

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

---

**REPORT TO:** Leader and Cabinet  
**AUTHOR/S:** Chief Executive / Finance Project Officer

14 December 2006

---

### **THE LOCAL GOVERNMENT WHITE PAPER STRONG AND PROSPEROUS COMMUNITIES**

#### **Purpose**

1. The purposes of this report are:
  - (a) to inform Members of the broad contents of the local government white paper;
  - (b) to advise Members of matters which they will need to consider and make decisions on when the enabling legislation etc is forthcoming;
  - (c) to seek Members' agreement not to make a proposal for unitary local government, nor to support a partnership to pioneer as pathfinder authorities new models of two-tier local government working.

#### **Executive Summary**

2. Making a proposal for unitary local government or supporting a partnership to pioneer new models of two-tier local government working are not considered appropriate for the authority at this time; accordingly, Members are recommended not to follow either option.
3. The white paper makes the point that maintaining the status quo in two-tier areas is not an option; authorities need to find new governance arrangements to overcome risks of confusion, duplication and inefficiency between tiers and also develop new models of working in collaboration between councils and other public bodies. This authority therefore needs to seek to enhance existing partnership arrangements and develop appropriate other arrangements, to ensure that these are "fit for purpose" and thus able to shape any future local solution.
4. As the white paper is a statement of intent, the authority does not need to make detailed decisions on the white paper's proposals; however, this report advises Members of potential matters which they may need to consider and make decisions on when the enabling legislation, regulations and guidance are forthcoming.

#### **Background**

5. Since the Labour government came to power in 1997, local authorities and other public bodies have worked within a central framework of investment and reform to improve service delivery. The government has recognised that it now needs to give local authorities and their partners more freedom and powers to meet the needs of their residents and communities. The white paper aims to empower people and communities, create stronger and more visible leadership and establish a new framework for local authorities and their partners to work within. The Summary element of the white paper outlines the government's thinking and proposals.
6. Members should bear in mind that proposals in the white paper may be subject to amendment before the enabling legislation etc is forthcoming.

## Considerations

7. Set out below under a series of sub-headings are the areas of the white paper which Members will have to consider, either immediately or in the future. Some of the key issues include:
  - (a) To engage more effectively in the development of the Local Area Agreement (LAA). There is a need to influence the local priorities that go into the LAA as there will be a significant 'pooled' budget to fund the LAA, some of which directly funds South Cambridgeshire District Council services at present and could be diverted to other service areas if our priorities do not feature in the LAA (e.g. Supporting People, a £10 million plus pot county-wide).
  - (b) To develop more effective and new ways of partnership working, including exploring shared services and/or front/back office systems, as well as working more collaboratively on common priorities such as climate change and the growth agenda.
8. References in square brackets [ ] in the remainder of this report are to the relevant paragraphs in the white paper.

### ***Unitary status/ enhanced two-tier working***

9. The government considers that there can be difficulties in delivering cohesive services in areas where there are two tiers of local government. Accordingly, local authorities in shire areas are invited to make proposals by 25 January 2007, either for unitary local government or to be pathfinders pioneering new governance arrangements between authorities in a county area. [More information can be found in paragraphs 3.50 to 3.66 of the white paper and in the accompanying "Invitation", which also gives full details of the criteria and how to submit proposals.]
10. The Chief Executive of Cambridge City Council has written to his counterparts at Cambridgeshire County Council and this authority, enquiring whether there is any interest in discussing possible unitary government for the Cambridge sub-region. A unitary council consisting of the areas of South Cambridgeshire and Cambridge City could bring a number of benefits to the district. The combined population would be sufficient to make a viable unitary authority, particularly when planned population growth is added. A unitary structure would bring greater clarity and accountability. It would greatly assist the planning and provision of services to the growth areas around Cambridge and other planning issues. There are likely to be efficiencies to be gained in overheads and the costs of partnership. It would overcome current problems of operating two tier Local Strategic Partnerships (LSPs) and LAAs. Potentially, it would also assist in addressing the Council's medium term financial outlook. Many residents of South Cambridgeshire currently look to Cambridge City for services and facilities, but currently have no say or representation over how these are provided.
11. On the other hand there could be disadvantages. There are significant differences in terms of needs and service delivery between the urban character of Cambridge City and the rural nature of South Cambridgeshire. These differences may become less important, as more parts of the district become "urbanised" through the growth areas, although they will still be significant. Those parts of South Cambridgeshire that look to surrounding market towns as their local centres could feel that their concerns carry less weight in a Cambridge-focused district. When local government re-organisation was last considered in the 1990s, there was little support from residents for proposals that linked the two districts, particularly from villages around Cambridge who were concerned about potential loss of identity. There would not be sufficient time

between now and 25 January 2007 to carry out a realistic assessment of the public's views. To proceed to unitary status at this stage would be a major distraction over the next 2-3 years. This is a critical time for the planning and development of the growth areas.

