



Agenda Item No: 3

Title: White Paper, “Strong and Prosperous Communities”

To: Extraordinary Meeting of Council

Date: 9 January 2007

Author: M Connor, Chief Executive

1 Purpose of Report

1.1 For Council to consider its response on the Local Government White Paper

2 Recommendations

- (i) That Council approves its response on the Local Government White Paper, “Strong and Prosperous Communities”; and**
- (ii) That Council considers options available for a new structure for Local Government in North Yorkshire**

3 Executive Summary

3.1 The Local Government White Paper, “Strong and Prosperous Communities”, sets out the range of Government thinking on the future role and shape of local government. It is wide ranging and contains a number of proposals which will require primary legislation. The expectation is that the first new legislation will hit the Statute Book by July 2007.

This report sets out a summary of the main points with a suggested response for consideration by Council.

4 The Report

- 4.1 Appendix A sets out a summary of the main points contained in the White Paper together with a suggested response. Council is asked to consider the document and agree a response to the Department for Communities and Local Government (DCLG).
- 4.2 In addition, Council is asked to consider its preferences for a new shape for local government in North Yorkshire. Appendix B sets out some options for consideration.

5 Financial Implications

- 5.1 There are no financial implications as a direct result of the report but if the Council wishes to implement any part of the White Paper in the coming year, budget provision will have to be made. Council may, in any event, have to respond to new legislation flowing from the White Paper and it may be prudent to hold sufficient balances or contingency provision for this eventuality.

6 Conclusions

- 6.1 Council is asked to consider the report.

7 Link to Corporate Plan

- 7.1 The White Paper goes to the heart of service delivery and democratic processes and impacts on the Corporate Plan as a whole.

8 How Does This Report Link to the Council's Priorities?

- 8.1 The report links to each of the Council's priorities.

9 Impact on Corporate Policies

9.1 Service Improvement Impact

There is an expectation that services will improve and that they will be delivered more efficiently in consultation with the community.

9.2 Equalities Impact

There is a specific section of the White Paper on community cohesion but there is also a strong thread running through the document surrounding equality of access and engagement.

9.3 Community Safety and Crime Impact

Annex A to the White Paper deals specifically with Community Safety.

9.4 Procurement Impact

Local authorities are expected to find new ways of securing efficiency and value for money through improved procurement.

9.5 Risk Management Impact

If the Council determines not to make a formal response on the White Paper, the main risk is the restriction of options for the future shape of local government in North Yorkshire.

9.6 Sustainability Impact

The whole White Paper concerns the future sustainability of our community.

9.7 Value for Money Impact

Local authorities are expected to find new ways of securing efficiency and value for money.

10 Background Papers

10.1 The White Paper is available in the Chief Executive's Office or on the internet.

Appendix A

White Paper, “Strong and Prosperous Communities”

Introduction – Chapter 1

Key elements	Suggested response
A scene setting chapter with the following headlines:	
A new role for local government in shaping public services around the citizen and communities	None
More freedom of local choice free from central control and prescription	None
Importance of partnerships	None
Stronger role for local councillors as champions	See Chapter 3
Responsiveness to communities through scrutiny and Community Call for Action	See Chapter 3
Strong and visible leadership	See Chapter 3
A new performance framework with Sustainable Community Strategies at the core	See Chapter 5
LAA to be embodiment of key priorities for the area	See Chapter 5

Responsive Services and Empowered Communities – Chapter 2

Key Elements	Suggested response
<u>Extending choice for individuals and families</u> Promoting choice-based letting schemes	None
Extending choice for social care independent living, supported housing	None
<u>Providing better and more timely information</u> Supports Councils to innovate in communications with citizens	None
Encourage LSPs to provide reports on progress against SCS and LAA	None
Encourage Audit Commission to include citizen satisfaction data in annual risk assessment data	None
Work with citizens to help design services	None
Encourage LAs to have more systematic intelligence on local people's needs	None
All Councils to consider how they deal with petitions	None
<u>Listening and acting on local concerns</u> Extend "Community Call for Action" to cover local matters	None

