performance, they lead the public sector on 'efficiency' and they have a new confidence and a determination to play a wider and enhanced role on behalf of the people and places they represent.

In parallel, the LGA has made a substantial contribution to the new consensus that 'the future is local'. In May 2006, the LGA's *Closer to people and places* publication set out a clear and ambitious role for local government.

We have pursued this localist call with vigour. But we have also turned our attention to our own performance. In the autumn of 2006, we established an independent commission, led by Lord Best, into the LGA and its relationships. We followed this with an initiative aimed at 'Raising our Game', and held a series of events and discussions with leading council representatives and partners across the country.

This prospectus reflects the outcomes so far from that process of review. It is a document for councils but it is also something that we hope partners in other sectors and in government will feel sets a direction for local government that they can welcome and support.

Local government is an essential part of the infrastructure of governance and of public services. Only local councils carry the democratic legitimacy for the places and the people that they represent. This prospectus is rooted in our conviction that it is modern and effective councils, engaged with the public in the way in which they lead their lives, and working in partnership locally and nationally, that provide the means through which:

- the public can be supported to shape and determine the future of their communities; and
- public service improvements can be driven by the needs, and fine-tuned to the expectations, of citizens and their changing lifestyles.

We believe that the issues discussed in this prospectus are important for people and places throughout the country and we hope that every council will take some time to consider and discuss our proposals. We recognise that for many councils the biggest challenge they face right now is the prospect of re-organisation. We will shortly be making more specific proposals on how we might support councils through this period. Nevertheless, our expectation is that in its final form local government as a whole, and individual councils, will commit to this prospectus and help in its delivery.

The prospectus will be reported to the General Assembly in July in order to launch the actions to carry forward this work.

The Prospectus

The Prospectus is based on four propositions which councils are invited to consider, and in their final form, commit to. Those propositions are:

A Framework for Excellence

That all councils adopt and work to a nationally agreed Framework of Excellence developed by the sector, which strengthens and builds leadership, partnership, quality services, place-shaping, public engagement, local choice and accountability.

Staying ahead

That there are a small number of critical work programmes or performance issues that local government acting as a whole – including councils, the LGA and the central bodies – need to commit to in the year ahead to achieve and demonstrate improvement in services and in place-shaping.

Local government as a sector and developing the LGA

That councils, the LGA and the central bodies¹ need collectively to deepen and strengthen their relationships to ensure effective support, representation and leadership for the sector and at the same time develop stronger partnerships with other sectors and with government.

¹ The central bodies are the Improvement & Development Agency (IDeA), Local Authorities Co-ordinators of Regulatory Services (LACORS), Public Private Partnerships Programme (4Ps) and Local Government Employers (LGE).

Developing the local alternative

That councils should be determined to lead the development, and drive forward the implementation, of a more local approach to public service improvement and the re-energisation of our democracy, but that this requires a bold de-centralisation, a devolutionary agenda and renewed partnership with central government.

Each of these propositions is developed and explained in this prospectus.

This document is intended to be dynamic. The debate that it is intended to stimulate will no doubt lead to some amendments. The overarching proposition is that adopting this approach and supporting this prospectus will create for councils a powerful and exciting platform from which to move forward in the next phase of our development. We hope you agree.

Why do this now?

Because this is a time of great change and unprecedented opportunity for local government. Economic, social, political, environmental and technological change will continue to bring new challenges internationally, nationally and locally. National political debate is recognising, through a series of influential reports and enquiries which include the LGA's *Closer to people and places*, the local government white paper *Strong and prosperous communities* and the Lyons Inquiry report, that:

- government does not have the capacity to deliver many of its current policy priorities and objectives;
- many current challenges can only be tackled by developing local solutions with local communities in the places where they live, work or carry out business;
- targeted, personalised solutions are ultimately more sustainable and more cost-effective than national approaches; and
- local government is uniquely placed to take on these challenges.

Emerging national priorities and a new Prime Minister are bringing a renewed focus on issues that are at the heart of the local agenda, including:

- targeted and personalised services to meet the needs of the individual;
- tackling inequality;
- greater engagement with people locally;
- accountability and transparency in public service delivery; and
- devolution and a new constitutional settlement for local government.