12. Although it is recognised that there could be long-term benefits from unitary status, overall it is felt that with such important issues currently facing all three councils and with insufficient time to allow informed public debate, the better approach would be to build on existing and emerging joint working arrangements between the City and County councils and this authority as the way forward in enhancing service delivery to their respective communities. The authorities should also explore other opportunities to enhance such arrangements and pursue other improvements and efficiency gains. Similar arguments apply to the possibility for applying to be a pathfinder authority to pioneer new governance arrangements to enhance two-tier working. This would be a long-term commitment as the pathfinders will be evaluated at 2, 4 and 6 years. Overall, given the pressures on the Council and its resources, the recommended approach is to continue to build existing partnership arrangements, while learning from the outcome of the pathfinder scheme.

### ***Improve participation and electoral arrangements***

13. Local government's representative mandate and leadership legitimacy is sometimes weakened by low electoral turnout. The Electoral Commission considers that whole council elections could increase participation and bring clearer accountability; however, the government believes requiring every council to adopt whole council elections would be contrary to the overall devolutionary theme of the white paper, but it will remove the requirement to get the Secretary of State's permission to move to whole council elections. [paragraphs 3.38 to 3.43] The authority would therefore need to consider whether it wishes to move to whole council elections, although Members will recall deferring a report on this subject in September 2006.
14. Similarly, there have been calls for single member wards, which can provide a simple, strong link between the councillor and their electorate and give clarity of leadership to the area; however, the government accepts that there is no consensus on this and recognises that single member wards are not a sound electoral option where there are elections by thirds. The government will not require single member wards, but it will enable any council that holds whole council elections to request an Electoral Commission review of re-warding the area with single member wards. [paragraphs 3.44 to 3.45] Members would therefore need to consider whether they wish to request such a review.

### ***Political management***

15. The Local Government Act 2000 changed decision-making and accountability in local government. Central to this was the separation between executive councillors and the majority of council members. However, only 12 local authorities have introduced an elected mayor; 80% of local authorities have opted for the leader and cabinet model, of whom only a relatively small number give the leader authority to act alone, rather they act collectively with other cabinet members. In addition, in most authorities, leaders face election every year, which can make it difficult to take and see through essential decisions.
16. The government considers it important that councils move towards more stable and more visible political leadership, leadership being a significant driver of change and

improvement in local authorities. The government therefore intends to legislate for three models of executive arrangements:

- (a) a directly elected mayor with a 4 year term;
- (b) a directly elected executive with a 4 year term;
- (c) an indirectly elected leader with a 4 year term.

17. In each model:

- (a) all executive powers will be vested in the mayor or leader, who will be responsible for deciding how those powers should be discharged – either by themselves or delegated to members of cabinet individually or collectively;
- (b) the mayor or leader will be responsible for appointing cabinet members, or (in the case of the directly elected executive) will have agreed that they are on their “slate” of candidates standing for election (note: there is already scope for the leader to be responsible for appointing and removing cabinet members - many authorities operate this method);
- (c) the mayor or leader will allocate portfolios to cabinet members.

18. There is no mention in the white paper as to whether the appointment of cabinet members will need to be proportional to the political population of the Council – clarification will be sought on this, although not every council follows this approach.

19. The intention to have leaders elected for a 4 year term (through whichever mechanism is preferred locally) could prove helpful in terms of providing stability for an authority in terms of policy direction, etc. Once an authority has opted for a directly elected mayor or executive, the presumption will be that it should not move back to an indirectly elected model.

20. The table below summarises the arrangements under each model. [More information can be found in paragraphs 3.15 to 3.28 of the white paper.]

Directly elected mayor	Directly elected executive	Indirectly elected leader	
		Whole council elections	Elections by halves or thirds
Councillors elected by whole council elections every 4 years, or otherwise by halves or thirds.	Councillors elected by whole council elections every 4 years, or otherwise by halves or thirds	Councillors elected by whole council elections every 4 years.	Councillors elected by halves or thirds.
Direct election of mayor every 4 years.	Direct election of a “slate” of the leader and executive every 4 years.	The council elects a leader by simple majority for a 4 year term.	The council elects a leader by simple majority for a 4 year term but leader would stand down if his/her term as a councillor ends.
		No confidence vote could end leader’s appointment	No confidence vote could end leader’s appointment.
Cabinet of 2-9 appointed by mayor from councillors.	Cabinet of 2-9, directly elected.	Cabinet of 2-9 appointed by leader from councillors.	Cabinet of 2-9 appointed by leader from councillors.

21. The Council would therefore have to adopt new executive arrangements; the timetable for this is dependent on the timing of the legislation for implementation, which the government intends to seek at the earliest opportunity.