Councillors to act as gatekeepers (with budgetary support)	None
Modernise and clarify role and working practices of Local Government Ombudsman	None
<u>Empowering Citizens and Communities</u> Ensure effectiveness of existing powers that support community ownership and make it easier for communities to take ownership of assets	Enthusiasm may exceed ability. Cost down the line.
Review current right to manage	None
Improving capacity of Parish Councils to deliver better services LA powers broadened to enable other forms of community governance if more appropriate	None None
Support for Community Groups	None

Effective, accountable and responsive local government – Chapter 3

Key elements	Suggested response
<p>Diverse and representative councillors</p> <p>Breaking down the barriers</p> <ul style="list-style-type: none"> • Time off work • Time commitment • Allowances • Recruitment 	None
<p>Councillors as democratic champions</p> <p>Clearly defined role Greater diversity Capacity building and support</p>	<p>How will Councillors be equipped for this new role? What will be the training and development needs? What are the time and budget implications? Will we see a move to compulsory training? What about the transition period?</p>
<p>Community rules and byelaws</p> <p>More local freedom</p>	Enforcement may prove to be resource intensive
<p>Stronger leadership</p> <p>More stable and more visible political leadership</p> <p>3 models</p> <ul style="list-style-type: none"> • elected mayor • directly elected executive • indirectly elected leader 	How does this fit with the retention of the 4 th option?
All with 4-year term	None
Executive powers invested in Leader	None

Key elements	Suggested response
Cabinet of 2 to 9	None
Fourth option still available	See above
Strengthen overview and scrutiny	Provide budget Only makes sense in an exec structure Resource implications and senior level input
Call other public bodies to account	None other than time implications
Consider Community Calls for Action	None other than time implications
Publish recommendations	None other than time implications
Other bodies to have regard	None
Councils consider and publish response within two months	None
Area based O&S Committees	How feasible?
Focus on more strategic issues and policy development	None
Dedicated support for scrutiny	Budget implications
Improving participation	
Whole council elections every 4 years Encourage single member wards	When and at what cost? Effect of changes mid-term
Localise and simplify conduct regime	
Standards more locally based	Budget implications Someone to judge on vexatious complaints (Officer?)

Key elements	Suggested response
New code for councillors and officers	None
Less restriction on councillors speaking on behalf of residents at Planning etc.	Clarity of advice essential
Enhanced two-tier local government	
Need to overcome confusion, duplication and inefficiency	The options available will be the subject of a separate discussion at Council
Invitation to propose formation of unitaries	
More efficient working in remaining two-tier areas	
Possible common group of councillors and employees	
Similar level of improvement and efficiency expected	
Unified service delivery models	
Stronger leadership	
Shared back office functions Invitation for pathfinders	

Strong cities, strategic regions – Chapter 4

Key Elements	Suggested response
<p>Cities are now the drivers of national economies but have challenge of greater worklessness, deprivation and poverty.</p>	None
<p>Quality of government has an impact on competitiveness of cities in terms of:</p> <ul style="list-style-type: none"> • Economic policies • Public services • Skills base • Infrastructure 	None
<p>Leadership is crucial. Some of the challenges cut across local authority boundaries and some of the key decisions are better made on a city-region basis.</p>	None
<p>Joint Review of Sub-national Economic Development looking at devolution of powers and resources coupled with clear accountabilities and effective governance as precursor to Comprehensive Spending Review 2007 (CSR07)</p>	None
<p>Reform of PTAs and PTEs including more powerful Local Authority representation</p> <p>Multi-area agreements</p> <p>City Development Companies</p>	None
<p>Stronger leadership models – <i>“the greater the power being devolved, the greater the premium on clear, accountable and transparent leadership”</i></p>	None
<p>Towns and rural areas have an</p>	

