The local government white paper proposals

Key points

- The local government white paper outlines proposals to move the driver for public service improvement from central government to local government.

- Key to the white paper proposals is even greater emphasis on partnership working to cross administrative and geographical boundaries.

- Local authorities will be given the power and flexibility to respond to local needs but will be held to greater account by local citizens.

- Proposals include introducing new duties on local authorities and partners to cooperate and making Local Area Agreements more fluid and adaptable.

The local government white paper has been published outlining how the Government intends to give local authorities and local communities greater power over services in their area by rebalancing their relationship with central government. Local empowerment, accountability and strategic leadership are key phrases in the white paper.

Strong and prosperous communities, published by the Department for Communities and Local Government in October 2006, focuses on local partnership working and so will impact on health organisations, especially primary care trusts (PCTs). In particular the white paper aims to make it easier for local authorities and NHS bodies to work together to tackle health inequalities.

With regards to healthcare, the white paper says the aim is to go beyond action taken by Our health, our, care, our say. The white paper document points out that, despite major successes, progress on preventative measures such as improving diet has been much slower.

Vision

The vision of the white paper is of revitalised local authorities working with their partners to reshape public services around the communities that use them. This is to be achieved by increasing the power of local people and local communities to improve their lives and by enabling local partners to respond more flexibly to local needs.

The rationale behind the white paper is that over the last ten years the Government has invested massively...
in public services and institutions but that reforms have been driven by the centre.

Now is the time, according to Communities and Local Government Secretary Ruth Kelly, to show confidence in local government, communities and other local public services providers by giving them more freedom and powers to make changes. She calls this a “rebalancing of the relationship between central government, local government and local people”.

The white paper stresses that, for the radical improvements to continue, the centre must let go. Challenges are too complex for all solutions to be imposed from the centre. The one-size-fits-all model is no longer accepted. Rebalancing relationships will give not only better services and higher levels of public satisfaction but also stronger communities.

**Proposals**

The local government white paper *Strong and prosperous communities* sets out proposals to:

- provide councils with the freedom and space to respond flexibly to local needs
- allow citizens and the community greater say and involvement in running services and in shaping the area they live in
- make councils more accountable to citizens and the community
- facilitate partnership working between local authorities and other bodies including NHS organisations and across geographical and administrative boundaries
- create stronger and more visible local leadership.

Major reforms to note include:

- the radical reduction in the number of national targets
- a lighter touch inspection system
- enabling two-tier local authorities to move to a unitary structure
- removal of Secretary of State’s powers on bye-laws
- giving local authorities the freedom to opt for whole council elections and single-member wards
- more flexible funding streams
- the development of the Community Call for Action (CCfA) mechanism giving local councillors the power to demand an answer when things go wrong
- a single set of outcome indicators so citizens can see how their area compares with others
- the reform of local area agreements (LAAs) with a new duty placed on local authorities and other service providers and commissioners to work together
- a duty on local partners to work towards agreed targets
- a duty on named partners to have regard to targets
- a choice of three executive models – a directly-elected mayor or executive or an indirectly-elected leader.

**Making local government more accountable**

In exchange for local authorities’ greater freedom and flexibility, the Government expects to see greater accountability to local citizens. The white paper also argues that better decisions are made and public satisfaction is higher if citizens are involved.

An important reform is the development of the Community Call for Action (CCfA) mechanism already being introduced for crime and disorder issues. The CCfA will cover all local government matters, including social care issues. Under the mechanism, if a councillor is unable to find a solution to a particular concern of local residents, they can ask the council executive to take action and if it is still not solved they can ask the overview and scrutiny committee to investigate. Where local people have raised a petition but are unhappy with the response, they can ask their councillor to take the matter up as a CCfA.

Legislation will also strengthen overview and scrutiny committees. Although committees can already compel council executive members and officers to appear before them, and PCTs and other NHS bodies must cooperate, these powers will be expanded to apply to other public service providers. Under the new legislation the providers obliged to cooperate can be required to appear before the committee or provide information within 20 working days. They will have to have regard to the committee’s recommendations affecting them.

The white paper document points out these proposals will be building on
reforms like the establishment of local involvement networks (LINks) in healthcare. The CCfA will complement the LINk mechanism. The new powers of overview and scrutiny committees – such as the right to require local service providers like social services to provide evidence and the right to recommend independent inspection – matches the power already existing in respect of PCTs. The committee will also scrutinise the response of local authorities and PCTs to reports of the directors of public health on improving the health of local populations.

The white paper proposes reforming the current best value regime so that authorities will be required to ensure participation of local citizens and to consider how to consult hard-to-reach groups. This means that the duty on health bodies to ‘involve and consult’ will be expanded to include the need to respond to patients and the public.

PCTs with local authorities and other partners will also be encouraged to coordinate consultations and avoid multiple plans for one neighbourhood.