### ***Enhance the role of councillors***

22. The government wants to reaffirm the importance of councillors' role as democratic champions and strengthen their influence by promoting [paragraphs 3.1 to 3.12]:
- (a) a clearly defined role for local councillors in championing the interests of their communities;
  - (b) greater diversity of councillors, making them more representative of their community;
  - (c) capacity-building and support for councillors to take on their enhanced role.
23. In addition, the government proposes powers for councillors to respond to Community Calls for Action (CCfAs) on local issues and greater freedom for councillors to speak up on planning and licensing issues affecting their wards.
24. When people make proposals about how things could be done better, or raise problems or issues that affect their quality of life, they need to be sure that they will be listened to. Communities have traditionally had two ways to raise concerns: raise a petition; or seek help from their local councillors. Authorities should consider their system for dealing with petitions as part of their wider policy of engaging with communities. (modern.gov has an on-line petition module which could be trialled.) Where petitioners are not happy with the response to their petition, or otherwise wish to raise a matter of local concern, they will be able to ask their councillor to take the matter up as a CCfA. As well as seeking to resolve problems informally, councillors will be able to take CCfAs to the council executive and if necessary to its overview and scrutiny committee. In addition, authorities will be expected to consider what powers or budgets it may be appropriate to devolve to their councillors to help them solve minor problems. [paragraphs 2.23 to 2.34]
25. There is concern that the government is imposing extra layers of bureaucracy through the introduction of a duty for local concerns to be brought forward using overview and scrutiny committee, referral to cabinet then possible referral back to scrutiny or onwards to council or a partnership body. The overview and scrutiny committee would need to establish rules for ensuring that this is well managed and not abused. The question has been raised as to why councillors should need this duty anyway - surely it is already part of their role to represent the community; equally, residents are entitled to raise concerns with the Council through normal avenues.
26. The government intends to amend the rules on personal and prejudicial interests to remove current barriers to councillors speaking up for their constituents or the public bodies they have been appointed to serve. For example, members of a planning or licensing committee will have more opportunities to represent their constituents on such issues affecting their wards (unless their interests in the matter concerned "are greater than those of most other people in the ward".) [paragraph 3.49]

### ***Devolution of powers***

27. The government considers that communities and their representatives should be able to set and enforce standards of behaviour and rules affecting their localities. One way that councillors can enable this is by enacting byelaws, allowing communities to improve the quality of their environment and create pleasant, safe local public spaces for the enjoyment of all. At present the Secretary of State has a role in confirming

byelaws, but as they deal with matters of specifically local interest the government is to end this. The government is going to make it possible for district councils to enforce byelaws through fixed penalty notices instead of imposing fines through the magistrates' courts, thereby increasing the effectiveness of byelaws. [paragraphs 3.13 to 3.14] Members would therefore be able to consider the use of byelaws in appropriate circumstances and their enforcement. (The question will arise, however, as to who will monitor compliance with any such byelaws – this could end up being more costly to do than the benefits derived, but if the byelaws are not policed then they might not meet the customer expectations they may raise.)

28. Parish councils already have powers to provide a variety of local services important to their communities and local authorities can delegate additional functions and budgets to parish councils. The government intends to extend the powers of well-being to all parish and town councils that satisfy criteria based on the Quality Parish scheme. The government also intends to devolve the power to create parishes to district and unitary authorities. [paragraphs 2.53 to 2.59] Members would therefore need to consider devolving further functions to parish councils and the setting up of new parish councils.
29. The government also wants to support local government to deliver more responsive services, extend people's choice and control over services and strengthen their role in shaping the places where they live [paragraphs 2.1 to 2.7]:
- (a) by promoting greater choice for people in local services by a variety of means, e.g. meeting the target for local authorities to offer choice-based letting schemes to their tenants by 2010 and extending this to social housing, shared ownership, low cost homes and private rented accommodation [paragraph 2.8] (note: the authority is already working to achieve this), or expanding the scope of existing direct payment schemes and piloting arrangements for individuals to have their own individual care budgets (including for Supporting People services);
  - (b) by reforming aspects of the best value regime, to require authorities to ensure appropriate participation of local citizens and other key bodies, such as voluntary and community groups and local businesses, in their activities, including informing, consulting, involving and devolving responsibility [paragraphs 2.9 to 2.21];
  - (c) by promoting simple and easy ways for people to obtain information about their local authority and other service providers [paragraph 2.22];
  - (d) by modernising and clarifying the role and working practices of the Local Government Ombudsman, to ensure they can operate effectively and continue to be accessible to everyone [paragraph 2.35];
  - (e) by empowering local people to manage neighbourhoods and own community facilities, including [paragraphs 2.36 to 2.52 and 2.60]:
    - (i) neighbourhood management;
    - (ii) community management and ownership of assets (note: Barry Quirk, Chief Executive of the London Borough of Lewisham, is leading a review of existing and any additional powers and policies needed, due to conclude in spring 2007);
    - (iii) tenant management;
    - (iv) local charters for neighbourhoods (these could build on Parish Plan initiatives and therefore minimise additional work/capacity requirements while incentivising Parish Councils to participate in the process);
    - (v) support for community groups to play a bigger role.

