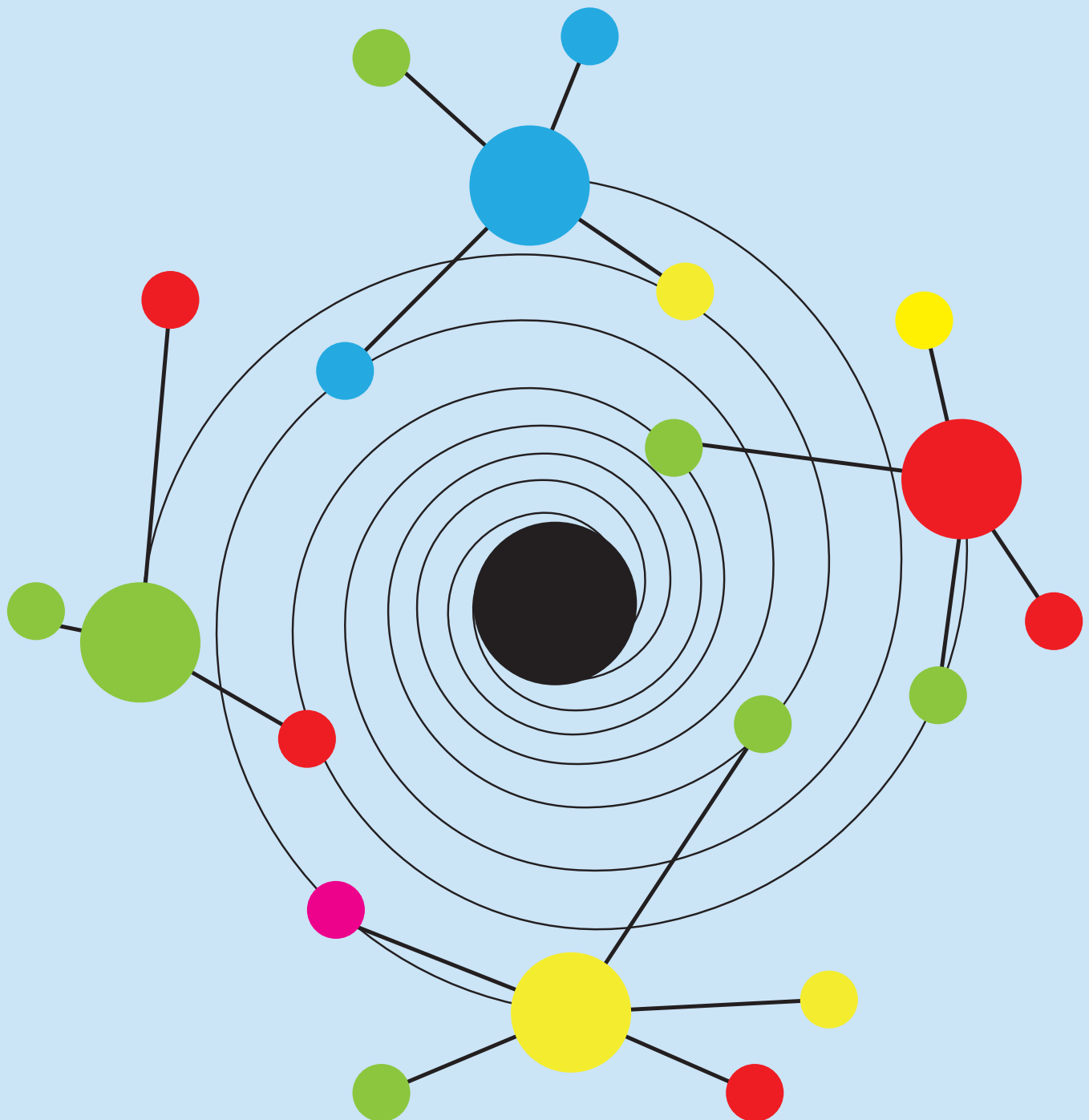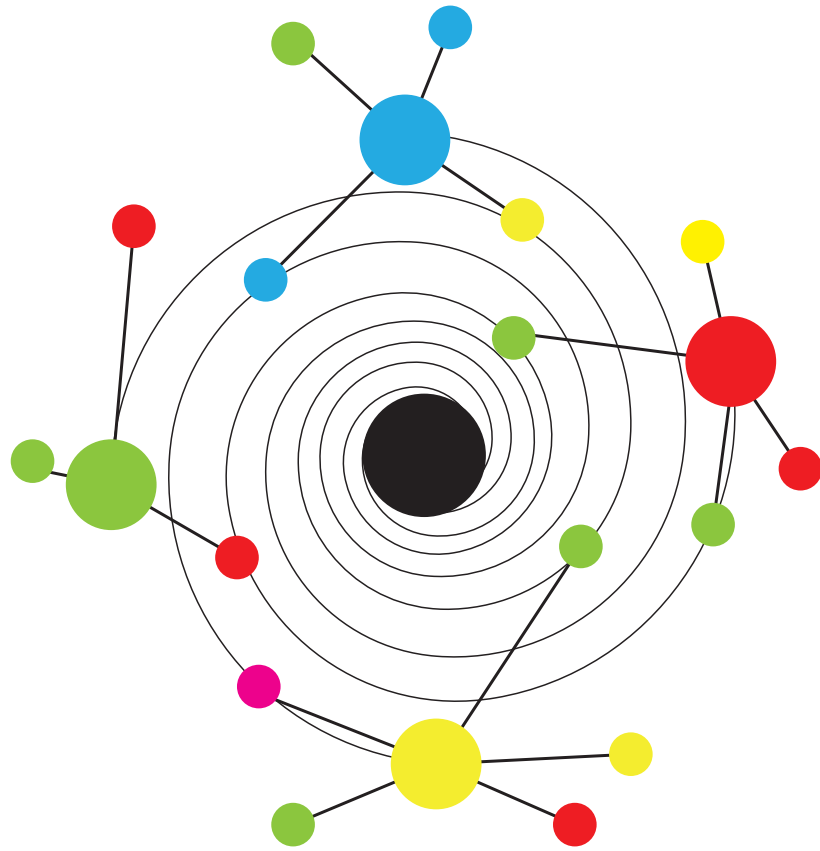# Local by default

APSE Local Government Commission
2030 report

APSE
LOCAL GOVERNMENT
COMMISSION
2030

Local by default

APSE Local Government Commission 2030 report

APSE (Association for Public Service Excellence) is a not-for-profit local government body working with over 300 councils throughout the UK. Promoting excellence in public services, APSE is the foremost specialist in local authority front line services, hosting a network for front line service providers in areas such as waste and refuse collection, parks and environmental services, leisure, school meals, cleaning, housing and building maintenance.

APSE member authorities have access to a range of membership resources to assist in delivering council services. This includes our regular advisory groups, specifically designed to bring together elected members, directors, managers and heads of service, together with trade union representatives to discuss service specific issues, innovation and new ways of delivering continuous improvement.

Local Government Research Centre (LGRC)

The Local Government Research Centre, based at the Department of Politics, People and Place (De Montfort University) is an internationally recognised centre of excellence for robust and policy-relevant research on local political leadership; citizens, communities and place; and democratic governance, both in the UK and abroad. The LGRC work investigates localism, place stewardship and the rescaling of local government; local democracy, voice and accountability; and collaboration and innovation in the delivery of public services, notably in housing and health. The LGRC has established partnerships with government institutions, practitioner organisations and think tanks. The Centre's deeply rooted ethos of engaged research meets the needs of practitioners and communities, advancing new forms of co-production and user engagement.

This research was made possible by the kind assistance and collaboration of Leeds Beckett University.

Acknowledgements

APSE would like to thank all of the universities involved in this project for their unstinting support. In arriving at this final report we recognise that not all Commissioners agreed on every single point of contention however this report reflects the consensus based upon the evidence brought together by the Commission executive, the many witnesses and evidence submissions and the robust challenges between the Commissioners in proving that evidence.

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Foreword

The APSE Local Government Commission 2030 was established as a means to allow all those with an interest in local government an opportunity to lift our collective heads above the parapet; providing time and space to contextualise and explore the complex issues that local councils face.

When we initially commenced the work of the Commission an overriding consideration was that the current decade would see the UK face some of its biggest challenges since the immediate post war era. A decade of austerity where multiple crises around housing, care for older people and slow economic growth, followed by COVID-19 have impacted on opportunity and quality of life, coupled with an uneven distribution of resources and life chances across the country. Local government at its best can play an integral role in lifting those life chances for people from all communities in an even handed and fair way. With a need to respond to climate change and the ecological emergency, digitalisation moving at pace and more immediately, COVID-19 recovery, then this role is needed now more than ever, in a rapidly changing world.

Yet, for 50 years there has been a long-term reduction of the role, powers and resources of local government as a result of successive governments placing little value in councils and centralising more and more. Councils have been mistrusted and seen as part of the problem, rather than part of the solution. Viewed as inferior rather than as an equal in terms of their democratic legitimacy, they have been gradually stripped of their role and resources.

The limitations of centralisation have been exposed; we live in an uneven landscape where knowledge of local circumstances is hugely important. The current system of local governance in the UK is misaligned, under resourced and leads to dysfunctional outcomes. We need to fix the system in order that we have an effective mechanism for navigating the complex issues that society faces today and in the future.

All of these issues are embedded in serious questions of a functioning democratic local state; the structure of local government; its relationships with other public sector bodies and agencies in the local context; its relationship with central governments across the UK; and issues of participation, governance and democratic institutions which seek to reflect the communities that they endeavour to serve.

After setting out the scope of the Commission we were of course excited to start the process of evidence gathering, hearings and working across the local government family, our valued APSE member councils and wider society. Then the health pandemic struck. It is fair to say that the Commission could not have imagined the impact of the health pandemic on local councils and our UK citizens. It was therefore only right that when the extent of COVID-19 became all too apparent we revised the scope of the Commission to consider, alongside all the other issues, the initial response of local councils to the pandemic as well as the longer-term role in recovery.

It is this context of local government, as we emerge from one of the most testing times in living memory, that I as Commission Chair bring you our final report on our findings. It is not a comfortable read. The evidence we have gathered has exposed a hollowed out local government, bridging scarce financial resources by using the sticking plasters of innovation, dedication and utter determination. But clearly limping along is no longer good enough. We are calling for radical changes.

We have entitled our report 'Local by Default'. This reflects our ambitions as a Commission to provide local government with a new deal, which must be enshrined in a new constitutional settlement; one which protects and empowers its role, powers and resources at a local level. The public policy predicaments facing central governments cannot be resolved in top-down approaches through Westminster, Stormont, Holyrood and Cardiff.

At each stage of exploring the really pressing issues, facing local councils and their communities, the Commission found that an empowered role for local government holds the key to better local resolutions in tackling issues like inequality and societal change. Whether through its innovative approaches to the delivery of new homes, a coordinating role in carbon-reduction within its own council parameters, or influences and direction on a wider local economic basis.

If we want to deliver workable and sustainable local solutions to the big policy challenges, made all the worse as we enter into a post-COVID economy, then the battered ship of local government must be repaired and renewed. The wind in her sails needs to be sustainable finance so that never again are local councils starved of resources, to the extent we have witnessed over the past decade. By 2030 we hope we can re-float local government, as the vessel in which long-lasting solutions will emerge, and which will make headway in improving the lives and wellbeing of all of our citizens, fortifying a renewal with green local economic growth at its bow.

Ultimately, we are calling for a recognition of local government's unique role. For it to be entrusted with the powers and resources to make a difference. We do not expect change to happen overnight. We make recommendations for immediate change, for medium and long-term change and for further deliberations in calling for future standing commissions to enable local councils to develop their own solutions by 2030.

This is the beginning of a journey and by no means the end. Please read, share, debate and challenge its contents. Let's have the much-needed conversations because that is where this report started out. A conversation about the future and one which has been taken forward by some encouraging and dedicated voices.

It would remiss of me not to thank APSE's National Council who have supported the work of the Commission, providing the resources to enable the near to two years of work which has led to this report. I am also indebted to our Commissioners; their knowledge and expertise is in my view unsurpassed, and at every step of the way they have challenged evidence, conceded points to each other, even agreed to disagree! But their wise counsel to me has been invaluable. Finally, our Commission Executive led by Professor Steven Griggs, climbed a mountain of evidence, segregating often over-lapping issues, and forensically exploring new lines of enquiry, to advise myself and the Commissioners. Without their support this report would not have been possible, nor would it carry the gravitas of a robust and challenging final report.

I would also like to thank the hundreds of witnesses who provided both written and oral evidence to the Commission. Amongst them not only APSE member councils, but respected organisations, government departments, charities, think-tanks, trade unions and renowned academics. They freely gave their time and opinions to support our work.

I commend this report to you.

Paul O'Brien,

Chair of the APSE Local Government Commission 2030

About the APSE Local Government Commission 2030

With the agreement and support of APSE's National Council and, in collaboration with De Montfort University's Local Government Research Unit, APSE established the Local Government Commission 2030 to explore the core issues that will impact on local government in the coming decades.

Membership of the Commission includes experts and representatives of those who have run, protected and championed local government frontline services alongside academic experts and research professionals.

The work has been informed by a plethora of evidence from across the UK wide local government sector, as well as those working in partnership with local councils. More details about the methodology and approaches to the work of the Commission can be found in Appendix 1 and 2 to this report.

Meet the Commissioners

Chair – Paul O'Brien

APSE Chief Executive

Paul O'Brien is the Chief Executive of the Association for Public Service Excellence (APSE). Based in Manchester APSE has over 250 local authorities in membership.

Paul has commissioned and contributed to over 100 APSE research publications on topics as diverse as housing, energy, finance, scrutiny, commercialisation and devolution. These have been produced with respected bodies such as TCPA, CLES, NPI, CIPFA and CfPS. A key strand of APSE research is through our excellent partnership with with De Montfort University. Through this partnership, we took part in a Knowledge Transfer Programme, which was awarded 'outstanding' status by the European Social Research Group.

Paul was named in the LGC magazine's 100 most influential in local government. He is a columnist with the MJ magazine and regular contributor to numerous local government publications. He was a member of the Guardian's Local Government Network Advisory Board. He was also a board member on the partnership which delivered the ODPM's National Councillor Mentoring Programme.

Paul was previously APSE's Principal Advisor (Scotland), and has over 30 years' experience in local government. He is a Fellow with the Royal Society of the Arts. Paul has previously completed an MBA at Glasgow Caledonian University.

Elma Murray OBE

Chief Executive of North Ayrshire Council, 2009 - 2018

Elma Murray was appointed Deputy Chair of the Accounts Commission for Scotland on the 1st August 2019 and from August 2021 was appointed as the Interim Chair. Elma joined SRUC (Scotland's Rural College) on the 1st September 2019 as a Board Member.

Elma was Chief Executive of North Ayrshire Council from 2009 to 2018 and has a local government career of over 35 years.

She is the Chair of Young Scot (Scotland's youth information and citizenship charity) and became the inaugural Chair of the Scottish Obesity Alliance in December 2018 which advocates for a healthy weight for everyone.

Elma is passionate about the vital role of public sector services to support local people and the most vulnerable in our communities. She has a specific focus on transformation, children's services, wellbeing and inclusive growth.

Over her career she has held several senior positions including Chair of SOLACE (Scotland), Directors of the Improvement Service and of Irvine Bay Urban Regeneration Company, Depute Director of Finance and Head of Service Reform at Glasgow City Council, Head of IT Services at North Ayrshire and at Strathclyde Police.

Between 2016 and 2018 Elma sat on the National Developing Young Workforce (DYW) Board and the DYW Delivery Group, working with Rob Woodward, to support and oversee the development and implementation of regional Employer-led DYW Groups to create more opportunities for young people to get into employment.

Elma was awarded an OBE for Services to Local Government, Education and the Economy in the Queen's 2018 New Year's Honours List.

Neil Schneider

Chief Executive of Stockton-on-Tees Borough Council, 2008 - 2019

Neil was born and educated in Middlesbrough and began his career as an Apprentice Housing Manager before qualifying and becoming a fellow of the Chartered Institute of Housing.

He has held a variety of roles in local government spanning 37 years, during which time he has led major regeneration projects - recently helping Stockton win the Rising Star award in the 2016 High Street of the Year awards that led Bill Grimsey to describe him as a maverick and a visionary. He helped establish one of the country's first housing ALMOs and a thriving leisure trust.

Neil was Chief Executive at Stockton-on-Tees Borough Council for 11 years where his commitment to people development and customer service assisted the Council in being shortlisted for APSE Council of the Year for 10 years consecutively, winning it in 2010. He retired in May 2019 and is now delivering leadership programmes in the public sector and is a non-executive Director of a local NHS Trust.

Heather Wakefield

Head of Local Government at Unison, 2001 - 2018

Heather Wakefield was Head of UNISON's Local Government, Police and Justice section for 16 years until she retired in August 2018. Prior to that she worked for the union as a researcher for the National Union of Public Employees and as a Regional official in the Greater London Region. While at UNISON, she was a member of the Low Pay Commission and the Fawcett/LGIU Commission on Women in Local Government. She is a regular commentator and writer on local government issues and recently wrote 'Triple Whammy - Women and the Cuts in Local Government' for the Women's Budget Group.

Before joining UNISON, she was the Women's Rights Officer at NCCL (now Liberty) after working for a number of years on the Lewisham Women's Employment Project - investigating women's employment and training needs in London's Docklands. Prior to that she was a social worker and policy officer in the London Borough of Newham.

Heather has two grown up sons, Barney and Myer, is a keen gardener and Scrabble player, loves theatre, cinema and reading and is a season ticket holder at Chelsea Football Club.

Gary Porter, Lord Porter of Spalding CBE

Chair of the LGA, 2015 - 2019

Gary was first elected to South Holland District Council in a by-election in June 2001. He was re-elected in 2003 and elected Leader of South Holland at the Council's Annual Meeting that year, a post he has held ever since.

He is a Bricklayer by trade and has an Honours degree in History and Politics from De Montfort University. A former Chairman of the District Councils' Network, Gary chaired the LGA Environment and Housing Board for two years before becoming Conservative Group Leader and Vice-Chairman of the LGA in June 2011.

In 2013 he was awarded a CBE for services to Local Government. He was elected LGA Chairman at the General Assembly in June 2015 and was made a life peer in the 2015 dissolution peerages list, taking the title of Baron Porter of Spalding. He stood down as LGA Chairman at the end of his four year term in July 2019.

One of Gary's main achievements in his time as Chairman was his leading role in the campaign to negotiate the scrapping of the government cap on how much local authorities can borrow against their Housing Revenue Account assets to fund new developments.

He also helped to secure an extra £2billion for adult social care, and following the Grenfell Tower tragedy successfully lobbied the Government to pay for all of the council and housing association buildings that required recladding. Gary was appointed as a non-executive director to the Ministry of Housing, Communities and Local Communities Departmental Board in June 2021.

Jon Collins

Leader of Nottingham City Council, 2003 - 2019

Jon has 40 years experience of local government, the public and voluntary sector. He was a Nottingham City Councillor for 32 years, council leader for 16 years and variously responsible for community development, community safety, property and finance management, transport, neighbourhood and city centre regeneration and economic development.

During his 16 years as Leader, Nottingham became Britain's cleanest big city, crime dropped from nearly 75,000 crimes per year to less than 35,000, education results have improved significantly and over 90% of pupils are now taught in schools judged good or outstanding by OFSTED.

Under his leadership, the Council also developed a reputation for innovation and enterprise, boosting its commercial income by over £20million in the last 4 years. This has included a joint venture housing development and regeneration company (Blueprint), building three tram lines with 32 km of track to complement Nottingham's profitable municipally owned bus company and delivering a range of council and commercial services for neighbouring authorities and public organisations.

Jon also has extensive experience working at local, regional and national partnerships. Locally this has included Nottingham's Crime and Drugs Partnership, Primary Care Trust, Education Improvement Board and through chairing the county police authority.

Meet the Commission Executive

The Commissions work has been informed by academic advisors and experts

Professor Steven Griggs

Professor in Public Policy, De Montfort University

Steven Griggs is Professor in Public Policy at De Montfort University where he is Director of the Local Governance Research Centre. Steven's research investigates local democratic governance, the delivery of local services, and the mobilisation and evolution of community campaigns (with particular reference to the field of environmental politics). He has undertaken policy development work with a number of local authorities and public sector organisations, as well as undertaking national policy evaluations and contributing to senior management leadership programmes. He recently participated in an ESRC comparative research study on the impact of austerity on cities and collaborative governance across eight countries. Steven was one of the founding editors of the international journal, Critical Policy Studies.

Professor Griggs led and directed the academic team on the Commissions work.

Dr. Arianna Giovannini

Associate Professor (Reader) in Local Politics and Public Policy, De Montfort University

Between July 2019 and January 2020, Arianna worked as Director of IPPR North, the leading progressive policy think-tank in the North of England, on a secondment basis.

Arianna's research focuses on territorial and local politics, devolution and democracy – both in the UK and in comparative European perspective. Most recently, her work in these areas has concentrated on devolution deals in England, and in particular in the North; the politics, governance and political economy of the Northern Powerhouse; regional inequalities and 'levelling up'; the changing landscape of local government, especially in the context of austerity and Brexit; the new municipalism; and asymmetric regionalism.

Arianna's work actively engages with the world of practice and policy, and she work closely with policy makers at all levels of government as well as think tanks and professional organisations to develop research and offer policy advice.

Before joining DMU in August 2016, she was a Researcher at the Sheffield Political Economy Research Institute (SPERI), University of Sheffield. She previously held academic positions at University of Leeds (POLIS), the University of Huddersfield and at Leeds Metropolitan University, where she was awarded a PhD in 2014. Before moving to the UK, she worked as a researcher for regional governments and for several academic institutions in Italy.

Arianna is an elected Trustee of the UK Political Studies Association (PSA), an Associate at IPPR North, a Fellow of the RSA, and an Associate Fellow of the Centre on Constitutional Change (University of Edinburgh).

Neil Barnett

Senior Lecturer in Public Policy, Leeds Beckett University

After a career in the National Health Service and Local Government Neil became an ESRC Management Teaching Fellow.

At Leeds Beckett he has developed and been course leader for a number of postgraduate Management Development Programmes for Local Authorities. He has published articles on Local Government in Political Studies, Local Government Studies and Public Policy and Administration.

Mark Sandford

Senior research analyst in the House of Commons Library

Mark specialises in local government and devolution within England. He has published a number of reports, papers and journal articles on local government finance and English devolution. He has been a research fellow at the Constitution Unit, University College London and head of research at the Electoral Commission specialising in local government and devolution within England. He has published a number of reports, papers and journal articles on local government finance and English devolution. He has been a research fellow at the Constitution Unit, University College London and head of research at the Electoral Commission
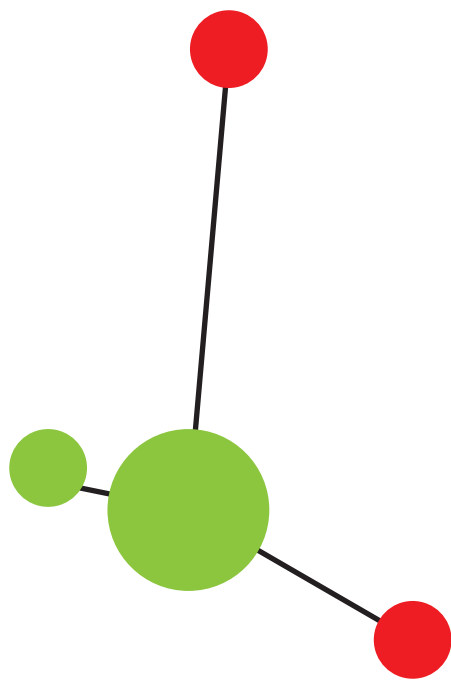
Executive Summary

A new relationship with local government

This decade will see the UK facing some of its biggest economic, political, and social challenges since the immediate post-war era and indeed the Great Depression of the 1930s. Ten years of austerity, slow economic growth, gender and race discrimination, and multiple crises of housing, care for older people and climate change have reduced opportunity and quality of life for many across our communities. The Covid pandemic and its impact on the health and well-being of the young and the vulnerable has amplified such inequalities, laying bare the uneven distribution of resources and life chances across the country. In this uneven landscape and rapidly changing world, local government with its knowledge of local circumstances can at its best play an integral role in addressing these challenges, lifting the life chances of people from all communities in an even handed and fair way.

However, the dominant political tradition across the United Kingdom remains that of centralisation, and a misplaced faith in the capacity of seemingly all-knowing central administrations to manage problems at a distance. Decades of centralisation have progressively stripped local government of its role, powers, and resources. Repeatedly, councils have had to bear the brunt of cuts to public spending. They have been viewed with a sense of unease by central government, regarded as inferior rather than as an equal in terms of their democratic legitimacy. Too often, they have been seen as part of the problem, rather than part of the solution, putting the current system of local governance under severe strain.

An alternative: The principle of local by default

The Commission is clear in its recommendations. Its calls for a 're-set' of our system of governance across the UK, one which breaks the dominant political tradition by decentralising powers away from the centre to local government. We call for current and future governments to endorse a principle of local by default. Local by default suggests that powers and responsibilities sit with local government unless the evidence or a reasoned argument shows it to be wholly inappropriate. This is not to endorse a naïve localism. We recognise that different policy issues and contemporary challenges are best resolved by different parts of government working in collaboration. But at present, the boundaries between the roles and responsibilities of the different spheres of government are blurred and work to the advantage of central government. Local by default reverses this dynamic, building forward from the local and embedding collaboration across different parts of government.

Revitalising local government

Local government's role, and the powers it should hold, have been vexed questions for many decades. Successive governments have been unable to decide whether local government is a public service delivery agent or a democratically mandated steward of place. They have tended to take an instrumental approach to local government, gradually reducing the power and voice of local authorities. This disregard for local government has been aided and abetted by the absence of constitutional protection for local authorities, which has left it at the whim of political expediency and changing administrative and managerial fashions. It has generated mistrust amongst all involved.

The Commission found widespread support for the constitutional protection of local government, alongside calls for further devolution and the end to the unevenness of existing roles and

responsibilities across authorities. There was frustration at the workings of central government. Yet, witnesses to the Commission also underlined the multiple geographies of the complex policy challenges facing local communities, accepting the benefits of a collaborative relationship between central and local government, one which works across the spheres of government rather than to the advantage of one tier or organisation over another.

Recognising itself the binary opposition often drawn between the centre and the local, the Commission advocates the move towards a mature relationship which clearly defines the roles and responsibilities between different spheres of government and accepts both as integral and equal parts of our system of governance. The absence of any clarity over the constitutional status of local government has indeed contributed to a piecemeal and damaging juridification of centre-local relations. It has in turn advanced forms of managerial localism where decision-making is devolved to local government in return for achieving agreed centrally determined objectives, whether it be city deals or outcome agreements. As a consequence, representative localism remains stilted and at the whim of ministers. It is often by-passed by a form of community localism that transfers responsibilities beyond local government to communities and individuals but does not provide them with the resources and powers to address the issues that they face.

Recommendations

1. The role and powers of local government should be enshrined in a constitutional settlement.

2. There should be clarity for the public over the responsibilities of local, regional, and national government.

3. Government should agree and develop, in consultation with local government and the devolved administrations, a clear devolution framework, based on the principles of subsidiarity, local autonomy and flexibility. This should include a clear indication of powers and funding available and should allow all local authorities to access/benefit from it, although at a pace and scale that fits best local needs.

4. Based on the principles set out in the framework, the Commission calls for new 'Devolution Bills' for all the nations of the UK. The Bills should not provide a 'one size fits all' approach across the nations of the UK, but deliver a flexible, place-based model of devolution that can benefit all areas by improving governance and addressing inequalities.

5. The Commission calls for the creation of permanent National Governance Committees across nations of the UK, which should be consulted for any law and policy-making processes that affect directly local government and devolved institutions (such as reforms and re-organisation).

The roles and powers of local government

Over the last 40 years, alongside top-down controls and regulations, we have witnessed a declining role for local authorities in the delivery of key services in their areas, seeing them replaced by a plethora of alternative providers. The resulting fragmentation leaves councils facing huge hurdles if they are to develop place-shaping roles and act strategically for the well-being of their communities. To make the benefits of constitutional protection meaningful, councils need also to have responsibilities for key services and sufficient autonomy to tailor these according to the specific characteristics of their communities.

There continues to remain little agreement over the appropriate 'organisational fix' of tiers and size

for local government. The Commission found a broad consensus that a 'one size fits all' approach to local government organisation was not appropriate, removing the organisational flexibility to respond to local contexts and the multiple geographies of policy challenges. However, there was renewed and continued support for local government as a direct provider and deliverer of key local services. There was a strong agreement that local government should have responsibility for most, if not all, local public services and investment priorities. This broadening of roles and responsibilities would enable local authorities to act as a civic hub within its communities, leading and coordinating policies towards cross-cutting issues such as post-Covid recovery, climate change and town centre renewal. Indeed, it was recognised that such a role would require further powers for local government, notably in the field of planning.

The Commission accepts that issues concerning the size and number of tiers of local government can never be fully 'resolved' as they depend on value judgements concerning the balance to be struck between claims for democracy and efficiency and effectiveness. It is important that a 'blueprint' is not imposed by central government, and that local governments themselves should debate and resolve these issues through a mechanism which allows for local input and remains sensitive to local preferences. There is ample evidence that local government does not need centrally prescribed managerial models, and that flexibility and innovation will be better facilitated if prescriptions are put to one side and councils left to determine their organisational structure and locally appropriate mixes of delivery models.

However, actual 'hard' powers are also necessary if local authorities are to be able to lead and 'shape' their places. Appeals to community or place leadership ring hollow if they rely solely on the 'soft' powers of collaboration and partnership. Meaningful local authority powers cannot be acquired in isolation from the capacity of councils to provide services. Policy priorities need to be integrated, inter-linked across localities, with accountability for service provision via elected representatives.

Recommendations

6. The Commission supports local government determining its own structures, scales and size. Councils should be left to determine for themselves the organisation, configuration, and modes of service delivery, as fitting with local circumstances and choice.

7. In England, we propose that structural reforms, mergers or reductions in scale are submitted to an independent and representative Standing Commission. This Standing Commission would make recommendations on proposals to central government.

8. New powers should be transferred to local government as a major step towards the integration of local services and accountability for place-based services. The Commission strongly supports local government exercising responsibility for primary health care, local policing, funding for public housing and for further education and the management of local schools (allowing for differences across the devolved nations).

A sustainable financial settlement for local government

The current system of local government funding is not sustainable. It is broken and increasingly fragile after the accumulated impact of a decade of year-on-year reductions under austerity. Cuts to funding have hit our poorest communities the hardest, while the funding of social care is placing huge pressures on local funding across all local authorities, with differences in complex needs, funded care and 'self-funders' adding to further layers of complexity. There remains enormous unmet need for care and rationing of care. Indeed, local authorities risk collapsing under the weight of a complex cocktail of sustained reductions in central grants; the unevenness of cuts to

funding; increasing demands for local services and the shifting balance between discretionary and statutory services, particularly social care; the erosion of local authority financial reserves; and the increased reliance on Business Rates, Council Tax, income-generation, and commercialisation. The Covid-19 pandemic has accelerated and intensified further the pressures on local finances, increasing demands on services and shrinking local sources of income, exposing for many councils the market vulnerability of reliance upon commercialisation activities.

Evidence to the Commission made repeated and vocal calls for the implementation of a sustainable funding settlement for local government. There were few differences between submissions from England, Scotland, Wales, and Northern Ireland: all areas supported a more expansive approach to local finance. Witnesses voiced support for place-based budgeting and new additional sources of local revenue and broader powers to borrow and invest. They advocated the end of competitive funding and ring-fencing. Yet, it was also accepted that greater local financial flexibility did not do away with the continued need for redistribution between authorities.

This evidence confirmed the commitment of the Commission to the reform of local funding. Piecemeal reforms will no longer provide the financial foundations that local government requires to address the wide range of policy challenges that it faces. Austerity brought local government funding levels to the lowest point in over 70 years. Taking these matters into consideration, a sustainable funding regime for UK local government requires both a recognition that councils have to be able to meet local needs and that there should be a guaranteed floor below which funding should not fall. One way in which this can be done is to guarantee local government a share of funding equivalent to a percentage of Gross Domestic Product (GDP) that it cannot fall below. Using a percentage of GDP as a proxy measure for the minimal threshold, below which local government funding cannot fall, is an imperfect mechanism. However, local government cannot bear again its unfair share of the brunt of austerity.

Recommendations

9. Local government requires a long-term sustainable financial settlement. This sustainable financial settlement should ensure that every council has sufficient resources to exercise its roles and responsibilities and meet the needs of its communities. In keeping with the principle of local by default, councils should be free to use such resources as they see fit, consistent with the demands of democratic accountability. This national settlement should be agreed for a five-year period, with any further powers or roles and responsibilities transferred to local government during the period of the settlement bringing additional funding.

10. To guarantee that councils do not once again experience an unfair share of the burden of cuts to public funding, total local government funding should not fall below an agreed minimum percentage of Gross Domestic Product (GDP). This guaranteed level of funding should be seen as a minimum threshold that recognises that locally provided services are of equal importance to those within the NHS, education and the activities of central government.

11. It will be for the local government sector itself to decide how funding is allocated between authorities.

12. A significant proportion of the national settlement for local government will continue to be raised locally. There should be a re-valuation and reform of the Council Tax and a reform of Business Rates.

13. In addition to its share of the national settlement, local councils should be free to raise additional funding as they see fit, through increases to general and specific local taxes, and hypothecated taxes.

14. During the transition towards this new financial settlement, government should agree a multi-year funding settlement with local government to ensure stability in the short-term.

15. Centrally funded national programmes should no longer be distributed through competitive funding but on clear principles agreed by central and local government.

Local democracy, representation and accountability

Local government is a directly elected tier of government. It occupies a unique position amongst the plethora of public service organisations and agencies that operate within council boundaries. The internal governance of councils, how they engage with communities and other public bodies, and how they advance the public good, are crucial to making this democratic legitimacy meaningful. Democratic and accountable governance therefore requires strong political and managerial leadership to deliver for the public purpose in local areas. It should also reflect the diversity of local populations and their needs and interests. It necessitates organisational practices and systems which are transparent and understandable to the public; systems which provide multiple ways for communities to influence council decision-making and hold authorities to account.