Key Elements	Suggested response
<p>important contribution – <i>“smaller communities can strengthen their position by finding an economic role that complements the role of the larger cities and makes the most of their own distinctive qualities”</i></p>	None
<p>Strengthening the economic development role of local authorities – <i>“they are best placed to lead and facilitate the partnerships that deliver economic growth on the ground”</i>. Government has helped with</p> <ul style="list-style-type: none"> • Power of Well Being (2000) • Prudential Borrowing (2004) • LAA economic development focus (2005) • Local Authority Business Growth Incentive (LABGI) (2005/06) • Local enterprise Growth Initiative (LEGI) (2005) • Business Improvement Districts (BIDs)(2004) • Welfare to Work • Regional skills initiatives 	None
<p>Key Challenges</p> <ul style="list-style-type: none"> • Key stakeholders working independently on national targets • Gap between local government (decision-making) and economic boundaries (the economic footprint) – <i>“high performing conurbations have developed governance arrangements that cover functioning economic areas”</i> • Economic benefits will raise opportunities for smaller towns and rural areas within and outside the city-regions. • Partnerships, both horizontal (across a range of issues) and vertical (up and down the layers of decision-making) are needed. 	None

Key Elements	Suggested response
<p>The Government will set out further thinking on the issues below in its response (part of CSR07) to the sub-national review of economic development and regeneration</p> <p>Spatial Planning – land use, economic and social development, transport, housing and the environment. (A govt. review (Kate Barker’s) of land use planning is pending)</p> <p>Economic Development – greater definition of regional and local authority roles and greater involvement of private sector e.g. through City Development Companies</p> <p>Employment and Skills – Leitch Review of Skills to report on how skills and employment services can complement each other and support labour market flexibility – Skills and Employment Boards – Employment Consortia.</p> <p>Managing Housing Supply and Demand – Regional Assemblies now responsible for regional housing strategy based on sub-regional housing markets.</p> <p>Transport</p> <ul style="list-style-type: none"> • Traffic Management • Road space • Public transport • Congestion • Most impact when used with other powers <p>DoT Study on Transport and Productivity (Rod Eddington)</p> <p>Reform of PTAs and PTEs to bring powers together, but with greater LA</p>	<p>None</p> <p>None</p> <p>None</p> <p>None</p> <p>None</p>

Key Elements	Suggested response
representation	None
DoT to make proposals to change the way bus services operate to include new powers for LAs to ensure that the bus services their communities need are delivered	None
Environment and Climate Change Govt to produce Planning Policy Statement on climate change to reduce Carbon emissions	None
City regions have role to play in bringing all key stakeholders together to tackle environmental issues including setting up Energy Service Companies	None
Culture A coherent “cultural offer” across a city region	None
Deprivation and poverty City regions to demonstrate how they are tackling deprivation and poverty through their business cases	None
Multi- Agency Agreements Look at how LAA process could accommodate voluntary MAAs	None
MAAs could help develop shared objectives across a city region or within a two tier area outside of a city region.	
Govt will make further proposals as part of the review of sub-national economic development	
Strong Leadership and Accountability <i>“clearer leadership on strategic issues that cut across existing local authority boundaries, establish a common purpose between partners, and work</i>	None

Key Elements	Suggested response
<p data-bbox="235 239 755 304"><i>through challenges in a co-operative rather than competitive way</i></p> <p data-bbox="235 346 787 525">Govt will encourage stronger leadership models – <i>“the greater the powers being devolved the greater the premium on clear, transparent and accountable leadership”</i></p> <p data-bbox="235 598 755 672">New city region wide governance arrangements e.g. boards of leaders</p> <p data-bbox="235 703 397 745">Resources</p> <p data-bbox="235 745 771 819">Subject to Lyons Review at the end of 2006 (Now March 07?)</p>	

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

Key elements	Suggested response
Strengthening the role of the LSP	Democratic deficit
Leaders to agree appointment of LSP Chair	None
Executive portfolio holders to play key role in thematic partnerships	Impact on time commitment
Local authorities to play lead role in partnerships	None
LSP to be overarching strategic	Who will carry the can?