The comprehensive spending review is set to:

- challenge councils to find new and innovative ways of providing high quality services to an increasingly demanding electorate within growing financial constraints; and
- provide a stimulus to councils who will be central to the achievement of public service agreements.

Finally, local government:

- has shown itself to be the best performing part of the public sector;
- has articulated at every opportunity its ambition to achieve more; and
- has the democratic mandate to take the lead and ensure that local people can shape and influence the decisions made and the services provided across the whole of the public sector.

Local government has a huge contribution to make to re-energising our democracy and securing further improvements in public service performance. However to do so it has to build on the experience of the past 10 years and move into a new phase, demonstrably leading its own improvement and development agenda.

Proposition 1 - A Framework for Excellence

That all councils adopt and work to a nationally agreed Framework for Excellence developed by the sector, which strengthens and builds leadership, partnership, quality services, place-shaping, public engagement, local choice and accountability.

We invite each council formally to commit to these nine hallmarks of a high-performing council. Each will wish to do so in a manner that reflects their local circumstances – for example in the weight they give to each hallmark or in how they give an account of their progress. For many the best way might be to include commentary in their annual reports. However, for every council, this framework should be the basis from which to achieve practical change and improvement.



Democratic leadership

- Demonstrates ambitious, visionary and inspiring leadership
- Takes tough decisions in the long term interest
- Values and offers meaningful role and support to all councillors
- Challenges and holds other public sector partners to account
- Champions communities and mediates conflicting interests

Place-shaping

- Sets out a visionary and shared plan for the area
- Works with partners to implement the plan
- Builds the social, economic and environmental well-being of the area
- Anticipates change and develops appropriate responses
- Builds cohesion and sustainability

Service provision

- Ensures the high quality, value-for-money, innovative and personalised services
- Drives up public satisfaction
- Widens access to services
- Involves users in designing, developing and commissioning services
- Develops and manages markets through robust commissioning and regulation

Public participation

- Actively seeks to strengthen the voice and influence of the public in all it does
- Empowers public and partners, including devolving responsibility and resources to them
- Increases public understanding of the council and of local government
- Takes positive action to enhance its reputation with the public and with the media

Partnership

- Provides leadership across sectors and agencies, pursuing shared objectives for the area
- Works with partners to deliver the best services and signposts customers and users accordingly
- Actively contributes to the broader local government sector and public sector

Improvement

- Seeks constantly to improve in all aspects of its work
- Promotes innovation
- Is rigorous in self-assessment, welcomes external challenge and learns from others
- Operates a blame-free culture that builds on success and learns from mistakes
- Contributes to intervention and support for poor performers in the sector

Ethical standards

- Operates highest quality stewardship of public assets, finances and resources
- Is transparent and accountable in all its decision-making
- Drives high standards of conduct amongst staff and members

Resources

- Delivers efficiency and value-for-money in all that it does
- Maximises resources to the frontline in accordance with agreed priorities
- Minimises expenditure on overheads and administration
- Balances the interests of service users and council tax payers

Employer

- Values and invests in staff and encourages partners and contractors to do the same
- Is seen as a good employer by staff and in the local economy
- Effectively plans and develops its workforce

Proposition 2 - Staying ahead

That there are a small number of critical work programmes or performance issues that local government acting as a whole – including councils, the LGA and central bodies – need to commit to in the year ahead to achieve and demonstrate improvement in services and in place-shaping.

Through a series of consultative discussions under the banner of 'Raising our Game', we have identified six critical issues of strategic importance to the whole sector. We invite all councils to include these in their work programmes and take action to address them locally.

The LGA will commit to leading, supporting or commissioning the design and delivery of a set of practical proposals for each over the coming 12 months.