However, the political leadership of local government remains unrepresentative of the diverse communities that it represents. Too few councillors are young, women or from Black, Asian and Minority Ethnic communities. Progress to resolve this disconnect with communities has been too slow, and not always helped by the dominant culture of local authorities. At the same time, the office of the councillor is becoming increasingly unattractive, with a cohort of 'backbench' councillors who feel they are 'second class' councillors, less empowered, increasingly undervalued and facing a complex and demanding workload. As the attractiveness of the role of councillor diminishes, it is becoming more difficult to attract a range of candidates which reflect the diversity of communities.

Evidence to the Commission also highlighted the increasing complexity of securing accountability and the challenges to the role of the 'traditional' model of elected representative democracy. In fact, there was general agreement that councils should be the 'democratic anchor' of local governance in their area. The layering of tiers and new public bodies, not to mention public-private partnerships, has added to the complexity of local accountability and hampered the capacity of councillors to navigate traditional paths and mechanisms of accountability.

The Commission found a clear consensus emerging from the evidence that models of political leadership and decision-making should not be imposed but should be a matter for local choice.

Attempts to impose systems of governance onto local government have proven to be too prescriptive and go against the grain of local government being a truly local political unit. Similarly, the promotion of new roles for councillors by central government has borne too little relationship to councillors' daily experience and to the realities of local political life.

Recommendations

16. Models of political leadership and organisation should remain a matter for local discretion. There should be no 'top down' imposition of any particular form of organising.

17. Local scrutiny should be strengthened with formal recognition of local government, the locally elected body, as scrutineer of other agencies and services in a place, with formal rights to information and meaningful impact. This might take the form of Local Public Accounts Committees. In return, councils themselves should be open to independent scrutiny.

18. It is strongly recognised that communities are better served when the body of councillors reflects the diversity of their communities. In line with the Public Sector Equality Duty to tackle discrimination, councils as public authorities should develop and report on local action plans to make strident and conscious efforts to ensure access to political office for people of all backgrounds. The development of local action plans should be supported by national local government bodies and associations.

19. There should be better remuneration, training, and support for local councillors, as well as the introduction of a national remuneration scheme for councillors in England. National bodies on remuneration should make recommendations on how councils can best support the work of local councillors and ensure access to political office to all.

The local government workforce

Across the UK just over 2 million people are employed by local government, working in some 800 occupations and professions. These people are for many in our communities the face of local authorities, the first port of call for those in need. The majority are women. They are a strategic resource for councils, a source of practical 'know how' and frontline innovation. However, the local government workforce is under increasing pressures. Funding cuts have led to reductions in staffing. Reductions in the workforce have put increasing pressures on those who remain in post, with the Covid-19 pandemic further testing the resilience of staff and exposing the working conditions of those delivering social care, both inside and outside of local government. Inequalities of pay and career progression remain across the sector. At the same time, local government, like other sectors, is facing the challenges of an ageing workforce, technological change, and digitalisation, which are already shifting everyday routines and organisation.

There was broad recognition of the strategic value of public employment in local communities, with local authorities often the largest employer in many towns and cities. However, witnesses expressed concerns that the local government workforce is under strain and exhausted from the long hours and stress of managing the pandemic, with growing vacancy levels. Cuts to staffing have reduced the core capacity of local authorities, putting increasing demands on those in post. Pay for many remains below the levels of those working in equivalent posts in other public sector organisations or services. Training budgets have been squeezed while at the same time new skills and capabilities are increasingly being required from staff.

These strains are being layered on top of longstanding challenges that local authorities still need to address. Inequalities in the workplace, despite the initiatives of local authorities, continue to hamper progression and career development, particularly for women, Black, Asian, and Minority Ethnic staff, and those with disabilities who are particularly under-represented in managerial and leadership positions. The workforce of local authorities does not represent the communities within which they live and work. Making the most of the strategic resource that is the local government workforce requires investment in pay, training, and working conditions, and the development of recruitment and retention programmes that engage all communities into positions across the workforce. Policy agendas and decisions that truly reflect the diverse needs of communities are more likely to stem from having the presence of people of all backgrounds and genders in top posts and frontline service delivery.

Recommendations

20. It is recognised that communities are better served when the local government workforce reflects their diversity. The Commission supports the introduction of a duty for the local government workforce to be representative of the communities it serves, with an annual reporting mechanism on progress.

21. The Commission calls for the creation of a national linked system of pay and conditions across the public sector, removing pay gaps between equivalent jobs in local government and other public services, in line with the principle of equal pay for work of equal value.

22. The Commission calls for the establishment of new skills and capability career pathways into local government, training and career development for existing employees, and workforce planning to counter the ageing workforce. The Commission recognises the particular urgency for career pathways in the environment and climate change mitigation, digitalisation, and the care economy in the post-Covid recovery.

23. The Commission argues that providing an integrated set of services directly, that are democratically accountable but flexible and adaptable to local people's needs, should be the default option for local services where they are best able to provide high quality, effective and socially just outcomes for local communities and local economies.

Addressing inequalities and engaging communities

The Covid pandemic has accentuated the uneven impacts of cuts to local government spending and welfare reform. Evidence to the Commission underlined how cuts to local services and welfare changes have had drastic impacts on children's and young people's services, disproportionately impacting on women, particularly BAME, lone parents and disabled women, who have experienced the negative cumulative impact of changes to taxes, benefits, and public spending since 2010. The Covid pandemic has accentuated the uneven impacts of cuts to local government spending and welfare reform in a context where communities are already experiencing increasing forms of environmental injustice, as well as growing digital and intergenerational divides, that are likely to accelerate as we move towards 2030.

Local authorities are able to act as potential or partial 'buffers' against the cuts. As stewards of place, they can mobilise their organisational and financial resources to bring about change, to deliver a new, dynamic municipalism. We have witnessed in our investigations how the public good can be advanced through judicious use of public procurement, public employment, and municipal entrepreneurship. Strategic interventions in the foundational and caring economy will be essential as we move towards post-Covid recovery. Services in health, education, care, and the environment provide us with the everyday essential infrastructure that make our communities possible.

But 'local by default' does not stop at the door of the Town Hall. Movements across our communities are increasingly expressing new demands for change in our institutions and a greater say in the shaping and delivery of services. We have witnessed evidence of community participation, deliberation and co-production that has opened up alternative spaces of democratic decision-making and empowerment in ways that do not simply transfer responsibilities from local government onto communities. But demands for community empowerment have often been constrained by broader systemic issues of power and under-funding. We recognise that community empowerment must be facilitated through a robust and well-funded local government. It needs to be part of realising a broader vision of our economy and society, not simply reduced to transferring responsibilities onto communities. We need to ensure that the needs and demands of all communities are listened to, heard, and addressed. All councillors equally need to be able to bring about change in the communities that elected them so that they can carry out their representative role effectively. And, in the collective decisions that we take today, we have to take account of the long-term impacts of our actions on future generations.

Recommendations

24. Councils should follow a principle of care to ensure that community engagement encourages all voices, provides diverse modes of engagement, and aligns representative and participatory forms of decision-making.

25. Councils should look to the long-term impacts of their decisions and work with young people to ensure positive outcomes for current and future generations.

26. Councils should comply with the Public Sector Equality Duty and undertake meaningful equality impact assessments that evaluate how outcomes of their policies impact on services across their diverse communities.

27. The role of councillors as community leaders should be strengthened through individual councillor budgets and acceptance of the principle that councillors have the right to be engaged in any decisions or negotiations impacting on their wards.

28. Where possible, councils should use the council pound to buy local and support inclusive economic growth and community well-being.

Towards 2030: A roadmap for change

In the past, we have witnessed too many piecemeal reforms which have layered on new instruments and mechanisms onto existing practices and failed to deliver the systematic overhaul and long-term vision that is required. Our wealth of evidence demonstrates, however, the support for, and urgency of, reform across government to create a local government that is properly resourced and prioritised so it can transform places and meet the demands and expectations of our communities.

We are calling for Ministers within the UK Government and the devolved administrations to champion the system change we propose by building it into their programmes of government. Yet, our recommendations are not simply directed at central government or the devolved administrations. Political leaders across the political spectrum can endorse our demands. Councils too can contribute to this agenda. Many are already doing so. National associations and think tanks can also take up our calls and join with us in voicing demands for change. Together, we can model the collaboration that is required more than ever across our spheres of government.

To achieve the system change we propose by 2030, we either need a 'big bang' approach or incremental change that moves at pace. We believe that a 'big bang', such as the establishment of a Royal Commission on Local Governance or a Constitutional Convention, would be one effective way of building cross-party support for change. Alternatively, a more incremental approach could be overseen by National Governance Committees across the nations of the UK, rolling out further devolution based on the principle of subsidiarity at pace. The two approaches we believe would work best in tandem, allowing immediate impetus and change alongside a more deliberative approach to solutions. Yet, whatever approach we take, there remains a need for political leadership to overcome the obstacles to change, particularly in central government. This political leadership needs to start now.

The future work of the Commission

This report is the result of 18 months of listening and dialogue with local government. It is not the culmination of the work of the Commission. Rather, it is the beginning. Moving forward, the Commission will be a standing Commission, acting as an advocate for change, disseminating its work, and holding those in power to account for their actions. It will act to build support for change across local government and beyond, for the reinvigoration of local government comes

not from writing reports but from building and mobilising coalitions for change. This is the next step in the work of the Commission. We invite you to join us.

Roadmap for government: Three phases of reform

First phase

- Begin the process of establishing constitutional protection for local government (Recommendation 1).
- Commit to the principle of local self-organisation (Recommendations 6 and 16).
- Put in place a clear framework for devolution, establishing National Governance Committees (Recommendations 2, 3, and 5).
- Commit to a multi-year funding settlement and end competitive funding regimes (Recommendations 14 and 15).

Second phase

- Bring forward new devolution bills for all nations of the UK and establish in England an independent Standing Committee on local reorganisation (Recommendations 4, 7).
- Put in place five-year sustainable financial settlements for local government and institutionalise a political agreement that ensures that funding for local government never falls below a guaranteed percentage of Gross Domestic Product ensuring needs can be met (Recommendations 9, 10).
- Put in place mechanisms for local government to decide the distribution of funding between councils (Recommendation 11)
- Re-value and reform council tax and business rates, and establish local freedoms to raise general, specific local and hypothecated taxes (Recommendations 12 and 13).
- Establish local government as scrutineer of other agencies and services in a place, with formal rights to information and meaningful impact (Recommendation 17).
- Introduce a national remuneration scheme for councillors in England, ensuring national renumeration bodies with a revised remit to advance access to political office for all (Recommendation 19).
- Introduce a duty for the local government workforce to be representative of the communities it serves (Recommendation 20).
- Roll out a national system of pay and conditions across the public sector, removing pay gaps between local government and other public services (Recommendation 21).

Third phase

- Finalise the delivery of constitutional protection for local government (Recommendation 1)
- Transfer to local government responsibility for primary health care, local policing, funding for public housing and further education and the management of local schools (Recommendation 8).

Councils: Working to deliver change

- Publish and report on local action plans to make strident and conscious efforts to ensure access to political office of people from all backgrounds (Recommendation 18).

- Develop annual reporting mechanisms in advance of the duty for the local government workforce to be representative of the communities it serves (Recommendation 20).

- Establish new career pathways into local government and ensure access to training for all in post (Recommendation 22).

- Directly provide where appropriate an integrated set of services (Recommendation 23).

- Implement in practice a principle of care encouraging all voices to be heard and aligning representative and participatory forms of decision-making (Recommendation 24).

- Assess the long-term impacts of policies, undertake meaningful equality impact assessments, and work with young people to ensure positive outcomes for current and future generations (Recommendations 25 and 26).

- Strengthen the role of councillors as community leaders, allocating individual councillor budgets and accepting the principle that councillors have the right to be engaged in any decisions or negotiations impacting on their wards (Recommendation 27).

- Use the council pound to buy local and support inclusive economic growth and community well-being (Recommendation 28)

Recommendations

Revitalising local government

1. The role and powers of local government should be enshrined in a constitutional settlement.

2. There should be clarity for the public over the responsibilities of local, regional, and national government.

3. Government should agree and develop, in consultation with local government and the devolved administrations, a clear devolution framework, based on the principles of subsidiarity, local autonomy and flexibility. This should include a clear indication of powers and funding available and should allow all local authorities to access/benefit from it, although at a pace and scale that fits best local needs.

4. Based on the principles set out in the framework, the Commission calls for new 'Devolution Bills' for all the nations of the UK. The Bills should not provide a 'one size fits all' approach across the nations of the UK, but deliver a flexible, place-based model of devolution that can benefit all areas by improving governance and addressing inequalities.

5. The Commission calls for the creation of permanent National Governance Committees across nations of the UK, which should be consulted for any law and policy-making processes that affect directly local government and devolved institutions (such as reforms and re-organisation).

The roles and powers of local government

6. The Commission supports local government determining its own structures, scales and size. Councils should be left to determine for themselves the organisation, configuration, and modes of service delivery, as fitting with local circumstances and choice.

7. In England, we propose that structural reforms, mergers or reductions in scale are submitted to an independent and representative Standing Commission. This Standing Commission would make recommendations on proposals to central government.

8. New powers should be transferred to local government as a major step towards the integration of local services and accountability for place-based services. The Commission strongly supports local government exercising responsibility for primary health care, local policing, funding for public housing and for further education and the management of local schools (allowing for differences across the devolved nations).

A sustainable financial settlement for local government

9. Local government requires a long-term sustainable financial settlement. This sustainable financial settlement should ensure that every council has sufficient resources to exercise its roles and responsibilities and meet the needs of its communities. In keeping with the principle of local by default, councils should be free to use such resources as they see fit, consistent with the demands of democratic accountability. This national settlement should be agreed for a five-year period, with any further powers or roles and responsibilities transferred to local government during the period of the settlement bringing additional funding.

10. To guarantee that councils do not once again experience an unfair share of the burden of cuts to public funding, total local government funding should not fall below an agreed minimum percentage of Gross Domestic Product (GDP). This guaranteed level of funding should be seen as a minimum threshold that recognises that locally provided services are of equal importance to those within the NHS, education and the activities of central government.

11. It will be for the local government sector itself to decide how funding is allocated between authorities.

12. A significant proportion of the national settlement for local government will continue to be raised locally. There should be a re-valuation and reform of Council Tax and a reform of Business Rates.

13. In addition to its share of the national settlement, local councils should be free to raise additional funding as they see fit, through increases to general and specific local taxes, and hypothecated taxes.

14. During the transition towards this new financial settlement, government should agree a multi-year funding settlement with local government to ensure stability in the short-term.

15. Centrally funded national programmes should no longer be distributed through competitive funding but on clear principles agreed by central and local government.
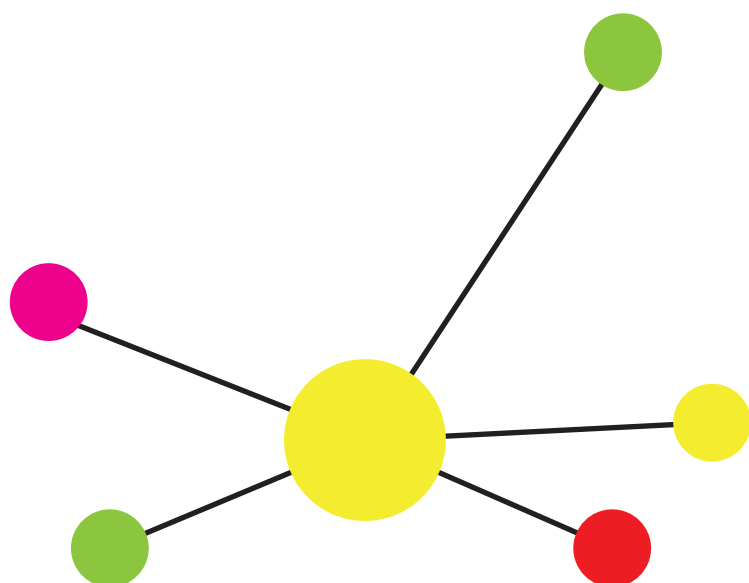
Local democracy, representation, and accountability

16. Models of political leadership and organisation should remain a matter for local discretion. There should be no 'top down' imposition of any particular form of organising.

17. Local scrutiny should be strengthened with formal recognition of local government, the locally elected body, as scrutineer of other agencies and services in a place, with formal rights to information and meaningful impact. This might take the form of Local Public Accounts Committees. In return, councils themselves should be open to independent scrutiny.

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across the public sector, removing pay gaps between equivalent jobs in local government and other public services, in line with the principle of equal pay for work of equal value.

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23. The Commission argues that providing an integrated set of services directly, that are democratically accountable but flexible and adaptable to local people's needs, should be the default option for local services where they are best able to provide high quality, effective and socially just outcomes for local communities and local economies.

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Chapter One

Local by default: For a new municipalism in 2030

1.1   This decade will see the UK facing some of its biggest challenges since the immediate post-war era and indeed the Great Depression of the 1930s. Ten years of austerity, slow economic growth, gender and race discrimination, and multiple crises of housing, care for older people and climate change have reduced opportunity and quality of life for many across our communities. The Covid pandemic and its impact on the health and well-being of the young and the vulnerable has amplified such inequalities, laying bare the uneven distribution of resources and life chances across the country. Dissatisfaction with elements of our democracy is growing, particularly among young people in the face of economic exclusion and wealth inequalities.[1] Social movements are springing up across the country, voicing their frustration at political institutions that are no longer seen to be delivering on their demands for change.

1.2   In meeting such challenges, local government at its best can play an integral role in lifting those life chances for people from all communities in an even handed and fair way. Local government is at the heart of our democracy. It is a part of everyone's daily life, be it through education, housing, welfare, public health or transport, libraries, parks, leisure centres, street cleaning and refuse collection. Public policy crises and widening inequalities impact on local government - and yet they can, and must be resolved locally. In an uneven landscape and a rapidly changing world, knowledge of local circumstances is hugely important. Indeed, if we are to meet the challenges of climate change, address the impacts of digitalisation, plan a future for our town and city centres, and deal with the uncertain long-term consequences of the Covid pandemic, local government and its knowledge and experience of working with communities can no longer be pushed to the margins. But this is what has happened and risks continuing to happen. The current system of local governance in the UK is under severe strain and leads to dysfunctional outcomes. We need to fix the system to develop an effective mechanism for navigating the complex issues that society faces today and in the future. It is time to recognise that a well-resourced and well-run local government can be an effective way of re-engaging a disaffected public.

Fifty years of contraction

1.3   For over 50 years more and more centralisation has progressively stripped local government of its role, powers, and resources. Too often councils have been viewed with a sense of unease by central government, regarded as inferior rather than as an equal in terms of their democratic legitimacy. They have been seen as part of the problem, rather than part of the solution, despite enjoying greater public support than central government. Repeatedly, the centre has demanded that councils bear the brunt of cuts to public spending. And, when in the last resort, it has granted councils additional responsibilities, it has done so late in the game as a means of avoiding blame, increasing responsibilities but offering little in the way of new powers or resources.

1.4   Pressure has built up as local government has diminished. Over the last ten years that pressure has intensified up to a point where individual councils, and indeed the system of local government, has been on the verge of breaking. As we have said above, the Covid pandemic provided us with further evidence, if needed, of the tensions and contradictions between the centre and the local in our political system. Whether it is challenges over the need for

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[1]   Foa, R.S., Klassen, A., Wenger, D., Rand, A. and M. Slade. 2020. *Youth and Satisfaction with Democracy: Reversing the Democratic Disconnect?*, Cambridge (UK): Centre for the Future of Democracy; Coughlan, S. (2020) *Dissatisfaction with democracy at 'record high'*, BBC News, 29 January, https://www.bbc.co.uk/news/education-51281722.

continued local restrictions, the absence of cooperation with local public health officials, or poor communication of national policy decisions, the response to the pandemic has demonstrated 'the ingrained unwillingness of the [central] state to see itself as a part of a wider network of responsible governing bodies'.[2] The dominant political tradition remains that of centralisation, and misplaced faith in the omniscient central executive.

1.5   But, the Covid pandemic is also a clarion call to change and to build forward better. This current centralised 'one-size-fits-all' philosophy is not working. It perpetuates a misplaced confidence in the ability to manage problems at a distance. It blurs responsibilities between our tiers of government. It hampers collaboration and learning across communities. And it hinders the capacity of our governance structures to experiment and innovate.[3] It is not able to deal with the complex economic, political, and social challenges facing the UK over the next ten years and beyond. It creates a culture of dependency, requiring local authorities to go to the centre for permission, resources, and approval, undermining not only their confidence but their ability to push on and address local issues. In short, it is not up to the job.

An alternative: The principle of local by default

1.6   The Commission is clear in its recommendations. We call for a 're-set' of our system of governance across the UK, one which breaks the dominant political tradition by decentralising powers away from the centre to local government. We call for current and future governments to endorse a principle of local by default. Local by default posits that powers and responsibilities sit with local government unless the evidence or a reasoned argument shows it to be wholly inappropriate.

1.7   This is not to endorse a naïve localism. We recognise that different policy issues and contemporary challenges are best resolved by different parts of government working in collaboration. But at present, the boundaries between the roles and responsibilities of the different spheres of government are blurred. We need greater clarity. And such clarity can only come if we challenge the starting point for far too many 'winner takes all' discussions of local government reform: what can central government give to local authorities? On the contrary, local by default reverses this dynamic, building forward from the local and embedding collaboration across different parts of government. It leads us to ask: how do we design local institutions to put communities first?

1.8   Local by default has to underpin our understanding of the place-based public leadership required to address the so-called 'big ticket' policy challenges. These are clear and present: Covid recovery; the post-Brexit economy; the climate emergency; growing inequalities and poverty; race and gender discrimination; public health inequalities; housing; the repurposing of our town and city centres; and the future of social care. But each of these challenges is not self-contained. They are interconnected. Take the climate change emergency. It spreads into all areas of the economy, as well as social injustice, our everyday practices of food production, leisure and mobility, having an impact on our natural world around us.

1.9   At the same time, our society is changing in ways that bring opportunities and challenges. Our population is diversifying, growing, and ageing. Digitalisation promises economic transformation, new forms of connectivity and personalised services better designed to meet the needs of communities. But such trends risk increased unemployment, the reproduction of

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[2]   Kenny, M. and Kelsey, T. (2020) *Devolution or delegation? What the revolt of the metro-mayors tells us about English devolution?*, LSE British Politics and Policy Blog, available at https://blogs.lse.ac.uk/politicsandpolicy/devolution-or-delegation/

[3]   Gaskell, J., Stoker, G., Jennings, W. and Devine, D. (2020) 'COVID-19 and the blunders of our governments', *Political Quarterly*, doi.org/10.1111/1467-923X.12894

existing inequalities and embedded power structures, as well as the generation of new patterns of exclusion and intergenerational tensions. The changes that we see operate at different rhythms and timescales. Some have a clear urgency while others are more organic and cumulative.

1.10   Of course, it is impossible to offer any fine-tuned predictions of what lies ahead. We can expect legacies of the past to continue to shape our everyday practices, unexpected outcomes, ambiguity over the choices to be made and change across communities to occur at variable speeds – as always. But one thing is certain: how these elements all come together and are addressed in different places will matter. We need local government to engineer and trial flexible place-specific responses, to offer democratic and accountable leadership, to work with communities and to forge new partnerships. We will need to learn across spheres of governments and to carve out new collaborations, but if we are to combat the deep-rooted structural weaknesses of our current system of governance[4] , we will need to adopt the principle of local by default.

Listening to local government: What we have heard

1.11   A large part of the work of the Commission has been to listen to stakeholders from across local government. We have heard of the innovation and resilience of local authorities, of the emergence of a new municipalism, characterised by new forms of entrepreneurship and community wealth generation. We have indeed examined a mushrooming of innovative interventions in local markets, the growth of housing companies, and new forms of collaboration with communities. However, we have also heard that such developments have often been achieved despite central government rather than because of it.

1.12   Evidence of submissions and witnesses have repeatedly informed us that:

- Ten years of austerity, localization and ringfencing has eroded the capacities of local government, emaciating local government and resulting in vastly reduced resources. Councils have struggled to provide minimum levels of services for those who live in their communities.

- Too many levers of power and services remain outside the remit of local government. Local government needs to be able to deliver the range of services upon which communities depend.

- In England, repeated local government re-organisation imposed by the centre has produced a complex jigsaw and a dysfunctional set of arrangements that have hampered local accountability. There are many tiers, roles are blurred, and the public do not understand who does what. The current devolution settlement has to be updated to ensure that the local level can maintain its role as steward of place.

- Cuts to local services together with welfare changes have disproportionately impacted diverse working-class communities, young people and women, particularly Black, Asian, and Minority Ethnic, lone parent, and disabled women. Local authorities are able to act as a potential or partial 'buffer' against the cuts, but they have been hampered in their efforts to do more.

- Cabinet style governance, and the growing influence of multiple unelected bodies and agencies, have reduced the input of many elected members to that of a so-called 'backbencher', who can perceive themselves as someone on the outside looking in with limited power to influence the direction of the council and to hold other public

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[4]   Gaskell, J., Stoker, G., Jennings, W. and Devine, D. (2020) 'COVID-19 and the blunders of our governments', *Political Quarterly*, doi.org/10.1111/1467-923X.12894; Local Government Information Unit (2020) *Power down to level up*, report by A. Walker and P. Diamond, London: LGIU and QMUL.

bodies in any way accountable as to how public funds are spent within the local area.

- Many people from Black, Asian and Minority Ethnic communities, women and young people, are discouraged from standing as councillors by the way the local democratic process takes place, its time commitments, its poor remuneration, particularly in England, and, at times, the toxic criticism that accompanies the role.

- Local government is often amongst the largest employer in our cities and towns, bringing the value of public employment to our communities. But the local government workforce has experienced severe and uneven reductions. Job cuts have impacted the most on women while the 'top' of local government remains unrepresentative of women, diverse communities, and people with disabilities. The local government workforce does not always represent the communities that it works for and lives within.

Our vision for 2030

1.13   Moving forward, if local government is truly to act as a steward of its local area, engaging and working with local communities in developing responses to build forward, then we believe that local government has to be reinvigorated. It must have must parity of esteem with central government; its roles and responsibilities have to be deepened and broadened; its local democratic leadership strengthened; its workforce offered the training and career pathways those working for local councils require; and fundamentally, it has to be properly resourced.

Clarity of roles

1.14   We call for the clarity of roles between what is dealt with at a national, regional, and local level and a realignment of responsibilities to the appropriate sphere starting with the principle of local by default. There needs to be a recognition that each level of government has its own sphere of governance, its own democratic mandate and has equal parity in terms of role and importance. We need a systematic approach to create synergy, allowing scarce resources to go further, rather than building in inefficiency and bureaucracy by handing down resources through bidding pots or on a piecemeal basis. There also needs to be a much greater clarity in the structure of local government in England by 2030, with a clear plan and framework for devolution across all the nations of the UK. We need local government's role enshrined constitutionally so that its role and powers are clearly established and not beholden to the whim of the Government(s) of the day, either at Westminster or the devolved administrations.

Roles and responsibilities of local government

1.15   Councils need to be at the forefront of tackling the multiple public policy crisis we face, transforming local areas by reshaping, repurposing and regenerating local economies, local infrastructure and maintaining them as places where people want to work, live and grow themselves and their families. To build these places, they need be given new responsibilities and freedoms. They will need powers and resources to plan for the future of their communities; to house the people who live and work in their area; to create sustainable transport systems; to co-ordinate and integrate the health and care services that support community wellbeing; and to decide the pace of the shift to the digital world and what this means for access to services and delivery platforms. New roles and responsibilities for local government will ensure the provision of integrated services that are not only democratically accountable but flexible and adaptable to local people's needs as public policy priorities change. We believe that such councils will also be vital to the economic wellbeing of their places, being able to develop and involve local supply chains from the private and third sectors while growing the concept of social value in the local economy.

Strengthening local democracy

1.16   We are calling for a reinvigoration of local government and the value placed on the local democratically elected representatives who govern these institutions. We need to get the balance right between what are council-wide strategic decisions and what are local councillor decisions at a ward level and ensure that those directly elected by local people are not excluded from decisions that impact on their local neighbourhood.

1.7   Councils should be able to hold all those who provide services in their area to account on behalf of the local community, particularly where this involves public funding. There needs to be much greater integration around health, education, and housing rather than the current fragmentation.

1.18   We believe that if councillors are valued and rewarded reasonably, people from all walks of life will be attracted to serve. We need to make sure the system of local governance works for everyone and that they have an equal chance of being involved in running that system, not excluded from it by design.

1.19   We must find and develop better ways of engaging with all communities in local areas and of reconnecting with the next generation whose future is going to be hugely dependent on decisions that are made on the big public policy conundrums of our time. We must reach out and involve them in that decision making process.

Local government workforce

1.20   To deliver these outcomes, elected members need a vision for a well-trained and highly motivated workforce, reflective of the local community, to implement on behalf of local communities. Councils should be enabled to build skilled workforces for not only their own needs but those of the wider local economy. They must be able to develop knowledge and skills within local workforces to tackle the climate emergency over the coming decades. There must, then, be investment in developing leadership but also in training at all levels of local government, creating clear career paths for the workforce. At the same time, the organisational culture of councils needs to enable the workforce to have a greater involvement in decision making, engaging a workforce drawn from all communities that delivers services for the localities in which they live, and provides an improved quality of life for all of the people they walk amongst.

Sustainable funding

1.21   All of this needs to be underpinned by a properly funded financial settlement that guarantees a minimum amount of GDP to local government in order to fulfil statutory and core non statutory responsibilities, and that gives local government the ability to raise locally based taxes for local priorities. There must be clear understandable links for the public to see what the tax they are paying is spent on locally, regionally, and nationally. In the immediate future there needs to be a mid to long-term financial settlement for local government whilst the current system is redesigned, the Business Rates model is reviewed and Council Tax revalued. The funding of social care needs to be addressed now; there has been too much prevarication and this cannot go on any longer.

Fixing the system: Our Recommendations

Revitalising local government

1. The role and powers of local government should be enshrined in a constitutional settlement.

2. There should be clarity for the public over the responsibilities of local, regional, and national government.

3. Government should agree and develop, in consultation with local government and the devolved administrations, a clear devolution framework, based on the principles of subsidiarity, local autonomy and flexibility. This should include a clear indication of powers and funding available and should allow all local authorities to access/benefit from it, although at a pace and scale that fits best local needs.

4. Based on the principles set out in the framework, the Commission calls for new 'Devolution Bills' for all the nations of the UK. The Bills should not provide a 'one size fits all' approach across the nations of the UK, but deliver a flexible, place-based model of devolution that can benefit all areas by improving governance and addressing inequalities.

5. The Commission calls for the creation of permanent National Governance Committees across nations of the UK, which should be consulted for any law and policy-making processes that affect directly local government and devolved institutions (such as reforms and re-organisation).

The roles and powers of local government

6. The Commission supports local government determining its own structures, scales and size. Councils should be left to determine for themselves the organisation, configuration, and modes of service delivery, as fitting with local circumstances and choice.

7. In England, we propose that structural reforms, mergers or reductions in scale are submitted to an independent and representative Standing Commission. This Standing Commission would make recommendations on proposals to central government.

8. New powers should be transferred to local government as a major step towards the integration of local services and accountability for place-based services. The Commission strongly supports local government exercising responsibility for primary health care, local policing, funding for public housing and for further education and the management of local schools (allowing for differences across the devolved nations).

A sustainable financial settlement for local government

9. Local government requires a long-term sustainable financial settlement. This sustainable financial settlement should ensure that every council has sufficient resources to exercise its roles and responsibilities and meet the needs of its communities. In keeping with the principle of local by default, councils should be free to use such resources as they see fit, consistent with the demands of democratic accountability. This national settlement should be agreed for a five-year period, with any further powers or roles and responsibilities transferred to local government during the period of the settlement bringing additional funding.

10. To guarantee that councils do not once again experience an unfair share of the burden of cuts to public funding, total local government funding should not fall below an agreed minimum percentage of Gross Domestic Product (GDP). This guaranteed level of funding should be seen as a minimum threshold that recognises that locally provided services are of equal importance to those within the NHS, education and the activities of central government.

11. It will be for the local government sector itself to decide how funding is allocated between authorities.

12. A significant proportion of the national settlement for local government will continue to be raised locally. There should be a re-valuation and reform of the Council Tax and a reform of Business Rates.

13. In addition to its share of the national settlement, local councils should be free to raise additional funding as they see fit, through increases to general and specific local taxes, and hypothecated taxes.

14. During the transition towards this new financial settlement, government should agree a multi-year funding settlement with local government to ensure stability in the short-term.

15. Centrally funded national programmes should no longer be distributed through competitive funding but on clear principles agreed by central and local government.

Local democracy, representation, and accountability

16. Models of political leadership and organisation should remain a matter for local discretion. There should be no 'top down' 'imposition of any particular form of organising.

17. Local scrutiny should be strengthened with formal recognition of local government, the locally elected body, as scrutineer of other agencies and services in a place, with formal rights to information and meaningful impact. This might take the form of Local Public Accounts Committees. In return, councils themselves should be open to independent scrutiny.

18. It is strongly recognised that communities are better served when the body of councillors reflects the diversity of their communities. In line with the Public Sector Equality Duty to tackle discrimination, councils as public authorities should develop and report on local action plans to make strident and conscious efforts to ensure access to political office for people of all backgrounds. The development of local action plans should be supported by national local government bodies and associations.

19. There should be better remuneration, training, and support for local councillors, as well as the introduction of a national remuneration scheme for councillors in England. National bodies on remuneration should make recommendations on how councils can best support the work of local councillors and ensure access to political office to all.

The local government workforce

20. It is recognised that communities are better served when the local government workforce reflects their diversity. The Commission supports the introduction of a duty for the local government workforce to be representative of the communities it serves, with an annual reporting mechanism on progress.

21. The Commission calls for the creation of a national linked system of pay and conditions across the public sector, removing pay gaps between equivalent jobs in local government and other public services, in line with the principle of equal pay for work of equal value.

22. The Commission calls for the establishment of new skills and capability career pathways into local government, training and career development for existing employees, and workforce planning to counter the ageing of the workforce. The Commission recognises the particular urgency for career pathways in the environment and climate change mitigation, digitalisation, and the care economy in the post-Covid recovery.