There are several other proposals to note, especially regarding system reform:

• Local authorities will be offered a choice of three executive models – a directly-elected mayor, a directly-elected executive and an indirectly-elected leader – with a four-year instead of one-year term – and can adopt the mayoral model following consultation but without a referendum. The document cites research showing that leadership is the single most significant driver of change in local authorities but says many local authorities have adopted a cautious approach to change. Even when there is a leader appointed by council only a few authorities give the leader authority to act alone.

• Power to create parishes will be devolved to district and unitary authorities.

• Powers of councils to pass local laws will be expanded by ending the Secretary of State’s role in confirming bye-laws. Councils will be able to enforce bye-laws through fixed penalty notices instead of fines through magistrates’ courts.

• The Government will encourage the move to unitary local government. The white paper argues that two-tier areas with a county council and a district council make leadership and clear accountability difficult. Local authorities in shire areas are invited to make proposals for unitary government by 25 January 2007. Otherwise councils must make working arrangements between county, district and community levels as effective as any gains from a move to unitary government. Goals include unified service delivery and shared back-office functions. The Government will, where possible, ensure local authority restructuring complements new PCT boundaries and provides greater coterminosity.

• A new locally-based conduct regime will be established with a streamlined Standards Board refocused as a light touch regulator.

Partnership working

A major theme of the white paper is the strengthening of local partnership working and this is where the proposals will have a great effect on health bodies. In particular, the proposals focus on local strategic partnerships (LSPs) and local area agreements (LAAs).

The white paper document stresses that any one service alone cannot solve deep-seated local problems. While in the past local authorities tried to solve the problem themselves, today they have to work in partnership.

Strategic role of local authorities

Although the white paper stresses local authorities do not have to run all partnerships, local authorities will be expected to play a strategic role. The essential ingredients are a common vision and shared values.

For instance, the document says it is appropriate for the local authority to be charged with coordinating the work of LSP partners. Local authority leaders will be expected to agree the appointment of an LSP chair, and local authority executive portfolio holders will be expected to play a key role on relevant thematic partnerships.

LSPs and LAAs

The Government will issue one piece of streamlined guidance to replace existing guidance.

The white paper document argues that too many thematic partnerships can dilute their effectiveness so the LSP is confirmed as the overarching strategic partnership for an area. A Sustainable Community Strategy sets the strategic vision for an area. The proposal is to require county and unitary authorities in consultation...
with local partners to prepare a delivery plan known as the LAA setting targets and clarifying who is responsible for what in the strategy.

LAAs will focus on a relatively small number of priorities for improvement – around 35 – and will form the central delivery contract between central government and local government and its partners. Individual targets must be agreed jointly by the upper-tier authority and the relevant partner. A duty is placed on both local authorities and named partners to cooperate with each other to agree LAA targets. The Sustainable Community Strategy and other local and regional plans should have regard to each other.

The white paper document describes the hypothetical example of setting a target on reducing childhood obesity that must be agreed jointly by the local authority and the PCT. The local authority cannot impose targets on named partners and any agreement will have to take account of individual partners’ existing commitments.

For targets that are national priorities and agreed with the Government, the relevant Secretary of State will have the power to direct the local authority and specified partners to have regard to those targets.

Specifically for London, which uniquely has the Greater London Authority, it will be essential for local authorities to have regard to the Mayor’s statutory strategies and targets when preparing Sustainable Community Strategies and LAAs.

**Partnership with NHS organisations**

Importantly for NHS organisations, upper-tier local authorities will have a new duty to prepare LAAs in consultation with PCTs, NHS health trusts and NHS foundation trusts. Named partners and the local authority will have a duty to cooperate in agreeing LAA targets.

There will also be formal arrangements for directors of public health to be jointly appointed and held jointly accountable by the chief executives of local authorities and PCTs. The Government will encourage more joint appointments of senior managers by local authorities and NHS bodies.

Legislation is also proposed for a new statutory partnership for health and well-being under the LSP. The Department of Health will consult on these new partnerships. Responsibilities are likely to include:

- agreement of shared outcomes
- a common assessment framework
- single budgets where appropriate
- joint commissioning and planning
- delivery of joint LAA targets
- the development of reports of directors of public health
- a consistent approach to patient and public involvement
- support for high-quality personalised provision including capacity in the third sector.

**Commissioning**

The white paper document acknowledges that local authorities will continue to move away from a narrow approach to service delivery towards a commissioning role. This trend means economies of scale and scope are possible and will not be restricted by spatial boundaries. For instance, sharing back-office functions could be considered.

There will be greater opportunities for joint commissioning and procurement and a separation of roles between commissioning and providing services.

To support the development of a commissioning role, one piece of new best value statutory guidance on key commissioning principles, community participation and competition will be issued.

**The new performance framework**

The aim of the new performance framework is to bring together the drivers for improvement in a more coherent way. The intention is to reduce radically the number of nationally-required local targets, performance indicators and reporting and to replace these with new opportunities for citizens to hold their local providers to account.

National indicators will be reduced to 200, which where possible will be outcome measures. The number of LAA targets will be limited to around 35.
Improvements to inspection and assessment will be made to provide a more proportionate and tailored approach. A new regime will be established known as the Comprehensive Area Assessment and will be based on a combination of risk assessment, risk-triggered inspection, and audit.

In order to provide clear information on delivery in an area, as well as the annual publication of performance against national indicators, there will be an annual risk judgement, a scored direction of travel judgement and a scored use of resources judgement.

The new performance framework will be implemented over the next three years and will cover all outcomes secured by local authorities alone or in partnership. However, separate performance frameworks will continue for PCTs and others such as the police with some modification to ensure alignment.

Of particular note to health organisations is that the 200 national indicators will cover social care, public health, health protection, disease prevention and mental health. For improvement targets contributing to national health and well-being outcomes, local public service providers will be identified and required to have regard to the target.

The current Commission for Social Care Inspection approach to assessment of social care will be developed using the outcomes in Our health, our care, our say to provide the element of the annual risk assessment relating to health and social care.

The white paper stresses that the roles of strategic health authorities and government offices in monitoring LAAs will be aligned. Also, the vertical accountability and management of PCTs by SHAs will not be affected.

Changes will be made to best value requirements and improvements to strategic commissioning will be promoted, together with the better use of competition and alternative providers. New best value guidance on the key commissioning principle will underpin the agenda in Every Child Matters (2003) and Our health, our care, our say (2006).

**Efficiency**

The document claims that replacing compulsory competitive tendering with the best value framework has given councils control of securing quality services. Evidence suggests councils are likely to meet the Government’s local authority 2007-08 efficiency target of £3 billion, a year ahead of schedule. However, the document claims the pace needs to be increased in the drive for efficiency. Cross-sectoral working is seen as key to this with local authorities and other public bodies working together to overcome administrative boundaries.

Proposals to enable this include:
- requiring efficiency gains over the next few years as part of the 2007 Comprehensive Spending Review
- ensuring administrative boundaries do not act as a barrier
- more extensive use of business process improvement techniques
- greater contestability through fair competition.

Of particular note is the key role of procurement in providing high-quality services and competition. The Government intends to build through a code of practice on competition a consensus on the core practices expected.

**Strong cities, strategic regions**

The white paper includes a chapter specifically on cities. While acknowledging the ‘renaissance’ of cities in England since 1997, the white paper document argues that, apart from London, cities are not competitive by international standards. If we are to compete as a nation we must have cities that can hold their own on the global stage. Quality of local government and leadership matters, the paper argues.

Proposals include:
- continued discussions with towns and cities, especially with those interested in developing multi-area agreements across local authority boundaries
- encouragement of directly-elected executives and indirectly- or directly-elected mayors
- jointly reporting with Treasury and the Department of Trade and Industry to the Comprehensive Spending Review on how best to devolve powers and resources to regions and local authorities in cities
- reform of passenger transport authorities and executives.

**Implementation**

The white paper document claims the need for legislation has been minimised but where it is necessary
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it will be sought at the earliest opportunity.

Reviews will be conducted of community management and ownership of assets and of incentives and barriers to serving on councils. Consultations will be conducted on revising best value duty, the Community Call for Action and overview and scrutiny, and LSPs.

Viewpoint

Overall, the NHS Confederation welcomes the direction of travel outlined in this white paper. However, we are concerned about the scope to change the boundaries for local authorities.

Although Ruth Kelly has been very clear that she does not want to see large-scale restructuring, many councils will be in a position to apply to change structures if they want to.

Recent experience of PCT restructuring has been painful and has hindered rather than helped trusts improve patient care. This was reflected in the recent annual health check. In any reorganisation, we must be certain that the benefits outweigh the costs.

There is currently 70 per cent coterminosity between PCT and local authority boundaries – we would not want this figure to reduce. A reduction in coterminous boundaries would be disappointing given that increasing coterminosity was a key objective of the recent reorganisations in primary care.

In addition, we must ensure that closer working relationships between local authorities and PCTs include clinicians. Practice-based commissioners need to be part of the equation. A recent Confederation poll of NHS PCT chief executives showed that only 25 per cent of respondents had processes that linked their practice-based commissioners into the joint commissioning process.

We would hope the new arrangements outlined in the white paper help this figure to increase and facilitate better working partnerships between these two groups. It is only by linking all local services together that we will achieve seamless, fully-integrated health and social care for local patients.

We are particularly pleased to see that LAAs will no longer be rigidly structured but will move to a more fluid system of themes. This should allow health to become a more significant player as it will hopefully not be marginalised but can be part of every theme, enabling better joint working and more integration between health and social care.

We also look forward to publication of the framework for joint commissioning.

For further information on issues covered in this Briefing contact jo.webber@nhsconfed.org

Further information

Strong and prosperous communities. The local government white paper. Department of Communities and Local Government, 2006
www.communities.gov.uk

Our health, our care our say. Department of health, 2006
www.dh.gov.uk/PolicyandGuidance

Every child matters. TSO, 2003 www.dfes.gov.uk

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