Key elements	Suggested response
partnership and oversee delivery of LAA and Community Strategy priorities	
Duty on LA to prepare Sustainable Community Strategy	None
All strategies to have regard to each other	None
County to prepare LAA in consultation	None
Duty to cooperate to agree LAA targets	Impact on local priorities? Impact on budget?
LAA to be delivery plan for Sustainable Community Strategy	None
Four LAA blocks - Economy now to include Environment	None
Districts will still produce their own Sustainable Community Strategy	None
County to consult in drawing up LAA and own Sustainable Community Strategy	None
Comprehensive community engagement strategy to include LDF etc.	None
Core strategy of LDF to be incorporated into Sustainable Community Strategy along with housing and homeless strategies	Cost implications? Resource implications Size of document
New best value guidance to support development of the commissioning role	None

Performance Framework - Chapter 6

Key Elements	Suggested response
Reduction to 200 national indicators with approximately 35 local indicators for each LAA	None
LAs to <u>ensure</u> secure participation of citizens in delivery of service	Two-tier implications for participation ie both Authorities acting independently on participation
Empowering local citizens	None
Citizens as shapers of services	None
Delivery of 'Real Time' information to citizens	None
Alternate providers	None
Annual Risk Assessment of local services to be undertaken jointly by relevant public services inspectorate working together	None

Efficiency – transforming services – Chapter 7

Key Elements	Suggested response
<p>2007/08 efficiency target (£3bn) likely to be met a year early. But public expectations are rising and demanding highly tailored services without massive central govt support or large council tax increases</p>	None
<p>LAs need to increase the pace of change: share assets, systems, data, skills, knowledge and keep all they do under review</p>	None
<p>Use LAAs to drive efficiency and improved outcomes through collaboration</p>	None
<p>Proposals include:</p> <ul style="list-style-type: none"> • Ambitious efficiency gains (CSR07) • More collaboration with admin boundaries not used as barriers • Business process improvement techniques • Fair and open competition • Stable finances • Expert support to LAs 	None
<p>All LAs need a strategic approach to service delivery</p>	
<p>And utilise capacity in the public, private and third sectors</p>	
<p>Business Process Improvement and flexible working –share learning from existing pilots, govt will offer LAs a “Business Improvement Package”</p>	None
<p>Collaboration – joint working – a particular challenge to smaller district authorities</p>	None
<p>Use of Technology – e.g</p> <ul style="list-style-type: none"> • e-enabled services 	

Key Elements	Suggested response
<ul style="list-style-type: none"> • e-payments • planning portal • seamless services • channel migration 	None
<p>Smarter Procurement</p> <ul style="list-style-type: none"> • e-procurement • understanding procurement spend • aggregating demand • use of RCEs and Office of Government Commerce 	None
<p>Competition Govt to develop a code of practice on competition for LAs and their suppliers.</p>	None
<p>Asset Management 5 beacon councils (including Leeds) offer a range of tailored support for councils to better manage assets</p> <ul style="list-style-type: none"> • Integrate asset and strategic management • Engage key Councillors and officers in decision making • Forecast future need and meet in collaboration with partners • Challenge need for assets and whether fit for purpose • Collect effective management data • Effective project management 	None
<p>Stable Finance LAs need to manage expenditure pressures, achieve demanding efficiency gains, take tough decisions on priorities because Govt will not allow excessive council tax increases.</p>	None
<p>3 year LA formula grant settlement to cover 2008-11</p>	None
<p>LAs expected to publish 3 year Council Tax figures.</p>	How practical?

Key Elements	Suggested response
Should enable LAs to provide grants to third sector over same planning period (i.e 3 years)	None
Efficiency within the performance framework	
CSR07 will continue the efficiency drive and will be embedded in new performance framework	None
Design services around needs of citizens	None
Further develop the “Use of Resources” assessment to provide robust assurance	None
Understanding and Comparing Costs	
Audit Commission developing existing comparative tools	None
Govt to investigate how to incentivise co-operation, collaboration and joint working starting with LA, Adult Social Care and PCTs	None
Guidance and toolkits will be provided through CSR07	None

Community Cohesion - Chapter 8

Key Elements	Suggested response
Chapter 8 is primarily aimed at providing support for Local Authorities and their partners in addressing cohesion issues	None

Steps towards implementation – Chapter 9

Key elements	Suggested response
Range of legislation to give effect to White Paper proposals Local authorities asked to identify any further proposals	None
Reviews to be conducted on: <ul style="list-style-type: none"> Community management and ownership of assets Incentives and barriers to serving on councils 	

Community Safety – Annex A

Key elements	Suggested response
Wider use of neighbourhood management	Enthusiasm may exceed ability Cost down the line
Community call for action	None
Portfolio holder to play stronger role within CDRP	Time implications?
Targets through LAA	Local conflict?
Coordination structure at County level	Local conflict?
New performance framework including: <ul style="list-style-type: none"> Single set of national outcome 	Joint and several liability?

Key elements	Suggested response
indicators <ul style="list-style-type: none"> • Targets within LAA to be joint responsibility of partners • Aligned assessment regime • Aligned intervention regime 	

Health and Well-being – Annex B

Key Elements	Suggested response
<p>Strong encouragement for partnership working between LAs and health service providers e.g. £60m for POPPs</p> <p>Four key areas</p> <ol style="list-style-type: none"> 1. patients able to voice their concerns <ol style="list-style-type: none"> a) Local Involvement Networks (LINKs) b) Community Call for Action c) New Powers to Overview and Scrutiny d) LAs to secure participation of citizens in their activities e) Co-ordination of consultation across organisations 2. visible local leadership on health and well-being <ol style="list-style-type: none"> a) bids for unitary status b) coterminous with PCTs 3. engender systematic partnership working e.g. joint appointments, pooled budgets, joint commissioning <ol style="list-style-type: none"> a) LAA in partnership b) LAA targets to have statutory backing c) Joint accountability of Directors of Public Health d) Statutory duty to co-operate 	<p>None</p>

Key Elements	Suggested response
<p>on LSPs – shared outcomes, common assessment framework, single budgets, joint commissioning and planning, joint delivery of LAA targets, consistent patient/public involvement, personalised provision and Councillor involvement.</p> <p>4. join up the priority setting, reporting and performance management systems</p> <ul style="list-style-type: none"> • White paper proposals for a single performance framework • 200 national indicators • LAA targets • External assessment • Inspection triggered by risk • Align SHA and Govt Office roles • Clear ladder of improvement, support and intervention <p>Efficiency Collaboration Joint working Commissioning roles</p>	

Vulnerable People and Communities - Annex C

Key Elements	Suggested response
Tackling social exclusion and deprivation, promoting equality for all citizens	None
Strong Cities Strategic Regions	None
National Housing Strategy for ageing population to come in 2007	None

Children, Young People and Families – Annex D

Key Elements	Suggested response
Engagement of young people and their families in the services they receive	None
Overview and Scrutiny role to monitor Engagement of Young People as part of Sustainable Communities Strategy	None

Economic Development, housing & planning – Annex E

Key Elements	Suggested response
LAs well placed to lead the economic development of their area and manage or ensure delivery of services and infrastructure	None
Community Call for Action will give citizens a greater voice over priorities	None
More co-ordinated engagement and consultation (Sustainable Community Strategy, LAAs and LDF)	None
Repeal requirement for independent examination of the Statement of Community Involvement	None
Reviewing national planning fee system possibly to allow LAs to set their own fees	None
Considering a new Housing and Planning Delivery Grant to reward additional housing and pay for improvements in planning	None
Tenant Management Organisations	None
Strong and effective political leadership with a clear and longer term (4-year) mandate	None
LA executive to have power to determine key planning applications	None
Executive Councillor for planning to serve on planning committee	None
Govt supports a regional approach to economic development through Regional Economic Strategies and Regional Spatial Strategies	None
Cross boundary working through MAAs and city development companies	None

Key Elements	Suggested response
New duties of co-operation will enhance LAs community leadership responsibilities	None
LAs Housing and Homelessness strategies should be part of the Sustainable Community Strategy	None
LDF gives LAs a place shaping role in planning and to avoid missing opportunities LAs are encouraged to have a professionally qualified corporate director with planning as a prime responsibility	None
PPS 3 will give a proactive role to housing authorities in facilitating housing delivery and greater flexibility on local policy	None
CSR07 to look at how to incentivise LAs towards providing better infrastructure provided at the right time	None
Sub regional collaboration for smaller districts	None
Governments "Respect" Agenda	None

Climate Change – Annex F

Key Elements	Suggested response
Climate Change	None

The third sector (voluntary sector) – Annex G

Key elements	Suggested response
Intent to strengthen role of third sector	None

Key elements	Suggested response
Duty of involvement	None
Support network to be established	None
Community ownership of assets	Enthusiasm may exceed ability Cost down the line
Input to LSP	None
Move to three-year funding commitments to voluntary bodies	None

Appendix B

Options for new local government structure

1 Background

- 1.1 The White Paper invites bids to move away from two-tier local government to a single unitary format. Bids have to be with the DCLG by 25 January 2007 and will be considered as long as there is “broad local support” for such a move.
- 1.2 There is no guarantee that opposition from a council or councils in an affected area will succeed in overturning the bid. Government will take local soundings from a range of stakeholders.
- 1.3 No change is no option. Even in those areas where no bid comes forward or where a bid is unsuccessful, there is an expectation that the same benefits will be felt by the community as if a unitary bid were successful.
- 1.4 The “stick” which will ensure the delivery of the required benefits to the community is the financial one through the control of the grant mechanism.

2 Choice

- 2.1 Quite simply, the choice is between:
 - A unitary solution, or
 - A revised two-tier arrangement
- 2.2 At the time of writing, it is unclear whether North Yorkshire County Council will submit a bid for a new unitary authority to cover the whole of North Yorkshire. The expectation is that they will.
- 2.3 The Districts will not be submitting a counter bid for a two or three unitary solution. The majority of Districts will oppose a County unitary.
- 2.4 Some work is already being done on the potential for improved two-tier working but this is slow and unlikely to deliver the efficiencies expected, particularly in the short to medium term.

3 Selby options

3.1 Selby could:

- Support a County unitary bid
- Support an improved two-tier approach
- Look elsewhere for a solution, e.g. East Riding

4 A County unitary

4.1 This would be a brand new, all-purpose authority. Selby District Council would disappear and, if the Council wanted to pursue this option, we would have to enter into an early dialogue with North Yorkshire County Council about how the localities would be accommodated. Would we have an area committee approach, for example?

4.2 This option would have a better chance of securing the required efficiency savings than a revised two-tier approach.

5 Improved two-tier

5.1 This is not simply a continuation of present arrangements. The White Paper indicates a more radical approach with the combining of back office functions, a single set of councillors, etc.

5.2 Though, with a will, it would be possible to gain the efficiencies required, it would require a major shift in the current position of Districts (and County). The protectionist approach would make this option a long hard slog which could ultimately fail to achieve the target.

5.3 My personal concern with this option is that, if the various councils did not move fast enough towards better integration etc., we could be faced with cuts to our grant at a quicker rate than we are able to realise the benefits of improved joint working. This could mean that we are forced to cut discretionary services to balance our budget.

6 The East Riding option

6.1 This option could equally apply to alignment with any other neighbouring unitary but none of the Mets have shown any interest and York have indicated strong opposition.

6.2 The East Riding is an existing unitary with an “Excellent” CPA rating. They would also be willing partners.

6.3 We could anticipate a speedy implementation of service alignment and would have a good chance of achieving the required efficiency savings.

6.4 On the down side, we might be regarded as a bolt on and lose our identity unless we negotiated early for some retention of local

distinctiveness.

7 No easy choice

- 7.1 Each of the options has advantages and disadvantages and the only thing that is clear is that we will not remain as we are.
- 7.2 Council will have a difficult decision to make in order to provide the best result for our community and it is likely that this part of the debate will be protracted and heated.
- 7.3 We have a tight deadline of 25 January with no clear indication at this stage what our colleagues in other councils will wish to do.
- 7.4 I would suggest that we should have a stance and express a view on behalf of our community. This view might be conditional. For example, Council may decide that the approach to DCLG might be:
- 1st choice – a unitary North Yorkshire, and in the event of an unsuccessful bid,
 - 2nd choice – combining Selby with the East Riding, and
 - 3rd choice – a revised two tier arrangement
- 7.5 If there is some support for an East Riding solution, it needs to be on the table with a bid by 25 January. If not, and if the County unitary bid is unsuccessful we are left only with the revised two-tier option.
- 7.6 The Council would be well advised to keep options open at this stage.