23. The Commission argues that providing an integrated set of services directly, that are democratically accountable but flexible and adaptable to local people's needs, should

be the default option for local services where they are best able to provide high quality, effective and socially just outcomes for local communities and local economies.

Addressing inequalities and engaging communities

24. Councils should follow a principle of care to ensure that community engagement encourages all voices, provides diverse modes of engagement, and aligns representative and participatory forms of decision-making.

25. Councils should look to the long-term impacts of their decisions and work with young people to ensure positive outcomes for current and future generations.

26. Councils should comply with the Public Sector Equality Duty and undertake meaningful equality impact assessments that evaluate how outcomes of their policies impact on services across their diverse communities.

27. The role of councillors as community leaders should be strengthened through individual councillor budgets and acceptance of the principle that councillors have the right to be engaged in any decisions or negotiations impacting on their wards.

28. Where possible, councils should use the council pound to buy local and support inclusive economic growth and community well-being.

The structure of the report

1.22   Each of the chapters that follow is devoted to one of the key themes identified in the work of the Commission. Each has the same structure in that it first establishes the key issues identified by Commissioners and supported in existing studies on local government. It then turns to explore the 'voices' of local government and the evidence submitted to the Commission. It concludes by setting out the views of the Commissioners and the recommendations for local government in 2030.

Chapter Two examines centre-local relations across the UK, devolution, and the demand for the constitutional protection of local government.

Chapter Three evaluates the need for new roles and powers for local government as we move towards 2030.

Chapter Four assesses the financial state of local government, the impacts of austerity and the Covid pandemic on local funding, proposing a sustainable financial settlement for local government.

Chapter Five turns to the role of local government as a democratically elected body, exploring the challenges of representation and accountability across local authorities and communities.

Chapter Six focuses our attention on the workforce, investigating the increasing demands on local government employees, the uneven impacts of cuts to funding, and the challenges facing the workforce of local authorities from the Covid pandemic.

Chapter Seven addresses the inequalities across our communities and how local government can work to empower communities as a steward of place.

We conclude in **Chapter Eight** by setting out our roadmap for change and how the recommendations of the Commission can be implemented as we move towards 2030. We now turn to the examination of centre-local relations in the UK.

Chapter Two

Revitalising local government

2.1   Local government's role, and the powers it should hold, have been vexed questions for many decades. Successive governments have failed to reach any enduring settlement or vision as to what we as a society want and expect local government to do. The so-called 'British political tradition'[5] or 'Westminster model' has concentrated power in the centre, making the UK one of the most centralised countries in the developed world.[6] Indeed, in the absence of a codified constitution and statutory protection for local government, central government, especially in recent decades, has been able to incrementally reduce the power and voice of local authorities.

2.2   This disregard for local government has added to the confusion over its roles, powers, and functions. It has generated frustration and mistrust amongst all involved. Too often, it has resulted in the centre failing to make the most of the resources, capabilities, and advice of local government. If further evidence was needed, the overly centralised response of the government to the Covid pandemic bears witness once again to the uneasy relations between the centre and the local, fuelling calls for greater recognition of local councils and their vital role in supporting our local communities. Indeed, throughout the Covid crisis local government has shown its ability to act quickly in the pandemic response, providing essential support to local communities. Yet, central government has placed more trust in private companies to deliver solutions at national level.[7] This merely underlines the urgency the Commission has given to addressing questions related to 'stewardship of place' – which seems to be under threat in the current context, limiting the ability of local government to fulfil its local leadership role.

2.3   Local government policy has continually suffered from the inability to resolve the tension between two competing visions. On the one hand, there is a view of local government as principally a public service delivery agent for central government. Governments of all political persuasions across the UK have used their legal and financial clout to exercise policy control over local authority behaviour, or to require regular upward accountability. But, on the other hand, there is a far broader conception of local government as a democratically mandated steward of place responsible for the wellbeing of their citizens and working with partners and citizens to develop and deliver an economic, social, and environmental vision for their areas.[8] Over the years, local government policy has paid heed to both of these visions, but it has failed repeatedly to resolve the tensions and contradictions between them.

2.4   The Commission believes that it is time to resolve such tensions and contradictions and aims to put in place a new vision of the future of local government. Such a vision necessarily has to address multiple issues, including the reform of centre-local relations, sustainable funding, enhanced democracy and new forms of representation and participation. In this opening chapter, we start this process by assembling the foundations of a new vision for local government: assessing the roles and power of local government and, taking stock of what has emerged from

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[5]   Richards, D. and Smith, M. (2016) 'Devolution in England, the British Political Tradition and the Absence of Consultation, Consensus and Consideration', *Representation*, 51:4, pp. 385-40.

[6]   Raikes, L., Giovannini, A. and Getzel, B. (2019) Divided and Connected: Regional Inequalities in the North, the UK and the Developed World, IPPR North: State of the North 2019 Report; UK2070 Commission (2020) Make No Little Plans. Acting at a Scale for a Fairer and Stronger Future, UK 2070 Commission Final Report.

[7]   Giovannini, A. (2021) 'In the eye of the storm: English local government and the Covid-19 crisis', In: Andres, L., Bryson, J.R, Ersoy, A. and Reardon, L. (eds) *Living with Pandemics: People, Place and Policy*. Cheltenham: Edward Elgar.

[8]   This role was encapsulated for many by Sir Michael Lyons' phrase 'place-shaping', or 'place leadership' (Lyons Inquiry into Local Government, 2007).

the evidence received by the Commission, providing recommendations on the constitutional future of local government and its revitalisation as a steward of local place and well-being.

Centre-local relations in the UK

The absence of constitutional protection for local government

2.5   Central-local relations in the UK take, as we suggest above, a very specific form, which tends to grant central government a strong hold over sub-national governance. Without the 'statutory protection' of a codified constitution, local government finds itself in an essentially subordinated position, with limited voice or influence over its own future. This tradition is so ingrained within the workings of our political system that it is easy to forget that the UK is an exception to the norm when compared to most western liberal democracies. Since 1998, the inception of a process of political devolution to Scotland, Wales and Northern Ireland (see section 2.10 below) has disrupted, to some extent, pre-existing patterns of vertical distribution of power, giving rise to new, complex relationships between the centre and the devolved administrations. And yet, this has not resulted in a more empowered local level in either of the nations of the UK or resolved the issue of local government's role and place in our constitution.

2.6   Local government owes its existence to statute. It's lack of constitutional status has meant that the roles and powers of local government have been forged by adapting unwritten constitutional traditions to central government's perception of what local government is for, and what purpose it serves.[9] For many decades, as local government's role in the delivery of welfare services grew, central-local relations took the form of an 'established partnership' that left considerable discretion over local delivery. This, however, has been fundamentally disrupted over time. By 1986, the Widdicombe Committee's claim that 'the more local authorities provide services that are central to people's lives, and seen to be so, the less realistic it becomes that they can be autonomous in the provision of those services'[10] summed up what had become the dominant view. Since then, many things have changed and new challenges have emerged, both at national and local level. Local government's position has become increasingly subject to the whims of the centre, and its role has been built and added in a very ad hoc manner. In essence, this process has led to incremental centralisation and loss of power and financial autonomy for local government which, in turn, has affected its ability to fulfil its role. After a decade of austerity and with new challenges related to Covid and Brexit, it seems appropriate to pause, take stock and devise a settlement that can make local government fit for the 21st century.

2.7   The constitutional weakness of local government has long been recognised, but efforts to deal with it have proved ineffective.[11] The UK belatedly signed the European Charter of Local Self-Government[12] in 1997. But, evidence to the House of Commons Select Committee on Political and Constitutional Reform highlighted that the 'European Charter of Local Self-Government has never been fully implemented in the UK simply because the UK Government does not have a single codified (written) constitution to which to append it: but in any case successive

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[9]   Loughlin, M. (1996) Understanding central-local relations, *Public Policy and Administration*, 11:2, pp.48-65.

[10]   Widdicombe Committee Inquiry into the Conduct of Local Authority Business, 1986, London: HMSO, p. 54.

[11]   House of Commons Select Committee on Political and Constitutional Reform (2013) *Prospects for codifying the relationship between central and local government,* Third Report of Session 2012–13, Vol. 1 HC 656-I, London: The Stationery Office Limited.

[12]   This is an international treaty of the Council of Europe which provides a framework for subsidiarity and sub-national devolution.

governments have shown little interest in applying its substance'.[13] Similarly, a central-local Concordat, signed in 2007, had no legal force, leaving 'few civil servants outside the Department for Communities and Local Government (DCLG) […] even aware of it'.[14] In a notable move, the Scottish Government is currently backing a Bill that is making its way through Parliament, which will enshrine the European Charter in law in Scotland. On the one hand, this suggests that devolution is allowing for divergence in the recognition of the principle of subsidiarity in different parts of the UK. On the other, it also helps to put under the spotlight the need to re-think, in a profound way, the constitutional position of local government and equip it with adequate protection.

2.8　　The attribution of a power of general competence in England, Wales and Northern Ireland could be seen as a significant step on the way to recognising local government's autonomy. For example, in England, the power of general competence introduced by the Localism Act 2011, means legally that 'a local authority has power to do anything that individuals generally may do' in the UK or elsewhere, including commercial activities or charging. In Scotland, local authorities have a general power to promote well-being. The Scottish Local Government Act 2003 enabled trading to promote well-being, and there is no requirement to trade through a company.

2.9　　In principle, powers of general competence such as those in England arguably free authorities from the ultra vires constraints which have always been seen to limit the capability of councils to properly oversee the well-being of local areas. Yet, there remain constraints on the use of the power. Constraints on the company structures permitted, conditions on charging powers and pre and post-commencement restrictions on the use of power do not reflect the promised 'power of first resort.' Furthermore, the use of the power is restricted so that it does not extend the ability of councils to create by-laws or undertake enforcement. In practice, such constraints mean that local government is only 'able to act innovatively and responsively within parameters set by centralised authorities, far removed from local problems and issues'[15]. This, once again, serves to underline a lack of trust in local government on the part of the centre, and its tendency to keep a strong hold over local affairs. The Commission believes that this is an issue that needs to be urgently addressed.

2.10　　Meanwhile, novel mixtures of regulation, inspection, performance monitoring and financial controls have been put in place, tightening further the already limited autonomy of local government. It is true that, in recent years, some of these constraints have been lifted - for example, the Coalition government elected in 2010 removed the Audit Commission and the Comprehensive Performance Assessment Framework. And yet, for the most part, local government remains under the control of tight guidelines set by the centre, and its status remains subordinate to that of central government. The Commission agrees that rebalancing the extent of central control over the local level is essential to revitalise the role of local government.

The unevenness of devolution

2.11　　The inception of a process of political devolution to Northern Ireland, Scotland and Wales, but not England, from 1997 has changed to some extent the territorial distribution of power and, in turn, centre-local relations in the UK. On the one hand, this has effectively created an asymmetric system of governance, where each of the UK nations hold different powers over a number of

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[13]　House of Commons Select Committee on Political and Constitutional Reform (2013) *Prospects for codifying the relationship between central and local government,* Third Report of Session 2012–13, Vol. 1 HC 656-I, London: The Stationery Office Limited.

[14]　Leach, S., Stewart, J. and Jones, G. (2018) *Centralisation, Devolution and the Future of Local Government in England*. London: Routledge, p.76.

[15]　Stanton, J. (2013) 'The General Power of Competence and reshaping local public service provision', UK Constitutional Law Blog, 27th July 2013.

policy areas. On the other, devolution has not resolved in full the issue of over centralisation that affects local government – leading to an 'asymmetry paradox' that is, once again, peculiar to the UK. For example, in Northern Ireland, Scotland and Wales political devolution has not coincided with further empowerment of local authorities. Devolution from Westminster has seemingly stopped in the corridors of Stormont, Holyrood or the Senedd, leading to different modes of 're-centralisation at the level of the devolved administrations' and, in turn, to a reduction of local government's clout. In England, devolution has been piecemeal, involving only limited powers and covering only some areas - generating a patchwork quilt which leaves most local authorities uncovered.

2.12   As a result, the principle of subsidiarity remains limited in its application. In England, where devolution is still 'unfinished business', central government continues to keep a strong hold over power, finance and policy that affect local authorities. This leads to issues of fragmentation, leaving the sector often at the mercy of central government's priorities and short-term financial frameworks. The limits of this approach were in many ways exposed during the Covid crisis, with central government often disregarding local leadership and expertise.[16] In Scotland, Wales and Northern Ireland, devolved administrations made 'place-based decisions', but local authorities were often left at the margins of the decision-making process.

2.13   This has a profound impact on the sector's autonomy as local government's voice in decisions on reforms and policy that will affect the communities it is elected to serve is marginalised via a range of differing measures in the differing national contexts. This, in turn, points to an issue of communication and dialogue between central, devolved and local government, but also across sub-national governance bodies, that requires attention. On the one hand, under the current settlement, there is no official 'body' to facilitate more effective dialogue and collaboration between different tiers. Of course, sectors' bodies and associations seek to fulfil this role but the lack of constitutional protection for local government means that their role can only be advisory/consultative, rather than statutory as it is often the case in other countries. On the other, the current system also fosters competition between local authorities, not least on power and funding. This hampers coordination across the sector and affects the ability of local government to 'speak with a single, coherent voice' – with a negative impact on its lobbying capacity and effectiveness. In addition, this affects resources use and distribution, with local government officers' time often diverted to prepare bids for funding and 'deals'. The paradox, here, is that local authorities that are less well resourced, and that require more support, tend to miss out in these processes.

2.14   Finally, the interaction of these factors lays bare the limits of devolution in the UK. In theory, devolution should be a process aimed at distributing power to all sub-national levels based on the principle of subsidiarity, addressing longstanding issues of over-centralisation and improving governance and democratic representation. In practice, however, power shifts have been uneven and have often taken place at scales larger than local government (i.e. city-regions/combined authorities in England and devolved administrations in Northern Ireland, Scotland and Wales). To be clear, devolution is not per se a panacea for 'good/better governance' or economic development[17]. Its success depends on many contingent factors – but evidence from international analyses shows that building effective collaboration between and across levels of government are essential preconditions to make it work.[18]

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[16]   Giovannini, A. (2020) 'Covid-19 and English devolution', *Political Insight*, 11:3, p. 40; Gaskell, J., Stoker, G., Jennings, W. and Devine, D. (2020) 'Covid-19 and the Blunders of our Governments: Long-run System Failings Aggravated by Political Choices', *The Political Quarterly*, 91:3, pp. 523-533.

[17]   Raikes, L. and Giovannini, A. (2019) *The Devolution Parliament*, Manchester, IPPR North, 20 November 2019.

[18]   Nair, V. (2020) Is decentralisation a panacea for development?', World Economic Forum, 23 August 2020;OECD (2020) *The territorial impact of COVID-19: Managing the crisis across levels of government,* OECD Report: Policy Responses to COVID-19 Series, 2 June.

2.15   Overall, centre-local relations in the UK continue to be skewed towards the centre, with a lack of agency for local government that affects its autonomy, role and status. However, central government is open itself to blunders due to systemic weaknesses that tend to stimulate poor policy choices[19]. This is an important point to note because it suggests that whilst rebalancing centre-local relations is essential, any such change should not focus only on implementing continuous institutional churn in the form of local government reorganisation: it requires reforming the centre too.

What the Commission found

Support for a constitutional settlement

2.16   Most of the evidence received by the Commission highlighted the limits of the current settlement, where local government is not granted any formal constitutional protection. In essence, evidence to the Commission highlighted that this has had a negative impact on the nature of centre-local relations (by granting more leverage to the centre) and, in turn, on the role and influence of local government across the UK. Hugh Ellis (Policy Director, Town and Country Planning Association) advocated for a 'clearer constitutional agreement' between central and local government, as well as the reorganisation of boundaries, so as to provide 'continuity through constitutional framing'. Typically, Steve Cirell (independent consultant to local government) asserted that that central government policy was punctuated by 'six month flashes in the pans', underlining the need for a constitutional settlement that enshrines the powers and responsibilities of local government. For over 50 years, he claimed, there has been an 'us and them' attitude between central and local government. This, he concluded, has not changed, with local government remaining subservient to central government.

2.17   Whilst there is a general agreement on the need to improve this situation by building more effective and collaborative centre-local relations enshrined in a 'new constitutional settlement', different options on how to achieve this were proposed in the evidence we received. For example, the Local Government Association (LGA), the Northern Ireland Local Government Association (NILGA), North Ayrshire Council and the Orkney Islands Council made a useful reference to the European Charter of Local Self-Governance, suggesting that it should be codified and formally adopted. They argued this would 'guarantee the political, administrative and financial independence of local authorities' (NILGA) whilst also providing 'a new legal basis for local government built from the ground up, as part of a fundamental principle that local self-government shall be recognised in domestic legislation, and where practicable in the constitution' (LGA). Echoing ongoing discussions with the Convention of Scottish Local Authorities (COSLA), NILGA and the Welsh Local Government Association (WLGA), the LGA made reference to other practices currently in place within the European Union (EU) that could be replicated at UK level to enhance relationships, such as reproducing in the UK context the advisory role on law and policy-making processes that local authorities have in the EU Committee of the Regions. This approach, it was argued, would bring legal clarity over the role and responsibility of local government, including its political, administrative, and financial autonomy. It would leave local government 'to get on with' the task of delivering its place-making vision and to be held to account nationally by inspection and locally by the electorate.

2.18   Other evidence presented to the Commission referred to the need for a constitutional rebalancing from national to local government. Cheshire West and Chester Council suggested that such a rebalancing 'could be delivered through a written constitution which formalises powers and responsibilities.' In the absence of such a profound overhaul, the council argued that

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[19]   Gaskell, J., Stoker, G., Jennings, W. and Devine, D. (2020) Covid19 and the Blunders of our Governments: Long-run System Failings Aggravated by Political Choices, The Political Quarterly, 91, 523-533.

at the bare minimum there should be 'clearer presumptions of subsidiarity in the way Whitehall and Westminster sets policy and priorities' as well as 'a requirement to consult on all proposals affecting local government, new burdens matched with appropriate funding, and an obligation on government to set longer term sustainable financial frameworks within which local government can operate' (Cheshire West and Chester).

2.19   Some advocated the development of national stakeholder or governance networks on different policy issues. Others supported constitutional protection as part of the overall debate on devolution and reorganisation (Preston City Council) or called for 'new policy which requires national agencies to work in a more meaningful way with local government' arguing that 'there are a lot of policies which are determined by central departments in Westminster and are heavily influenced by what is happening in London. A constitutional requirement to test out and respond to us would create a relationship where genuine listening and involvement in policy and strategy development would take place' (Wigan Metropolitan Borough Council). This approach highlights that devolution of real power and resources away from the centre would benefit the government too - and would be crucial to achieve the current government's ambition to 'level up the country'.[20] Finally, some proposed a more practical approach to constitutional settlement, suggesting the creation of ''user group' networks for policy driven work' (Wakefield Metropolitan District Council).

The demand for further devolution

2.20   We noted few differences in the evidence presented on these issues to the Commission from England, Northern Ireland, Scotland and Wales: all supported a more effective and collaborative approach to centre-local relations, with more protection, power and freedom for local government. In his evidence to the Commission, Andrew Burns (Associate Director for Local Government, Chartered Institute of Public Finance and Accountancy) suggested that we need to reframe the debate over centre-local relations, away from 'what we can devolve' towards a dialogue over 'what should we reserve for the national level'. In support of such claims, Councillor Sharon Taylor OBE (Leader of Stevenage Borough Council and Board Member on District Council Network) argued that the current government's 'levelling up' agenda cannot be driven from Westminster: there is a need to support local community wealth generation approaches and regional finance, and that such initiatives can only be done locally.

2.21   However, some evidence from local authorities in the devolved nations highlighted the complexity of power distribution in the context of devolution to national bodies. For instance, North Ayrshire Council pointed out that 'one of the strengths of the Scottish devolution settlement is that the principle of subsidiarity is enshrined in the legislative provision.' Recognising the benefits of such an approach, North Ayrshire Council argued that 'it would be helpful to legislate for a similar provision for local government, that anything not reserved to the UK or Scottish Parliament or specifically delegated to another body, is within the competence of Scottish local authorities'. This was backed up by the evidence of the President of COSLA, Alison Evison, who pointed to a need to see local and central government as 'spheres of government' which had mutual parity and agreed roles, encapsulated in the phrase 'spheres not tiers', and built upon three necessary empowerments for local government - Fiscal, Functional, and Community.

2.22   Along similar lines, NILGA highlighted the need to rebalance centre-local relations and find a new settlement also at devolved level, calling for 'a reformed Stormont Assembly' that 'treats councils as a partner of equals and delivers legislative, ideological and fiscal devolution'. But, to ensure local government can fulfil its local leadership role, NILGA also recognises the need for 'competency development in councils', calling for cultural and policy change from both central, devolved and local government.

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[20]   Giovannini, A. (2021) 'Levelling Up'. In: *Brexit and Beyond, UK in a Changing Europe Report*, London: UKICE.

2.23   Most of the evidence received by the Commission pointed out the necessity to update the current devolution settlement to ensure the local level can maintain its role as steward of place – calling for a new 'devolution bill' to address in a comprehensive and coherent way issues related to centre-local relations and territorial distribution of power.

2.24   Evidence from all areas stressed that local government suffers from a lack of trust and adequate financial support from devolved and central governments, despite having established a track record of achieving efficiencies. This, it was argued, hampers not only the functioning of the local state, but also the very idea of devolution. It is important to note that improving the current system of devolution across the UK was seen as a priority, with the need for any such reform to be firmly based on the principle of subsidiarity and 'double devolution' down to the very local level, with appropriate funding for each level of government.

Subsidiarity, sector autonomy and devolution

2.25   Following the calls for a new constitutional settlement previously highlighted, North Ayrshire Council and Orkney Islands Council demanded a commitment to subsidiarity and the application of Article 9 of the EU Charter for Local Self-Government, along with a power of general competence for local government.

2.26   Most submissions strongly emphasised that any further discussion on local government reorganisation and devolution should be firmly based on principles of subsidiarity and 'sector autonomy', with flexibility and clarity over power and funding available to all areas as an essential component. There was also general agreement that local government should be involved by central government in discussions concerning any such reforms, at the bare minimum with an advisory role. The establishment of a national body bringing together all tiers of government to forge a vision for any future reform of subnational governance was also highlighted as an effective way to address this.

2.27   Further devolution of powers to local government and onto communities featured regularly in the evidence, matched with appropriate funding so as to avoid risks of central government using decentralisation as a means of passing blame onto local government for cuts to services (evidence from Aberdeen City Council; Bracknell Forest Council; Preston City Council; Rochdale Borough Council; Unite; Wakefield Metropolitan District Council; Wigan Metropolitan Borough Council).

2.28   While all submissions supported greater devolution, evidence concerning the form this should take was mixed. This is, largely, the result of the 'asymmetry paradox' previously discussed, as each of the four nations of the UK has a different form of devolution in place, with considerable variations in terms of power, responsibilities, funding and scale.

2.29   For example, NILGA argued that 'in Northern Ireland, where less than 5p in the tax pound rests with local government, a Devolution Bill is required urgently, so as to build on a framework established under the Review of Public Administration in 2015 which sees devolution as a progressive initiative rather than a functional/transactional relationship which has effectively stopped at Stormont (the evidence is in the tax pound ratio and the amount of neighbourhood services directly controlled by central government and its agencies).' Similar points on the need to extend devolution beyond the national level were made in submissions from Scotland and Wales too – echoing NILGA's call. Indeed, in Scotland and Wales recent debates suggest that some services might be centralised, including social care and education.

2.30   Alternative views of the drivers and appropriate scale of devolution emerged within the evidence. For example, some framed devolution as part of a broader move to offer local authorities more control over budgets, income generation and use of capital (Bracknell Forest

Council). Others viewed devolution as a means to enable a 'collaborative regional approach' or 'collaborative production between authorities' as seen in Greater Manchester (Rochdale Borough Council). However, some also presented different views, arguing that the new city-region scale that provides the basis for devolution deals in England is actually more effective than the very local level to deliver 'devo deals', underlining the importance of metro-mayors in providing a clear line of accountability and point of reference for central government (Tees Valley).

2.31   Furthermore, in the context of a broad support for further devolution to local authorities, most of the evidence also stressed the need to avoid top-down prescriptions and leave local actors to deliver on national or sub-regional desired outcomes, in the interest of sector autonomy. For example, in its evidence Wigan Metropolitan Borough Council argued that 'devolution to places should go further and be unshackled from national top-down regimes (…) without freedoms on spending' adding that 'national policy on devolution (…) needs to be less prescription and London/South East driven policy does not necessarily work for the North. Policy development should respond to the different geographical and demographic differences across the country and be flexible to local need'. Interestingly, despite the patchwork nature of devolution in England, some of the evidence from the devolved nations supported the extension of 'devolution deals' also to Scotland, Wales and Northern Ireland, so as to unlock economic development opportunities across the whole of the UK.

2.32   Hugh Ellis (Policy Director, Town and Country Planning Association) called for additional powers to deliver desirable wellbeing outcomes, claiming that the policy debate could best 'be summed up by the question Why isn't Rotherham Freiburg?' – using this as a shorthand to show that local authorities in England do not have the power over the 'things that matter', such as education, health and transport. In fact, the Town and Country Planning Association (TCPA) set out how Freiburg has or 'sits' in a framework of powers which 'enable the co-ordinated delivery of long-term strategy by giving real power over the key factors in successful place-making.'

2.33   Mark Sandford (Senior Researcher, House of Commons Library) suggested that the design of devolution deals in England should centre on the public service needs of areas rather than the presumed geographies of economic development per se - so that local systems could better meet the demands of the role of local government managing public services in a particular area. Indeed, as underlined by Chris Llewelyn (Chief Executive, WLGA) it is necessary to recognise the uneasy relationship between economic development, service delivery and local identity.. Luke Raikes (Senior Research Fellow, IPPR North) pointed out that this strategy might not marry with current government thinking, given that the immediate driver of devolution remains economic growth and that the message that 'cities drive growth is the only thing being heard'. But, as he underlined, some policy issues, such as transport, are arguably best addressed at the regional level, while others are best dealt with at the local level. Such questions of scale prompted Hugh Ellis (Director of Policy, Town and Country Planning Association) to argue that perhaps in the future devolved governance structures should be based around tackling climate change and the impact it will have on large geographic areas, shifting populations as a result of flooding and so on.

2.34   The issue of scale still remains unresolved - over the years, different proposals have been floated, but eventually pragmatism and political decisions dictated the creation of Combined Authorities, while the idea of regional assemblies has incrementally lost purchase since the failure of the 2004 North East referendum. However, this pragmatic approach and the uneasy relationship that underpins it have led to a patchwork quilt of devolution, that lacks coherence and does not involve, and therefore benefit, all areas. This is an issue that needs to be urgently addressed, creating a functioning system of multilevel governance based on collaboration and cooperation between all tiers of government - rather than one that is designed and executed based on the vision of the government of the day.

Collaboration and dialogue between the centre and the local

2.35   Most evidence called for more effective dialogue between central and local government, with authorities having protection and support from central government, as well as the freedom to operate as they see fit, in keeping with subsidiarity, sector autonomy and devolution (Bracknell Forest Council). Michael Burton (Municipal Journal) acknowledged that centre-local relations have at times resembled a 'parent-child' relationship, caught in-between the often ideological motivations of central ministers and the pragmatic demands of local leaders. Other submissions voiced widespread frustration across the sector with the shifting priorities and fragmentation of central and/or devolved government(s) – suggesting that 'central government needs to have open lines of communication with local government, so that both can respond to developments and changes promptly' (Blackburn with Darwen Borough Council), creating 'a relationship where genuine listening and involvement in policy and strategy development [can] take place' (Wigan Metropolitan Borough Council).

2.36   Most submissions agreed that 'local government should have a place-shaping role' (Durham County Council) and saw the improvement of dialogue and collaboration with the centre as an essential component to achieve this. Interestingly, while most of the evidence claimed that local government should be given a stronger voice at the centre, through the creation of 'official channels of communication', some of them also emphasised the need for local government voices to coalesce in a coherent narrative that could be used to lobby central government more effectively. In evidence from England, many actors highlighted the importance of the leadership role of mayors as a means to effectively 'push the message' at Westminster. However, other submissions also highlighted that mayors should not be imposed on all areas, as they do not necessarily fit the architecture of all local government areas. Overall, there was general agreement on the need to extend the voice of local government in the debate on devolution, but also to ensure that the latter takes a flexible form that can be adapted to reflect local views/needs.

2.37   In fact, there was frustration at the organisation and working of central government. Indeed, Suzanne Clark (Service Manager, Vibrant Communities, East Ayrshire Council) suggested that central government works in silos, such that reform needs to think about place-based structures 'all the way down to budgets' as too often authorities are bound by central government rules. This claim was supported by Ian Baggott (West Midlands Parks Forum) who noted the fragmentation between budgets coming from different sources and departments and called for budgets to be delivered to place and not 'forced through silos'. More clearly, Hugh Ellis (Director of Policy, Town and Country Planning Association) countered the 'ingrained culture in Whitehall', which did not value local government and demonstrated a continual disregard for local authorities. Local government, he suggested, found itself accumulating criticism for policies set nationally.

2.38   Despite calls for more power to be devolved away from the centre, and concerns about the approach of central government to sub-national governance, witnesses underlined that the centre still has a crucial role to play in ensuring equality and fairness across communities. As aptly summarised by Professor Tony Travers (London School of Economics and Political Science) 'there is still a role for central government as the upper tier of government'. This role should focus, he suggested, on inter-area equalisation and the regeneration of regions. Cheshire West and Chester Council stated that 'central government should focus on genuinely national issues and strategic national policy framework'. Similarly, North Ayrshire Council underlined that 'the role of national governments should be one of support, and setting minimum standards, not about prescribing how services should be delivered'. Alison Evison, of COSLA, drew attention to the way central and local government had worked together in Scotland to produce the revised National Performance Framework, and that 65 per cent of the Framework covered areas of local government responsibility. In essence, most submissions called for more powers and discretion for

local government, but many accepted the need to maintain some degree of central coordination, at least on some matters. This suggests that future changes should not focus on 'tearing down the centre'- but reform it in a way that genuinely opens up to local government, allowing it to fulfil its local leadership role in a sustainable way.

2.39   On the issues of climate change, Dom Goggins (Senior Advisor, All-Party Renewable and Sustainable Energy Group (PRASEG)) argued that central ministries had 'insufficient' and 'inadequate' understanding of the role of local government in tackling the climate emergency. He claimed also that there is no policy framework for local government to deliver on net-zero and 'this is a massive problem' such that it is now urgent that 'the circle is completed'. In his view, the proposed English Devolution Bill could provide an opportunity to establish this vision or framework for local government by bringing forward a devolution reform with the delivery of net-zero 'at its heart'.

2.40   In a similar vein, Louise Marix Evans (Director of Quantum Strategy and Technology) voiced concerns over the 'us and them' divide between central and local government, arguing that local discretion was essential to advance in areas such as transport, buildings and waste, which require a local approach as a 'one size fits all' perspective does not work. She bemoaned a 'piecemeal and incoherent approach in England and Northern Ireland, which contrasted with the climate change duty in Scotland and the Future Generations Act in Wales. In England and Northern Ireland, there is an increasing need to align actors, resources, and policies'. Ultimately, she concluded that local authorities are 'ignored' in decision making, with 'real tensions' now so apparent that local government 'do[es] not want a line manager but needs guidance, reporting and alignment'.

2.41   Adding to such concerns, Mark Davies (Director for Communities and the Environment, Lancaster City Council) argued that there was not a single answer to the appropriate scale of action to tackle climate change, suggesting that the local had advantages in terms of community buy-in and cost. For Davies, the key was to build a common sense of purpose across the different scales of government, delivering the joined-up consistency of action to tackle climate change. Nonetheless, he concluded that there was a need for a clear strategic lead from central government. Indeed, Louise Marix Evans (Director of Quantum Strategy and Technology) argued that local government needed central government to put in place a coherent plan or framework to give them the stability from knowing 'where we are headed'. This plan should be matched with the powers to ensure local flexibility; the end of competition between authorities for small pots of funding, with spending flexibility and non-fragmented funding enabling local authorities to create a coherent response to climate change; and strong facilitative regulations, such as increasing the level of housing regulations.

2.42   Steve Cirell (independent consultant for local government) evoked the need for a duty to tackle climate change in England, but he pointed out that there might be opposition to the generation of new duties for local councils. More importantly, he agreed with the need to 'slacken off' legislative controls to enable local authorities to act and to reduce bureaucracy, proposing for example that home standards might be decided locally. He also supported a shift towards outcome-based working between the centre and local government. Indeed, he pointed out the paradox that 'if you [central government] tell them [local councils] how to do the job, there is little to hold them [local councils] to account.'

Towards 2030: The view of the Commission

2.43   Local government in the UK has too often been seen as an arm of central government. Its absence of constitutional status has contributed to a juridification of centre-local relations that has

perpetuated central control over local decision-making. This has resulted in forms of managerial localism where decision-making is devolved to local government in return for achieving agreed centrally determined objectives, whether it be city deals or outcome agreements.[21]

2.44 Representative localism which provides powers to local government elected by universal suffrage remains stilted and at the whim of ministers and Westminster. Indeed, representative localism has most recently been by-passed by a form of community localism that transfers responsibilities beyond local government to communities and individuals but without giving them the resources and powers to address the issues that they face.[22]

2.45 In recent debates, there has been too often a binary opposition drawn between the centre and the local. Rather than seeing the centre and the local in such antagonistic relations, we need to move towards a mature relationship, one that clearly defines roles between different spheres of government and accepts both as integral and equal parts of our system of governance.

Recommendations

1. The role and powers of local government should be enshrined in a constitutional settlement.

2. There should be clarity for the public over the responsibilities of local, regional, and national government.

3. Government should agree and develop, in consultation with local government and the devolved administrations, a clear devolution framework, based on the principles of subsidiarity, local autonomy and flexibility. This should include a clear indication of powers and funding available and should allow all local authorities to access/benefit from it, although at a pace and scale that fits best local needs.