30. The white paper is not clear as to which of these proposed devolved powers will be statutory and which may be discretionary. If some are discretionary, Members and officers will need to consider in detail which proposals are the most appropriate for this authority to adopt and how they are best implemented, when the enabling legislation, regulations and guidance are forthcoming. However, Members could begin to consider now, which of these they are minded to support in principle.

***Localise and simplify the conduct regime***

31. The Graham Committee on Standards in Public Life reported in 2005 that continued high standards of conduct would be more likely to be guaranteed if decision making on conduct issues was devolved as much as possible to the local level.
32. Following consultation which showed broad support for proposals to improve the conduct regime, including a more local system for investigating allegations of misconduct, the government now intends to legislate [paragraphs 3.46 to 3.48] for:
- (a) a more locally based regime, with local standards committees making initial assessments of misconduct allegations and most investigations and decisions made at local level;
  - (b) a revised strategic regulatory role for the Standards Board to provide supervision, support and guidance for local authorities and ensure consistent standards.
33. Following the legislation, local authorities will manage their own standards framework, deciding which allegations should be investigated. It is expected that standards committees will need to have independent chairs (note: this authority already has one). The balance of independent members of calibre and substance and experienced elected members acting in a non-partisan way will be essential for public confidence. There is likely to be an enhanced (and possibly onerous/time consuming) role for chief executives and monitoring officers.
34. The possible number of allegations which may need to be considered should not be underestimated; a recent letter from the Chief Executive of the Standards Board for England, circulated to Members, suggested that an authority such as South Cambridgeshire, with a large number of parish councils in its area, could receive 25-30 allegations a year. The legislation may give authorities an option to form joint standards committees or make other effective use of its standards resources.
35. Promoting right values and behaviours, for example through the Member training due in January/February 2007, should help to minimise the number of allegations arising. Such training should continue to be provided as part of the Council's induction process for new Members.

***Strengthen overview and scrutiny***

36. The proposed enhancement of the powers of council leaders (paragraphs 15 to 21 above) will require even more effective scrutiny arrangements [paragraphs 3.29 to 3.37]. The government intends to strengthen the role of overview and scrutiny committees to enable local authorities to carry out their place-shaping role, thereby enhancing councillors' ability to champion local people's interests. To do this effectively and responsibly, committees will need to focus on constructive challenge, with a view to improving outcomes for people and communities.
37. Overview and scrutiny committees can currently investigate any issue of importance to the local area and can compel members of the council's executive and senior

officers to appear before them and provide information. However, there is no requirement on those outside the authority, the subject of a committee's recommendation, to provide information to the committee; nor can the committee take further action if matters do not improve. The government therefore intends to require:

- (a) public service providers covered by a duty to co-operate in the white paper [see paragraphs 5.25 to 5.30] either to appear before or provide information to the committee, on their actions relating to functions or service delivery connected with the authority;
  - (b) committees to copy to public bodies recommendations affecting them and those bodies to have regard to those recommendations when exercising their functions, to the extent that they are within the duty to co-operate;
  - (c) the council to consider and publicise the public bodies' response to recommendations as soon as possible and within two months.
38. The above provisions should include Registered Social Landlords (RSLs) [paragraph 5.29], so will make it easier for them to be held accountable for issues. Recent experiences at Cambourne show this may be helpful as far as Members are concerned and will counter argument that RSLs are less accountable to local communities than local authorities. (This has been a potential issue against large scale voluntary transfer, for example.)
39. The government also intends to work with local authorities to develop new best practice guidance on overview and scrutiny, including encouraging local authorities to set up "area" overview and scrutiny committees, comprising local councillors and other members of the community, although care needs to be taken not to create more 'layers' of local government (more layers could mean less clarity over decision-making and more resource/capacity issues). It may be considered, therefore, that existing mechanisms, i.e. parish councils, would be the best means of effectively carrying out this function.
40. The government will also encourage authorities to focus overview and scrutiny on more strategic issues (e.g. the priorities agreed as part of Sustainable Community Strategies (see paragraph 48), LAAs and other key strategic plans), make greater use of overview and scrutiny committees in policy development and dedicate appropriate resources and support to scrutiny.
41. The Scrutiny and Overview Committee is receiving a report on the implications of the white paper for the scrutiny function at its meeting on 21 December 2006.

### ***Strategic regions***

42. The government outlines a number of proposals to support cities, towns and other places to drive regional and national economic growth [chapter 4]. For rural areas such as South Cambridgeshire, the government recognises that such areas provide economic and social distinctiveness, an attractive environment to support businesses and communities and a diverse choice of places for people to live and work in. (South Cambridgeshire was recently rated the fifth best place to live in the UK.)
43. Regional strategy is a huge area of local government involvement, including: spatial planning; economic development; employment and skills; housing demand and supply; transport; environment and climate change; culture; and deprivation and poverty. Alongside this, there is the particular impact on South Cambridgeshire of Northstowe and the growth agenda in this and other areas of the East of England and neighbouring regions. There are a number of incentive schemes and initiatives which local authorities can access to strengthen economic development; authorities can



also explore the benefits of working together to develop new approaches and drive sustainable economic development in their areas.

44. This authority is already working with one of its key partner authorities, Cambridge City Council, in conjunction with Cambridgeshire County Council and Cambridgeshire Horizons, on the principles and objectives of any new joint arrangements for housing delivery and sustainable communities in the Cambridgeshire sub-region.
45. This authority also needs to continue to work closely with the East of England Development Agency, the East of England Regional Assembly and other partner organisations to ensure that its objectives and priorities are incorporated in Spending Reviews, the Regional Economic Strategy and the LAA, as well as any Multi Area Agreements that might be developed. Members will be aware of the substantial demand this places on the capacity of both officers and themselves in ensuring that the district is properly represented in all relevant forums.
46. Volume two of the white paper illustrates how the government sees its proposals applying to major local public service areas and cross-cutting issues, covering: community safety; health and well-being; vulnerable people; children, young people and families; economic development, housing and planning; climate change; and the third sector. Members and management will need to give detailed consideration as to how the government's proposals will affect this authority's involvement in such service areas and issues.

#### ***Strengthen local leadership***

47. Communities need strategic leadership to help bring together various local agencies in order to address problems and challenges in a coordinated way. This is what Sir Michael Lyons meant when he talked about local authorities as 'place-shapers'. Local authorities discharge this role through partnership, using Community Strategies, the power of well-being, LSPs and LAAs to provide vision and leadership to local partnerships and to their communities. [paragraphs 5.1 to 5.10]
48. The white paper envisages a stronger role for local authorities in delivering quality of life improvements for their areas working in strategic partnerships. Under the proposals set out in the white paper, LAAs and LSPs would move to centre stage. There are proposals to strengthen community strategies, now to be called Sustainable Community Strategies (SCSs), which will be the strategic vision for the area and will link closely with the Local Development Framework (LDF) and other local strategies. LAAs will be a statutory requirement and will be the delivery vehicle for SCSs, but will also be the mechanism by which the government will agree with local authorities and their partners, targets which reflect national priorities. The government intends to keep those national targets to a "relatively small number" (no more than 35!), to give greater space to local priorities. One of the benefits of the LAA, as proposed, will be that various government departments' expectations on local authorities will all be required to be channelled through the LAA, bringing greater clarity and to some extent limiting those expectations.
49. Councils will be expected to take a prominent role in LSPs, which will be the overarching strategic partnership, bringing together a manageable number of thematic partnerships to deliver the priorities agreed in the LAA and SCS. Councils will be increasingly assessed (through an annual risk assessment, Direction of Travel statement and the new Comprehensive Area Assessment which replaces Comprehensive Performance Assessment) on the contribution they are making to this community leadership and strategic partnership role.

50. The government intends to issue one, new, streamlined piece of guidance on the place-shaping role, replacing existing statutory and non-statutory guidance [paragraphs 5.11 to 5.71], to:
- (a) reinforce the strategic leadership role of local government by:
    - (i) placing a duty on local authorities to prepare the LAA in consultation with others as already is the case with the Community Strategy;
    - (ii) expecting local authority leaders to play a leading role on LSPs – with an opportunity to agree the chair of the LSP (note: this authority sits on the current LSP board and has agreed to rotate its chair between the leaders of this authority and Cambridgeshire County Council);
    - (iii) expecting local authority executive portfolio holders to play a key role on relevant thematic partnerships;
  - (b) strengthen local partnership working by:
    - (i) placing a duty on the local authority and named partners to co-operate with each other to agree targets in the LAA;
    - (ii) making the SCS and other local and regional plans have regard to each other;
  - (c) put partnership working at the heart of local service delivery by:
    - (i) placing a duty on relevant named partners to have regard to relevant targets agreed between the Government and local partners in LAAs;
    - (ii) bringing more area-based funding streams into the LAAs to further improve the efficiency and delivery of outcomes;
    - (iii) removing the 4-funding block structure from LAAs (to be negotiated through 4 ‘themes’);
    - (iv) clarifying the role of district councils;
  - (d) strengthen and simplify local arrangements for delivering responsive services and involving local people by:
    - (i) streamlining procedures for involving communities in the creation of SCSs, LAAs and LDFs;
    - (ii) improving and integrating strategic planning procedures;
    - (iii) setting out the key principles of strategic commissioning and incentivising local authorities to focus on secure service outcomes in new and imaginative ways.
51. Local leadership and ‘place-shaping’ as outlined in this chapter of the white paper are seen as key roles of local government and Members and senior management will need to ensure that they give these appropriate focus.

### ***Community cohesion***

52. Local authorities are well placed to work with communities and other local partners to promote community cohesion. This authority is already committed to a range of equalities policies and is developing others; community cohesion will remain a core business principle of this authority. The Commission on Integration and Cohesion is consulting on community cohesion and will be producing proposals in June 2007. [chapter 8]

### ***Performance and inspection***

53. There is strong evidence of rising performance within local government across a wide range of services and functions; however, challenges do remain. The government therefore intends to implement, in the next three years, a new performance framework covering all the outcomes secured by local authorities working alone or in partnership with others. The new performance framework needs to bring together

coherently a range of factors to enable service commissioners and providers to be responsive, effective and innovative towards improving local outcomes. [paragraphs 6.1 to 6.6 and 6.8 to 6.16]

54. The new performance framework will [paragraph 6.7]:
- (a) strengthen accountability to people and communities [paragraphs 6.17 to 6.18], by:
    - (i) clarifying responsibilities to respond and report to people;
    - (ii) developing LAAs in securing national priorities locally, allowing more space for local prioritisation (but subject to around 35 priorities in total);
    - (iii) ensuring independent assessment and inspection reflect and respond to people's views more;
    - (iv) setting out clear support and intervention steps;
  - (b) give greater responsibility to local authorities and their partners for securing improvements in services [paragraphs 6.19 to 6.30] by:
    - (i) working with the Local Government Association to develop mechanisms to challenge performance and support improvement;
    - (ii) removing the requirements to prepare Annual Best Value Performance Plans and conduct best value reviews, while ensuring that best value authorities secure the participation of local people in their activities and strengthen their approach to competition;
    - (iii) supporting the development of local information systems to target activity, improve decision-making and improve delivery;
    - (iv) improving strategic commissioning and the use of alternative providers;
  - (c) provide a better balance between national and local priorities [paragraphs 6.31 to 6.43] by:
    - (i) identifying a single set of around 200 national indicators against which all relevant partners will report, reflecting priority outcomes from decisions in the 2007 Comprehensive Spending Review (CSR07); these will replace other sets of PIs such as BVPIs and other programme-specific indicators, but there will be a need in some cases to report limited additional information, for example on financial reporting and data returns;
    - (ii) a revised LAA process through which central government and local partners will agree and manage a limited number of improvement targets for each local area (i.e. 35 priorities as above plus statutory targets around educational attainment and child care provision);
  - (d) improve the arrangements for external assessment and inspection by reforming the current performance assessment arrangements for local government, putting in place [paragraphs 6.44 to 6.55]:
    - (i) an annual risk assessment that identifies the key risks to outcomes or delivery;
    - (ii) an annual Use of Resources judgment drawn from the annual audit;
    - (iii) an annual Direction of Travel judgment assessing the effectiveness in driving continuous improvement;
    - (iv) inspection activity by relevant inspectors targeted primarily on the basis of risk assessment;
  - (e) streamline the process for providing improvement support and intervention for authorities struggling to deliver agreed outcomes for local people, tailored to the nature and severity of any problem [paragraphs 6.56 to 6.71].

## **Efficiency**

55. People's expectations of public services are rising and the financial climate is changing, putting pressure on authorities to deliver services without massive investment from central government or excessive council tax increases. Authorities need to challenge traditional service delivery methods in order to drive efficiency. This could mean local authorities and other public bodies sharing assets, systems, data, skills and knowledge more effectively, reviewing activity and seeking to maximise the opportunities that LAAs provide for achieving efficiency and thus better outcomes for people. Transformation and efficiency are about delivering the right services to people, using contact centres and new technology as appropriate (which this authority is already utilising and seeking to develop further) and adopting a strategic approach to service delivery. [paragraphs 7.1 to 7.14]
56. The government intends to build on the Cabinet Office discussion paper *Transformational Local Government*, which set out a number of prerequisites for driving service transformation [paragraph 7.15], through:
- (a) business process improvement and flexible working – the government intends to share lessons learnt from a partnership project as part of an integrated Business Improvement Package in early 2007, including technology and collaboration, (b) and (c) below [paragraphs 7.16 to 7.19] (note: this authority is already undertaking business process reviews as part of the Transformation Project);
  - (b) collaboration between public authorities – the government intends to establish pathfinder projects to spread and extend best practice in joint working [paragraphs 7.20 to 7.24]:
    - (i) between authorities, with other local public bodies, or at a regional or national level;
    - (ii) in collaboration with other local service providers and the private or third sector;
    - (iii) for back office functions, transactional services and frontline services;
  - (c) use of technology, including information sharing – the government intends to incentivise joined-up access to services and their delivery and to develop a system enabling citizens to authenticate themselves once to support transactions with public organisations [paragraphs 7.25 to 7.33] (note: this authority made substantial use of e-government to transform access to and delivery of services);
  - (d) smarter procurement – the government intends to provide further advice to support effective procurement, building on three critical aspects [paragraphs 7.34 to 7.41]:
    - (i) the use of e-procurement: procurement cards, e-auctions and e-marketplaces (note: this authority is developing e-ordering and negotiating reduced transaction utility and other contracts);
    - (ii) understanding spend: identifying opportunities for efficiency (note: this authority already analyses its spending and has a contracts database and can also access regional spending and contracts databases to identify opportunities for savings and efficiencies);
    - (iii) aggregating demand: joint procurement can help secure efficiencies – the Office of Government Commerce (OGC) and the Regional Centres of Excellence (RCEs) are implementing a national procurement programme (note: this authority already makes use of appropriate joint procurement opportunities, e.g. through the OGC, other procurement organisations including the RCE, county-wide and other framework contracts, etc);
  - (e) competition [paragraphs 7.42 to 7.48]:

- (i) the government intends to issue revised best value guidance covering the commissioning role of councils, community participation and the regular testing of performance competitiveness;
  - (ii) the government intends to explore opportunities to develop the local government services market, to encourage a diversity of suppliers across the public, private and third sectors;
- (f) asset management – effective asset management helps improve service outcomes, e.g. disposing of or improving underperforming assets, modernising expensive to maintain assets, possibly transferring assets to community management or ownership – the government will consider asset management as part of the CSR07 [paragraphs 7.49 to 7.53] (note: this authority’s main assets are:
  - (i) South Cambridgeshire Hall (Cambourne) – the authority moved in May 2004;
  - (ii) Milton Country Park – this has been the subject of a recent review;
  - (iii) its housing stock and sheltered housing schemes – the housing stock is being subjected to a further options appraisal process following completion of a stock condition survey carried out in 2004/05; however, there are a number of other things the authority can do to maximise its housing assets which are not related to any decision about the future of the housing stock, e.g. redevelopment of existing stock to increase the supply of Affordable Homes and/or meet Decent Homes targets, review lettings policies to make sure stock is making best contribution to meeting housing needs, minimise empty homes, etc);
- (g) stable finance – the government has reiterated that it will not allow excessive council tax increases; local authorities will therefore need to manage expenditure pressures, achieve efficiency gains and decide priorities. The annual cycle of grant allocations makes it difficult for local government to budget and manage expenditure; the government has already begun the move to three-year formula grant settlements (the first will cover 2008-2011), enabling local government to publish three-year council tax figures and providing an opportunity for more stable funding and procurement with the third sector [paragraphs 7.54 to 7.56] (note: this authority already publishes indicative council tax figures six years ahead as part of its Medium Term Financial Strategy (MTFS); three-year formula grant settlements will increase certainty over funding levels and help enable service delivery to be better planned in the medium term, which could also lead to efficiencies being achieved);
- (h) challenge – the government intends to strengthen the challenge to current standards of provision [paragraphs 7.57 to 7.65]:
  - (i) integrating efficiency within the performance framework – the CSR07 will reflect an ongoing ambitious challenge on efficiency, efficiency will be embedded in the new performance framework (for example, local partners could agree and work to achieve an efficiency target as part of their LAA), development of the ‘Use of Resources’ assessment to give assurance about increased efficiency, tailored support and intervention where necessary;
  - (ii) understanding and comparing costs – use of the Audit Commission’s tool for measuring value for money; publication of guidance and toolkits as part of CSR07 to identify, measure and agree efficient, effective and overall best value service delivery;
- (i) support – review of the current support arrangements in order to create clear strategic direction, improve coordination and streamline available resources [paragraphs 7.66 to 7.68].

57. While the authority is active around procurement etc, it also needs to demonstrate that it has or will be exploring opportunities for combined/shared services and/or front/back office systems. There are some examples, e.g. Housing has a shared resource in terms of a team to work on the major new developments (funded by local authority and RSL partners).

### **Implementation**

58. At the time of writing this report, a bill reflecting the proposals in the white paper is expected to be published in early December, with the parliamentary committee stage in January. At this point a fuller statement will be prepared, primarily as an aid to the legislative process. The act is expected to gain Royal Assent by next October/November, at which stage comprehensive guidance will be published.
59. Government advice is that councils and LSPs should continue with the current arrangements for LAAs, the preparation of sustainable community strategies etc in the interim. The Council and the LSP are currently revising the Community Strategy for the period 2007 to 2010 with a view to the new strategy being agreed by April 2007. The strategy is being prepared in the context of the draft guidance issued last year. Advice has been received that the final guidance in Autumn 2007 is unlikely to vary significantly from the previous draft guidance and councils should not delay their community strategies. It is suggested that work on the sustainable community strategy should continue, with a potentially later completion date of spring/summer 2007 and with the possibility of adjustment during 2007/08 in the light of final guidance.

### **Options**

60. With regard to the invitations to apply for unitary status or to be a pathfinder authority (paragraphs 9 to 12 above), Members could:
- (a) decide to apply for either or both options; or
  - (b) decide not to apply for either option.
61. With regard to the remainder of the white paper, as this is a statement of intent, Members do not need to make any firm decisions at this stage. Members could request appropriate existing bodies (for example Constitution Review Working Party, Standards Committee, Scrutiny and Overview Committee) or appropriate lead officers to begin consideration now of the principles the authority might wish to adopt regarding some of the proposals in the white paper and the potential practical implications of some of the key proposals in the white paper, so that when the enabling legislation etc is forthcoming the authority has a basis for its detailed considerations; however it is recommended that this should wait until the enabling legislation, regulations and guidance are published.

### **Implications**

62.	Financial	The move to three-year formula grant allocations will require the Council to set three-year council tax figures; however, it is not clear whether these will be set for the three years concerned, or able to be reviewed on an annual basis. There are a number of potential areas for financial implications arising from the white paper, including: the proposals for greater public involvement; delegation of standards issues to local authorities; support for Members to fulfil an enhanced
-----	-----------	--

62.	Financial, continued	local role; greater support for LSPs; and pressures that might arise from targets in LAAs. The extent of any financial implications will become clearer as further guidance is issued. At present there is no provision in the MTFS - indeed the white paper is identified as a possible “unquantified” spending pressure.
	Legal	The Council will give proper consideration to the enabling legislation etc when this is issued.
	Staffing	Implementation of the white paper will place a number of staffing pressures on the Council – for example in enhanced participation of the public; the more localised standards regime; and support for scrutiny and overview. There will also be a continuing need to develop skills, on the part of Members and officers, to adapt to some of the different ways of working which will emerge. Perhaps the most significant staffing pressure will be in the area of support of the LSP, LAA and strategic partnerships. The Workforce Plan (also on this agenda) currently makes no provision for white paper proposals. Staffing implications will need to be taken into account (as they are clarified) in the further implementation of the Transformation Project (third tier) and the next revision of the Workforce Plan (next October/November).
	Risk Management	The white paper represents a number of significant changes in the way local government delivers services, which will have a substantial impact on the capacity of officers and Members to implement. The authority will need to make sure that it has appropriate decision making and delegation structures in place for these, while at the same time continuing service delivery.
	Equal Opportunities	Community cohesion and equality of service provision and customer participation are key themes in the white paper and the Council will ensure that its response gives appropriate consideration to equalities issues.

### Consultations

63. None as yet. The Council could consult residents, parish councils and other partner organisations on the proposed changes, but this is not considered appropriate at this stage. The Council could undertake such consultations when the enabling legislation etc is forthcoming, indeed it would probably be expected to.
64. Any proposals for new political management arrangements are likely to be subject to a statutory consultation process, as was the case when the authority introduced executive arrangements under the 2000 Act.

### Effect on Annual Priorities and Corporate Objectives

65.	Affordable Homes	The white paper will have an effect on all of the Council’s corporate objectives and annual priorities and will influence its delivery and achievement of them. The white paper also has a significant impact in terms of the various partnerships with which the Council is involved.
	Customer Service	
	Northstowe and other growth areas	
	Quality, Accessible Services	
	Village Life	
	Sustainability	
	Partnership	

## **Conclusions/Summary**

66. The white paper provides a time limited opportunity for the Council to seek unitary status. While there are potential benefits from a unitary approach, the limited time available to assess local support for such a move and the other pressing issues the Council has to address (in particular the growth areas) lead to the view that the needs of the community would be better served through enhanced co-operation and partnership. This view equally applies to becoming a pathfinder authority to pioneer new governance arrangements to enhance two-tier working.
67. Overall the white paper represents a continuing evolution of the government's thinking. The themes are familiar: greater public/democratic involvement; more customer influence and choice; performance improvement; efficiency; and the development of community leadership through the LSP. The white paper envisages a stronger role for local authorities to lead their communities, shape their areas and bring local public services together. It intends that local authorities should have more space to meet local needs (for example, through the reduction in national performance indicators, limitations in LAA targets, and greater public say). It is intended that there should be a lighter inspection regime, but tougher intervention when things go wrong.
68. There will be a significant challenge for the Council in implementing the white paper within its limited resources. The Transformation Project and accompanying culture change will play an important part in enabling the Council to respond effectively. The Council will have to prioritise its efforts. Although the final guidance will not be available until next autumn, the Council will need to start planning before then, including through the implementation of the Transformation Project, service planning, financial and workforce planning and involving partners and the public. The Corporate Governance Inspection recommendations may have a major influence on the Council's capacity to address the issues in the white paper.

## **Recommendations**

69. Cabinet is recommended to
- (a) decide not to apply for unitary status, nor to become a partner pathfinder authority pioneering an enhanced two-tier local government model, and
  - (b) wait until the enabling legislation, regulations and guidance are published before requesting appropriate bodies and/or lead officers to consider the principles the authority wishes to adopt and the practical implications of implementing the legislative etc requirements.

**Background Papers:** the following background papers were used in the preparation of this report:

Strong and prosperous communities, the local government white paper  
Invitations to councils in England: to make proposals for future unitary structures; to pioneer as pathfinders new two-tier models. For more information, please click onto the following link: <http://www.communities.gov.uk/index.asp?id=1503999>  
Letter from the Chief Executive of the Standards Board for England

**Contact Officer:** John Garnham – Finance Project Officer  
Telephone: (01954) 713101