1. Ensure that Local Area Agreements (LAAs) and Multi Area Agreements (MAAs) deliver on their promise

All councils should be gearing up to offer leadership that brings together the whole of the public sector and the totality of public expenditure in their area. In pursuit of this:

- all councils should be developing now, with local partners, their own view of what the LAA/MAA should contain, without waiting for government. This is an essential precondition to a genuine agreement between individual local partners, and between local partners and government. Councillors must be actively engaged in developing the content, and the process should be led by the council leader;
- the LGA will continue detailed planning work with government and with councils to ensure that the new framework can deliver central and local government's shared ambition for LAAs and MAAs;
- the LGA working with the IDeA, the Department of Communities & Local Government and councils, will undertake a review of the capacity of the whole system to deliver the challenges set by LAAs and MAAs. The review will seek to ensure that LAA executives, local strategic partnerships, government and the government offices all develop their capacity to support the new approach.

2. Develop the sector's own improvement programme

Local government must continue to work collaboratively to drive up performance across the sector. Plans for the next phase of this work include:

- further developing robust peer-led improvement programmes to support all councils;
- establishing a sector-driven but independent self-assessment task force, with an initial remit to undertake a sector wide self-assessment as a base for detailed improvement programmes;
- establishing sector-owned intelligence and public reporting of performance and encouraging further development of work to identify and exchange best practice;
- convening a regular, formal review meeting between the LGA, IDeA, the Audit Commission and council leaders and chief executives to review the sector's performance, identify actions and look ahead to emerging improvement themes;
- using political and officer networks more effectively to share intelligence and information; and
- agreeing a central-local improvement strategy.

The LGA will invite its Improvement Board to lead this work in conjunction with the IDeA and the Regional Improvement Partnerships.

3. Reinvigorate work to enhance the reputation of local councils and local accountability

The latest Ipsos MORI survey shows that the public value the services provided by their council but less so the council itself. Local government must continue to work to build and enhance its reputation. In pursuit of this:

- the LGA will further develop its Reputation campaign, and initiate a series of co-ordinated initiatives to influence the public, parliament, opinion-formers and the media, involving individual councils and national bodies;

- all councils should recommit to the Reputation campaign and develop their own communication and engagement activities to raise the profile and reputation of local government; and
- the LGA will develop and consult on proposals for developing the national brand of local government partnerships.

4 Promote the role of councillor and the performance of council political processes

Every role that councillors play – as local representative, as executive member, as scrutiny member or on joint boards, partnerships and outside bodies - is critical to local democracy. Local government must ensure that all members are valued and supported to fulfil their various roles. In pursuit of this:

- every council should work to ensure that every councillor is making a valuable contribution to the work of the council, in whatever role they occupy, and is supported to do so;
- each of the political groups within the LGA will establish an improvement programme and a 'Group Improvement Board' to lead their work in enhancing their processes. This includes selecting and retaining candidates, developing councillors' skills and competence, improving performance and developing leadership;
- the political groups within the LGA will work to secure pledges of support for these efforts from the national political parties; and
- every council should seek to promote the profiles of local political leadership and leaders.

5. Support councils to become effective leaders of place

Councils are uniquely placed to lead communities and service providers to develop and deliver a vision for their area and to secure its social economic and environmental well-being. This is what we understand by the 'place-shaping' responsibility. In pursuit of this:

- the LGA will convene discussions to agree how to strengthen 'leadership of place' and the implications for the roles, skills and approaches of councillors and officers – at whatever tier of local government;
- the LGA with the central bodies and the Leadership Centre will commission development programmes for council political and managerial leadership to enhance their understanding and effectiveness in the role; and
- the LGA will work with partner bodies nationally to develop their approach and support for the role of councils.

6. Realising the potential of our workforce

Ensuring local public services are properly staffed with high quality highly motivated and committed people is a precondition for delivering our ambitions for the public - whether they are employed by the council, its partners or its contractors. Demographic change and changes in services and employment practice mean that the workforce will change substantially over the next five years and beyond.

To help address these shared workforce challenges, the LGA and central bodies will:

- work with councils, partners and contractors to prioritise and tackle the main workforce challenges facing the sector;
- develop employment practices and structures to facilitate partnership working at every level; and
- promote new approaches to remuneration and the employment package for staff.

Proposition 3 – Developing the local government sector and the LGA

That councils, the LGA and the central bodies need collectively to deepen and strengthen their relationships to ensure effective support, representation and leadership for the sector and at the same time develop stronger partnerships with other sectors and with government.

The LGA is organised as an association of councils in individual, not group, membership and believes this is an essential principle to maintain. It acts through consensus and is the only national political body that acts without party political bias. This is an enormous asset in giving authority to its work.

In March 2007 the Independent Commission, chaired by Richard Best, presented its final report including 18 separate recommendations. The report has been circulated to all councils and is available on the LGA's website www.lga.gov.uk.

The whole of this prospectus gives effect to two of the commission's main conclusions:

- that local government has an excellent track record and can look to the future with confidence. It should be assertive and positive about the future of local councils, of the LGA and of the other central bodies working on its behalf; and
- that the power of local government lies in its working together collaboratively through the LGA. The principle of a single national association of councils working together is as important now, when the opportunities are so real, as 10 years ago when our coming together had a strong defensive dimension.

The LGA accepts the commission's line of argument and the objectives of its recommendations. A full response to each of the 18 recommendations will be published shortly and presented to the General Assembly on 3 July 2007. It is proposed that the LGA's Scrutiny Panel be asked to monitor progress on implementation of Best and report to the General Assembly next year.

In this proposition we have set out how the commission's conclusions will impact upon the work of the LGA and the other central bodies and their working relationships with councils.

1. Relationships with member councils

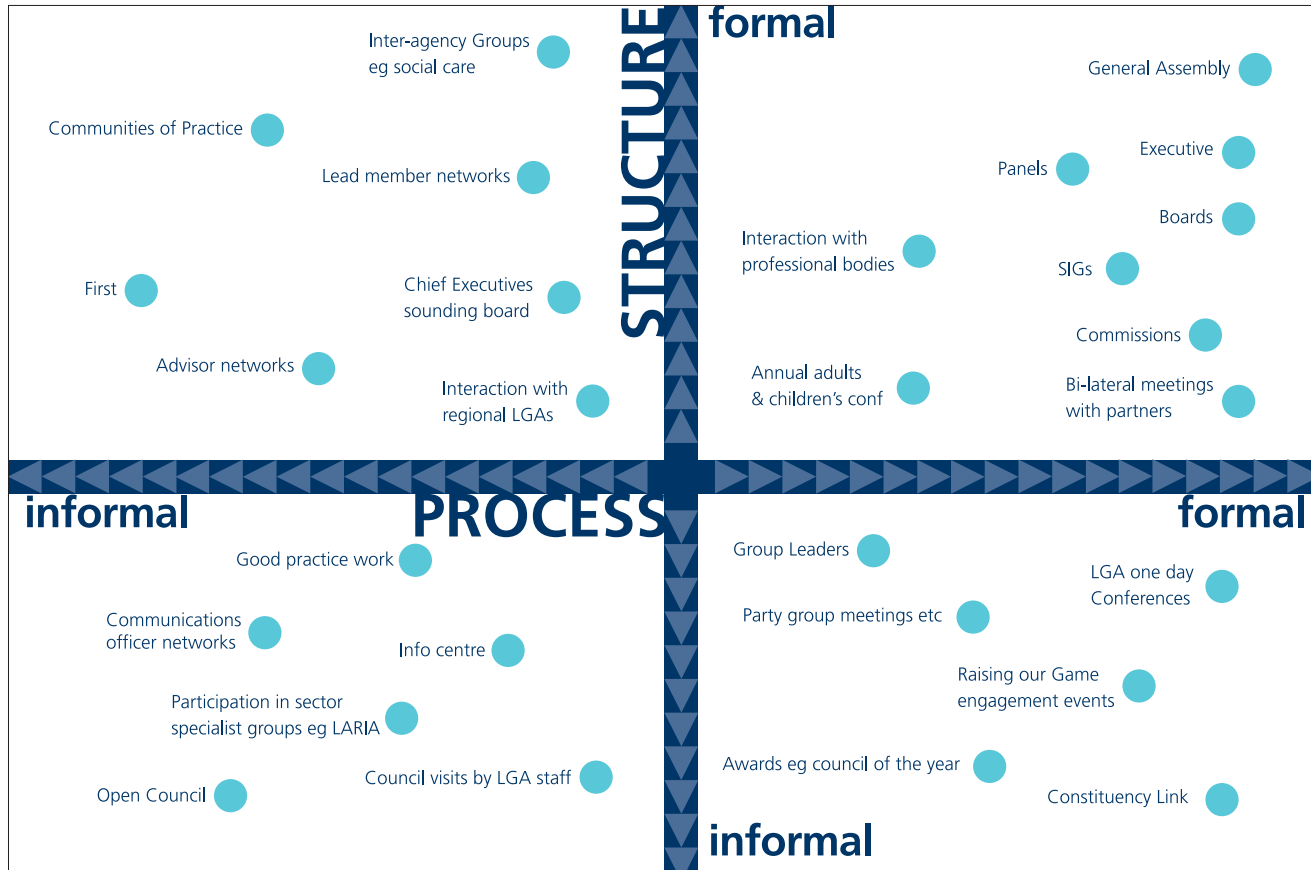
The chairman and group leaders and the chief executive and officer team are committed to further developing the LGA as an association to which every council chooses to belong because it is:

- an influential national body;
- fully enmeshed in the work of councils and other council associations;
- externally focused in its work, building partnerships nationally to complement those of councils locally;
- innovative, interesting and smart;
- leading the development of public policy both in services and in governance; and
- adding real value to the work of councils.

To this end the LGA will:

- develop its structures, constitution, working practices and relationships to become enmeshed in the sector it represents and serves;
- maintain a strong presence in Westminster, where government and many partner organisations are based;
- develop strong relationships, with the member councils and networks of councils in their localities, based on mutual trust and respect for each other's unique contribution: and
- continue to develop relationships with the LGA family, with partners, with government and with the European institutions.

This diagram shows the current range of contacts between the LGA and its member councils and councillors. Every one of these could be better used to strengthen our collective relationships and provide an opportunity for individual councils and councillors to make their distinctive voices heard.



2. Local government family²

The LGA will lead the broader local government family to provide cost-effective and customer focused services that support the continuing development and improvement of the sector. Councils are invited to agree the principle that access to the services provided by the local government family is available only through membership of the LGA. The LGA will:

- work closely with the central bodies to strengthen the sense of a single collaborative venture working on behalf of councils;
- ensure that the local government family, whilst constituted as separate bodies with separate governance, policy and managerial discretion, works to a single shared strategy and direction, agreed by the LGA Executive in consultation with the boards of the central bodies and others;
- ensure that all the resources of the family are deployed to maximise efficiency and effectiveness for councils and the whole sector;
- strengthen accountability arrangements within the individual bodies and from them to the LGA; and
- make recommendations to government to determine and allocate the use of top slice funding to the central bodies.

3. Regional groups

In response to the government's agenda on regions, regional, and in some cases sub-regional, groupings of councils have developed. These are not part of the LGA in any constitutional or funding sense and their capacity and activity varies from region to region. The LGA will:

- actively seek to develop and sustain close working relations with each of the regional, and where they exist, sub-regional, groupings of councils; and
- invite them to take the lead on mutually agreed programmes. For example the emerging proposals on a national – local improvement strategy would build very heavily on the excellent work done in many regions in leading the improvement agenda.

4. Other groupings of councils

At the time of the LGA's formation, a number of special interest groups were also formed to maintain the distinctive focus on a type of council. The County Councils Network (CCN) and the Special Interest Group of Metropolitan and Unitary Councils (SIGOMA) have more recently have been joined by the District Council Sounding Board.

As the sector develops, consideration should be given to how the work of these sectoral groups and the LGA might become more integrated. The LGA will:

- invite the leadership of the respective groups to enter into discussions on the future relationships between them and the LGA.

5. Partners

The LGA has extensive and valuable contacts with national partners in other sectors, with think tanks and with other associations who share an interest in public service and the democratic process. The LGA will:

- invite partners to join a National Strategic Partnership, with representatives drawn from the sectors and institutions who will be active in local LSPs, to help in the development of experience, the exchange of best practice and the future development of policy; and
- convene twice yearly a 'sector symposium' in which all participants might come together for a day of reflection and debate and to further develop joint work in pursuit of shared goals.

6. Wales, Scotland and Northern Ireland

The Welsh LGA is in corporate membership of the LGA. Since the creation of the Assembly, local government in Wales has developed on a different path from that in England but there is still much the two associations can do to support each others' work and to share experience and best practice.

Similarly the work of Scottish and North Ireland councils and that of their associations COSLA and NILGA is important to the LGA not least in learning from them about their experience of devolution. The LGA will:

- continue discussions with the Welsh LGA on how the relationship should best be developed in future; and
- maintain contacts with COSLA and NILGA through the UK Forum.

7. Developing a futures capability

The Best Commission proposed the development of a 'Futures' capability within the LGA. We propose to do this by bringing together the work of the many organisations that provide the rich sources of intelligence that contribute to the development of public policy - universities and think tanks, Audit Commission, the Innovation Forum, the Leadership Centre, the IDEa, government, councils and the LGA itself. In this way we can better develop and disseminate what the localist vision means in practical terms for people and their communities.

Proposition 4 - Developing the local alternative

That councils should be determined to lead the development, and drive forward the implementation, of a more local approach to public service improvement and the re-invigoration of our democracy, but that this requires a bold de-centralisation, a devolutionary agenda and renewed partnership with central government.

The golden thread running through this prospectus is that the debate has moved on and we are on the cusp of fundamental change. Throughout the post-war period, the predominant feature in public service practice has been centralism. Those who sought to promote a localist argument were substantially ignored. That argument has finally been recognised and the debate has moved from 'whether' to 'how'.

The policy challenges

In taking up this challenge local government must develop proposals on the most pressing issues challenging public services and communities including:

- **demographic change**, involving a different age structure, changing ethnic mix, and permanent and temporary inward migration. If not managed successfully, this carries with it risks of social polarisation and conflict;
- the spillover from private consumption of **citizen demand for quality, personalisation and choice**;
- the urgent need to adapt to and fight **global warming** and **reduce global resource consumption**; and
- managing the delivery of services and a healthy local economy in the face of a **global marketplace** with very rapid **technology-driven innovation in products and services**.

The LGA's policy work helps councils manage their strategic place-shaping and service delivery in the face of these challenges. Two examples of this from our current work programme are:

- *Prosperous communities II: vive la dévolution!*, which sets out proposals for the powers and governance arrangements councils will need to ensure their communities succeed economically; and
- setting up an independent commission to look at what councils are doing to tackle climate change and propose ways of strengthening their approaches.

Devolution and a new partnership

This prospectus has so far focused on what local government itself can do to develop its own capacity and contribution to enhanced public services and reinvigorated local democracy. We believe that empowered and revitalised local government will:

- transform public services, enhancing quality, personalisation and opportunity for all;
- drive up efficiency, and value-for-money;
- strengthen local leadership and local accountability;
- forge strong partnerships across the public and voluntary sector - resulting in increased efficiency and shared and better services, and improved public access;
- increase public satisfaction;
- take governance closer to people, giving people greater influence over their lives and strengthening civil society and local democracy; and
- increase local economic prosperity and create attractive, vibrant, safe and strong communities.

Local government is determined to drive forward on these, but to do so it needs a partnership with government that:

- establishes a new and meaningful Central-Local Partnership with government at the highest level;
- delivers a bold and radical devolution of powers from central and regional government to local government - in planning, transport, housing, economic development, skills and welfare;
- delivers real deregulation, as proposed in the white paper, including ensuring that Local Area Agreements are locally driven and deregulated;
- delivers a fair, transparent and sustainable local government finance system that empowers local decision-making. This includes slashing the proportion of specific grants, transferring to buoyant tax streams and committing to a 'New Burdens Guarantee'; and
- places local government at the heart of a 'new constitutional settlement' with a wider and empowered role for councils.

The Lyons report set out a comprehensive and challenging agenda for both central and local government. It also offers a comprehensive route map to improve outcomes for the public and their communities. We ask that the government works with us to now agree a route map of devolution to communities and to local government to enable us to fulfill our potential to transform the lives of the people, and the places, we serve.

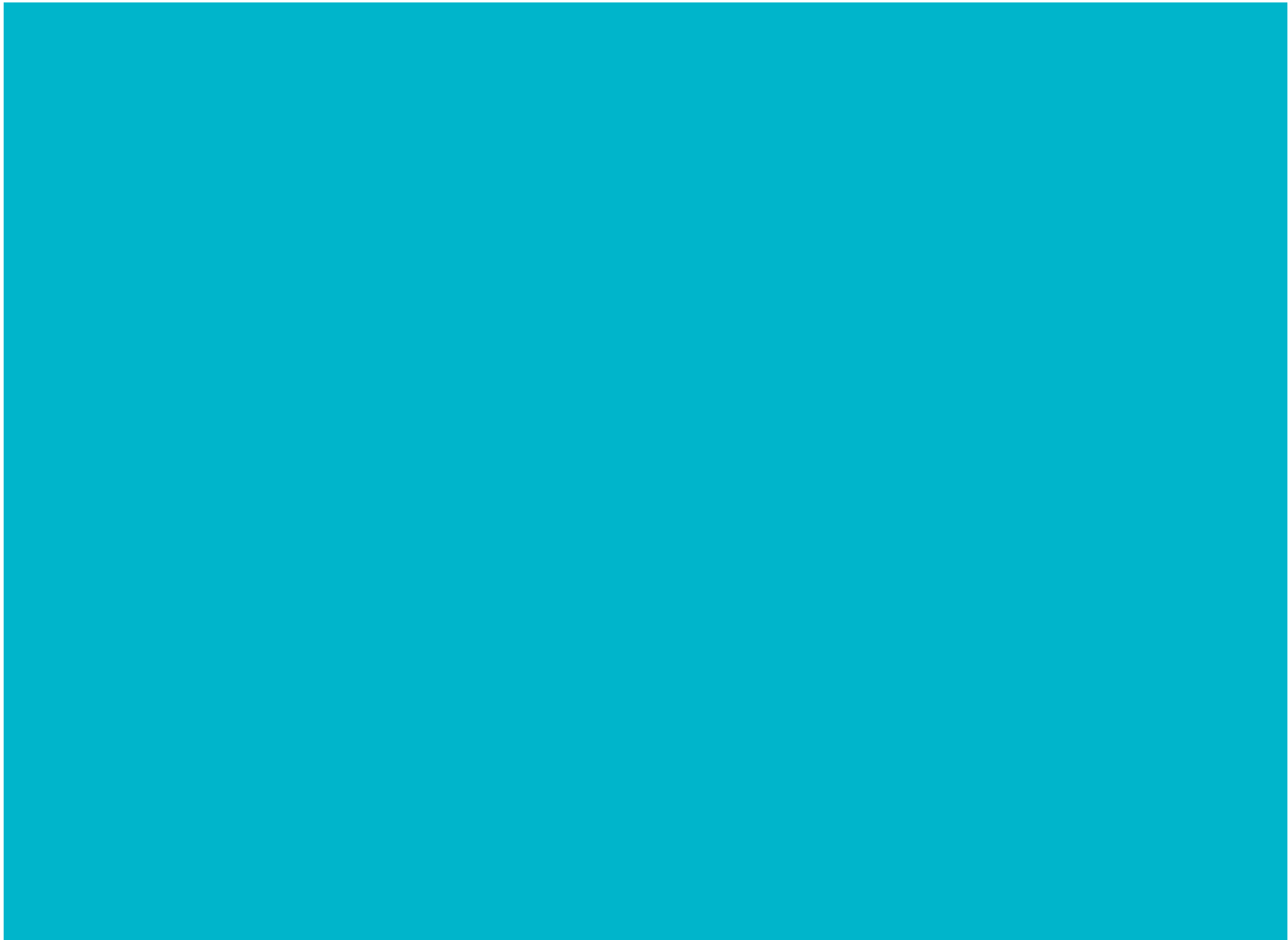
What happens next?

Please let us have your comments on this prospectus by 31 July 2007.

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The General Assembly on 3 July will be invited to endorse the direction set down in the prospectus along with the detailed response to the Best Commission. LGA Executive will take responsibility for finalising the prospectus and overseeing its implementation.



For further information about the work of
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