4. Based on the principles set out in the framework, the Commission calls for new 'Devolution Bills' for all the nations of the UK. The Bills should not provide a 'one size fits all' approach across the nations of the UK, but deliver a flexible, place-based model of devolution that can benefit all areas by improving governance and addressing inequalities.

5. The Commission calls for the creation of permanent National Governance Committees across nations of the UK, which should be consulted for any law and policy-making processes that affect directly local government and devolved institutions (such as reforms and re-organisation).[23]

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[21] Evans, M., Marsh, D. and Stoker, G, (2013) 'Understanding Localism', *Policy Sciences*, 34:4, pp. 401-07.

[22] Ibidem, p. 403.

[23] For example, in Italy, two Committees act as permanent forums over matters that concern Regions, Provinces and the State (State-Regions Committee) and Cities, Local Authorities and State (Local Authorities-State Committee). Their primary aim is to promote cooperation between the activities of the State and those of Regions and Provinces, and Cities and Local Authorities respectively – acting as the main site for political negotiations between central central administrations and the systems of regional/local autonomies. Within the EU, the Committee of the Regions also fulfils a similar advisory role on law and policy-making processes that affect localities in member states.
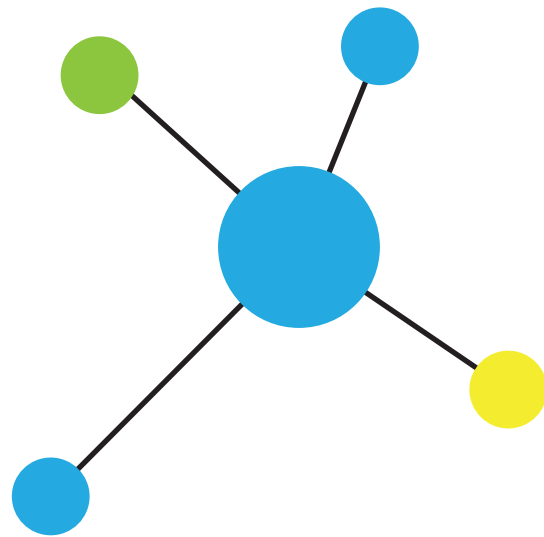
Chapter Three

The roles and powers of local government

3.1   The lack of constitutional protection and clarity about the allocation of roles across the tiers of government has meant that a largely instrumental view of local government has predominated in the UK. As local government is a creature of statute, its tiers and configurations are the result of political expediency and changing administrative and managerial fashions. Its roles and powers have similarly been subject to the changing agendas of central governments. The last 40 years have seen a declining role for local governments in delivery of key services in their areas, seeing them replaced by a plethora of alternative providers. The resulting fragmentation leaves councils facing huge hurdles if they are to develop place-shaping roles and act strategically for the well-being of their communities. To make the benefits of constitutional protection meaningful, councils need to have responsibilities for key services and sufficient autonomy to tailor these according to the specific characteristics of their communities. The current debate centres, inevitably, around the extent of such local freedom.

3.2   With respect to *how* services are best provided, the organisation of local authorities has always been a reflection of the changing political and social environments in which councils have found themselves. Councils and those working within them have constantly had to adjust to changes of political and ideological direction in central government, with the associated statutory requirements to deliver, and exhortations to behave, in different ways. In addition, they have faced societal and environmental pressures which have required that they organise differently. Organisationally, then, councils somewhat inevitably reflect the competing and sometimes contradictory pressures under which they operate; these tensions, and how to balance them, lie at the heart of contemporary debates.

Shifting roles and responsibilities

The fragmentation of local services

3.3   Local government responsibilities for service delivery vary across the four nations of the United Kingdom. Local government in England, Scotland and Wales remains responsible for social care and provides elements of transport, housing, and education, as well as what we can group under the banner of 'neighbourhood services'. This is not the case in Northern Ireland, where local government provides planning services, waste and recycling services, leisure and community services, building control, and local economic and cultural development. In addition, in England in particular, local service provision differs according to the tier of authority in question, with devolution deals and city deals adding further complexity. This serves to highlight a critical point: local government across the UK is organised around very complex and at times overlapping structures, which often appear incoherent to most members of the public.

3.4   Many local service delivery responsibilities sit outside local government. For example, in England, local authorities have little practical control over policy and funding for schools. Other critical funding decisions, for housing capital finance or trunk roads, are made by the UK or devolved governments. There is a case for some or all of these powers to be transferred to local government.[24] Merging local services into local authorities or permitting local authorities greater powers of strategic direction over local services would avoid the 'silo government' of multiple public services delivered by separate authorities for a single place, with inferior outcomes for

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[24]   Jeffrey, S. (2020) *Levelling up local government in England*. London: Centre for Cities.

users.[25] It would help to overcome the fragmentation caused by the fact that NHS Trusts, Clinical Commissioning Groups, police and fire authorities, and national agencies such as JobCentre Plus frequently operate on different geographies from local authorities. Such changes would also strengthen the local democratic accountability of those services. They would address the perennial cause for complaint from the local government world: being obliged to manage the effects of policies that it cannot control and being held to account by citizens for doing so. However, it is very rare for substantial new responsibilities to be passed to local authorities in this way. The only recent example of such a transfer back into local government is the return of public health responsibilities to local authorities in England in 2012.

3.5   In England, successive governments have attempted to overcome fragmentation, by seeking to 'join up' services without giving any new powers to local government. Pilot programmes such as *Total Place* (2008-09) and *Our Place!* (2011-13) sought to pool budgets and policymaking in selected localities. But these did not transform practice. Statutory partnerships such as health and wellbeing boards have also been established, as have integrated care partnerships to coordinate the delivery of care between NHS organisations and councils. However, efforts to advance collaboration were more or less replaced post-2010 with a regime of combined authority and city deals, which ushered in a regime of 'go it alone' or 'sink or swim' localism.[26] Locally, multiple delivery agencies still exist, with coordination between them dependent on local initiative (as with Greater Manchester's health and social care partnership) and/or personal relationships. Integrated care partnerships have often formed across differing local authority boundaries adding to the confused geographies of local service delivery with mixed outcomes.

3.6   In the devolved nations, there has been a more sustained move towards collaboration at the local level and between centre and local government.[27] In Scotland, local government operates within broad national strategies, exemplified by *Local Outcome Improvement Plans,* with community planning partnerships designed to coordinate strategic actions across local government, local public agencies and civil society. However, even within this collaborative working approach, local government still delivers the majority of the national performance framework targets - and when finances tighten, as has happened in recent years, local priorities are squeezed or crowded, so as to maintain central priorities.

3.7   In Wales, regional partnership boards bring together local government, health boards and the third sector to advance community well-being, while local public service boards designed to meet the sustainability demands of the *Future Generations Act* coordinate service delivery and outcomes between local government and partners. Issues remain concerning the boards' lack of dedicated funding, ensuring the involvement of all key partners, and overlap with the work of other partnerships[28]. However, the Local Government and Elections (Wales) Act 2021 arguably strengthens such local collaborations still further.

3.8   In Northern Ireland, since 2014 the *Northern Ireland Partnership Panel* provides a formal mechanism for political and strategic liaison between Executive Ministers and local government representatives on policy matters of mutual interest and concern. The reorganisation of local government that took place in 2014, involved also the transfer of some limited powers to local government, particularly around planning. However, local government responsibilities in

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[25]   Leach, S., Stewart, J. and Jones, G. (2018) *Centralisation, devolution and the future of local government in England*. London: Routledge.

[26]   Lowndes, V. and Pratchett, L. (2012) 'Local government under the Coalition government', *Local Government Studies* 38:1, pp. 21-40; Entwistle, T., Guarneros-Meza, V, Martin, S. and Downe, J. (2016) 'Reframing governance: competition, fatalism and autonomy in centre-local relations', *Public Administration* 94:4, pp. 897-914.

[27]   Cairney, M., Russell, S. and St. Denny, E. (2016) 'The 'Scottish approach' to policy and policymaking', *Policy & Politics* 44: 3, pp. 333-50;

[28]   Auditor General for Wales (2019) *Review of Public Services Boards*. Cardiff: Welsh Audit Office.

Northern Ireland remain a long way short of its counterparts in the rest of the UK even for some of the most basic neighbourhood services.

Questions of organisation, scale and size

3.9   Organisational fixes have tended, periodically, to take hold of local government. Whether it be the scale, size and geographical boundaries of councils or the perceived advantages of outsourcing, or of distributed leadership, organisational fixes have sold or imposed new ways of working and structural reforms as a panacea for the complex demands facing councils and communities. Councils have for many decades therefore been exhorted to change their culture, in various ways, and often criticised for seemingly being reluctant to do so. Most notably, the perceived advantages of larger units for economies of scale and service co-ordination have been persistently pitched against the appeals of smaller units for democratic validity and reflection of meaningful communities. However, both the economic benefits of scale[29] and the democratic benefits of smaller units[30], are largely unproven.

3.10   In fact, organisational models and ways of working tend to layer or settle on top of existing practices, which morph into revised versions of themselves over time. Councils and their workforce organisationally now reflect the traces and cumulative impacts of past and on-going reforms. Councils have become, even more than before, organisational hybrids in which 'traditional' hierarchy, business-like commercial units, community leadership, collaboration and network styles can all be found. In other words, they are increasingly disaggregated, plural entities. Since the introduction in the early 1980s of compulsory competitive tendering, the separation of commissioning functions and the purchaser-provider split, councils have increasingly operated with a range of internal or arms-length operating units. Increasing complexity has been fuelled in part by experiments with alternative forms of service delivery, be it contracting out, shared services, cooperatives, social enterprise or public-private partnerships.

3.11   In the midst of austerity, councils have begun to develop new organisational forms based on a 'new municipalism', with trends towards 'insourcing' contracts and services and the shaping of local markets for the public purpose. These trends have brought further organisational innovations via, for example, new commercial or trading companies, joint ventures and arms-length housing companies.[31] Indeed, the quest to generate commercial activity to supplement diminishing funding has produced a growing recourse to corporatisation, or the moving of services or functions into wholly or partially owned local government companies, with the number of local authority companies in England increasing by 50 per cent from 2010 to 2016. As part of a discourse of new municipalism, these companies can ensure public control of assets, generate additional revenue streams and act as a means for local authorities to intervene in and shape local markets in the public interest. But such alternative forms of service delivery also bring different and often competing logics of the state, market, corporation, and community further into the field of local government.[32] Like all organisational forms, they are not guaranteed to succeed, and there have been cases of arms-length vehicles being re-integrated into the authority over time.

3.12   At the same time, local authorities have needed to adjust to an increasingly complex local governance environment by developing capacity for partnership working and collaboration with

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[29]   Copus, C., Roberts, M. and Wall, R. (2017) *Local Government in England. Centralisation, Autonomy and Control*. London: Palgrave.

[30]   Denters, B., Goldsmith, M., Ladner, A., Mouritzen, P. M., and Rose, L.E. (2014) *Size and local democracy*. Cheltenham: Edward Elgar.

[31]   Association for Public Service Excellence (2018) *The New Municipalism: Taking Back Entrepreneurship*, Manchester: APSE

[32]   Ferry. L., Andrews, R. Skelcher, C. and Wegorski, P. (2018) 'New Development: Corporatization of Local Authorities in England in the Wake of Austerity, 2010-2016', *Public Money and Management*, 38:6, pp. 477-80.

external agencies and voluntary and community organisations. As such, they have had to take on community leadership roles, further engaging citizens, providing strategic leadership across different organisational boundaries, and developing the collaborative potential of other local agencies.[33] Such strategic leadership has directed organisational attention as much 'outward' as 'inward'. In practice, councils have had to develop the capacity to strategically steer or oversee this fragmented landscape of collaborative governance across localities, to set a 'route' identified with the purpose of the organisation which captures its direction of travel. Such roles have brought with them new risks of loosening the grip of local authorities on the big issues facing communities; risks which we have explored in Chapter One.

3.13   More recent pressures have, however, posed more radical structural questions. Rising demand and citizen expectations, combined with austerity, have led to radical innovations, as part of a wider paradigm shift in public services towards a relational state in which 'government increasingly acts with the public to achieve common goals, sharing knowledge, resources and power'.[34] Local government has a long history now of getting 'closer to the customer' by way of devolved, area or locality-based structures including, neighbourhood, estate, and 'one stop shop' arrangements, which have often existed in tandem with attempts to foster more community and user/customer engagement. For the relational state, social innovation and co-production are key, with councils acting as 'platforms' or facilitators of relationship building and the enhancement of social capital and social enterprise across communities.

3.14   The organisational implications, which some Councils have begun to address, point in the direction of further breaking down 'traditional' professional departmental structures in favour of organisation around the customer/user experience or 'journey' through council services, utilising data to tailor the 'offer' around customer/user needs. They also point further towards flexible, flatter and responsive organisational structuring as a means of allowing front line staff, for example, more freedom and flexibility to be creative via 'light touch rules'.[35] Stronger 'cultural' controls in the form of shared values, behavioural norms and a clear mission and ethos take the place of more 'rigid' forms of managerial oversight.[36]

3.15   As a result of such pressures and demands, the current 'state of play' in the practice and debate around organisation in local government reveals several tensions and paradoxes. These are by no means unique to local government in dealing with a fast changing and complex environment. However, local government has the additional pressure of reacting to them in a way which retains democratic oversight, accountability, probity and an overarching sense of public purpose. There are requirements for strong strategic leadership but also devolved and flexible management; an increased public and government demand both for accountability, probity and the meeting of standards, but also flexibility, innovation and creativity; a need for constant change and fluidity but also the fixity and constancy to ensure public awareness and confidence. These are all variations on the 'loose-tight' tensions facing any large organisation, compounded by the public nature and community anchoring of local government, which requires administrative and managerial responses to these pressures to be consistent with the political and democratic requirements for accountability.

[33]   Sullivan, H., Downe, J., Entwistle, T. and Sweeting, D. (2006) 'The three challenges of community leadership', *Local Government Studies,* 32:4, p. 489-508.

[34]   Mulgan, G (2012) 'Government *with* the people: the outlines of a relational state'. in Cooke, G. and Muir, R. (Eds) *The Relational State* London:IPPR.

[35]   SOLACE and Civica (2015) (2015) *Invigorating the public sector revolution*. London: SOLACE.

[36]   Lent, A. and Studdert, J.(2018) *Culture Shock: Creating Changemaking Culture in Local Government* London: NLGN.

What the Commission found

The thorny issue of size

3.16   There continues to remain little agreement over the appropriate 'organisational fix' of tiers and size for local government. The positions of councils tended to reflect their existing organisational arrangements. Some councils thus extol the virtues of the unitary model, others emphasise that structures should be a matter for each area to decide. There was recognition that adopting a universal pattern of local government organisation (for example, unitary or two tier) offered the advantages of organisational consistency. However, the Commission equally found a broad consensus that a 'one size fits all' approach was not appropriate, particularly in terms of responding to local demands. In the absence of any broad consensus over structures, councils tended to call for a balance between adaptability and consistency.

3.17   Reflecting the need to balance elements of consistency with local choice, the imposition of structural reforms by central government was identified as a key challenge for local authorities. It was felt that a 'perfect fit' would always be elusive, and as a fundamental principle, the local government system should be designed around the services it provides and the stewardship and public good it is deemed to serve. To this end, there was a view that the local government 'family', rather than central government, should be responsible for determining structures, via a Commission or Standing Committee composed of local authority representatives.

3.18   There were calls for further collaboration between different tiers of local government. In Scotland, there has been a drive for local government to build clear and purposeful relationships with community councils, the most local tier of statutory representation. There are around 1200 community councils, over which local authorities exercise statutory oversight and which are required to be consulted overt planning applications and licencing matters. They can be involved in community planning partnership. However, the capacity of community councils to act as a 'local, democratic bridge between communities and public authorities' remains hampered by mixed relationships with local authorities, low electoral turnout and empty seats, and a lack of powers.[37]

3.19   In England, Councillor Sue Baxter (Chair, National Association of Local Councils (NALC)) foregrounded the role of local councils in delivering services. She pointed out that local councils are doing more in terms of service delivery and require a greater voice in the future of local government. Councillor Ken Wyatt (Treasurer National Association of Councillors) saw parishes and town councils as the 'absolute bedrock' of local government, while Councillor Baxter (NLAC) argued that there is an 'appetite for local councils to take on more services.' It was suggested that any expanded role requires the introduction of parish and town councils across the country; the freeing up of communities to access the power of general competence; the introduction of a new democracy fund; the ending of Council Tax referendums and the scrapping of Business Rates. 'Public toilets', Councillor Baxter noted, 'should have nothing to do with Business Rates'.

3.20   However, the view was clearly put, in submissions and in verbal evidence, that organisational or structural change alone would not deliver the necessary change required of councils to be equipped for the changing demands and expectations of the next decade and beyond. Flexibility, creativity and innovation would be required, together with a strong ethos centred on working for and with the public. Councils have already established or were establishing cultures of co-production, which saw the councils a 'platform' or facilitator, exercising 'power with' rather than 'power over' citizens.

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[37]   Paterson, A., Nelis, P. and Escobar, O. (2019) *Strengthening Community Councils*, Edinburgh: Scottish Community Development Centre and What Works Scotland.

Local government and service provision

3.21   Our evidence suggests renewed and continued support for local government as a direct provider and deliverer of key local services[38], a means of ensuring the wellbeing of a locality and the needs of its population, tackling climate change, and acting as an engine of local economic and democratic renewal, investment in the locality and service integration. These views were expressed in the evidence from Blackburn with Darwen Borough Council; NILGA; Preston City Council; Rochdale Borough Council; Town and Country Planning Association; Unite; and Wigan Metropolitan Borough Council. Echoing such support, the LGA stated in its evidence that 'councils are in the unique position of being able to make the real and effective change needed locally that will ultimately solve some of the biggest problems the nation is facing – shaping the places we live in, improving the environment, making our communities more cohesive and changing the lives of those who live there'. Importantly, as underlined by Chris Llewelyn (Chief Executive, WLGA), local government has the democratic legitimacy to allocate resources and determine services beyond the market. Notably, these views on powers dovetail with themes analysed later in the report and with calls for the use and application of the principle of subsidiarity as the building block of any future reform, with some evidence suggesting the introduction of 'a legal duty on all public sector bodies to promote the principle of subsidiarity, [so that] wherever possible power should be delegated to the lowest level closest to the community' (North Ayrshire Council).

3.22   In relation to local services, there was a strong agreement across the four nations of the UK about the need for additional powers, ranging from housing to transport. The general consensus was that local government should have responsibility for most, if not all, local public services and investment priorities – but many stressed this should be matched with local discretion on the delivery of these functions. Witnesses voiced concerns and widespread frustrations with the current system - where various council responsibilities are also held by other bodies - leading to inefficiencies and frustrations across the sector, especially when organisational culture, strategic priorities and/or accountability do not align.

3.23   The current distribution of power, it was repeatedly argued, places local government in a difficult position, providing it with inadequate influence and voice. This works in different ways: on the one hand, at the local level, there is a perception that partnerships are often ineffective, with insufficient powers to get projects done, and fragmentation in terms of coordination and local government and partners' behaviour. This has negative effects on the accountability for place leadership. On the other hand, in terms of relations with the centre, many lamented that local government's position is too subordinated, with a negative impact on policy, funding and service delivery at community level. As summarised by NILGA, local government often has an 'undervalued role' and councils 'are (often) the hub without the power, the provider without the resources, the data provider without the data being credited by the service provider, a toothless messenger for the community'. This also hinders community engagement and social capital development as resources for local priorities are much more limited compared to those covering central government priorities.

3.24   In his evidence, Richard Bourne (NHS Confederation) suggested that local government requires a greater role in the delivery of health and wellbeing, reframing early intervention around community wellbeing. He drew upon the case of Norway to argue that local government should take the lead in commissioning primary, community and social care services based on a local wellbeing plan. Acute sector and hyper-specialist services would remain part of the National Health Service. As one witness underlined, although Scotland and Wales created joint integrated boards, 'why would you bother, as you already have local government?' Ultimately, it was acknowledged,

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[38]   This is clearly reflected also in the findings of a recent APSE/Survation public opinion survey of attitudes to local neighbourhood services in 2020. Full details available here: https://www.apse.org.uk/apse/assets/File/Neighbourhood%20Services%20Poll%20Report(1).pdf

there is a need for organisational and cultural change so that local authorities can play the role of a 'custodian of wellbeing'. This suggests that investing in prevention at community level through health-inducing activities, could be a far more efficient and effective way to generate wellbeing.

Local government as a civic hub

3.25   This revitalised role for local government was arguably viewed through the lens of local stewardship, albeit through different interpretations of the role of local government. In its evidence, Cheshire West and Chester Council argued that the role of local government as a community leader is 'transformative and involves defining a vision for a place and using the democratic mandate to convene all stakeholders around that vision'. Wigan Metropolitan Borough Council emphasised that 'local government should be a convener of services with a focus on the wellbeing of a locality and the needs of its population, […with] powers to hold public sector partners to account for their contribution to achieving the ambitions of a place'. Similarly, Karen Smyth (Northern Ireland Local Government Association, NILGA) also positioned local government as the 'convenor' of local networks and services, with the driver behind its action being citizen needs. This voice of local government was seen to be legitimised by its democratic mandate (Wigan Metropolitan Borough Council) and by the demand for local variation in services to respond to community needs and capacities (Bracknell Forest Council).

3.26   Yet others firmly tied the role of local government as a civic hub to its provision of local services and its stewardship of local service delivery. Preston City Council asserted that councils 'are best placed as the custodian of place to lead local partnerships and deliver coordinated and effective solutions to transform areas including housing, health, inclusive economic growth, transport and climate change'. Renfrewshire Council demanded that local government should 'provide all local services across their constituencies'. Wakefield Metropolitan District Council stated that local government should be in 'complete control with full authority' on areas such as health and social care, cohesion, economic development, the climate agenda, and digitalisation. Echoing such concerns, Rochdale Borough Council envisaged local government as ensuring locally what it called 'one public service', while providing a point of reference for communities and their wellbeing.

Climate change and local government stewardship

3.27   Climate change was repeatedly identified as a complex policy issue that required local authorities to ensure collaboration and partnership working across communities. As Louise Marix Evans (Director of Quantum Strategy and Technology) stated in her evidence, local authorities can act as 'custodians of place', entering into dialogue with local communities, while ensuring a net-zero mindset across local partners in fields such as electrification and low carbon agriculture. She argued that local government was the 'cornerstone' of local partnership working, exercising democratic oversight, and possessing the capability to lead the co-design of public services, as the Covid pandemic has demonstrated. Echoing such claims, Councillor Afzah Shah (Cabinet Member with responsibility for Climate, Ecology and Sustainable Growth, Bristol City Council) explained how Bristol City Council developed a One City Climate Strategy which brings together some 18 partners, with the aim to ensure that the council is carbon neutral by 2025 and the city by 2030. The Council had also begun to work with faith groups to forge a new climate change network, which supports its collaboration with city stakeholders such as universities and charities and positions the council as an anchor organisation across the city.

3.28   Significantly, Dom Goggins (Senior Advisor to All-Party Renewable and Sustainable Energy Group (PRASEG)) suggested that there is local leadership on the climate change agenda but that it is held back by institutional constraints. He asserted that local authorities do need to use the powers at their disposal, but it is a 'brave move' by an authority to commit to improving air quality when it lacks control over transport, infrastructure and other areas of environmental

impact, and sufficient influence over the local business sector. Indeed, Goggins drew the attention of Commissioners to the inadequate funding for initiatives such as retrofitting homes and the challenges of driving forward change in sustainable housing when much of social housing is no longer under the 'control' of the council.

3.29   Goggins suggested that elected mayors or empowered council leaders can provide a focal point for local leadership, more so than the current patchwork of governance, but that powers and resources matter in tackling climate change. In contrast, Louise Marix Evans (Director of Quantum Strategy and Technology) accepted that core cities and mayoral authorities can use political backing to pool skills and attract funding. However, she warned that change across core cities and mayoral authorities will not necessarily cascade down to rural authorities and towns to build capacity there. She concluded that the effective delivery of climate change measures requires an equal footing between national, regional and local government, with local councils getting more powers to remove the 'too many things stacked against them.'

Planning and town centres

3.30   There was agreement that the planning system in England required reform. The Town and Country Planning Association (TCPA) argued that the planning system does not currently work to support local authorities to tackle inequalities, while there can be a lack of trust between communities, planners and the development sector. For the TCPA, the current planning system is 'too focused on process, speed and the number of units with no regard for tenure, quality or meeting people's needs' when it should be the primary vehicle for tackling the housing, health and climate crises. The TCPA suggested that powers have to be brought back into local authorities and that permitted development rights should be reduced. Local authorities should become 'master developers' if they are to act as place makers, reduce the risk to private developers, and ensure the delivery of affordable houses and design standards.

3.31   Delegates of the Conservative Councillors Association agreed that councils required more powers in local planning. Timescales also had to be shrunk so decisions did not end up focussing on 'yesterday's problem'. But, at the same time, it was recognised that there was a need to democratise planning, to 'make it less technocratic and pluralise it'. Such democratisation married with calls from delegates for a holistic approach to planning, bringing together health, education, transport and so on. Planning had to go beyond the focus on the impacts of narrow proposed sites for development and undertake a broader assessment of the impacts on local communities and places so 'we are not left with a new big hospital but no schools or buses'. Ultimately, therefore, witnesses advocated a move towards local infrastructure planning, which goes beyond 'housing numbers [to deliver] a system that looks at jobs, work patterns and then housing (not the other way around)'. For one Conservative councillor participating in a workshop at the 2020 conference of the Conservative Councillor Association, such revisions of planning (and funding) offered the opportunity to revitalise the municipalist agenda, returning to a focus on community stewardship and the provision of infrastructure-led growth.

3.32   William Mapplebeck (Communications, Core Cities) recognised that bureaucracy was holding back development, demanding an overhaul of the national planning framework. He argued that the key target of any future White Paper should be the market for land and practices of landholding. Hugh Ellis (Policy Director, Town and Country Planning Association) added to such criticism, questioning the powers of local authorities over proposed key issues such as change of use, demolition and rebuild, asking Commissioners: 'what is the point of local government planning?'.

3.33   Such calls for planning reform were tied to the need to tackle regional imbalances through investment and to the generation of a national spatial plan in England. Hugh Ellis (Policy

Director, Town and Country Planning Association) underlined how national policies, for example the housing algorithm, have had 'huge unintended consequences', reinforcing growth in the South East. He suggested that in the absence of a national spatial plan, England would continue to suffer from a 'major cooperation problem' and that 'a national spatial plan could operate as a resource tool, supporting direction of travel.' However, as William Mapplebeck (Communications, Core Cities) pointed out, any spatial plan requires a process of dialogue, so that we are 'not pulling a rabbit out of a hat' but including places and the voices of communities in the identification of priorities.

3.34   In the case of town centre regeneration, it was important to overcome the current fragmentation and piecemeal approach, with Hugh Ellis (Director of Policy, Town and Country Planning Association, TCPA) arguing that 'what works' is local government acting as a 'steerer, running partnerships.' Indeed, effective place leadership, it was acknowledged by other witnesses, demanded that councils acted as coordinators and coalition builders, reasserting the findings of the Grimsey reviews that underlined the barriers to town centres acting as community hubs incorporating diverse services, housing and arts, office space and manufacturing.[39] Ellis argued that to take up these roles, councils require the tools and capabilities to repurpose town centres through building more homes, thereby increasing the footfall for retail and delivering compact cities. Section 106 agreements could be used to increase green spaces, although it was argued that the proposed planning White Paper could potentially hamper this.

3.35   In reference to a vision of 'localism on steroids', David Bentley (Head of Asset Management, Chartered Institute of Public Finance and Accountancy (CIPFA)) also drew attention to the constraints of planning at the local level, control over permitted development rights, and how local management of schools had not always supported the role of authorities as place-shapers. Most importantly, he underlined the need for investment in local government after years of austerity. In fact, Rachel Laurence (London Borough of Barking and Dagenham) bemoaned the fact that local authorities are having to pool different elements of funding to deliver an economic and growth recovery strategy. She called for support for local authorities to 'have a proper industrial strategy locally, focused on the foundational and green economy.'

Embedding innovation in the post-Covid recovery

3.36   It was acknowledged that responding to the Covid pandemic has triggered new forms of collaboration and organisational practices. Councillor Andrea Lewis (Deputy Leader and Cabinet member for Homes, Energy and Service Transformation, City and County of Swansea) underlined that during the first wave of the pandemic inter-agency collaboration had shown its value in responding to the demands of communities, arguing that the council had 'never worked so closely with health and the voluntary sector.' Indeed, it was more widely recognised that the response to the pandemic had brought innovation in ways of working. Councillor Susan Aitken (Leader, Glasgow City Council) pointed out how her authority had moved to weekly cross-party Covid meetings, which had now transformed into a Recovery and Renewal Oversight committee. Collaboration had also been important, with the Sustainable Glasgow Partnership being at the heart of moving forward. David Bentley (Head of Asset Management, Chartered Institute of Public Finance and Accountancy (CIPFA) described how local service delivery hubs had emerged to support the response to Covid, opening up alternatives to the more centralised 'civic centre' model of many authorities. He continued that Covid has reframed information technology as an enabler, opening up the prospect of virtual delivery of services as well as those of community-

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[39]   The Grimsey Review (2013) *An Alternative for the High Street*, Grimsey Review Team,

www.vanishinghighstreet.com/wpcontent/uploads/2016/03/GrimseyReview04.092pdf

based approaches.

3.37   David Bentley also argued that it was too soon to determine whether local authorities and businesses would be able to reduce office spaces after the move to home working during the pandemic. He stressed the importance of local context and the different impacts on employment patterns across communities. He advocated that authorities should base assessments of required working spaces on the configuration of local areas, linking such assessments to the impacts on communities and place-shaping outcomes. It was not, he suggested, just a question of reducing office space.

3.38   Bentley also warned that the long-term impacts of flexible home working on staff were not yet known. Few authorities had communicated the expectations of home working to staff, such as hours of work per day, and as a result staff felt pressured. Health and safety was also a concern, with many homes lacking appropriate desk spaces. All in all, the long-term impacts on physical and mental health were uncertain. It was again important to avoid 'sweeping statement solutions' as some individuals may well prefer to travel to work in the office. He supported the concerns of Commissioners that there was potential for inequalities, particularly in terms of the differential capacity of blue- and white-collar workers to benefit from home working. He reiterated that organisations need to look at these issues holistically and not in a piecemeal fashion.

3.39   Voicing similar concerns, Jenna Norman (Public Affairs Officer, Women's Budget Group) argued that there were 'holes' in working from home, particularly for women with no childcare support, as the 'juggling' of caring roles by women means that they have more disrupted hours than men, leading her to conclude that home working has to be accompanied by investment in social care and childcare. Equally, Councillor Andrea Lewis (Deputy Leader and Cabinet member for Homes, Energy and Service Transformation, City and County of Swansea) argued that Covid had accelerated digital transformation which enabled home working, but she was concerned over the work/life balance and the need to avoid staff 'sending emails at midnight'.

3.40   At the same time, competing and newly emerging organisational geographies pose, and will continue to pose, differing questions for effective ways of working. Technological change, it was argued, has opened up new geographies of service delivery and of democratic engagement. Yet, the overriding focus on economic development, particularly since 2010, has led to an over-emphasis of organisational geographies based on Functional Economic Areas, which were often not congruent with 'sensible' service delivery boundaries or meaningful community sentiment.

 3.41   Significantly, there are differing geographies and ways of working now required for policy, intervention, and coordination with respect to climate change and the environmental policy. It was accepted that these new responsibilities for environmental stewardship required a revised organisational mindset to imagine 'appropriate' scales and boundaries for councils, or for means of effective coordination between them. Tackling climate change thus potentially required more radical changes to historical and existing institutional boundaries.

3.42   Indeed, as discussed above, climate change mitigation and adaption was also seen as a new driver of organisational transformation. Mark Davies (Director for Communities and the Environment, Lancaster City Council) underlined how Lancaster City Council had invested the time and officer resources in tackling climate change, arguing that its approach was not 'simply a case of ideology', but a cultural change across the organisation, with the environment being the policy driver to bring about organisational change. Lancaster Council has put in place its Plan for 2030 to lower both its direct emissions and indirect emissions across its communities. The Deputy Leader of the Council, Davies reported, is responsible for climate change and across the leadership of the council 'all priorities are driven by climate change', down to informing spending decisions. Indeed, he concluded that sustainability, being a question of economic, social and environmental justice, and addressing inequalities and service inefficiencies, should be a mobilizing frame for local government.

Towards 2030: The view of the Commission

3.43   Issues concerning the size and number of tiers of local government can never be fully 'resolved' as they depend on value judgements concerning the balance to be struck between claims for democracy and of efficiency and effectiveness. Inevitably, size will be the outcome of trade-off between these claims; there is no 'right' answer as to where this balance lies. Settling these issues requires pragmatism and compromise. However, it is important that a 'blueprint' is not imposed by central government, and that local governments themselves should debate and resolve these issues through a mechanism which allows for local input and is sensitive to local preferences.

3.44   Actual 'hard' powers are also necessary if local authorities are to be able to lead and 'shape' their places. Appeals to community or place leadership[40] ring hollow if they rely solely on the 'soft' powers of collaboration and partnership. Meaningful local authority powers cannot be acquired in isolation from the capacity of councils to provide services. Policy priorities need to be integrated, inter-linked across localities, with accountability for service provision via elected representatives.

3.45   Over many years, councils have been exhorted to follow the current 'best practice' of management and service delivery. They have had to respond to new ways of organising which have been enforced by legislation (for example, contracting out), required by financial constraint and a search for efficiency, or made in response to changing social and environmental demands. Local government has more than proven itself to be flexible, adaptable and innovative and indeed, its local knowledge is key to this. Recent experience supports this view; we have witnessed a mushrooming of alternative modes of local government organisation[41]. These alternative visions for the future of local authorities have begun to set out and inform a new municipalism, generating new forms of community participation and ownership.

3.46   There is ample evidence, then, that local government does not need centrally- prescribed managerial models, and that flexibility and innovation will be better facilitated if prescriptions are put to one side and councils left to determine their organisational structure and locally appropriate mixes of delivery models.

Recommendations

6. The Commission supports local government determining its own structures, scales and size. Councils should be left to determine for themselves the organisation, configuration, and modes of service delivery, in keeping with local circumstances and choice.

7. In England, we propose that structural reforms, mergers or reductions in scale are submitted to an independent and representative Standing Commission. This Standing Commission would make recommendations on proposals to central government.

8. New powers should be transferred to local government as a major step towards the integration of local services and accountability for place-based services. The Commission strongly supports local government exercising responsibility for primary health care, local policing, funding for public housing and for further education and the management of local schools (allowing for differences across the devolved nations).

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[40]   See Lyons Inquiry into Local Government, 2007.

[41]   Morphet, J. and Clifford, B. (2020) *Reviving Local Authority Housing Delivery.*Bristol: Polity Press.
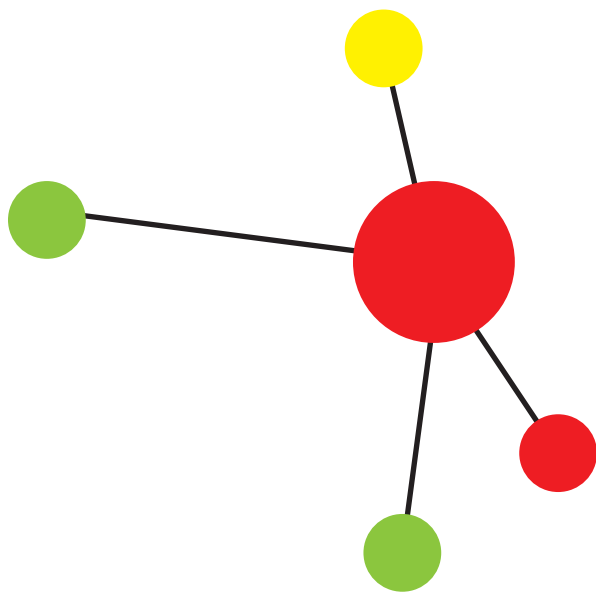
Chapter Four

A sustainable financial settlement for local government

4.1   The current system of local government funding is not sustainable. It is broken and increasingly fragile. Total UK local government spending fell in real terms by 19 per cent from 2009 to 2018. As a share of Gross Domestic Product (GDP), it slumped to its lowest level since 1948.[42] Local authorities risk collapsing under the weight of a complex cocktail of inter-connected challenges: sustained reductions in central grants; the unevenness of cuts to funding; increasing demands for local services; the erosion of local authority financial reserves; and the increased reliance on Business Rates, Council Tax, income-generation and commercialisation.[43] But, the depth of the financial crisis facing local authorities and communities, particularly in England, also owes much to the accumulated impact on their finances and core organisational capacities of a decade of year-on-year reductions under austerity. [44]

4.2   The Covid-19 pandemic, and its impacts on public health and local economies, have accelerated and intensified further the pressures on local finances.[45] Councils were given responsibility for Public Health services in 2012, only to find that the budget was ring-fenced, and then cut. They have had under the pandemic to take on new responsibilities and respond to increasing demands on services, in particular as those with additional needs have been affected disproportionately by the virus, while the economic impacts of the pandemic have shrunk local sources of income, exposing for many councils the market vulnerability of commercialisation activities. Councils in England were forecast to be facing a funding shortfall of £7.2 billion in August 2020, which after additional funding and support from central government, translated into a predicted funding shortfall of £2 billion across the sector. In shire districts, particularly reliant on income from sales, fees and charges and commercial activities, this amounted to a shortfall of around 23 per cent of pre-Covid crisis expenditure, against an average of under 15 per cent for other councils.[46] In March 2021, the National Audit Office reported some £9.7 billion of COVID cost pressures and lost income estimated by councils for 2020/21, with three-quarters of councils reporting a 'funding gap' despite additional financial support from central government.[47] Indeed, the Local Government Association estimated in its submission to the March 2021 Budget that a further £2.6 billion was required to cover the impact on councils in full.[48]

4.3   Finance and funding have frequently been the poor relations of UK local government reform. Successive governments have at best muddled through from funding crisis to funding crisis, putting short-term 'sticking plasters' on the system of local government funding. This practice is no longer sustainable.[49] To lead the post-Covid economic recovery, address climate change, or tackle the public health and housing crises facing communities, local government requires a sustainable, substantial and long-term funding base to give authorities the confidence

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[42]   Association for Public Service Excellence and New Policy Institute (2019) *Neighbourhood Services and Sustainable Local Government*, Manchester: APSE, p. 5.

[43]   National Audit Office (2018) *Financial Sustainability of Local Authorities 2018*, HC834, London: NAO.

[44]   Eckersley, P. and Tobin, P. (2019) 'The impact of austerity on policy capacity in local government', *Policy & Politics*, 47:3, pp. 455-72.

[45]   National Audit Office (2021) *Local government finance in the pandemic,* London: NAO. 10 March 2021

[46]   Ogden, K. and Phillips, D.(2020) *COVID-19 and English Council Funding: How Are Budgets Being Hit in 2020-21?*, Institute for Fiscal Studies Report R174, August 2020, London: IFS.

[47]   National Audit Office (NAO) (2021) *Local government finance in the pandemic*. London: NAO.

[48]   Local Government Association (LGA) *LGA March 2021 Budget Submission*, 14 January, London: LGA.

[49]   National Audit Office (NAO) (2021) *Local government finance in the pandemic*. London: NAO

to use the financial powers at their disposal and the certainty to plan ahead. Planning to address long term public policy issues facing local communities cannot be done effectively on the basis of mere annual budgets. It is time for a comprehensive overhaul of local government funding.

Local government funding and austerity

4.4   Local authorities across the UK have been faced with continued reductions to central funding and increased dependence on Council Tax and Business Rates. On average, between 2009-10 and 2019-20 local authority spending in England fell by 23 per cent, and central funding by 37 per cent, per person. Indeed, local authorities received £15.4 billion in revenue support grants from central government in 2013-14; by 2019-20 this had fallen to £2.1 billion. In Scotland and Wales, although the reductions have been less sharp, and arguably came later than in England, local authorities have still witnessed cuts of around 11 and 12 per cent in funding from central government. Cuts to frontline services have been highest in England, where council spending dropped by 24 per cent between 2009 and 2017, compared to 11.5 per cent in Scotland, and 12 per cent in Wales.[50] In Northern Ireland, there was a real-term increase in local government income in the five years to 2018/19, but expenditure continued to exceed income, with a shortfall of £127 million in 2018/19.[51]

4.5   Across the UK, the actual level of cuts to local spending has varied considerably from authority to authority, ranging from 46 per cent in one authority to 1.6 per cent in another. Cuts have hit the poorest in our society the hardest, with deprived areas experiencing the biggest cuts to local spending on services. [52] (For a discussion of the gendered and racial impacts of these cuts, see Chapter Six). Take for example spending on children's and young people's services in England. This has dropped by an average of 14 per cent in the most deprived local authorities in the eight years leading up to 2018/19, while it has increased by 9 per cent in the least deprived authorities.[53] In 2018 the New Policy Institute found that 97 per cent of the reduction in spending by English local authorities on services for disadvantaged adults and children in the five years from 2012 took place in the most deprived fifth of local areas. These were notably metropolitan and other urban areas concentrated in the North and Midlands, as well as coastal districts across England, where there are more demands for support.[54]

4.6   Such unevenness results from a combination of factors: the proportion of the council budget that comes from central funding; the reserves at the disposal of the council; the capacity to access alternative sources of income-generation; and the strength of the local tax base, coupled with increasing demands for public services in the most deprived areas as a result of austerity. These latter authorities tend to rely more heavily on central funding and have lower local tax bases and local economies that are less able to generate additional sources of income. In Scotland and Wales, the block allocation of central grants also allowed some re-allocation of funding across budgets.[55]

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[50]   Gray, M. and Barford, A. (2018) 'The Depth of the Cuts: The Uneven Geography of Local Government Austerity', *Cambridge Journal of Regions, Economy and Society*, 11:3, pp.541-563.

[51]   Northern Ireland Audit Office (2020) *Local Government Auditor's Report 2020*, Belfast: NIAO, p. 17.

[52]   Hastings, A., Bailey, N., Bramley, G., Gannon, M. and Watkins, D. (2015) *The Cost of the Cuts: The Impact on Local Government and Poorer Communities*, Joseph Rowntree Foundation Report, York: JRF.

[53]   Action for Children, National Children's Bureau, NSPCC, The Children's Society and Barnardo's (2020) *Children and Young People's Services: Funding and Spending 2010/11 to 2018/19*, Watford: AfC, p.2

[54]   New Policy Institute (2018) *A quiet crisis. Local government spending on disadvantage*, London: Lloyds Bank Foundation.

[55]   Gray, M. and Barford, A. (2018) 'The Depth of the Cuts: The Uneven Geography of Local Government Austerity', *Cambridge Journal of Regions, Economy and Society*, 11:3, pp.541-563.

Funding adult and social care

4.7   Cuts to local spending have transformed the nature of local services. Discretionary services have taken the brunt of cuts as councils have strived to meet their statutory duties in areas such as social care. As a result, the bulk of reductions have fallen on 'unprotected' areas: planning, environment and parks, and culture. These services saw average reductions of 40 per cent in net spending per person from 2009/10 to 2019/20. In proportional terms, the largest cuts were made to the three smallest areas of spending: culture (52 per cent), housing (52 per cent) and planning (59 per cent).[56]

4.8   Reductions in the more collective, quality of life-related functions of local authorities have diminished their abilities to act as stewards of place. Funding systems have been interacting with statutory duties to produce effects that are systemic rather than political in origin. From 2009 to 2018, the resources dedicated to neighbourhood services across England, Wales and Scotland dropped by approximately 27 per cent, equivalent to £8.9bn at 2017/18 prices, compared to a fall of 19 per cent in total local government spending.[57] Spending on local libraries across the UK, fell 29.6 per cent from 2010 to 2019, with 773 local libraries closing.[58] Local authority spending on youth services dropped by £400 million during the same period, with the loss of 4,500 youth work jobs and more than 760 youth centres since 2012.[59] As we have indicated above, in England funding for local authority children and young people's services fell by £2.2 billion between 2011 and 2018, with the number of children using children's centres dropping by 18 per cent (from 2.2 million to 1.8 million) between 2014/15 and 2017/18.[60] The Women's Budget Group has pointed out that many of these cuts have had a disproportionately negative impact on women who largely carry the responsibility for children and dependent adults.[61]

4.9   The need to prioritise statutory functions means that local authority spending is increasingly taken up by these services such as social care in England and education in Scotland. For example, in England, 57 per cent of all spending of local authorities is now accounted for by social care services.[62] This trend has been accompanied by a shift away from early intervention and prevention towards late and crisis intervention. Local authorities have been obliged to transfer discretionary funding to support young people in crisis.[63] Early intervention accounted for 36 per cent of English local authority spending on children and young people's services in 2010/11; this had fallen to 20 per cent by 2018/19.[64]

4.10   Importantly, spending on adult social care increased in England from 2014/15, due to the introduction of the Council Tax adult social care precept and temporary central grants such as the Improved Better Care Fund. However, it remained approximately £0.4 billion below the

[56]   Harris, T., Hodge, L. and Phillips, D. (2019) *English local government funding: Trends and Challenges in 2019 and Beyond*, London: Institute for Fiscal Studies, pp. 28-9..

[57]   Association for Public Service Excellence and New Policy Institute (2019) *Neighbourhood Services and Sustainable Local Government*, APSE: Manchester.

[58]   CIPFA (2019) *Decade of austerity sees 30% drop in library spending*, Press release, 06 December 2019; Flood, A. (2019) Britain has closed almost 800 libraries since 2010, figures show, *The Guardian*, 06 December 2019.

[59]   UNISON (2019) *Youth Services at Breaking Point*, London: UNISON.

[60]   Action for Children (2019) *Closed Doors*, Watford: AfC; Action for Children, National Children's Bureau, NSPCC, The Children's Society and Barnardo's (2020) *Children and Young People's Services: Funding and Spending 2010/11 to 2018/19*, Watford: AfC.

[61]   Women's Budget Group (2019) *Triple Whammy. The Impact of Local Government Cuts on Women*, London: WBG.

[62]   Harris, T., Hodge, L. and Phillips, D. (2019) *English local government funding: Trends and Challenges in 2019 and Beyond*, London: Institute for Fiscal Studies.

[63]   YMCA (2020) *Out of Service*, London: YMCA.

[64]   Action for Children, National Children's Bureau, NSPCC, The Children's Society and Barnardo's (2020) *Children and Young People's Services: Funding and Spending 2010/11 to 2018/19*, Watford: AfC.

2010/11 level in 2018/19 prices. At the same time, local authority spending on children and young people's services fell by £536 million, a 6 per cent reduction, with central government funding per child and young person falling from £571 in 2010/11 to £425 in 2018/19.[65]

4.11   In fact, demand has continued to outstrip spending increases and is projected to continue to do so into the 2020s. Last-minute additional grants for social care in three local government funding settlements and additional headroom for Council Tax rises and precepts to fund social care have fallen short of most measures of the 'funding gap' between local authority spending, demands for social care and funding.

Fragility of localisation and commercialisation in a post-Covid world

4.12   Local authorities have sought to increase local sources of revenue to make up for lost grant funding. But their ability to do this through the Council Tax and Business Rates systems is tightly limited. Likewise, many local fees and charges are subject to nationally set criteria and are often limited to recovering the cost of providing a service, except where specific legislation allows otherwise. These constraints have led some authorities in England to gravitate towards property investments by increasing - in some cases significantly - their existing property portfolios to try to increase their revenue. Scottish authorities have less flexibility in that regard. Importantly, new forms of income-generation have been put at risk by the Covid-19 pandemic, with the Institute for Fiscal Studies suggesting that shire district councils in England are particularly at risk, due to their dependence on income from parking, cultural and leisure services, planning and trade waste scheme.[66]

4.13   In England, the governments of the 2010s sought to reduce the proportion of local authority revenue deriving from central government. This was an explicit aim of the Business Rates retention scheme, and also underlay the localisation of Council Tax benefit. The UK Government tried to tie local authorities' financial fortunes more closely to local economic performance. Local authorities have become almost entirely reliant on Council Tax and Business Rates revenue, which made up in 2019 some 80 per cent of local funding. But funding reforms have also emphasised the continued importance for local authorities to be able to meet their statutory duties to deliver public services. To this end, rate revenue is still subject to a good deal of redistribution.[67]

4.14   Increasing the proportion of local revenue has some appeal to local authorities, as it offers the prospect of greater control and less dependence on grants. But further steps in this direction have faltered in England. Local business rate retention was to be increased from 50 per cent to 75 per cent, then to 100 per cent by 2022. This was to be accompanied by a Fair Funding Review of overall central funding. Both the Business Rate Retention Scheme and the Fair Funding Review are currently on hold. A brief flutter of interest in a tourist tax in England appears to have fizzled out. Public Works Loan Board Borrowing remains available to local authorities but recent restrictions under the Prudential Accounting Framework limit further the purposes for which funding can be used. In addition, financial difficulties in some authorities due to the Covid pandemic have led to an increased use of capitalisation directions from the Ministry of Housing, Communities and Local Government.

4.15   In England, there has been a minor shift away from localisation, which has left something

[65]   Institute for Government and CIPFA (2019) *Performance Tracker 2019. A Data-Driven Analysis of the Performance of Public Services*, London: IfG, p.44; Kings' Fund (2020*) Social Care 360, 2018/19, 02* September 2020; Action for Children, National Children's Bureau, NSPCC, The Children's Society and Barnardo's (2020) *Children and Young People's Services: Funding and Spending 2010/11 to 2018/19*, Watford: AfC.

[66]   Ogden, K. and Phillips, D. (2020) *The Financial Risk and Resilience of English Local Authorities in the Coronavirus Crisis*, Institute for Fiscal Studies Report, London: IFS.

[67]   Harris, T., Hodge, L. and Phillips, D. (2019) *English local government funding: Trends and Challenges in 2019 and beyond*, London: Institute for Fiscal Studies.

of a policy vacuum on local funding as we move towards post-Covid recovery outside the European Union. In the 2020/21 settlement, the revenue support grant was due to increase to 10 per cent of local government funding, from 4 per cent in 2019/20 and 8 per cent in 2018/19. It had been 39 per cent in 2016/17.[68] At the same time, core funding was due to increase by 4.5 per cent in 2021/22, but again of the £2.2 billion increase, less than £0.3 billion comes from central funding; the rest coming from Council Tax increases of up to 5 per cent. However, this increase in planned funding for 2021/22 would make up in practice around one-fifth of the fall in real-terms of core funding per person between 2009-10 and 2019-20.[69]

4.16   However, proposals for the localisation of funding, and the Fair Funding Review, have repeatedly raised questions about the balance between local choice and the distribution of funding between authorities. Councils in poorer areas which were reliant on needs-based formula funding would, it was projected, lose up to £320 million per year. In contrast, shire counties, predominantly in the south-east, would stand to gain upwards of £300 million in funding per year.[70]

4.17   More recently, in the Spring 2021 Budget, the government announced new place-based funding for local government. The Towns Fund – launched in 2019, and worth £3.6 billion – was given an additional boost, with the announcement of a further 45 'deals' agreed (on top of the seven already signed in 2020). £84.5 million was brought forward over the next five years to develop six City and Growth Deals in Scotland and Wales. Additionally, the Levelling Up fund, worth £4.8 billion (some of which diverted from the Towns Fund), was made available to local areas across the UK. Finally, the Shared Prosperity Fund was rebadged as £220 million UK Community Renewal Fund, while a new £150 million Community Ownership Fund was announced to enable community groups will to bid for up to £250,000 to match funds already raised in order to buy local assets run as community-owned businesses. However, these funds will continue to be centrally managed and distributed through competitive bidding processes, with government providing a ranking of areas considered 'in most need of levelling up'. [71]

Strains on locally raised sources of income

4.18   Across the UK, a large proportion of local authority revenue comes from property rents or dividends from investments. This is even more true of those authorities that have invested millions of pounds in commercial property portfolios. Any failures in the property market have knock-on effects for local revenue: this has been vividly proven by Covid-19.

4.19   However, at the same time, property taxation was suffering from ongoing difficulties before Covid-19 struck. Business Rates had been dogged by years of complaints, leading latterly to the 'fundamental review of Business Rates' announced during the 2019 General Election campaign. Council Tax remains regressive and unpopular, and governments continue to shy away from revaluation and reform. During the 2010s, both taxes have regularly risen, and they have arguably been 'sweated' to extract additional revenue. Council Tax has been increased for empty properties, those struggling to pay, and on occasion has for some been wrongly imposed on students. Business Rates have been imposed or increased on ATMs, music festivals and solar

[68]   Sandford, M. and Brien, P. (2021) *The Local Government Finance Settlement 2021-22*, Briefing Paper, Number 09129, House of Commons Library, 5th February, available at https://researchbriefings.files.parliament.uk/documents/CBP-9129/CBP-9129.pdf

[69]   Ogden, K. and Phillips, D. (2020) *Assessing England's 2021-22 Local Government Finance Settlement*, Institute for Fiscal Studies Report, December 2020, London: IfS

[70]   Butler, P. (2020) 'Former 'red wall' areas could lose millions in council funding review', *The Guardian*, 25 January, 2020.

[71]   For a detailed account of the analysis presented here, see: Morgan, C. (2021) 'Budget 2021 explained: the fundamentals for communities', *New Local*, 3 March 2021.

panels. At the same time, the impact of business rates on highstreets has been contested. In early 2021, chief executives of 18 retail and property organisations, representing over 1 million employees argued in a public letter to the Chancellor, Rishi Sunak, that the burden of Business Rates and the rise of online competition was putting highstreets and jobs at risk. They called for the development of a one per cent online sales tax.[72] Stuart Adam of the Institute for Fiscal Studies has argued that high street shops are indeed struggling from online competition because of the higher costs of high street premises. But the contribution of Business Rates to these higher costs is not straightforward. He set out the case for replacing Business Rates with a land value tax on non-residential property in order to remove any disincentive to business property development. Yet, Adams also acknowledged that there are always winners and losers in any reform of taxation.[73]

4.20   These developments threaten to damage the legitimacy of local tax systems. Nevertheless, proposals for devolving existing taxes, or new local taxes, have featured regularly in intra-sector discussions and think tank reports in the last few years. Local income tax, land value tax, land value capture, tourism tax, sales taxes and others have been proposed. But few analyses or projections have been published outlining how such taxes would work or how much revenue they might raise (an honourable exception being the Institute for Fiscal Studies' 2019 report Taking Control).[74] Notably, Nottingham City Council introduced in 2012 a Workplace Parking Levy, a charge on employers who provide workplace parking which was aimed at tackling congestion and incentivising employers to change their policies towards workplace parking. Over the first seven years of its operation, it raised almost £64 million of funding, which was ringfenced to support the extensions to the city's tram network, the development of the central train station, and improve local bus network.

What the Commission found

4.21   There was a widespread demand in the evidence to the Commission for a sustainable and adequate funding system for local government following ten years of austerity and the challenges of the post-Covid recovery. In its evidence to the Commission, Blackburn with Darwen Borough Council detailed how it has had to address £140m of cuts across all council services over the past 10 years, equating to approximately 40 per cent of its funding - one of the highest cuts to funding in the 152 upper tier authorities. At the time of giving evidence to the Commission, its net expenditure had reduced by 22.56 per cent since 2017 but spend on social care had gone up by £13 million. The council had the fifth lowest level of reserves as a percentage net of revenue expenditure compared to other unitary authorities.

4.22   Equally, David Bentley (Head of Asset Management, Chartered Institute of Public Finance and Accountancy (CIPFA) pointed out that many of the strategies used by authorities to fill gaps in funding, particularly commercial investment in property, had been undermined by the economic fallout of the Covid pandemic, leaving some authorities exposed financially. He concluded that the current crisis was an opportunity to examine assets as part of the green recovery, suggesting like other witnesses that it was important not to return to business as usual. Against this background, one delegate at our workshop at the 2020 Conservative Councillors Association bemoaned the lack of financial sustainability, claiming that 'we [the council] rely on car park income, we can't go on like this.'

[72]   Wood, Z. and Partington, R. (2021) 'Reform Business Rates or Risk a High Street Collapse', The Guardian, 08 February.

[73]   Adam, S. (2019) Submission to the Treasury Committee Inquiry: The Impact of Business Rates on Business, London: Institute for Fiscal Studies.

[74]   Amin-Smith, N, Harris, T. and Philipps, D. (2019) Taking Control: Which Taxes Could be Devolved to English Local Government?, IFS report, R154, London: Institute for Fiscal Studies, available at: https://www.econstor.eu/bitstream/10419/201792/1/R154.pdf

4.23   Aileen Murphy (Director for MHCLG and local government value-for-money, National Audit Office) called it a 'porpoise method [of policymaking], throwing money at issues as they rise above the surface rather than putting in place a sustainable plan based on what it is that you want local government to do'. This pattern of incremental reform has masked increasing central control over local funding and the transfer of responsibilities onto local government without additional funding. Professor Tony Travers (London School of Economics and Political Science) argued that central government lacks trust in local government, underlining the increasing centralisation of local decision-making since the 1980s. He criticised the 'shocking control over local funding by the centre, failing to recognise that you cannot run everything from a few desks [in Whitehall]'. Echoing such concerns, Andrew Burns (Associate Director for Local Government, Chartered Institute of Public Finance and Accountancy) pointed out that local government has evolved into a regime of 'less for more' in many councils, threatening to erode the social contract between local government and communities.

4.24   Beyond this call for sustainable funding, we identified a number of recurring themes within evidence received on finance. Four are highlighted here. First, support for place-based budgeting. Second, support for additional sources of revenue. Third, improved relationships with central governments around grant funding, and the need for continued redistribution. Fourth, greater flexibility: opposition to 'bid and pilot' culture, and broader powers to borrow and invest. We noted few differences between submissions from England, Scotland, Wales and Northern Ireland: all areas supported a more expansive approach to local finance.

Place-based budgeting

4.25   There were many voices in favour of changes in the way funding is handled: broadly, the evidence supported moves away from functional, silo-based funding towards place-based integration of budgets. This typically accompanied advocacy of a more interlinked local approach to service delivery and policymaking. Funding should be mobilised 'across pots' to invest in physical and social infrastructure. For instance, Cheshire West and Chester Council advocated 'place-based settlements where national and local funding for all local services is pooled to encourage greater collaboration across a range of partners', whilst Lisburn and Castlereagh City Council stated that local government should be the 'civic hub and primary coordinator/planner of public services, services delivered directly or in partnership through local authorities, which are properly resourced through a range of partners'. Building on recent experiences in Greater Manchester, Rochdale Borough Council supported councils having 'abilities to redirect public resources around prevention and one public service'.

4.26   Evidence on this topic differed subtly from one submission to another. As we have argued earlier, some appeared to support merging all public services into the local authority. Others supported ostensibly looser powers to 'redirect' resources or sought greater 'accountability' from service providers. Unite supported insourcing, and use of public procurement to influence local economies, as tools to facilitate place-based budgeting. There were few explicit references to pooling of budgets between different organisations. This was a vexed issue during the Total Place and Our Place pilots (2008-09 and 2011-13 respectively), which struggled to achieve any substantial pooling of resources.

Funding sources

4.27   Many submissions to the Commission called for additional sources of tax income for local government, alongside greater local control over existing sources of revenue (Bracknell Forest Council; Council of the Isles of Scilly; Preston City Council; Rochdale Borough Council). Delegates at the Conservative Councillors' Association voiced support for a tourist tax and a share of VAT, as well as proposing an 'Amazon delivery tax' whereby online businesses paid a local duty to the

authorities where goods are delivered. There was also the proposal for further taxation of land development tax tied to the granting of planning permission, with a delegate explaining that 'we give planning permission and then land goes from £10k to £1million per acre and what do we get?'

4.28   Some authorities supported greater control over the Business Rates system, allowing some discretion to incentivise new business and town centre regeneration. North Ayrshire Council advanced the aspiration to be able to move toward 'increasing rates for out-of-town shops, levies on town centre business parking.' Other authorities also mentioned the concept of a tourism tax, levied on nightly visitor stays in hotels.

4.29   Such demands for sources of funding were often aligned with calls for increased financial autonomy as in the words of a councillor at the Conservative Councillor Association, 'every central government uses local government to do its dirty work'. Durham County Council called for 'more freedom to raise funding through Council Tax as opposed to being subject to arbitrary Council Tax caps and referendum thresholds.' Preston City Council supported 'a real end to austerity as well as an ability to generate income, set our own Council Tax rates, consider tourist and hotel bed taxes and responsible local control over Business Rates'. Indeed, one delegate at the Conservative Councillor Association tied such demands to the end of central top slicing of local funding stating: 'we collect 110 million but end up with about 8 million… we end up doing the beauty parade to get our money back [through competitive grants].'

4.30   Councillor Sharon Taylor OBE (Leader of Stevenage Borough Council and Board Member on District Council Network) called for 'real devolution and subsidiarity', arguing that the Covid-19 pandemic had accelerated financial pressures. She underlined how the centre retains a proportion of local revenue and that there was a need for local financial autonomy in an overly centralised system. Councillor Taylor drew particular attention to the central clawing back of income from the sale of council housing. She called for an overhaul of the local government funding to deliver economic and social investment through for example shared prosperity funds to counter the impact of Covid; reform to capital funding rules; an end to rounds of bureaucratic competitive meeting; and further flexibility through the end to Council Tax referenda and the ability to raise local taxes and levies.

4.31   Dr. Jonathan Carr-West (Chief Executive, Local Government Information Unit, LGiU) supported moving beyond the Government's 'obsession' with Business Rates. Many others supported additional taxation powers, such as local income tax, air passenger duty, 'local VAT', parking charges and congestion charges, and more effective capture of the value of developed land after planning permission has been given. Aberdeen City Council and SOLAR (Society of Local Authority Lawyers and Administrators in Scotland) supported greater autonomy in setting local fees and charges. Strikingly, Council Tax reform was mentioned comparatively rarely, though some English councils highlighted their wish to end the referendum regime operating there, and equivalent remarks were made about Council Tax capping in Scotland and Wales. On the other hand, NILGA expressed its support for the continuation of domestic rates in Northern Ireland.

Central grant funding and redistribution

4.32   In the evidence received, many proposed that central grants should be distributed via multi-year grant funding settlements. Blackburn with Darwen Borough Council argued that 'the current year-by-year approach prevents the authority taking decisions that would actually deliver real improvements for the borough and its residents. We are unable to commence initiatives and projects given the uncertainty of future funding streams and revenues.' Mid and East Antrim Borough Council called for 'half decade funding settlements driven by evidence-based need and community impact performance criteria', also noting that 'any additional powers passed to local

government must be adequately resourced'. A multi-year settlement would give medium-term certainty over local authority income, helping authorities with their investment decisions. The current legal requirement in all four nations is for an annual finance settlement. The UK government operated a four-year one for England from 2016-20. Submissions argued that this would increase the ability of authorities to plan financially for the medium term. However, this did not materialise in practice, as reflected in the autumn 2020 and spring 2021 Budget announcements.

4.33   Councils underlined the need for continued redistribution of funds between local authorities, so as to take account of the differing potential for local income generation across the UK. In its evidence to the Commission, Wigan Metropolitan Borough Council stressed the limits on the capacity to generate income through local taxation, particularly in areas with high levels of deprivation, high demand for services and where housing is predominantly in the lower bands of the Council Tax. The authority underlined how the Council Tax is also a regressive tax which impacts disproportionately on the poorest in our communities, concluding that 'redistribution is a must.' These claims for continued redistribution based on relative needs and resources were echoed by Rochdale Borough Council who called for 'a balance between redistribution and incentives for local authorities to encourage growth in their local areas.' Durham County Council argued for the 'principle of funding based on need, as opposed to simply seeking to equalise funding across the country' so as to take account of economic disparities, not least in rateable values, and the additional costs of providing services in isolated rural areas. Blackburn with Darwen Borough Council opposed localisation as perpetuating inequalities because of such economic disparities and different levels of deprivation experienced by communities.

4.34   Professor Tony Travers (London School of Economics and Political Science) re-emphasised the need for inter-area transfers of cash but underlined that this can be undertaken by automatic transfers that avoid perverse incentives. He argued that automatic transfers, such as the Barnett formula, which transfers resources to Wales and Scotland, can be made without powers being given to a few people sitting behind desks in Whitehall. In such a process, central government is left to focus its attention on explicit government intervention, for example, targeted regional regeneration to address differences in local tax bases. However, Professor Travers suggested that these latter interventions by government need to remain outside of the general processes of equalisation.

End to competitive funding and ring-fencing

4.35   The evidence received highlighted a number of points with regard to flexibility in financial management. Blackburn with Darwen Borough Council drew attention to the prevalence of central government funds that must be accessed through a competitive bidding process. They noted that 'funding released piecemeal through grant bidding rounds and pilots, whilst welcome, also adds to the burden on local authorities to bid for and administer these programmes, responding to different government departments and funding bodies'. The LGA stated that 400 separate grants were made available for local authorities between 2015 and 2019. Indeed, in the realm of environmental policy and climate change, Louise Marix Evans (Director of Quantum Strategy and Technology) called for the end of competition between authorities over 'small pots of money' calling for spending flexibility and the end to the fragmentation of funding if councils were to be able to create a strong local response to climate change.

4.36   In its evidence, SOLAR (Society for Local Authority Lawyers and Administrators in Scotland) and North Ayrshire Council sought a reduction in the ring-fencing of local funding. SOLAR underlined the contradiction of existing policies, asking 'how can we encourage meaningful community involvement if neither communities nor local authorities can determine how money is spent?' It pointed out approximately 85 per cent of a council's income is decided and allocated by the Scottish government through the Scottish Parliament, with 'substantial external direction

and scrutiny', 'ringfencing' for particular purposes, and conditionalities attached to national grants. It called for a comprehensive review of local authority funding designed to ensure that at least 60 per cent of local authority expenditure is within the control of local authorities, while recognising the continued need for central pooling and redistribution of the remaining 30-40 per cent to ensure that all councils can meet the need of their communities.

4.37   Evidence from some authorities in Scotland and Northern Ireland sought the expansion of their borrowing, investment, and commercial opportunities. SOLAR demanded that the Local Authority (Capital Financing and Accounting) (Scotland) Regulations 2016 be revised to enable borrowing without Ministerial consent to support capital expenditure under a Power of General Competence. The inability of Scottish councils to borrow for Arm's Length External Organisations was also leading to higher borrowing costs because councils could not access the Public Works Loan Board and had potentially to carry the cost of guaranteeing loans. SOLAR called for councils to be able to borrow for others 'as long as Best Value and State Aid can be satisfied.' Indeed, both SOLAR and North Ayrshire sought the introduction of a general power of competence as a route to more flexible investment.

4.38   In its evidence, the Northern Ireland Local Government Association called for 'new borrowing powers, simplified loan and borrowing regimes.' Councils in Northern Ireland are unable to access the Public Works Loan Board, having to borrow from the Department of Finance (where lending is passed through), and from commercial lenders. This leads to councils having to pay higher rates of interest, which impacts on levels of debt, while leaving councils with reduced autonomy over how they use funding.[75]

Towards 2030: The view of the Commission

4.39   As we declared at the beginning of this chapter, we believe the current system of local government funding is not sustainable. The evidence gathered during our investigations has only confirmed our commitment to reform it. Cuts to funding have impacted on our most deprived and poorest communities. The funding of social care is placing huge pressures on local funding across all local authorities, with differences in complex needs, funded care and 'self-funders' adding to further layers of complexity. There remains enormous unmet need for care. The Covid-19 pandemic, and its impacts on public health and local economies, have only amplified the financial pressures on local government.

4.40   The demands voiced to the Commission to revise central grant funding and increase financial flexibility can be met. These are essentially technical matters that could do much behind the scenes to improve public service provision. On the other hand, new taxes, and devolved taxes, require substantial political commitment and are prone to being opposed in public debate. However, piecemeal reforms will no longer provide the financial foundations that local government requires to address the wide range of policy challenges that it faces. Reform of local government funding cannot be undertaken in isolation. It has to be part and parcel of the vision for a new municipalism, sitting alongside a constitutional settlement, new roles and powers, and a new relationship between central and local government.

4.41   At the same time, we must recognise that austerity brought local government funding levels to their lowest point in over 70 years. Taking these matters into consideration, a sustainable funding regime for UK local government requires both a recognition that councils have to be able to meet local needs and that there should be a guaranteed floor below which funding should not fall. One way in which this can be done is to guarantee local government a share of funding

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[75]   Fearon, S. (2020) *A New Borrowing Arrangement for Local Councils is Key to Funding a Just Transition*, 26 May,

https://sluggerotoole.com/2020/05/26/a-new-borrowing-arrangement-for-local-councils-is-key-to-funding-a-just-transition/

equivalent to a percentage of Gross Domestic Product (GDP) that it cannot fall below. Using a percentage of GDP as a proxy measure for the minimal threshold below which local government funding cannot fall is an imperfect mechanism. However, local government cannot bear again its unfair share of the brunt of austerity.

Recommendations

9. Local government requires a long-term sustainable financial settlement. This sustainable financial settlement should ensure that every council has sufficient resources to exercise its roles and responsibilities and meet the needs of its communities. In keeping with the principle of local by default, councils should be free to use such resources as they see fit, consistent with the demands of democratic accountability. This national settlement should be agreed for a five-year period, with any further powers or roles and responsibilities transferred to local government during the period of the settlement bringing additional funding.

10. To guarantee that councils do not once again experience an unfair share of the burden of cuts to public funding, total local government funding should not fall below an agreed minimum percentage of Gross Domestic Product (GDP). This guaranteed level of funding should be seen as a minimum threshold that recognises that locally provided services are of equal importance to those within the NHS, education, and the activities of central government.

11. It will be for the local government sector itself to decide how funding is allocated between authorities.

12. A significant proportion of the national settlement for local government will continue to be raised locally. There should be a re-valuation and reform of the Council Tax and a reform of Business Rates.

13. In addition to its share of the national settlement, local councils should be free to raise additional funding as they see fit, through increases to general and specific local taxes, and hypothecated taxes.

14. During the transition towards this new financial settlement, government should agree a multi-year funding settlement with local government to ensure stability in the short-term.

15. Centrally funded national programmes should no longer be distributed through competitive funding but on clear principles agreed by central and local government.

Chapter Five

Local democracy, representation and accountability

5.1   Local government is a directly elected tier of government. It occupies a unique position amongst the plethora of public service organisations and agencies that operate within council boundaries. It is at the frontline of our democracy and trust in our institutions. Four and a half times as many people (54 per cent) trust their local council over central government (12 per cent) to make decisions about the delivery of public services in their area. Nine times as many people (56 per cent) trust local councillors to make decisions about their local area over government ministers (6 per cent). And, in relation to the provision of local services, five times as many people (55 per cent) trust the council over private companies (11 per cent).[76]

5.2   The internal governance of councils, how they engage with communities and other public bodies, and how they advance the public good, are crucial to making this democratic legitimacy meaningful. This legitimacy, for citizens, is the result of both participation in collective decisions and the effectiveness or outcomes of those decisions.[77] Democratic and accountable governance therefore requires strong political and managerial leadership to deliver for the public purpose in local areas. It should also reflect the diversity of local populations and their needs and interests. It necessitates organisational practices and systems which are transparent and understandable to the public; systems which provide multiple ways for communities to influence council decision-making and hold authorities to account.

The state of local democracy

Diversity and representation in local government

5.3   There has been a longstanding concern for the attractiveness of the role of the councillor and the ability to draw from a more diverse 'pool' of people who wish to stand for local election. Diversity of representation enhances communication between representatives and the represented and increases electoral participation and turnout among disadvantaged and under-represented groups.[78]. It is likely to affect how resources are allocated and the nature of services provided. However, across many councils, the demographic profile of councillors remains at odds with that of the local communities that they represent. In England, the 2018 national census of councillors found that the average age of councillors (59.4 years old), their ethnic origins (over nine out of ten councillors were white) and their gender (over three out of five councillors were men) had changed little since 2004.[79] Although the number of women councillors has increased, moves towards equal representation across local government have arguably stalled. Indeed, political incumbency continues to favour men, such that out of those councillors serving for 20 years or more, 3 in 4 are men.[80]

5.4   Only 35 per cent of councillors in England are women, compared to just 29 per cent in

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[76]   APSE and Survation (2020) *Neighbourhood Services Poll*, December 2020.

[77]   Strebel, M. A., Kübler, Marcinkowski, F. (2019) 'The importance of input and output legitimacy in democratic governance', *European Journal of Political Research*, 58:2, pp. 488-513.

[78]   Lamprinakou, C., Morales, L., Ros, V., Campbell, R., Sobolewska, M. and Wilkes-Heeg, S. (2019) *Diversity of Candidates and Elected Officials in Great Britain*, Equality and Human Rights Commission, Research Report: 124, London: EHRC, p. 40.

[79]   Local Government Association (2019) *National Census of Local Authority Councillors*, London: LGA.

[80]   Local Government Commission (2017) *Does Local Government Work for Women?*, London: Fawcett Society, p.12.

Scotland and 33 per cent in Wales.[81] The Local Government Commission for the Fawcett Society concluded that following the 2019 local elections in England women remained outnumbered three-to-one in 12 per cent of councils in England, while 96 per cent of councils were male-dominated and only 17 per cent of council leaders were women.[82] In the newly devolved combined authorities and elected mayoral authorities, the picture is worse: eight of the nine metro mayors are men; out of 24 directly elected mayors across England and Wales, there are 4 women.[83] This shows that, beyond rhetoric, mayoral governance has not brought in any substantial innovation or improvement in terms of representation: if anything, it has perpetuated, rather than help to address, pre-existing issues.

5.5   According to a recent study, only 7 per cent of local councillors are from ethnic minority backgrounds, compared to 10 per cent of Members of Parliament and some 14 per cent of the population[84]. Women represent 37 per cent of ethnic minority women councillors, with female under-representation being the highest among women of South Asian origin. There are, however, more Black female councillors than male councillors from Black backgrounds. Representation across authorities is uneven. In general, metropolitan boroughs are the most diverse councils, reflecting the geographic distribution of ethnic minorities across the United Kingdom. London borough councils have the highest proportion of ethnic minority councillors but the councils remain less diverse than the communities they represent.[85]

5.6   In England, 16 per cent of councillors were found to have a long-term health problem or disability which limited their daily activities.[86] There is a lack of recent figures for Scotland, but to be representative of the population as of the last census in 2011, 240 disabled councillors would be required.[87] In Wales, BBC research showed that of the 1,254 councillors elected in May 2017, just 19 were known to be living with an impairment or long-term health condition.[88] As in all areas of life, there is evidence of significant multiple forms of discrimination. The Fawcett Society's 2017 Local Government Commission found that 55 per cent of disabled women councillors experienced discrimination beyond gender, compared with just over a quarter of men, whilst half of BAME women councillor respondents also experienced multiple forms of discrimination.[89]

5.7   There are recognised barriers to election and standing as a candidate which go against efforts to diversify the body of councillors. These include the absence of a salary for councillors, particularly for those with childcare and caring responsibilities; the time taken up by councillor duties; the timing of meetings which do not always match the demands of councillors having to balance the role with full-time employment and childcare responsibilities. The Fawcett Society Commission underlined the 'patchy' provision of councils towards maternity, childcare and flexible working. Just 4 per cent of local councils in England had a formal maternity, paternity or parental leave policy in place for councillors.[90]

[81]   Lamprinakou et al. (2019) *Diversity of Candidates and Elected Officials in Great Britain*; Local Government Commission (2017) *Does Local Government Work for Women?*; IPPR Scotland (2019) *Barriers to Participation in Standing for Election to Local Government in Scotland*, Equality and Human Rights Commission, Research Report: 125, London: EHRC.

[82]   Fawcett Society (2019) Women's representation in local government 'at a standstill', press release, 02 July 2019.

[83]   See also Trenow, P. and Olchawski, J. (2016) *The Northern Powerhouse: An Analysis of Women's Representation*, London: Fawcett Society.

[84]   Sobolewska, M. and Begum, N. (2020) *Ethnic Minority Representation in UK Local Government*, Briefing Paper, Manchester: University of Manchester.

[85]   Ibidem.

[86]   Local Government Association (2019) *National Census of Local Authority Councillors.*

[87]   Equalities and Human Rights Commission (EHRC) (2019) *Barriers to participation to standing for election to local government in Scotland.*

[88]   BBC News (2018) *Stereotyping 'blocks' disabled people from politics in Wales*, 27th January.

[89]   Local Government Commission (2017) *Does Local Government Work for Women?*, p.30

[90]   Local Government Commission (2017) *Does Local Government Work for Women?*, p. 34.

5.8   Importantly, four in ten women councillors in England have reported experiencing sexist comments from within their own party, with a third experiencing sexist comments from fellow councillors.[91] The IPPR Scotland study of women's participation also found that 48 per cent of Scottish women candidates recognised unwanted behaviour that they found to be humiliating, offensive or intimidating.[92] The Fawcett Society's Commission concluded that there remained a 'harmful culture of sexism in some parts of local government politics which would not be out of place in the 1970s'.[93]

The role of local councillors

5.9   Attempts to 'modernise' systems in favour of clearer executive leadership have waxed and waned over the decades, borne out of the deemed shortcomings of so-called 'amateur' councillors[94] and a desire to strengthen executive political leadership alongside the strategic leadership of officers. In practice, it has long been recognised that the role of councillor involves several often competing demands, from ward representative and party member on to collective decision-maker and, in some cases, strategic leader. However, an overriding concern has been to bring some clarity to these functions, when in practice they are inextricably linked, and to encourage councillors to spend less time on the 'detail' of casework in 'their patch', when in fact this remains a vital focus of their role as ward representative.

5.10   Whilst political parties provide bases for collective decision making, concerns remain over the role of the party group.[95] Historically, the growth of party political involvement in local government meant that in practice most councils developed 'de facto' leadership teams and engagement of councillors via the committee system. But in turn this has led to ever-present concerns over the transparency of decision making and the perceived 'grip' which party discipline has on councillors. In some quarters, such discipline is held to hinder the role of the councillor as representative of their ward and to blur electoral accountability.[96]

5.11   The New Labour Government's 2000 Act introduced a parliamentary style system of executives and 'backbench', or scrutineer roles. The resulting widespread adoption of an executive/cabinet and scrutiny system in most councils above 85,000 population remains the most popular form of governance, despite the Localism Act 2011 permitting the re-adoption of the committee system. However, there is again diversity in the UK. English and Northern Irish councils have a choice to adopt a committee system if they wish whilst Welsh councils are obliged to have either a mayoral or a leader/cabinet system. In these three cases, there are regulations governing the scrutiny role where it is in place. In Scotland, in contrast, there is no legislative provision for separate executives or for overview and scrutiny committees to scrutinise them[97], although councils have taken the decision to establish Executive and Scrutiny models.

5.12   However, the issue of formally dividing councillors into executive/cabinet and 'backbench'/ scrutiny roles, continues to highlight the debate over the future of the role of the councillor. On the one hand, Executives did no more than formalise the previous system, by which party control created executives in all but name, although evidence seems to suggest that their creation led

[91]   Local Government Commission (2017) *Does Local Government Work for Women?,* p. 41

[92]   IPPR Scotland (2019) *Barriers to Participation in Standing for Election*, p.7.

[93]   Local Government Commission (2017) *Does Local Government Work for Women?*, p. 40

[94]   See Barnett, N. J., Griggs, S., and Howarth, D. (2019) 'Whatever Happened to Councillors? Problematising the Deficiency Narrative in English Local Politics', *Political Studies*, 67:3, pp.775–794.

[95]   See DMU and MJ (2017) *Councillors Commission*, 2017.

[96]   Copus, C. (2015) *In Defence of Councillors*, Manchester: Manchester University Press.

[97]   Sandford, M. (2019) *Overview and scrutiny in local government* Briefing Paper, House of Commons Library, Number 6520, 27th June, available at file:///C:/Users/Home/Downloads/SN06520%20(13).pdf

to greater clarity and visibility of leadership.[98] On the other hand, the move towards executives effectively amplified the division of councillors into 'Two Tribes'[99], with effective power moving more towards elites of leading councillors and senior officers. In practice, the scrutiny role remains under-valued and under-resourced, rarely feeding into policy development[100], and not well enough supported nor embedded in the culture of councils to 'fill the gap' felt by the 'backbench' councillors who had previously had direct input into decision making via the committee system. Importantly, the role of scrutiny also cut across party loyalties, which remained strong.[101]

5.13   As a response to the limits of the role of the 'backbench' councillor, there have been suggestions that councillors, freed from day-to day committee meetings, should now develop a new role, as '21st Century Councillors' acting as 'community champions' or facilitators and 'convenors of conversations'. In such roles, councillors effectively act as a key conduit or coordinator of the voice of communities in their wards. These kinds of roles have been encouraged in some councils using, for example, delegated councillor budgets. However, they have been difficult to operationalise in practice, requiring more support for councillors, and have seemingly further distanced the councillor from actual influence in decision-making on important issues.[102]

Local accountability and the complexity of the local authority landscape

5.14   Since the mid-1990s, the structure of local government in the UK has become increasingly complex. New unitary councils have been introduced in England, creating a more diverse pattern of one and two-tier councils across the country. Scotland and Wales have had a more consistent pattern of unitary councils since 1996 but debates over the size of councils have not dissipated. In Wales, the Williams Commission advocated reducing the number of authorities from 22 to 8 or 9, although the Welsh government announced that it will not force authorities to merge following its 2018 Green Paper suggesting a reorganisation to 10 authorities across Wales. Instead, the Local Government and Elections (Wales) Act 2021 paves the way for inter-authority collaboration in Wales. In Northern Ireland, 11 'super districts' came into being in 2015, replacing the previous 26 districts.

5.15   In England in particular, the pattern has become even more complex since 2010, with a constant 'churn' of institutional initiatives, including further council mergers in some areas, and the creation of combined authorities on an ad hoc, area-by-area basis. The picture is further complicated by an array of overlapping institutional boundaries for Police and Fire, Local Enterprise Partnerships and NHS commissioning bodies[103], and the fact that some areas have a de facto third tier, Parish Councils, whilst others, mostly urban, do not. In essence, English local government has

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[98]   Gains, F, Greasley, S, John, P & Stoker, G. (2007), *Does Leadership Matter? A summary of evidence on the role and impact of political leadership in English local government*. Ministry of Housing, Communities & Local Government, London. <https://webarchive.nationalarchives.gov.uk/20120920032709/http://www.communities.gov.uk/documents/localgovernment/pdf/321752.pdf>

[99]   Association for Public Service Excellence (APSE) (2014) *Two Tribes? Exploring the Future Role of Elected Members*, Manchester: APSE.

[100]   Association for Public Service Excellence (APSE) (2018b) *Bringing Order to Chaos. How Does Local Government Hold to Account Agencies Delivering Public Services?*, Manchester: APSE; House of Commons Communities and Local Government Select Committee (2017) *Effectiveness of local authority overview and scrutiny committees*, First Report of Session 2017-19 HC369, London: The Stationary Office Limited; Leach, S., Stewart, J. and Jones, G. (2018) *Centralisation, Devolution and the Future of Local Government in England,* London: Routledge.

[101]   Wilson, D. and Game, C. (2011) *Local Government in the UK*, London: Palgrave; House of Commons Communities and Local Government Select Committee (2017) *Effectiveness of local authority overview and scrutiny committees.*

[102]   Barnett, N. J., Griggs, S., and Howarth, D. (2019) 'Whatever Happened to Councillors? Problematising the Deficiency Narrative in English Local Politics', *Political Studies*, 67:3, pp.775–794.

[103]   National Audit Office (NAO), (2017) *Mayoral Combined Authorities.* Interactive guide, available at https://www.nao.org.uk/wp-content/uploads/2017/07/Mayoral-combined-authorities-interactive.pdf

become a 'mish-mash' of organisational levels, such that, as highlighted by a delegate from the Conservative Councillor Association, 'nobody knows who runs things'.

5.16   As elected bodies, councils have a legitimate claim to be the primary institutions for securing the accountability and direction of the agencies which provide services to citizens in their area. They have, over the years, been exhorted to be community leaders based on this unique position. However, this task has been made progressively more complex by the fragmentation of the arena of local governance, containing as it does a plethora of unelected and appointed bodies, local offices of the state, and a range of partnership arrangements which are at best indirectly elected. Such fragmentation has been amplified by the different types of accountability brought into the public sector, be it contractual and consumer, professional or managerial, both upwards to central government, downwards to communities and citizens and across to other public sector bodies.

5.17   Recently, there have been additional requirements put in place for 'external' oversight of Combined Authorities, Local Economic Partnerships and independently elected Police and Crime Commissioners, which in some areas were subsequently swallowed up into the role of regional elected mayors. The Grenfell Tower tragedy in particular gave added urgency to the call to 'bring order' to the 'chaotic' pattern of local governance, ensuring that where local government 'may not directly provide, run or oversee a service, in the traditional sense, that it cannot, nor should it, escape rigorous public accountability.'[104] Ideally, councils would provide the 'democratic anchorage'[105] for these myriad networks and for the collective oversight of the cross-cutting 'wicked issues' facing places.

5.18   In practice, councils have made use of their formal scrutiny powers in these respects where they exist, whilst also becoming more adept at exercising 'soft power' in collaborative governance with others. However, scrutiny has been under-resourced[106], so fragmentation, different modes of accountability upwards and downwards and the protection of organisational and professional 'territory' remain key issues. Certainly, councils' key role in scrutinising other service providers is not accepted by all and even resented by some. Formal scrutiny powers exist in the case of health providers, via the Health and Social Care Act 2018, and in provision for 'crime and disorder' committees but are absent in other areas.[107]

What the Commission found

The attractiveness of the role of the local councillors

5.19   Councillors feel less empowered but under more pressure than ever. Workload continues to increase with councillors spending ever more hours on council business.[108] Equally, councillors have had to implement often unpopular policies to meet government demands for austerity, whilst being ever more easily contactable and subject to public pressure via social media. Fear of social abuse remains an obstacle to standing for election as a councillor, particularly among

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[104]   Association for Public Service Excellence (2018) *Bringing Order to Chaos*, Colin Copus, Tim Cheetham and Rachel Wall, Manchester: APSE, p. 10.

[105]   Copus, C. (2015) *In Defence of Councillors*, Manchester: Manchester University Press.

[106]   Centre for Public Scrutiny (2020) *Taking Scrutiny Seriously*, London: CfPS.

[107]   Association for Public Service Excellence (2018) *Bringing Order to Chaos*, Colin Copus, Tim Cheetham and Rachel Wall, Manchester: APSE; Sandford, M. (2019) *Overview and Scrutiny in Local Government*, Briefing 06520, London: House of Commons Library; House of Commons Communities and Local Government Select Committee (2017) *Effectiveness of local authority overview and scrutiny committees,* First Report of Session 2017-19 HC369, London: The Stationary Office Limited..

[108]   Local Governance Research Unit and Municipal Journal (2017) *The Voice of the Councillor*. Final Report., C. Copus and R. Wall, Leicester: De Montfort; Association for Public Service Excellence (2016) *The Final Piece of the Jigsaw: Elected Members, Everyday Politics and Local Democracy in Scotland,* Manchester: APSE.

women.[109]

5.20   Whilst councillors have reacted proactively to these pressures, they arguably make the 'job' of councillor increasingly unattractive, impacting on efforts to increase the representativeness of councillors. There was broad agreement at our councillor workshops that the image of the local councillor needed to be improved if the pool of people standing for election to local government is to be diversified. One councillor at our workshop at the 2021 Labour Party Local Government conference stated that councillors were often seen by the public as 'professional busy bodies.' At the same time, councils were, according to one delegate at our workshop at the 2020 Conservative Councillor Commission, 'running out of people prepared to take the flak 7 days out of 7, and evenings".

5.21   In fact, evidence presented to the Commission suggested that there was an issue over the retention of councillors elected for their first term. One participant at our workshop with the NILGA noted that the age profile of councillors had shifted downwards in 2014/15 in Northern Ireland, but the recent intake of councillors was not 'staying' due to work-life balance ('on duty 24/7'), social media abuse and mental health. Similarly, one council leader participating in the Commission's councillor workshop at the 2021 Labour Local Government conference, pointed out to Commissioners that given the 'nasty stressful side' of meeting budget reductions, one can wonder as to 'why you put yourself in the firing line.'

5.22   Views on how to address the tensions and contradictions facing councillors and thus 'future proof' the role differed considerably. In the short-term, there was support for the adoption of a national system of remuneration in England, as in Scotland, Wales, and Northern Ireland. One participant at our workshop with the Northern Ireland Local Government Association commented that remuneration remained an issue if councils were to attract young people into standing for election, for levels of remuneration were deemed to be 'not even minimum wage if hours are taken into account'. However, there remained some concern that remuneration should be a matter for local discretion. Equally, it was widely recognised that the increase in 'on the job' stress and pressure on councillors needed to be met with increased availability of resilience training, and that political parties should also be playing a larger role in this respect, offering mentoring schemes to those seeking to stand for election. Evidence further suggested that councillor development was best when co-designed and offered in formats which took account of time pressures.

5.23   Some emphasised that there is also a role for local political parties to play in the selection of candidates. Giving evidence to the Commission, Dr. Neema Begum and Professor Maria Sobolewska (University of Manchester) commented on how local political parties, unlike their national counterparts, do not tend to select minority candidates to stand for election in less diverse places or wards. They recognised that this might be due to the fact that being from the local area is seen as more important at local than national elections. This is a significant obstacle to being selected to stand for a local party and was also a factor behind often held assumptions that local ethnic minority candidates can only stand in wards with large minority populations. They called for government commitment to the enactment of Section 106 of the Equality Act, with routine reporting on the diversity of candidates to focus attention of political parties in bringing about change and to keep the issue of diversity at the top of the agenda in local politics. The scrutiny of this sort on the national level has led to parties taking a more active approach to diversifying, and they believe it could work on a local level too.

5.24   More broadly, councillors called for the transformation of local political cultures.

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[109]   Local Government Commission (2017) *Does Local Government Work for Women?*, p. 34.

Councillors at our workshop at the 2021 Labour Local Government conference argued that the political culture of councils had to become more open and transparent. One councillor spoke of how she believed she was seen as a 'newbie' by her colleagues, and 'as a woman, seen as out for a bit of pin money!'

5.25   In the long-term, there was some support for a reduction in the number of councillors, which it was assumed could lead to the design of a larger and more effective role for 'backbenchers'. Such arguments stressed the need to further 'professionalise' the role of the councillor, making them 'less operational' and more strategically minded. Professionalisation was seen as a double-edged sword, whereby enhanced status and remuneration deriving from full-time status could deter those individuals needing or wanting to retain jobs and careers outside of the council and could also have a detrimental impact on those with significant domestic and/or caring responsibilities.

Structures of local political leadership and accountability

5.26   The Commission found a clear consensus emerging from the evidence that models of political leadership and decision-making should not be imposed but should be a matter for local choice. Indeed, through the creation of bottom-up, place-based, decentralisation and delegation to areas and wards, councillors are taking on new roles as 'convenors' of engagement, overseeing devolved budgets and/or operating with small 'councillor budgets.'

5.27   However, given such developments, evidence also highlighted the increasing complexity of securing accountability and the challenges to the role of the 'traditional' model of elected representative democracy to secure it. Forms of direct engagement, community empowerment, and deliberative forms of democracy required a rethinking of the councillor role in this respect, did suggest for some a move towards a more 'facilitative' and capacity building role for the council and for councillors. In addition, more direct engagement with service users through co-production suggested a more direct form of accountability which 'cut out' the councillor from the equation. However, Alison Evison (President, Convention of Scottish Local Authorities (COSLA), pointed out the proactive role which Councils and Councillors could play in stimulating democratic engagement. For example the establishment of a Locality Planning System in her ward had led to an increase in public participation and had tapped into what had previously been a latent demand for greater engagement.

5.28   There was general agreement that councils should be the 'democratic anchor' of local governance in their area. These findings reinforce those of the 2017 Councillor Commission[110] and the Communities and Local Government Select Committee report[111] that councils required statutory rights to information and to call witnesses. It was noted, in addition, that key services in local areas were provided by utility companies, and that scrutiny should extend to them, meaning councils could hold to account all bodies which 'work across the face of the state' locally.

5.29   Councillor Sharon Taylor OBE (Leader of Stevenage Borough Council and Board Member on District Council Network) asserted the need to enhance local accountability over public spending and maintain influence of local people over decisions, advocating the introduction of a local public accounts committee, able to ensure the scrutiny of all local spending. Councillor Taylor OBE tied forms of accountability to the system of local funding, drawing attention to the need to bring forward modes of taxation that apply to all businesses in our changing economies. Aileen Murphy (Director for DCLG and local government value-for-money, National Audit Office)

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[110]   Local Governance Research Unit and Municipal Journal (2017) *The Voice of the Councillor. Final Report.*, C. Copus and R. Wall, Leicester: De Montfort.

[111]   Communities and Local Government Committee (2017) *Effectiveness of Local Authority Overview and Scrutiny Committees, HC 369*, London: House of Commons.

was also keen that reform of taxation should keep its local link, arguing that the current situation equates to 'representation without taxation.'

Towards 2030: The view of the Commission

5.30   Too often in the past the complex debates around democratic governance have been subsumed by the need in some way to 'fix' the role of the councillor. This push towards strengthening of local councillors has created a cohort of 'backbench' councillors who feel they are 'second class' and are searching for influence over council decisions.

5.31   Attempts to impose systems of governance onto local government have proven to be too prescriptive and go against the grain of local government being a truly local political unit. Similarly, the promotion of new roles for councillors by central government has borne too little relationship to councillors' daily experience and to the realities of local political life.
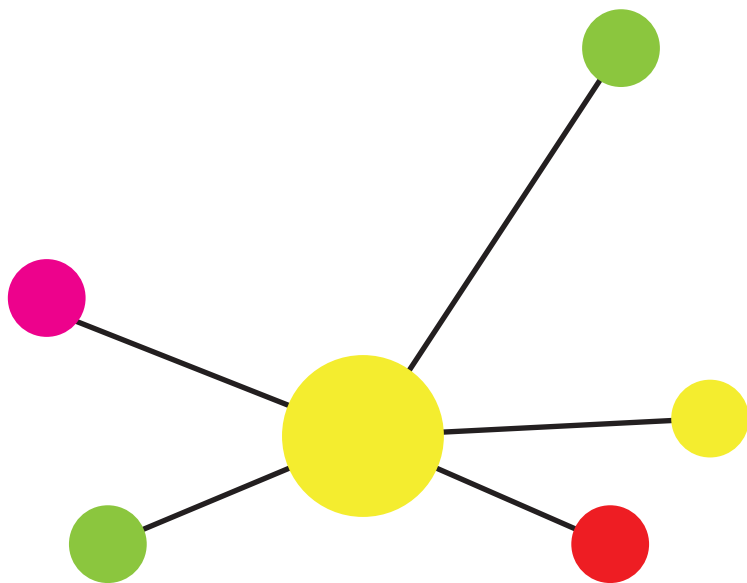
5.32   The layering of tiers and new public bodies, not to mention public-private partnerships, has added to the complexity of local accountability and hampered the capacity of councillors to navigate traditional paths and mechanisms of accountability. Ultimately, the democratic anchorage of local government in its local communities requires that the new bodies populating the local landscape and the hybrid ways of working across authorities (which we discuss in the next chapter) remain consistent with the political and democratic requirements of local accountability through the representative process.

5.33   However, in moving forward, we risk a further disconnect between local government and its communities. Councillors remain unrepresentative of the local communities that they represent. Progress to resolve this disconnect has been too slow, and not always helped by the dominant culture of local authorities. This needs to change.

5.34   Councillors are severely undervalued. They are key contributors to the vibrancy of a democratic polity and yet face an increasingly complex and demanding workload. The attractiveness of the role of councillor is thus diminishing, making it more difficult to attract a range of candidates which reflect the diversity of communities.

Recommendations

16. Models of political leadership and organisation should remain a matter for local discretion. There should be no 'top down' imposition of any particular form of organising.

17. Local scrutiny should be strengthened with formal recognition of local government, the locally elected body, as scrutineer of other agencies and services in a place, with formal rights to information and meaningful impact. This might take the form of Local Public Accounts Committees. In return, councils themselves should be open to independent scrutiny.

18. It is strongly recognised that communities are better served when the body of councillors reflects the diversity of their communities. In line with the Public Sector Equality Duty to tackle discrimination, councils as public authorities should develop and report on local action plans to make strident and conscious efforts to ensure access to political office for people of all backgrounds. The development of local action plans should be supported by national local government bodies and associations.

19. There should be better remuneration, training, and support for local councillors, as well as the introduction of a national remuneration scheme for councillors in England. National bodies on remuneration should make recommendations on how councils can best support the work of local councillors and ensure access to political office to all.

Chapter Six

The local government workforce

6.1 Across the UK just over 2 million people are employed by local government, working in some 800 occupations and professions.[112] These people are for many in our communities the face of local authorities, the first port of call for those in need. The majority are women. They are a strategic resource for councils, a source of practical 'know how' and frontline innovation.[113] At the same time, the workforce strategies of local government are a vehicle to drive forward change within communities. As an employer, local government, through the pay and conditions that it offers to its own workforce, can act as an exemplar for other sectors. Its provision of apprenticeship schemes and employment opportunities can provide the means for councils to support the growth of local markets and work with local small and medium sized enterprises.[114]

6.2 However, the local government workforce is under increasing pressures. Funding cuts have led to reductions in staffing. The number of people working in local government has reached 'record lows'.[115] Reductions in the workforce have put increasing pressures on those who remain in post, with the Covid-19 pandemic further testing the resilience of staff. Inequalities of pay and career progression remain across the sector. Indeed, the Covid pandemic exposed for the public the working conditions of those delivering social care, both inside and outside of local government. At the same time, local government, like other sectors, is facing the challenges of an ageing workforce, technological change, and digitalisation, which are already shifting everyday routines and organisation.[116]

Cuts to the local government workforce

6.3 Local government is often amongst the largest employers in cities and towns across the UK and also, alongside the NHS, a key employer of women. Cuts to central funding since 2010 have led to severe reductions to the local government workforce as authorities have sought to reduce staffing costs to address gaps in funding. Between December 2009 and December 2018, the size of the local authority workforce fell in England by 782,000 (-32.4 per cent in the total size of the workforce); in Scotland by 63,000 (-20.6 per cent); and in Wales by 37, 000 (-19.9 per cent).[117] In Northern Ireland, the local authority workforce remained relatively stable.

6.4 However, such broad reductions mask contrasting situations across authorities and across particular services. Services most affected typically include culture, heritage and libraries, planning and economic development. In England, the twenty local authorities with the largest workforce reductions saw their headcount fall by 260,622 between 2010 and 2018.[118] In Scotland, from 2013 to 2019, Angus experienced 14 per cent reductions in its staff, while Argyll and Bute

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[112] Office for National Statistics (2021) *Public Sector Employment UK; December 2020*, London: ONS, p. 3; Local Government Association, *Workforce Focus*, London: LGA, p. 5.

[113] Association for Public Service Excellence and IPPR North (2013) *Innovation on the Frontline*, APSE: Manchester.

[114] Association for Public Service Excellence (2019) *Rebuilding Capacity.The Case for Insourcing Public Contracts*, Manchester: APSE; Institute for Government (2020) *Government Outsourcing*, T. Sasse, S. Nicholson, C. Britchfield and N. Davies, London: IfG.

[115] Office for National Statistics (2019) *Public Sector Employment, UK; March 2019*, London: ONS.

[116] Jeffares, S. (2021) *The Virtual Public Servant*, London: Palgrave Macmillan.

[117] Ifan, G. and Sion, C. (2019) *Cut to the Bone? An analysis of local government finances in Wales, 2009-10 to 2017-18 and the outlook to 2023-24*, Cardiff: Wales Fiscal Analysis, p.36.

[118] UNISON (2020) Written Evidence Submitted By UNISON [FSR 039], p.2

experienced 10 per cent reductions, and some councils experienced no change at all.[119] In Wales, 19 out of 22 authorities lost over 500 jobs, with 15 experiencing job losses of more than 1000. Of total job losses, some 65 per cent were posts held by women.[120] Redundancy payments are estimated to have cost English local authorities around £4 billion between 2010 and 2018.[121]

6.5　　Austerity has arguably led to a reduction in strategic and policy-making capacity across authorities. Cuts have led to the creation of 'Super Directorates', with the strategic leaders of the Council being increasingly drawn into 'firefighting' and operational detail.[122] Chief Officers have reported the absence of time and space for strategic reflection, as well as the difficulties of coordinating across the boundaries of large multi-focussed departments. Eckersley and Tobin have indeed demonstrated how reductions in 'back-office' policy capacity have knock-on effects over time, making it more difficult for local actors to formulate and implement effective policies.[123] At the same time, training budgets have been reduced. The Local Government Association found that the median gross training expenditure per full time equivalent employee in 2016/17 was only £144, having fallen from £159 the previous year. At the time of the survey, only half of councils planned to maintain current levels of spending.[124]

6.6　　Cuts to funding have put increasing pressures and strains on local government workers across councils. A 2016 study by UNISON found that three quarters of workers across local government were experiencing increased stress, while 59 per cent had considered leaving their job in the last 12 months.[125] A 2018 survey of senior officers found that 48 per cent of respondents reported an increased workload in the past year 'to almost unmanageable' levels, while more than 1 in 10 stated that their workload was already unmanageable.[126] Such findings resonate with the 2019 APSE report into senior officers which identified pressures facing increasing needs for officers to be resilient as they undertook the 'dirty work' of cutback management and firefighting.[127]

6.7　　Such pressures have been brought more sharply into focus by the Covid pandemic and the increasing demands that it has placed upon the local government workforce. In a December 2020 survey of the impact of the pandemic on local government workforce, 69.85 per cent of respondents reported working increasing hours during the pandemic, with a quarter of respondents stating that they were working excessive hours. Over one third recognised that they felt mentally exhausted by the pandemic, while almost 9 out of 10 expressed concerns for the mental well-being of their directly managed workforce or colleagues.[128]

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[119]　Measured in terms of FTE, (Full Time Equivalent), see Accounts Commission (2020) *Local Government in Scotland. Overview 2020*, Edinburgh: Audit Scotland, p.31.

[120]　Elcher, J. (2018) 'Over 28,000 council jobs cut in Wales', LocalGov, 27 November 2018

[121]　Paine, D. (2018) 'Revealed the 'staggering' £4 bn cost of a decade of job losses', *Local Government Chronicle*, 12 September 2018.

[122]　Association for Public Service Excellence (APSE) (2019) *Ensuring the Leadership of the New Municipalism*, Manchester: APSE.

[123]　 Eckersley, P. and Tobin, P. (2019) 'The Impact of Austerity on Policy Capacity in Local Government', *Policy & Politics*, 47(3): 455-72.

[124]　Local Government Association (2019) *Workforce Focus*, London: LGA, p. 5.

[125]　UNISON (2016) *Under pressure, underfunded and undervalued*, London: UNISON, pp. 7-11.

[126]　Paine, D. and Bunn, J. (2018) 'Stressed and Overworked: 60% of senior staff consider quitting', *Local Government Chronicle*, 04 July, available at: https://www.lgcplus.com/research/stressed-and-overworked-60-of-senior-staff-consider-quitting-04-07-2018/

[127]　Association for Public Service Excellence (APSE) (2019) *Ensuring the Leadership of the New Municipalism*, Manchester: APSE.

[128]　Association for Public Service Excellence (APSE) (2020) Covid-19 and Workforce Resilience, Briefing 20-97, December, https://www.apse.org.uk/apse/index.cfm/members-area/briefings/2020/20-97-Covid-19-and-workforce-resilience-results-and-analysis-of-the-apse-survey/

6.8   Average earnings in both public and private sectors remain below pre-2008 global financial crisis levels. Public sector pay is below that of the private sector in London, the South-East and East of England, with the risk of negative impacts on public sector recruitment and retention in those regions.[129] Indeed, in 2018, the majority of the local government workforce in England and Wales earned less than the UK average wage of £29, 588[130], with two-fifths earning less than £21,000 in basic pay per annum.[131] Pay across local government remains 20 per cent below rates in the wider public sector.[132] A recent benchmarking exercise of 24 roles in local government found that basic pay for 15 of them was behind other public sector comparators.[133]

Insourcing local services

6.9   The model of the 'enabling council' which emerged during the 1980s advocated the opening up of public services to competition and the contracting or outsourcing of public services to the private and third sectors. Successive governments have endorsed the comparative advantages of alternative forms of provision to inhouse local services, from the institution of compulsory competitive tendering in the 1980s through to Best Value in the late 1990s and onto the agenda of Open Public Services and the 'community right to challenge' in the 2010s.

6.10   However, in recent years, we have witnessed growing support for bringing local public services back in-house. Local authorities have brought back insourced services from cleaning through to highways maintenance and information technology. This move has been undertaken by authorities across the political spectrum, in part in response to the publicised failures of private providers, for example the collapse of Carillion in 2018. The sustainability of outsourcing has also been questioned as a result of the Covid-19 pandemic.[134]

6.11   But more importantly, local authorities are increasingly acknowledging the pragmatic advantages to in-house delivery and public employment. Insourcing has been associated with the delivery of cost reductions, increased flexibility and improved quality of outcomes, and better conditions for staff.[135] Evidence suggests that it lowers management and contracting costs while offering strategic place-shaping advantages. Indeed, insourcing enables local authorities to act as an exemplar for job stability, training, and employment standards, and to keep the public pound in the local area. It establishes clearer and direct lines of accountability between local councillors and the services being delivered in communities and funded by the authority.[136]

Equality and diversity in the local government workforce

6.12   Job cuts across local government have impacted the most on women. Women account for three-quarters of the local government and school workforce within the National Joint Council for Local Government Services (NJC). They make up, however, almost 90 per cent of part-time workers in local government and schools in England and Wales.[137] Indeed, evidence

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[129]   Institute for Fiscal Studies (2017) *Public Sector Pay and Employment, Where Are We Now?*, J. Cribb, A. Davenport, B. Zaranko, London: IFS.

[130]   Local Government Association (2019) *Workforce Focus*, London: LGA, p. 5.

[131]   Local Government Association (2020) *Local Government and Demography Survey 2019/20*, London: LGA, p. 3.

[132]   GMB (2019) *Local government and austerity*, London: GMB, p. 18.

[133]   Incomes Data Research study cited in GMB Union, UNISON, Unite (2019) *NJC Pay Claim 2020-2021*, p.14.

[134]   Association for Public Service Excellence (2019) *Rebuilding Capacity. The Case for Insourcing Public Contracts*, M. Baines, Manchester: APSE; Brady, D. (2019) 'Coming Home: Local Government Insourcing', *Public Finance*, 06 February.

[135]   Sasse, T. Nickson, S., Britchfield, C. and Davies, N. (2020) *Government Outsourcing*, Institute for Government Report, London: IfG.

[136]   Association for Public Service Excellence (2019) *Rebuilding Capacity. The Case for Insourcing Public Contracts*, M. Baines, Manchester: APSE.

[137]   Local Government Association (2020) *Statistical Alert, 1st Quarter 2020*, London: LGA.

suggests that the gendered segregation of occupations within local government continues, with women accounting for 96 per cent of home care workers and 85 per cent of residential social care workers, but only 7 per cent of building control workers and 37 per cent of environmental health workers.[138]

6.13   Women continue to experience a gender pay gap in local government. In 2019, women in England were paid on average 6.1 per cent less than men. This masks considerable variation from authority to authority, with women awarded pay from 18 per cent more than men to 23.9 per cent less. Overall, women were paid on average less than men in over 70 per cent of authorities.[139]

6.14   Importantly, the high proportions of women in council workforces does not always translate into progression into higher paying jobs. The LGA workforce survey 2017-18 found that women made up 49.3 per cent of the top 5 per cent of earners in councils (in terms of the median average). But this varied across authorities. In shire districts the median was 38.5 per cent, whereas in single and upper tier councils it rose to 54.5 per cent.[140] One widely acknowledged barrier to progression for women, given that they still take up most caring and domestic responsibilities is a lack of flexible or part time work in higher-skill jobs.[141] The LGA 2017/18 workforce survey reported that nine out of ten councils said that they had flexible working available at all levels and across all departments, although this depended on operational feasibility.[142] Top council structures can, it has also been argued, advance a culture of presenteeism and long hours, which acts as a barrier to the progression of women to senior posts.[143] (Although new patterns of work established under Covid 19 could help to facilitate a change in culture).

6.15   The top of local government remains unrepresentative of BAME communities and people with disabilities. The LGA workforce survey 2017/18 reported that officers from Black, Asian or other minority ethnic (BAME) groups make up only 3.1 per cent of the top 5 per cent of earners in councils (median average). In single and upper tier councils it rose to 4.9 per cent, but in shire districts it fell to zero per cent. The median average for the percentage of the top 5 per cent of earners in councils who had a disability was 3.3 per cent across England, 3.5 per cent in single and upper tier councils and 0.3 per cent in shire districts.[144]   BAME employees are also under-represented in some lower paid jobs. A 2016 UNISON study showed that only 4.2 per cent of craft workers were from BAME commnities and BAME men made up just 2 per cent of teaching assistants.[145]

6.16   The Colour of Power 2020 survey reasserted the lack of equality and diversity in chief executive positions in local government in England. Of 32 chief executives in London Boroughs, 18 were men, 14 were women, with 4 coming from a BAME background. In Metropolitan councils, of 35 chief executives 21 were men, 14 were women, with no officers coming from a BAME community. In 53 unitary authorities, 33 were men, 20 were women, with only two from a BAME community.[146] In England, London authorities tend to fare better than district and county councils in both gender and BAME representation.[147]

[138] Fawcett Society (2017) *Does Local Government Work for Women?*, London: Fawcett Society.

[139] Local Government Association (2019) *The Gender Pay Gap in Local Government in 2019*, London: LGA.

[140] Local Government Association (2019) *Local government workforce survey 2017/18*, London: LGA, p.21.

[141] Fawcett Society (2017) *Does Local Government Work for Women?*, London: Fawcett Society.

[142] Local Government Association (2019) *Local Government Workforce Survey 2017/18*, London: LGA, p.17.

[143] Fawcett Society (2017) *Does Local Government Work for Women?*, London: Fawcett Society.

[144] Local Government Association (2019) *Local Government Workforce Survey 2017/18*, London: LGA, p.21.

[145] UNISON (2016) *The Employment of Black Workers in Local Government and Community Schools in Wales and England*, London: UNISON.

[146] The Colour of Power Index (2020) available from: https://thecolourofpower.com/

[147] Green Park (2018) *Local Government Leadership 2018*, London: Green Park.

6.17   The workforce is ageing, with a third of the workforce now over 50. There are in 2020 four million more workers aged 50 or over than there were in 2000, compared to 1.5 million workers aged 25-49. The number of workers over 65 has tripled.[148] In local government in England and Wales, 67 per cent of the workforce in local government is aged between 40 and 64 years old. Less than 5 per cent are under 25, with some 25 per cent aged between 25 and 39. The mean age of chief officers in England in 2018 was 50.6 years old.[149]

What the Commission found

Public employment and its strategic value for place-making

6.18   There was broad recognition of the strategic value of public employment in local communities, with local authorities often the largest employer in many towns and cities. Indeed, strategic workforce strategies were, it was argued, essential to community wealth building. Support for the insourcing of services was viewed as a key element of any workforce strategy, with the insourcing of services having the potential to deliver better working conditions, while delivering ethical supply changes and ensuring the same conditions for outsourced services. Bringing services back in house was considered to be one mechanism of addressing capacity issues, low pay and indeed training and skills development. The relocation of national government workforce was also advanced in Scotland, away from Edinburgh and Glasgow as an act of redistribution to trigger economic growth (Orkney Islands Council).

6.19   Cuts to the local government workforce and its pay and conditions need to be reversed. UNISON and Unite called for the move towards a culture of reskilling rather than redundancy. Witnesses reported significant shortages in professional services (IT and legal), with an urgent need to offer further support for low paid unskilled workers and mid-range technical jobs that can often be overlooked. Women are working until later in life due to pension changes and the local government workforce as a whole is an ageing workforce.

6.20   Importantly, local government pay is not competitive in all areas, with workers often unable to afford to live in the constituency they serve and particular areas such as coastal towns are finding it hard to attract workers. Wage levels in local government, it was argued, tend to be lower than in health and education; a single national pay system across the public sector was thus to be considered if it was to produce the 'levelling up' of pay in local government to that of employees in the NHS and other public services.

6.21   While people tend to stay in post longer, there are also retention difficulties, with increasing concerns over stress, growing workload and the resilience of the local government workforce. As part of a culture of reskilling, health inequalities in the workforce had to be addressed, as did bullying and harassment so as to put an end to 'scared workers' enduring a 'fear for job' mentality.

6.22   Building such a culture of reskilling opened up the opportunity for new forms of social dialogue. Jon Richards (UNISON) suggested that Commissioners should consider the Danish model of employee relations, which rests on a different form of social dialogue than that currently exercised in the UK. The workforce, it was argued, was more engaged in decision-making, with training programmes and apprenticeships run by the trade unions and employers. Such aspirations, it was argued, resonated with the model of Welsh social partnership working.

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[148]   Centre for Ageing Better (2020), *State of Ageing in 2020*, available from www.ageing-better.org.uk/state-of-ageing-20.

[149]   Local Government Association (2020) *Local Government Earnings and Demography Survey 2019/20*, London: LGA.

The skills and capabilities of the future workforce

6.23   Witnesses acknowledged the green skills gap in the workforce, as well the need for digital and AI capabilities. More specifically, Graham Farrant (Chief Executive, Bournemouth, Christchurch and Poole Council) and Kate Langdown (Head of Streetscene, Bournemouth, Christchurch and Poole Council) identified a set of skills for officers, namely entrepreneurship; digital capabilities; numeracy and analytical skills. Nadira Hussain (Director of Leadership Development and Research, Society for Innovation, Technology and Modernisation (SOCITM)) argued that mainstream technological ownership was required across authorities so that technology was not just the domain of digital specialists. She argued that there was a need for sharing of good practice, a focus on prevention and a place-based approach, with data and automation leaving space for high-value tasks.

6.24   Yet, much emphasis was placed on the values and attitudes of the future workforce, calling for the motivation to learn, to embrace change and to adapt flexibly and challenge embedded ways of working. Graham Farrant (Chief Executive, Bournemouth, Christchurch and Poole Council) spoke of the culture of daring to challenge, while he argued that across the sector, there was a need to capture collective learning, concluding that 'at least, the Audit Commission gave us something to benchmark against.'

6.25   Skills of the future workforce, it was claimed, have to match changing demands and models of service delivery, moving away from traditional public service roles to embrace the demands of being 'system architects' through locality working and collaboration (NILGA; Rochdale Borough Council). Such skills were married to a mixture of capabilities and capacities to deliver community wealth building and entrepreneurship, agility, resilience, problem-solving, partnership-building, robust project management and technological skills (Bracknell Forest Council; Preston City Council; Wigan Metropolitan Borough Council). Local government, it was argued, should be acting now as a model to create new styles of employment for the economically inactive and the skill sets of the future, particularly in relation to tackling climate change (NILGA workshop).

6.26   Delegates from the Conservative Councillor Association accepted that digitalisation could radicalise the delivery of services and the work of local authorities and the economy in general. Accessibility to services was determined a priority in the future delivery of services, not the face-to-face meeting or encounter. However, delegates raised questions as to how far digital technologies and artificial intelligence could be seen as a panacea for pressing policy issues. There was indeed concern that technology was being constructed as the 'answer to all our ills', with delegates pointing to fears over social isolation. One voice bemoaned that 'I enjoy the office environment' and information technology is 'a good servant but a poor master'. Accordingly, there was broad agreement that the best solution was one of plurality, with access to alternatives and multiple modes of delivery.

6.27   As such, it was recognised that there was a need to do more to support working from home, with investment in technology to facilitate more people to do it. The strategy of government was deemed to be flawed. It required government to make working from home more attractive, particularly for working parents, with the assertion that '9-5 working has gone out of the window'. There were also concerns about work/life balance. Technology, it was broadly agreed, can be exclusionary, but it was also recognised that it could radicalise what we do.

The local workforce as representative of its community

6.28   Witnesses repeatedly stressed the need for the local government workforce to be representative of the communities it serves. Andrew Bazeley (The Fawcett Society) asserted how the 'top' of local government continues to be un-representative of the communities that local government serves, be it in terms of age, gender, race, and sexuality. He underlined that progress

towards inclusion remains too slow. Importantly, he argued that evidence suggests that the presence of more women in top posts changes policy agendas and decision-making. He called for Commissioners to recognise how policy issues are gendered, while data collection processes often rendered women 'invisible'.

6.29   There was broad agreement that Equality Impact Assessments are poorly implemented, undertaken more as an 'after thought' than as part of a proactive strategy. Karen Grave (President, Public Services People Managers Association (PPMA)) also threw doubt on the effectiveness of equalities and diversity training. Against this background, she suggested that there was a need to move towards an outcomes approach, away from process-dominated tools, with a reframing of diversity around inclusion. Delivering such skills across the workforce required a commitment to change recruitment policies and current structures. Values were deemed to be in need of change, with effective Equalities Strategies embedded across all councils. Alison Evison (President, Convention of Scottish Local Authorities (COSLA)) stressed the need to place more emphasis on the beginning of the process with respect to the diversity of the workforce, focussing on the promotion of local government as a good employer and the value of public service.

6.30   The Commission identified a broad agreement for the need to get young people into the workforce and for local authorities to work with schools and colleges on skills development. Witnesses argued for undergraduate apprenticeships or career pathways from initial entry through to chief executive. Bournemouth, Christchurch and Poole has developed and received accreditation for delivery of an LGV Driver (linked to Waste Services) apprenticeship programme to help bridge the increasing industry skills gap (evidence presented by Kate Langdown, Head of Streetscene, Bournemouth, Christchurch and Poole Council).

6.31   The need to broaden the 'talent pool' was deemed to be particularly acute for local government in Northern Ireland. Local government needed to be a more attractive employment option for young people, with its own career path (including sharing people with the private sector). One participant at our workshop at the 2020 NILGA annual conference asked: 'where is the next tier of CEOs, chief officers?' She continued that there is little movement in posts, and it is typical for a person to spend 30 years in the same service or post. It was therefore necessary to put in place a talent pipeline, for 'we don't reflect society – young people we do not attract them in'.

The Covid pandemic and the local government workforce

6.32   The Covid pandemic has highlighted the contribution of frontline staff to the wellbeing of local communities. Councillor Andrea Lewis (Deputy Leader and Cabinet member for Homes, Energy and Service Transformation, City and County of Swansea) and Councillor Susan Aitken (Leader, Glasgow City Council) underlined to Commissioners the range of pressures and challenges that authorities had to manage in their response to the Covid pandemic. Councillor Lewis argued that social care was 'immense in the early days' as was the issuing of business grants, PPE, finding accommodation for rough sleepers and ensuring the delivery of food parcels. However, Councillor Aitken stressed that the cost of this effort to tackle Covid was that staff were not 'doing their day job.' She also underlined the impact of shielding on local authorities as much as Covid itself, with the authority at one point having over 600 social care employees and a quarter of cleansing services staff shielding and unable to work.

6.33   But it also brought to the fore the different working conditions across the local government sector, in particular the working conditions of social care staff. In his evidence to the Commission, Kevin Lucas (Regional Manager, UNISON, Care Workers for Change) stressed the poor working conditions of care workers, citing cases of workers undertaking 51 visits in one day, with five minutes allocated per visit, working from 3am to midnight, and experiencing unacceptable staff-

resident ratios in an environment where staff were having to ration care, with these conditions worsened by the Covid pandemic. He argued that zero hours contracts had been 'weaponised' to prevent workers from raising concerns. Indeed, survey evidence of north-west care workers collated by UNISON revealed the general absence of trade union recognition across the sector. Lucas thus called for national collective bargaining across the sector, a standardised pay scale with career and pay progression pathways, and an end to a reliance on private providers. He called for social care to be brought back 'in house' with insourcing ending the extraction of public funds from local economies by global companies and the current paradox in which local authorities outsource delivery of care but retain responsibility for the quality of the services provided. Indeed, he underlined the findings of a UNISON study of Liverpool where 60 per cent of a social care budget of £24 million went to three organisations, one of which was owned by a Spanish construction company.

6.34   Colin Angel (Policy Director, United Kingdom Home Care Association (UKHCA)) stated that the lack of progression and low pay rates across the sector could not be divorced from the funding and commissioning of care via a fixed hourly rate, whereby homecare providers receive a fixed price per hour for any form of care they may undertake. Equally, the Workforce Development Fund has to be used for complete qualifications, and therefore could not be used for specific training, such as infection control training during the pandemic. And although care workers had taken on additional roles from district nurses before and during Covid, this extension of their roles required additional training and funding. For home care providers, apprenticeships in social care put additional costs on providers, with staff having to take time out of the frontline with no backfill costs replacement workers.

6.35   Simon Bottery (Senior Fellow, King's Fund) supported linking career progression to the NHS, generating integrated health and social care career paths. Responding to this intervention, Kevin Lucas (Regional Officer, UNISON, Care Workers for Change) outlined the difficulties of staff 'even getting to the minimum wage'. He called for a professionalisation of the sector that recognises that care is not a low skilled job, puts in place care certificates, and brings pay into line with equivalent jobs in other public services. He reported on pilot programmes of care workers undertaking responsibilities from NHS nursing, including taking of blood or changing of dressings. Colin Angel (Policy Director, United Kingdom Home Care Association (UKHCA)) concluded that social care had a 'value in itself' and was not just a 'recruiting ground for the NHS', suggesting that social care employees would need to be better compensated if workers were not to repeatedly leave social care for the NHS.

Towards 2030: The view of the Commission

6.36   The local government workforce has demonstrated considerable resilience during the Covid-19 pandemic. However, it is under strain and exhausted from the long hours and stress of managing the pandemic.[150] Cuts to staffing have reduced the core capacity of local authorities, putting increasing demands on those in post. Pay for many remains below the levels of those working in equivalent posts in other public sector organisations or services. Training budgets have been squeezed while at the same time new skills and capabilities are increasingly being required from staff.

6.37   These strains are being layered on top of longstanding challenges that local authorities still need to address. Inequalities in the workplace, despite the initiatives of local authorities,
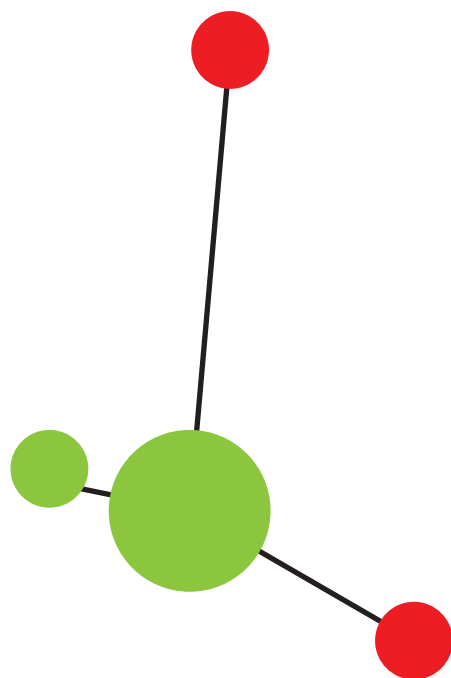
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[150]   APSE Briefing 20-97(2020) 'COVID-19 and workforce resilience: Results and analysis of the APSE Survey' Available at https://www.apse.org.uk/apse/index.cfm/members-area/briefings/2020/20-97-covid-19-and-workforce-resilience-results-and-analysis-of-the-apse-survey/

continue to hamper progression and career development, particularly for women, Black, Asian, and Minority Ethnic staff, and those with disabilities. The workforce of local authorities does not represent the communities within which they live and work.

6.38   Making the most of the strategic resource that is the local government workforce requires investment in pay, training, and working conditions, and the development of recruitment and retention programmes that engage all communities into positions across the workforce. Policy agendas and decisions that truly reflect the diverse needs of communities are more likely to stem from having the presence of people of all backgrounds and genders in top posts and frontline service delivery.

Recommendations

20. It is recognised that communities are better served when the local government workforce reflects their diversity. The Commission supports the introduction of a duty for the local government workforce to be representative of the communities it serves, with an annual reporting mechanism on progress.

21. The Commission calls for the creation of a national linked system of pay and conditions across the public sector, removing pay gaps between equivalent jobs in local government and other public services, in line with the principle of equal pay for work of equal value.

22. The Commission calls for the establishment of new skills and capability career pathways into local government, training and career development for existing employees, and workforce planning to counter the ageing of the workforce. The Commission recognises the particular urgency for career pathways in the environment and climate change mitigation, digitalisation, and the care economy in the post-Covid recovery.

23. The Commission argues that providing an integrated set of services directly, that are democratically accountable but flexible and adaptable to local people's needs, should be the default option for local services where they are best able to provide high quality, effective and socially just outcomes for local communities and local economies.

Chapter Seven

Addressing inequalities and engaging communities

7.1   The Covid pandemic has offered a wake-up call, if needed, to the different life experiences and inequalities within many communities. The pandemic has accentuated the uneven impacts of cuts to local government spending and welfare reform. This is in a context where communities are already experiencing increasing forms of environmental injustice from the impacts of climate change, as well as growing digital and intergenerational divides, that are likely to accelerate as we move towards 2030.

7.2   The expectations of communities are also changing. Movements across our communities are increasingly expressing new demands for change in our institutions and a greater say in the shaping and delivery of services. But demands for community empowerment have often been constrained by broader systemic issues of power and under-funding. Community empowerment needs to be part of realising a broader vision of our economy and society, not simply reduced to transferring responsibilities onto communities.

The uneven nature of cuts to frontline services

7.3   Cuts to frontline services in local government have, as we have discussed earlier, hit the poorest communities the hardest. They have impacted on the well-being of young people, with drastic cuts to spending on children's and young people's services. It is worth repeating the extent of them. Local authority spending on youth services dropped by £400 million between 2010 and 2019. 4,500 youth work jobs have been lost and more than 760 youth centres have closed since 2012.[151] £2.2 billion was cut from local authority children and young people's services between 2011 and 2018, with the number of children using children's centres dropping by 18 per cent (from 2.2 million to 1.8 million) between 2014/15 and 2017/18.[152] 97 per cent of the reduction in spending by English local authorities on services for adults and children facing disadvantage in the five years from 2012 took place in the most deprived fifth of local areas.[153]

7.4   Cuts to local services cannot be divorced from welfare reforms, including the progressive introduction of Universal Credit, which have disproportionately affected deprived areas. Between 2010 and 2016, the impacts of welfare reforms, measured as annual financial loss per adult of working age, have hit three areas the hardest: the older industrial areas of England, Scotland and Wales; less prosperous seaside towns; and some London boroughs. Those areas worst affected by welfare cuts have experienced losses that are typically two and a half to three times higher, per adult of working age, than the least affected districts.[154]

7.5   Even allowing for temporary increases to welfare benefits in response to Covid-19, the Institute for Fiscal Studies argues that the 'benefits freeze and the introduction of Universal Credit means that the 'average benefit entitlement among workless households is 10 per cent lower in 2020–21 than it would have been without any policy changes since 2011, and among workless

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[151]   UNISON (2019) *Youth Services at Breaking Point*, London: UNISON.

[152]   Action for Children (2019) *Closed Doors*, Watford: AfC; Action for Children, National Children's Bureau, NSPCC, The Children's Society and Barnardo's (2020) *Children and Young People's Services: Funding and Spending 2010/11 to 2018/19*, Watford: AfC.

[153]   New Policy Institute (2018) *A quiet crisis. Local government spending on disadvantage*, London: Lloyds Bank Foundation.

[154]   Beatty, C. and Fothergill, S. (2018) 'Welfare Reform in the UK 2010-2016: Expectations, Outcomes and Local Impacts', *Social Policy & Administration*, 52:5, pp. 950-968; see also Beatty, C. and Fothergill, S. (2016) *The Uneven Impact of Welfare Reform*, Sheffield: CRESR, Sheffield Hallam University.

households with children it is 12 per cent lower […] without the temporary increases, they would have been 15 per cent and 16 per cent respectively.'[155]

7.6   Approximately 14.4 million people in the UK are living in families in poverty. 8.5 million of them are working age adults (22 per cent of all working-age adults) and 1.3 million are pension-age adults (11 per cent of all pension-age adults). 4 million people in poverty are disabled and another 3.2 million live in a family that includes someone else who is disabled. Over 4.5 million of those living in poverty are children, equivalent to 33 per cent of all children.[156] The Institute for Fiscal Studies reports that relative child poverty has increased by 3 percentage points since 2011/12, 'the most sustained rise in relative child poverty since the early 1990s'.[157]

7.7   Importantly, cuts to local services and welfare changes, have disproportionately impacted on women, particularly BAME, lone parents and disabled women, who have experienced the negative cumulative impact of changes to taxes, benefits, and public spending since 2010. Women continue, as the Women's Budget Group argues, to deliver the majority of unpaid care work in society. They thus rely more heavily on local services to help with this caring work, while also accounting for the majority of the local government workforce.[158]

7.8   Gender inequalities in cuts to public services for BAME women are further compounded by racial inequalities elsewhere. Given the cumulative impacts of tax and benefit changes, and cuts to public services, it was predicted that from 2010 to 2020, Black and Asian households in the lowest fifth of incomes could expect to experience the biggest average drop in living standards of 19.2 and 20.1 per cent respectively.[159]

7.9   These inequalities have amplified the disproportionate impacts of the Covid-19 epidemic on the poorest in society. Those working in precarious and low paid manual jobs are more exposed to infection and loss of income, often living in overcrowded poor housing while bearing additional costs of having children at home.[160] Women are more likely to work in low-paid and insecure employment, in sectors heavily impacted by lock-down, and are the majority of people living in poverty and homeless. Women carry out 60 per cent more unpaid work than men, do more childcare, and are more likely to experience domestic and sexual violence and abuse. In October 2020, the Women's Budget Group estimated 1.5 million young women had lost income since the beginning of the coronavirus pandemic, whilst 69 per cent of young women claiming Universal Credit since March 2020 had done so for the first time.[161]

7.10   Rising poverty and cuts to local government funding have put increasing pressure on community groups and the voluntary sector. Food banks and advice/advocacy services have provided necessary support for basic needs and practical advice and legal assistance across communities. However, they have been hampered by a mixture of funding cuts and rising

[155]   Bourquin, P., Joyce, R. and Norris Keiller, A. (2020) *Living Standards, Poverty and Inequality in the UK: 2020*, Institute for Fiscal Studies, London: IFS.

[156]   Social Metrics Commission (2020) *Measuring poverty 2020*, London: SMC.

[157]   Bourquin, P., Joyce, R. and Norris Keiller, A. (2020) *Living Standards, Poverty and Inequality in the UK: 2020*, Institute for Fiscal Studies, London: IFS..

[158]   Women's Budget Group, Runnymede Trust with RECLAIM and Coventry Women's Voice (2017) *The Impact of Austerity on Black and Minority Ethnic Women in the UK*; Women's Budget Group (2020) *Local Government and Gender. A Pre-Budget Briefing*, 1 March 2020.

[159]   Women's Budget Group, Runnymede Trust with RECLAIM and Coventry Women's Voice (2017) *The Impact of Austerity on Black and Minority Ethnic Women in the UK.* London: WBG

[160]   Whitehead, M., Duncan, W., Taylor-Robinson, D. and Barr, B. (2021) 'Poverty, Health and COVID-19', *British Medical Journal*, 372, 12th February.

[161]   Women's Budget Group (2020) *Crises Collide: Women and COVID-19*, April. London: WBG; Women's Budget Group (2020) *COVID-19 and Economic Challenges for Young Women*, November. London: WBG.

demands and the inability to provide regular and universal support.[162] More broadly, austerity has accelerated the shift from grant funding to contractual funding across the third sector. In its 2020 survey of the sector, the charity and think tank NPC, reported that 54 per cent of third sector organisations were engaged in delivering public sector contracts, many in local delivery consortia. Importantly, 59 per cent of organisations reported cross-subsidising work on public contracts with other incomes. COVID-19 has added to the demands on local charities, with new emergency needs and increasing constraints on funding, with little time to reflect on the strategic impacts of the pandemic on the sector. In October 2020, eight out of ten charities and community groups surveyed predicted that the Covid crisis would impact negatively on their ability to deliver objectives over the next twelve months, and 56 per cent were expecting a surge in demand. 40 per cent reported being in a worsening financial position.[163]

Local authorities and municipal entrepreneurship

7.11   Local authorities are able to act as potential or partial 'buffers' against the cuts.[164] In response to cuts to funding, councils have transformed accepted practices of budgetary stewardship and service delivery across local authorities.[165] Indeed, a new municipal entrepreneurship and community wealth generation has emerged in which local authorities have devised new strategies of income-generation and commercialisation to try to fill the 'funding gaps' left by reductions in traditional sources of revenue, while advancing the public good and democratising the local foundational economy.[166]

7.12   This generation of alternative revenue streams has embraced a multiplicity of commercial and entrepreneurial logics and practices of municipal action. With growing reliance on locally generated funding, but with limited tax raising powers, local councils have increasingly resorted to the commercialisation of local authority assets to fill 'gaps' in service delivery. Councils have engaged in real estate development and the acquisition of property portfolios, investing £6.6 billion in commercial property such as hotels, offices and shopping centres from 2016/17 to 2018/19.[167] But some have also launched direct 'for profit' trading companies in municipal goods and services; created public service cooperatives and mutuals in collaboration with communities; exploited procurement policies as a tool to support local businesses and social enterprises; and driven authority-wide culture change towards entrepreneurship and financial self-sufficiency. In housing provision alone, Morphet and Clifford identified a host of companies and commercial vehicles across over 150 councils in England and Wales.[168]

7.13   Through such steps, local government has intervened in local markets, seeking to transform local economies and address market failures, engaging in municipal entrepreneurship for the public purpose.[169] Such municipal entrepreneurship asserts how pro-active entrepreneurial strategies by local government can drive forward civic and collective provision of goods and

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[162]   Dagdeviren, H., Donoghue, M. and Wearmouth, A. (2019) 'When Rhetoric Does Not Translate to Reality?', *The Sociological Review*, 67(1): 143-60.

[163]   NPC (2020) *State of the Sector 2020: The Condition of Charities Before the COVID-19 Crisis*, T. Clay, T. Collinge, L. Davis and R. Piazza, London: NPC; NPC (2020) *How Charities Have Reacted to COVID-19*, London: NPC.

[164]   Gray, M. and Barford, A. (2018) 'The depths of the cuts: the uneven geography of local government austerity', *Cambridge Journal of Regions, Economy and Society*, 11:3, pp. 541–563.

[165]   See Ferry, L. and Eckersley, P. (2020) 'Hybridizing the Institutional Logics of Performance Improvement and Budgetary Stewardship in England and Welsh Local Government', *Public Policy and Administration*, 35:1, pp. 45-64.

[166]   Association for Public Service Excellence (2018) *The New Municipalism: Taking Back Entrepreneurship*, Manchester: APSE.

[167]   National Audit Office (2020) *Local Authority Investment in Commercial Property*, London: NAO, p. 4.

[168]   Morphet, J. and Clifford, B. (2021) *Reviving Local Authority Housing Delivery*, Bristol: Policy Press.

[169]   Association for Public Service Excellence (2018) *The New Municipalism: Taking Back Entrepreneurship*, Manchester: APSE.

services as part of an inclusive place-based economic strategy.[170] These strategies go beyond generating funds to fill the 'holes' in central government grants under austerity. Rather, local government is 'investing directly in self-sustaining projects, which […] ground economic development in people and place.'[171] Indeed, such strategies seek to keep power and spending local, while intervening in local markets to challenge economic and social inequalities and ensure fair work.

7.14   Community wealth generation, an approach advanced by the Preston model, has spread to authorities such as Birmingham, Hackney, Islington, Newham, North Ayrshire, the North of the Tyne combined authority, and the Wirral. Community wealth generation takes multiple forms. Typically, it has come to rest on different combinations of five broad engagements: plural ownership of the economy; making financial power work for local places; fair employment and just labour markets; progressive procurement of goods and services; and socially productive use of land and property. Preston, working with its fellow anchor organisations, has brought £74 million back into the local economy through its work on procurement policies and has also invested £200 million in the wider Lancashire economy. Equally, 4000 additional employees have received the Real Living Wage.[172]

Community planning

7.15   In Scotland, the Community Empowerment Act (Scotland) 2015 cemented the role of community planning. The Act required local government to create a local partnership with key local agencies, a requirement which was subsequently reinforced to engage other partners such as health. The resultant 32 community planning partnerships across Scotland are responsible for establishing a local outcomes improvement plan, as well as locality plans for particular areas or neighbourhoods within the authority. Such reforms were associated with empowering communities through a community right to buy land, asset transfer, engagement in producing and delivering services and the mainstreaming of participatory budgeting. Community planning was also introduced in Northern Ireland in 2015[173], with the 11 councils leading community partnership working with statutory partners and communities.

7.16   In Scotland, community planning processes, particularly the formulation of local outcomes improvement plans, have provided an arena for community deliberation and information sharing and partnership working across localities. In some localities, they have transformed the organisational culture of the local authority. North Ayrshire has embedded a Kindness Promise into its Community Planning Promise, which has driven organisational efforts to minimise the constraints of performance targets and regulations on the work of staff, as well as organisational barriers to engagement. Its community planning partnership rests on the bottom-up locality plans across its communities, participatory budgeting and community engagement with young people; the partnership has become a key vehicle in its strategy of community wealth

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[170]   Thompson, M. *et al.* (2020) 'Re-grounding the City with Polanyi', *Environment and Planning A*, 52:6, pp. 1171-94; Aldag, A., Kim, Y. and Warner, M. (2019) 'Austerity Urbanism or Pragmatic Municipalism', *Environment and Planning A*, 51:6, pp. 1287-1305.

[171]   Thompson, M., Novak, V., Southern, A., Davies, J. and Furmedge, P. (2020) 'Re-grounding the City with Polanyi', *Environment and Planning A*, 52:6, pp. 1188.

[172]   CLES and Preston City Council (2019) *How we built community wealth in Preston*, Manchester and Preston: CLES and Preston City Council; McKinley, S., Brett, M. and Lawrence, M. (2020) *Democratic by design: A new community wealth building vision for the British economy after COVID-19*, Common Wealth and Democracy Collaborative Report.

[173]   Northern Ireland Assembly 'Community Planning Process' available at https://www.nidirect.gov.uk/articles/help-improve-quality-life-your-neighbourhood

generation.[174] However, there is uneven evidence that such exercises in community planning are community-led, devolving down substantive powers to communities, although there are indications that Covid-19 has resulted in increases of community empowerment as councils and health boards have sought to support local groups to provide services to vulnerable individuals in their community. There are also concerns that community planning has in practice relied heavily on particular groups and individuals, with them reporting 'consultation fatigue'.[175]

7.17   In Wales, the Welsh government introduced the Well-Being of Future Generations Act in 2015. This act aims to increase collaboration between public sector bodies around seven well-being goals, delivering a heightened focus on sustainability, long-term thinking, and prevention. Indeed, the Future Generations Act reframed sustainable development as well-being and social justice, putting in place public service boards to undertake wellbeing assessments and determine local objectives that contribute towards national well-being goals. In practice, it has generated a renewed capacity to act and opened up new spaces and scales of regional and local governance. Importantly, it has moved understandings and concepts of measuring the success of policies and the work of local government away from narrow economic assessments.[176]

What the Commission found

Collaborative place-based working to tackle inequalities

7.18   There was widespread recognition of the place-based challenges of inequality, and the need to tackle local patterns of social exclusion based on different inter-related combinations of demographics, income distribution, health, and physical geographies, particularly between the urban and the rural. These patterns of social exclusion cannot be divorced, as Dom Goggins (Senior Advisor to All-Party Renewable and Sustainable Energy Group (PRASEG)) underlined, from the challenges of environmental justice, since those who do the least to cause environmental problems often suffer the most from their impacts and have the least powerful voice in formulating policies to combat environmental degradation. However, much of the evidence to the Commission also recognised that councils cannot tackle inequalities across communities alone, with a number of voices calling for local place-based collaboration between public sector organisations, the voluntary and faith sectors, businesses, and the community. As Ian Baggott (West Midlands Parks Forum) pointed out to Commissioners, the future requires community-driven collaborations, cross-sectoral working and an end to professional silos which sometimes views some professions as being 'better than others.'

7.19   Such local collaboration requires targeted support from central government. There was widespread agreement that cuts to central funding have weakened the capacity of local authorities to work with communities. As we have elaborated in earlier chapters of this report, austerity has hit the capacity of local authorities to act as local stewards of their areas. When asked by Commissioners to name the biggest obstacle to local government acting as place-leaders, Susan Halliwell (Executive Director Place, West Berkshire Council and co-chair South East Network, Association of Directors of Environment, Economy, Planning and Transport (ADEPT)) replied. 'it is really hard not to say 'funding'.' Indeed, in our evidence session on place leadership, William

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[174] Thiurman. B. (2020) *Putting Kindness at the Heart of Community Planning*, https://whatworkswellbeing.org/blog/putting-kindness-at-the-heart-of-community-planning/; North Ayrshire Council (2020) *An Action Plan for A Community Wealth Building Council*, https://www.north-ayrshire.gov.uk/Documents/nac-cwb-strategy-brochure.pdf; See North Ayrshire Community Planning Partnership, http://northayrshire.community/

[175] Weakley, S. and Escobar, O. (2018) *Community planning after the Community Empowerment Act*, Edinburgh: What Works Scotland.

[176] Jones, R., Goodwin-Hawkins, B., and Woods, M. (2020) 'From Territorial Cohesion to Fegional Spatial Justice: The Well-being of Future Generations Act in Wales', *International Journal of Urban and Regional Research*, 44:5, pp. 894-912.

Mapplebeck (Communications, Core Cities) emphasised how cuts have impacted heavily on the 'back office' capabilities of councils to undertake planning and community engagement. But he also added that the impact of cuts on services, such as the closure of libraries, is to undermine trust in local government. At the same time, the uneven geography of austerity has put additional pressures on some authorities more than others. In the community of Blackburn with Darwen Borough Council, nearly 40 per cent of children and young people are living in poverty, compared to a national average of 27 per cent. There was consequently a demand for new targeted sources of funding to redress impacts of austerity on the most badly hit communities.

Working with communities

7.20   As we noted earlier, there was evidence from all submissions on a renewed ethos of co-production or community engagement. Durham County Council supported 'area action partnerships', setting out for the Commission how its own 14 area action partnerships work to bring together communities to give them a voice and represent the diverse needs of the County. In Rochdale, the local council has established Place Teams that work with active citizens and volunteers to bring 'lived experience of services' into decision-making (evidence presented by Rochdale Borough Council), while in Stockton-on-Tees, the Borough Council advanced the need to generate the personalisation of services across targeted geographical areas, putting in place 'holistic tailored individual approaches' to improve the employment opportunities of individuals. In Wigan, the local authority implements a 'service delivery footprint' model which works with neighbourhoods of between 30,000 and 50,000 residents (evidence presented by Wigan Metropolitan Borough Council).

7.21   Aberdeen City Council's 'Target Operating Model' set out the council's role of connecting and brokering individuals and communities to enable them to 'do more for themselves' within a culture in which staff had flexibility within a revised behavioural framework and core values. Organisationally, the model recognised the disruption caused by technology and sought to create a 'Digital Council', using customer insight to break down traditional departmental barriers to take a 'whole system' approach, designed around people's day-to-day interaction with the council. Elsewhere, evidence showed councils operating and building on local government's now long history of working with decentralised managerial structures which devolve operations and budgetary responsibilities to sub-council levels in a variety of forms, such as area committees and neighbourhoods, alongside a range of 'power with' style initiatives, including community commissioning.

7.22   Against this background, there was general agreement on the necessity for organisational experiments designed to enhance service effectiveness and democratic participation to become a universal part of the local government landscape. But it was accepted that a balance had to be struck and that decentralisation and devolution still had to operate in the context of collective decision-making and stewardship of place. In this respect, there was also a recognition that 'top down' imposition of structural templates was inappropriate. In addition, cultural change would continue to pose a series of practical challenges, given diverse and strong professional cultures and differing terms and conditions of employment and access to career enhancement. This would particularly apply in any scenario which envisaged bringing together services such as social care and health. Evidence revealed how even recent council mergers had in themselves, required considerable leadership skills and time to develop new organisational working practices (Bournemouth, Poole and Christchurch Council).

7.23   There was also support for bottom-up deliberative engagement and community-led initiatives. Cheshire West and Chester council gave evidence of its Poverty Truth Commission which supported the development of community policy recommendations and a deliberative approach to engagement which should, the Council argued, be expanded, particularly

into working with under-represented groups. Councillor Afzah Shah (Cabinet Member with responsibility for Climate, Ecology and Sustainable Growth, Bristol City Council) also reported that Bristol had prioritised new forms of deliberative democracy forums in which some 60 members of the community were empowered to determine key recommendations and priorities for the council to tackle climate change. Mark Davies (Director for Communities and the Environment, Lancaster City Council) described how his council had put in place citizen juries to drive forward policy on the Council's commitment to zero emissions by 2030. He underlined the importance of community engagement and conversations, with 30 individuals from local communities engaged in citizen juries for over 10 months to capture their 'voice' in tackling climate change.

7.24   Councils have moved to transfer leisure facilities and community assets to community organisations, with services like libraries and community centres being run by volunteers. Orkney Islands Council described how it was exploring an enhanced role for community councils in the design and delivery of local services, transferring their delivery to communities and businesses. Blackburn with Darwen Borough Council had engaged over 1300 volunteers to support council services. Councillor Afzah Shah (Cabinet Member with responsibility for Climate, Ecology and Sustainable Growth, Bristol City Council) informed Commissioners that community activism goes 'hand-in-hand' with institutional change and collaboration. He explained how Bristol City Council was working with community groups and local energy suppliers to create community energy networks.

7.25   It was recognized that the Covid-19 pandemic had triggered new relationships with communities. Councillor Andrea Lewis (Deputy Leader and Cabinet member for Homes, Energy and Service Transformation, City and County of Swansea) drew attention to over 1000 volunteers in Swansea who had engaged in food parcel delivery during the pandemic. In a similar vein, Councillor Mike McCusker (Executive Support Member for Planning, Housing and Sustainable Development, Salford City Council) underlined the role of community volunteers in supporting the authority's response to the Covid pandemic, its Spirit of Salford campaign, and the value of inclusive public services in supporting communities and place-identities.

7.26   However, local authorities raised concerns over the sustainability of such volunteering initiatives without the support and resource infrastructure required to support them, including equipment, building maintenance and training, and support for volunteers. Councillor Andrea Lewis (Deputy Leader and Cabinet member for Homes, Energy and Service Transformation, City and County of Swansea) expressed her concerns that funding streams to support such work would not be available moving forward. Adding to such concerns, Councillor Susan Aitken (Leader, Glasgow City Council) argued against a return to municipal paternalism in any post-Covid recovery, the limits of such paternalism had, she reflected, been exposed in Glasgow by the pandemic.

7.27   Community planning was advanced as a potential means of transforming service delivery and working with communities. In Mid and East Antrim, the introduction of community planning triggered the development of a long-term vision, Putting People First, to improve the wellbeing of the local community, working closely with citizens, community organisations and key statutory partners. In her evidence, Suzanne Clark (Service Manager, Vibrant Communities, East Ayrshire Council) confirmed that community planning can support a cultural change in the organisation of the council, working across all its departments to bring about changes in the qualities and behaviours of its officers. She reported that in forging new relations with local communities, East Ayrshire has also built kindness into its reporting mechanisms, and now sees frontline staff, such as housing officers, as 'neighbourhood coaches' undertaking caring and empowered conversations with its communities. However, she underlined that such transformation cannot be undertaken without investment in community development teams working with communities. Community

empowerment rests on practitioners moving away from 'silo working' to foster a culture of placed-based working, which gives officers the 'time to work with communities' she added.

Austerity and the voluntary sector

7.28   Rebecca Cox (Principal Policy Officer, Local Government Association) and Naomi Alleyne (Director of Social Services and Housing, Welsh Local Government Association) agreed that austerity had lowered capacity across the voluntary sector. Dan Corry (Chief Executive, New Philanthropy Capital (NPC)) declared that there is consequently a need to better understand what voluntary and community work is going on in a neighbourhood, assessing charity density in deprived areas and what funding is coming into the area. All councils, he suggested, could do better at working with the voluntary sector, which can operate as the 'canary in the coal mine'. It was suggested that local government put in place nuanced relationships with the voluntary sector based on an alliance approach. The Social Value Act has not delivered what the sector hoped that it would, and there is limited voluntary sector representation on Local Economic Partnerships (LEPs), with a 2020 report of the National Council of Voluntary Organisations (NCVO) stating that 'approximately two-thirds of LEPs engagement with the voluntary sector is either inadequate or requires improvement.'[177] Commissioning of 'big contracts' was deemed to be part of the challenge facing charities, raising questions about the advantages of grants over contracts as a funding mechanism, as well as the size of the charities that local government seeks to work with.

7.29   In the field of social care, Simon Bottery (Senior Fellow, King's Fund) argued that there was a broader range of community care services, such as befriending, which should be recognised, and which are 'missed' in need tests. Yet, he underlined to Commissioners that it could not be assumed that the community-based care organisations providing such services would continue to operate, particularly given the impacts of the Covid pandemic on their funding. Colin Angel (Policy Director, United Kingdom Home Care Association (UKHCA)) suggested that voluntary and community organisations were struggling to deliver home care due to funding gaps in social care provision. He argued that voluntary sector providers 'feel pushed out of the market' and are having to cross-subsidise the provision of services. Kevin Lucas (Regional Manager, UNISON, Care Workers for Change) acknowledged the contribution of community groups but suggested that the transaction costs of contracting and recruitment are challenging for community organisations. He also warned that it would be short-sighted to assume that the voluntary and community sector was inherently more ethical or efficient than public sector providers.

The voices of young people

7.30   Young people in the focus groups[178] undertaken as part of the work of the Commission identified climate change and the environment, young people's voice, community cohesion and waste and recycling as priority policy issues to be addressed as we move towards 2030. They also voiced concerns over jobs and training, crime, schools and education, crimes and policing, and health and well-being.

7.31   When asked about their understanding of local government, they called for better

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[177] National Council for Voluntary Organisations (NCVO) *Creating Inclusive Growth. LEP's Engagement with the Voluntary Sector*, London: NCVO, https://publications.ncvo.org.uk/creating-inclusive-growth/

[178] Two focus groups were undertaken bringing together over 40 young people. The first was conducted at the 2020 British Youth Concern North-East Convention, supported by Bright Minds Big Futures and led by Elisha Kaur (Bright Minds Big Futures advisor) and Kameron Spence (Big Committee Advisor). The second took place in December 2020 with students from New Park College, Leicester. It was led by students from the Department of Politics, People and Place at De Montfort University: Kyra Balderstone, Daniel Bewley, Olivia Cottis-Black and Gavin McMinn. In both cases young people leading the focus group collected evidence and compiled a summary which was submitted as evidence to the Commission.

information about the role and work of local government and how to engage with it. Young people, they argued know very little about 'how a council works', recognising confusion over the roles and responsibilities of different tiers of government. They highlighted that while young people learn about subjects such as US politics in school and college, paradoxically they learn very little about political institutions that are 'just around the corner' and which make decisions that affect them and their families in their day-to-day lives.

7.32   This was not helped by what young people saw as poor communication with and about local government. Members of the focus group felt that on the rare occasions young people were asked their opinion about local matters by councils it was little more than a 'ticking of a box' situation. Indeed, the young people pointed out that whilst many were not entitled to vote, their opinion matters just as much as anyone else's. Involving them in the political process will mean they will become 'engaged citizens' in the future. They called for better engagement of local communities and young people, demanding that each council has a young people service that has weight and influence over the delivery of council services, enabling young people to develop strong links with elected members.

7.33   They did not currently 'see themselves' represented in local government. They called for better communication with young people and with minority groups to identify barriers to standing for local election. They also asked for campaigns to inform young people of the career opportunities in local government. Replicating the concerns of our local government respondents on the absence of career paths into councils, members of the focus groups argued that there was currently no information on pathways into local government careers, or placement opportunities. They called for a diverse workforce that reflected local communities, with clear routes into local government careers through increased training, apprenticeships and graduate schemes across all departments.

7.34   Young people argued that they were often left without a 'space for themselves', which was particularly important in terms of their ability to concentrate on and complete schoolwork and to develop independent social relationships, especially now these have moved online in the Covid-19 pandemic. They were hampered by lack of access to computers and the internet, amplifying inequalities of educational and digital access. They called for local government to do more to ensure that every young person has a place of their own to study and interact with peers. They drew attention to the need to ensure the availability of quality housing suitable for the needs of families and 'safe spaces' that young people can access to work and socialise in when these are not available at home.

7.35   To this end, young people in the focus group underlined the importance of access to frontline services, particularly public spaces and libraries. Libraries were recognised as a great resource for them where home is too noisy or small to be able to concentrate. But participants argued that libraries and public spaces are not always easy to access. They called for the creation of spaces that are designed around young people's needs so as to make them more appealing and increase usage. They underlined how public spaces that are available for children need to be future proofed in terms of information technology, including more computers with relevant tools and software programmes. They suggested that the correct location of these spaces is crucial. They have to be easy to access for all young people across a council area, not simply in the town centre. Bus routes and other public transport are good links to allow older children to reach these spaces, but younger children cannot take advantage of these services. Importantly, they called for local government to work with local providers and community groups to provide free-broadband areas for young people.

7.36   For the voices of young people to be heard more loudly, it was recognised that there was a need for more co-designed spaces and activities with councils. Indeed, it was suggested

that involving young people directly in decision-making and local projects would benefit local authorities. It would improve outcomes and close the gap between them and young people, improve youth engagement in local politics and elections and increase the number of young people standing as councillors. But young people also underlined the challenges facing local government, recognising the financial limits on service delivery and calling for increased and more flexible funding for councils to meet the needs of local communities.

Access to green spaces

7.37   Witnesses argued that cuts of funding have put pressure on urban parks and green spaces across local authorities. Green spaces were seen to be experiencing the pressures of austerity, along with all other services across local government. Stephen Forster (Business Development Director, LACA) argued that local authorities are having to commercialise parks, with cuts to funding impacting on parks services and the number of volunteers. As Ian Baggott (West Midlands Parks Forum) added in his evidence to the Commission, the Covid-19 pandemic had undermined efforts to generate income through commercialising parks and public spaces. At the same time, funding of parks and the public realm offered further evidence of the regional imbalances in national policies. Ian Baggott thus underlined how the Future Parks Accelerator did not cover the North West, Yorkshire and Humber and the North East. He argued that with such pressures on parks, local authorities were experiencing a decline in the skills, knowledge, and experience of the public realm workforce, with gardeners being downgraded to operatives. Councils were under pressure to form trusts and community takeovers, with no skills pathway to attract young people into the sector. He further suggested that there was little recognition in central government of the importance of local parks.

7.38   Richard Hayes (Chief Executive, Institute of Highway Engineers) tied such concerns to the need to rethink the importance of our public spaces and their design to community health, safety and inclusion. Public space, he argued, does not meet the needs of disabled people and the community is not engaged in the design of collective spaces. Going further, he also suggested that there is little audit of safety measures and that there is no respect of the Equalities Act. There was a need to make inclusivity a key priority of public realm schemes, moving away from 'vanity projects' and generating agreement over local authority design and guidance. Susan Halliwell (West Berkshire Council and ADEPT) also demanded a stronger approach to the Equalities Duty.

7.39   Dr Rachel Lee (Policy and Research Manager, Living Streets) affirmed that the Covid pandemic had changed our relationship with public spaces, with increased value given to walking and active travel. The public, she suggested, supports the reduction of road traffic and the reallocation of road space to pedestrians and other uses. She argued that councils should shift their focus towards pedestrians, plan for local cycling and walking improvements, and increase accountability over the use of public space and transport use. Differences between urban and rural councils also need to be taken into consideration. Returning to business as usual, she concluded, would be 'a failure of policy'. Such a failure could be avoided by pre-consultation with communities. Indeed, Dr Lee advocated council and communities developing joint local visions, drawing attention to the importance in the green recovery of 'local things that you can walk to' and the transformation of existing dormitory places.

7.40   Councillor Susan Aitken (Leader, Glasgow City Council) drew the attention of Commissioners to Glasgow's Spaces for People programme which seeks to reduce cars in public spaces and increase cycle paths across the city. She pointed out that this ambition existed before the pandemic, although Covid had heightened its significance on the political agenda. Like other witnesses, Councillor Aitken underlined how the pandemic had shown that 'local government can move faster than we had realised before'.

Investing in the foundational and caring economy

7.41   There was wide support for the view that central governments need to recognise the role of social infrastructure, not just physical infrastructure. Hugh Ellis (Director of Policy, Town and Country Planning Association, (TCPA)) stressed the role of local authorities as stewards of assets and local economies, echoing calls for investment in social infrastructure and the 'foundational economy'. Stephen Forster (Business Development Director, Local Authority Caterers Association (LACA)) argued that such stewardship required a policy shift towards 'space, place and peoples' issues.' He emphasised how investment in public services such as school meals generates social value and supports local economies, with over 120,000 people working in school catering. Against this background, Mike McCusker (Executive Support Member for Planning, Housing and Sustainable Development, Salford City Council) drew the attention of Commissioners to Salford's commitment to an 'inclusive economy'. He asserted the need for local authorities to address spatial inequalities, where 'the worst areas are located right next to areas of growth'. These economic, social, and environmental inequalities will be worsened by the long-term impacts of the Covid-19 pandemic, he suggested.

7.42   Witnesses identified a series of challenges facing local authorities as they seek to support the post-Covid recovery. Rachel Laurence (London Borough of Barking and Dagenham) underlined those authorities like Barking and Dagenham faced an 'explosion of unemployment', putting increasing pressure on councils to use their discretionary funding strategically and to support local Small and Medium-Sized Enterprises to help them to develop, for example, human resource policies. Existing projects, she predicted, were insufficient to fill the gap in employment opportunities in the short-term, feeling 'like a drop in the ocean' with the numbers of residents likely to experience long-term unemployment in the future. Rachel Laurence also stressed that Brexit will have implications for recovery. She drew attention to the EU funding of local employment brokerage services, questioning how far the Shared Prosperity Fund will be able to fill the potential hole in funding.

7.43   In this shifting context, Councillor Mike McCusker (Executive Support Member for Planning, Housing and Sustainable Development, Salford City Council) underlined the importance of local partnership working and the building of local coalitions, the investment in social infrastructure, and the intervention of local government into failing markets. Local councils, he asserted, can intervene to address the failures of the private sector, particularly in housing, where Salford authority was now having to 'retro-fit' its housing stock to meet carbon standards. He suggested that local authorities had to 'get back into house building.' Issues such as housing and social care were the 'core business of local authorities' in England and required the levers to address them, supporting insourcing and bringing services back in house.

7.44   Supporting investments in the foundational economy, Rachel Laurence (London Borough of Barking and Dagenham) argued that such investment in jobs that support social infrastructure was 'crucial' to recovery and the wellbeing of communities. There was an opportunity following the pandemic to move towards an outcome-driven approach as part as part of a serious push to properly devolve power over economic strategy, funding and investment, so that councils can focus on delivering outcomes for communities. She underlined that there is currently no business support budget to reconfigure the social care economy. However, she endorsed the policy of keeping services in house as a lever for market intervention. She argued that the decision of her authority to keep housing 'in-house' meant that the council was able to bid for retro-fit funding as it still controlled much of the local housing stock. It was also able to use procurement as a lever to influence change. She concluded that the council would continue 'shaping the local economy… [being] interventionist and [seeing] the new municipalism [as] the way forward.'

7.45   The Covid-19 pandemic was widely interpreted by witnesses as strengthening the

rationales for market interventions and the community wealth programmes that were already being pursued across local authorities. Councillor Susan Aitken (Leader, Glasgow City Council) emphasised to Commissioners that Covid recovery interlinked with plans that the council already had in place to meet carbon zero targets and address inequality across the city. She reported that the pandemic had however enhanced the need for collaboration and accelerated the delivery of the pre-existing commitments of the Council. The Glasgow Economic Recovery Group has put in place a 20-point strategy, while the authority has also established a Social Recovery Taskforce, working in partnership with other public agencies and civil society groups. She argued that the pandemic poses a number of threats to the continued vitality of city centres, with the long-term impact of the pandemic potentially being the loss of city centre infrastructure. In Glasgow, the city centre supports 170,000 jobs, so its recovery has to be a priority for the local authority. Indeed, Councillor Aitken argued that the focus of authorities should be on city centre residential schemes, the creation of car free spaces, and the '20-minute neighbourhood', encouraging mixed use with less dependency on retail. Finally, she asserted that the resilience of the city centre was a strategic economic priority for Glasgow, not only because of its concentration of jobs but also for the vitality of its visitor economy.

7.46   Rachel Laurence (London Borough of Barking and Dagenham Council) reinforced such arguments in her evidence, stating that the Covid pandemic had served as an 'accelerator' of developments already underway across her authority. Indeed, the future resilience of the authority rested on the structures and policies put in place over the five years before the pandemic, with the Council having established a set of wholly council owned companies to drive forward housing development and intervene in local markets. She argued that such initiatives should be robust and resilient as the local need was still there, if not amplified by the pandemic.

7.47   Recognising the different place-based challenges facing local authorities, Rachel Laurence suggested that councils such as Barking and Dagenham may benefit from movement out of city centres, in this instance out of London. The Council had already put in place its 10-year town centre regeneration strategy, including the better use of local authority assets. She posited that authorities may use commercial assets on the high street to create community hubs in the future, where small groups of companies can work, thereby creating the footfall to sustain local retail. She underlined how the structure of the retail economy was pivotal to recovery in Barking and Dagenham, around 20 per cent of local pre-pandemic jobs in retail, within a predominance of small and micro independent retail business that have been the hardest hit by the pandemic.

7.48   It was widely acknowledged that lockdowns during the pandemic impacted most upon the most vulnerable, namely women, young people and BAME communities. Giving evidence on the gendered impacts of the pandemic, Jenna Norman (Public Affairs Officer, Women's Budget Group) argued that local authorities should begin to tackle such inequalities by investing in the caring economy. This would address the gender inequalities that women experience in undertaking unpaid care work and from working in the low-paid social care sector - inequalities that were further exposed by the Covid pandemic. Norman called for investment in local authority child care and a universal care service, arguing that investment in the caring economy delivered three times more jobs than investment in physical infrastructure and stating that 'care jobs are green jobs.' Alongside such investment, she called for increases in the funding of services and programmes to ensure women's safety, arguing that domestic abuse had increased during lockdown, particularly against migrant women. Finally, Norman called for local hardship funds to support women, particularly women from BAME communities, and for local councils to undertake meaningful equality impact assessments, developing a lifetime approach to how inequalities accumulate over time for each policy.

7.49   Rachel Laurence (London Borough of Barking and Dagenham Council) also underlined the

importance of local authorities building the care sector as vacancies in social care are increasing. However, there is the risk that post-Covid wages will be driven down across the sector by the rise in unemployment locally and the potential switch by people from the retail or hospitality sector into the caring economy. Barking and Dagenham is therefore working with neighbouring authorities to generate a care strategy including using the kick-starts funding strategically to feed into longer term career paths and better relationships with employers, and using business support funding to support the local care sector. Councillor Susan Aitken (Leader, Glasgow City Council) added that local care providers as employers and enablers of work had to be central to any local economic strategy. But she pointed out that the public sector in Scotland could no longer subsidise low pay in these sectors.

## Towards 2030: The view of the Commission

7.50   Local authorities as stewards of place can work to address the inequalities that risk fracturing our diverse communities. They can mobilise their organisational and financial resources to bring about change, to deliver a new, dynamic municipalism. We have witnessed in our investigations how the public good can be advanced through judicious use of public procurement, public employment, and municipal entrepreneurship. Strategic interventions in the foundational and caring economy will be essential as we move towards post-Covid recovery. Services in health, education, care, and the environment provide us with the everyday essential infrastructure that make our communities possible. The pandemic has demonstrated our reliance on the key workers who provide such services.

7.51   But 'local by default' does not stop at the door of the Town Hall. We have witnessed evidence of community participation, deliberation and co-production that has opened up alternative spaces of democratic decision-making and empowerment in ways that do not simply transfer responsibilities from local government onto communities. But where necessary we still need to tackle the disconnect between local government and communities. We need to ensure that the needs and demands of all communities are listened to, heard, and addressed. All councillors equally need to be able to bring about change in the communities that elected them so that they can carry out their representative role effectively. And, in the collective decisions that we take today, we have to take account of the long-term impacts of our actions on future generations.

Recommendations

Councils should follow a principle of care to ensure that community engagement encourages all voices, provides diverse modes of engagement, and aligns representative and participatory forms of decision-making.

24. Councils should look to the long-term impacts of their decisions and work with young people to ensure positive outcomes for current and future generations.

25. Councils should comply with the Public Sector Equality Duty and undertake meaningful equality impact assessments that evaluate how outcomes of their policies impact on services across their diverse communities.

26. The role of councillors as community leaders should be strengthened through individual councillor budgets and acceptance of the principle that councillors have the right to be engaged in any decisions or negotiations impacting on their wards.

27. Where possible, councils should use the council pound to buy local and support inclusive economic growth and community well-being.
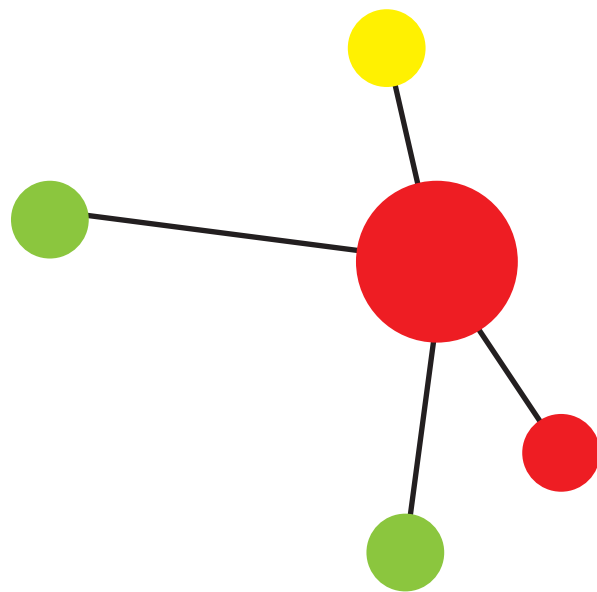
Chapter Eight

Towards 2030: A roadmap for change

8.1   Speaking as Commissioners, we have spent much of our careers in and around local government. We have witnessed first-hand the contributions that councils can make to the well-being of our communities. Over eighteen months, we have had the opportunities to reflect on these experiences. We have read and dissected submissions from individual councils, heard evidence from witnesses across local government, and participated in focus groups and workshops at party political conferences and the annual conferences of national associations. We have lived through this pandemic which has amplified the significance of all of the evidence we gathered and knowledge that we accumulated. As we hope to have set out in this report, our dialogue over the future of local government and the challenges it faces has only served to deepen our commitment to the institutions of local democracy.

Bringing our thinking together

8.2   At the start of the work of the Commission, we came together with the focus of our inquiry very much directed at the set of policy challenges facing our communities and local government. Our initial evidence-gathering confirmed how local government faces what some call 'big ticket' policy issues. The list is long, containing, to name a few: building homes; addressing poverty and inequality; reviving our town centres; adapting to climate change; reforming social care; supporting an ageing society; and navigating through digitalisation. Indeed, we purposely chose to hear voices from across local government and its different occupations and policy sectors to understand the multiple challenges witnesses faced in their particular roles and in exercising their responsibilities.

8.3   However, as our work unfolded, we repeatedly heard messages that despite coming from different perspectives, fit into a clear and coherent narrative. We hope to have brought this out in the report and the analysis of each chapter. First, the challenges facing local government are cross-cutting, interconnected and context-dependent. They have blurred boundaries so it is never clear where they stop and start. They also have multiple dimensions which vary from village to village, from town to town, from city to city and from nation to nation. Intervening on one dimension can trigger unexpected outcomes across a whole range of other issues. It is for these very reasons that the language of 'wicked issues' has entered into the vocabulary of policymakers.

8.4   But we also heard a second message, one of the perpetual and longstanding obstacles and obstructions getting in the way of the efforts of local authorities and communities to address the challenges they face. We listened to multiple accounts of frustration with centralisation, funding gaps, democratic disconnects, capacity constraints, and fragmented roles and responsibilities. Our evidence suggested local transformation had to take place in spite of these obstacles. In other words, it was hindered not facilitated by our system of governance.

8.5   Such messages convinced us that if local democratically elected government is to address the 'big ticket' issues, it requires reinvigoration and greater resources. The systematic barriers facing the work of local government need to be removed through a 're-set' of our system of governance across the UK. Only then will local government be able to exercise its responsibilities as a steward of local places.

8.6   We hope in this report to have advanced a set of recommendations that will trigger this reinvigoration of local government. Advocating a principle of local by default, we have sought to put in place the conditions for a new ethos of municipalism, a different way of working

and thinking about local government, and its relationship with central governments and with communities. Our recommendations thus seek to embed and clarify the role of local government in the constitution, extend its powers and responsibilities, put in place a long-term adequate and sustainable funding settlement, strengthen local democracy, build the capacity of local workforce, and invest in our communities to challenge inequalities. In short, it is through re-setting the broader system of centre-local relations in the UK that we can meet the challenges facing our communities as we move towards 2030. We need to redesign our system of governance to nurture a new age of municipalism with an empowered local government and a strong local democracy at its heart.

Getting to 2030: Our agenda for change

8.7   In the past, we have witnessed too many piecemeal reforms which have layered on new instruments and mechanisms onto existing practices and failed to deliver the systematic overhaul and long-term vision that is required. The evident support for radical local transformation has been left to dwindle over time as recommendations are pushed into the long grass. Some of our recommendations have been proposed in the past only to be overlooked or drop out of favour. Our mass of evidence demonstrates, however, the support for, and urgency of, reform across government to create a local government that is properly resourced and prioritised so it can transform places and meet the demands and expectations of our communities.

8.8   We are calling for Ministers within the UK Government and the devolved administrations to champion the system change we propose by building it into their programmes of government. Yet, our recommendations are not simply directed at central government or the devolved administrations. Political leaders across the political spectrum can endorse our demands. Councils too can contribute to this agenda for change. