Modernising local government

The Government’s radical proposals for modernising local government will profoundly affect how local communities can address their needs and will have major implications for many other agencies. This study describes and analyses the changes facing local government, what they mean and how they connect with other programmes. The study obtained evidence from nearly 100 local authorities about their modernisation plans and what is happening in practice. The researchers - Geoffrey Filkin with Lord Bassam, Paul Corrigan, Gerry Stoker and John Tizard - explored how local authorities are addressing these changes and offer suggestions on how to understand and implement the changes proposed.

The research found a varied picture with some councils well engaged with the process of change, whilst others had barely started.

The changes are meant to develop stronger relations between the local authority and the public. A number of local authorities are researching what their public and other local stakeholders think of their performance now as a starting point for the change process.

Some local authorities are exploring with their communities what form of political leadership is best for the future rather than seeing this as a decision that can be made by the local authority in isolation. But this approach is by no means universal. In some councils there is a tendency to think that current ways of working through committees are adequate and do not require change or new forms of leadership such as elected mayors.

The researchers conclude:

- ‘Best value’ is likely to have a fundamental impact on how local authorities procure their services and on their investment plans. Local authorities will need to develop a non-doctrinal approach to how services are delivered which may mean a move away from traditional in-house forms.

- Implementing these changes will take time and will require considerable leadership by members and officers at a time when their own roles will be changing. This raises issues for central and local government of how these changes should be supported.

- The modernisation of local government cannot be implemented simply by legislation. It involves massive cultural change and will require ‘ownership’ by local authorities, with changes addressed holistically within a local authority.
Why modernise?
Many councils are concerned about local government's low standing in society; with low participation levels and poor turnout at local elections, it seems that many people do not see it as particularly relevant to their lives. Some local authorities have long recognised a need to change and have developed their own process of modernisation. Others see modernisation more as a threat.

The challenge
In its White Paper, Modern Local Government, the Government proposes fundamental changes. Local authorities would move far beyond the management of in-house services, taking on a new role of community leadership, requiring them to be outward-looking and open in style.

The White Paper proposes scrapping the committee system, developing instead a separate political executive with elected mayors or cabinets, stronger scrutiny processes, high ethical standards and much greater public involvement. It also proposes a new duty of ‘best value’ to improve the relevance and quality of local government services.

The Government is offering local government an increased role in health, education, social welfare, crime prevention and the environment. But this increased emphasis on partnerships and inter-agency working will also require changes to the way local authorities work politically and managerially. The new issues are rarely the responsibility of a single department or committee and cannot be addressed through traditional local government committee processes. They will require new ways of working and skilled political leadership.

The Government will legislate for these changes through two bills - the first to be enacted in the current session, the second published in March. However, the review found evidence that many councils are embracing these changes in advance of legislation, implementing them as their own agenda to make for better and more relevant local governance, not simply responding to pressure from central government.

Getting started
The key elements of the proposed changes are:

- the new role of community leadership
- new political structures more fitting for the future
- the need for democratic renewal and greater public involvement
- improved services through ‘best value’
- high ethical standards.

The research evidence suggests that the most effective way for councils to proceed is to:

- assess what community leadership means in practice
- find better ways to involve the public
- explore how to deliver ‘best value’
- assess which leadership structure is most likely to deliver better local government for their area.

Some local authorities are already developing their own vision of how they want to improve local governance in their area. They are auditing how others in their area see them. These councils feel that an external review of how they are seen will help them address weaknesses in the way they function and develop better systems for the future.

New forms of leadership
Councils have two leadership questions to address:

- First, how to lead their communities not simply their authorities. This will mean developing a vision for their communities that is shared by local people and organisations.
- Second, what form of political leadership will best meet the needs of the area.

Some local authorities are assessing whether their political arrangements are appropriate for these new roles and functions of local government and are implementing radical changes to structure and processes.

Legislation will be needed to allow a separation of the executive from the representative functions and to permit directly elected mayors. But in advance of this many councils are implementing radical changes that are possible under the current law.

Councils are also recognising that these changes will require them to consider how to support and reward members, and to develop external checks on probity and standards in advance of any legislative requirement to do so. The proposed changes also raise issues for political parties, in particular whether their processes of ‘whipping’ decisions in group meetings before committee meetings have to be changed to permit effective representation and scrutiny.
**Representation and scrutiny**

There are problems with the current system of representative democracy in local government. It is characterised by low turnouts and councillors whose age and gender do not match those of their public and who do not have a high profile or regard in the community. Some councils are seeking to develop their representative role. Many are also establishing a range of processes for scrutinising policies before and after they are implemented, often with involvement from external parties. This could prove a powerful method of challenging current ways of working and improve performance.

**Involving the public**

Developing a stronger relationship with its public is central to local government’s future. Tackling many of the issues confronting local communities requires the involvement and ideas of local people and government structures which are in touch with the public’s varying views and needs.

Some local authorities have commissioned external agencies to research how well they inform, consult with and involve their public.

**Delivering ‘best value’**

‘Best value’ is an essential part of the modernisation agenda. It requires a council to be clear what it is trying to do, to have effective ways of consulting the public and to be committed to seeking improved performance by whatever means is best. It will require changes in attitudes and skills in most local authorities. In particular, local authorities will need to:

- develop a non-doctrinal approach to how services are delivered - not necessarily assuming that traditional in-house forms are best. New technology, new methods of grouping services or securing capital investment are likely to transform the way services are delivered.
- become skilled at carrying out fundamental policy and performance reviews, often with other agencies and councils.
- develop their skills at procuring services to obtain the best service delivery or investment that is possible.

The research found that some local authorities are already acting in these ways but that many still have to go through a major process of change and learning on this issue.

**Financial accountability**

The Government proposes to abolish “crude and universal capping whilst keeping in place powers to prevent excessive council tax increases”. It has also stabilised the grant system, making it easier for a local authority to forecast its resources over the next three years and thereby develop medium-term financial plans.

The review evidence suggests that councils need to develop comprehensive capital strategies linked to strategic decisions about how to procure services and manage investments. This may have profound implications for future ways of working.

**Implementing modernisation**

The agenda of change suggested by the Government and largely endorsed by the Local Government Association will require massive changes to the culture, role and structure of the political and managerial arrangements of the council.

The process of change will have to be led by councillors but is not necessarily a party political issue - many councils are addressing it on a cross-party basis. The new local government will require substantial changes to the ways that elected members see their role. These include:

- embracing community leadership
- moving to new political systems with stronger political executives
- moving away from the traditional committee system
- involving the public as a normal way of working
- seeing effective external relationships as fundamental
- accepting that scrutiny and representation challenge traditional party political allegiances
- working positively with the private sector
- being open-minded about how services are delivered
- expecting performance to improve without more resources.

The process of change will require strong leadership both politically and managerially - some councils are already demonstrating this. It also requires local authorities to develop effective connections with programmes in education, crime, health and social exclusion - all requiring much deeper partnerships with other organisations.
Conclusion
From their review, the researchers conclude that the process of change will take years to complete and will require sustained commitment, management and support both within the authority and nationally. In particular:

- It cannot be assumed that the traditional system of political decision-taking through committees, with the authority of the council leader coming from the majority group, is appropriate for the tasks and roles facing local government in the future.

- The decision by a local authority about which political structure will deliver better government for the future needs to involve the local community. It should not be taken simply by the traditional players of the system.

- The representative role needs to be valued, developed, and resourced. Councillors will need to act more as advocates and champions for their area rather than as defenders of the local authority, spending more time in the community than in committees.

- There is also a need for local authorities to set up a systematic approach to develop participation in the council and to embed it throughout the organisation. Communicating effectively with the public needs leadership, professionalism and resources and an infrastructure that leads to real community influence on decision-making. Not least, action has to be taken to address low turn-out in local elections.

About the study
The researchers invited all English local authorities to submit evidence about how they were addressing the challenge to modernise themselves. Nearly 100 responded and this evidence was supplemented with eleven visits to councils and workshop discussions with leaders and chief executives.