



Leicester
City Council

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All

**ECONOMIC DEVELOPMENT AND PLANNING
SCRUTINY COMMITTEE**

7 DECEMBER 2006

LOCAL GOVERNMENT WHITE PAPER – STRONG AND PROSPEROUS COMMUNITIES

Report of the Service Director, Regeneration, Highways & Transportation

1.0 Purpose

The purpose of the report is to provide Members with an overview of the main proposals contained within the white paper that relate to the business of the committee and to identify any implications for Leicester.

2.0 Recommendation

Members are asked to discuss the issues raised by the White paper in relation to the business of the committee and put forward proposals for action by the Council.

3.0 Overview

The white paper is encouraging and reflects some of the long-standing demands for deregulation as lobbied for by the LGA on behalf of local councils. It takes significant steps towards the devolution of powers with proposals to strengthen local leadership, enhance the role of frontline councillors, cut back the plethora of national targets, streamline inspection and broaden the scope of local area agreements.

Ruth Kelly said that the White Paper addresses the three key relationships that are at the heart of our democratic system –

- between central government and local government;
- between local government and local partners; and
- between local government and its communities and citizens.

However the white paper is criticised for not going far enough in devolving national and regional powers to cities, towns and counties, as set out in the LGA's 'Closer to people and Places' publication.

The main themes of the paper are –

- Strengthening political leadership and accountability

- New performance framework
- Community empowerment
- Enhanced partnership working

This white paper is seen as the first step in a series of pieces of legislation to continue the reform of local government. The proposed measures were included in this parliament's Queen's speech with a Local Government Bill due to be published before the end of the year.

The Lyons report will address the issues of funding and finance for local government and as such is beyond the scope of this white paper and will therefore need a separate bill. The process of devolving powers to city regions will also need a separate bill. There are also a number of reviews currently underway as part of the preparation for the Comprehensive Spending Review due in July 2007 (CSR07). The CSR07 will determine the priorities of public service delivery for the following three years and is possibly of greater significance than this white paper.

3.1 Key proposals in the local government white paper

- **A new performance framework** that will cut the number of national performance indicators to 200, and targets to around 50 and replace CPA with new assessment arrangements with a reduced and risk-based role for inspection.
- **An enhanced role for councils as strategic leaders and place-shapers** through stronger Local Strategic Partnerships and next-generation Local Area Agreements (LAAs) with wider scope and importance, and a duty to cooperate between councils and local partners
- **Stronger cities, strategic regions**, with work to develop multi area agreements (MAAs) to support effective collaboration at the larger city-region level using the principles on which LAAs are based and the development of City Development Companies.
- **Stronger political leadership** by requiring all councils to opt for a directly elected mayor, directly-elected executive or indirectly-elected leader for a four-year term.
- **A strengthened role for front-line councillors** including powers to respond to community calls for action on local issues and greater freedom to speak up on planning and licensing issues affecting their wards.
- **A wider and stronger role for scrutiny** including the power to require evidence from all local service providers and a duty on them to have regard to scrutiny recommendations.
- **Devolution** of powers, including removing the requirement for Secretary of State's consent to bye-laws and the creation of parish councils.

- **Community cohesion** – councils encouraged to put integration and cohesion at the heart of community strategies and LAAs.

4.0 Summary Of Chapter - Stronger Cities, Strategic Regions

- 4.1 Chapter Four of the Government White Paper, Stronger Cities, Strategic Regions, alludes to a sub-national review and reflects some of the Local Government Associations (LGA) demands for deregulation.
- 4.2 Although the paper proposes to strengthen local leadership and questions the role of Councillors, it does not fully reflect/define the LGA's call for a devolved structure of decision making for cities towns and counties.
- 4.3 The key proposal is to further national and regional economic growth in cities and regions through improving the quality of governance and leadership by 'reforming passenger transport authorities and new powers for councils on bus services' and by 'creating Multi Area Agreements'.
- 4.4 Sub National Review: The LGA has submitted to the Treasury (who will be reviewing the delivery of sub-national economic development, regeneration, and neighbourhood renewal and how these feed into the comprehensive spending review), proposals that say that sub-regional partnerships should be the focus of future decision-making structures. Currently the focus for the delivery of interventions for different policy areas has been through the Leicester Shire Economic Partnership and the Leicester Partnership. Leicester City Councils stance on this is that it will support a political process and leadership that is democratic.
- 4.5 Passenger Transport Authorities & Bus Services: In Leicester there is no passenger transport authority.
- 4.6 Whilst in much of the rest of the country outside London bus patronage has been falling, an effective Quality Bus Partnership between the City and County Councils and the commercial bus operators has resulted in year on year growth in passenger numbers for much of the past decade.
- 4.7 This has happened as a result of substantial investment by the Councils in new bus shelters, raised kerbs at bus stops, bus priority measures and the Star-trak real-time information system. Most recently the City Council has spent over £1 million at St Margaret's Bus Station to improve facilities for bus passengers and to accommodate an office and drivers' canteen for the main bus operator, Arriva. This investment has been matched by substantial investment by the bus operators into bus route design and around new low-floor buses, incorporating the on-board equipment for star-trak, which the bus operators have funded.
- 4.8 In addition to the above, the City Council also spends nearly £1.5 million a year supporting unprofitable bus services. These are most Sunday and late evening services, but also includes the two orbital services, the Inner and Outer Link, as well as

a number of school services [that's services which, whilst aimed at schoolchildren, the general public can use; the Children's Services Department also spends a considerable amount of money on school travel]. The Council will also spend over £4 million this year on the concessionary fare scheme, of which the majority of beneficiaries are people over 60, who travel on buses in Leicester free of charge after 9.30am. The City and County Councils also manage the highly successful Meynell's Gorse Park and Ride scheme, which is operated by Arriva at a net profit to the two Councils.

- 4.9 Multi Area Agreements - There are cross border arrangements currently in place that deliver on the physical and social regeneration of the region and its cities, including the Regional Economic Strategy, the Regional Transport Strategy and the Regional Spatial Strategy. What is not in place is a body that sits over these. Leicester has a Local Area Agreement as does the County Council. There will be work undertaken that explores linkages between the two and how these can be built upon. Currently Nottingham is piloting a Metropolitan Area Agreement.
- 4.10 Government Office are interested in improving the linkages between adjoining Local Area Agreements, recognising that service users, investors and businesses are not constrained by administrative boundaries and expect joined-up government at all levels. The 3 Cities and 3 Counties successful New Growth Point proposal also demonstrates an informal collaboration which interests Government greatly.

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22 November 2006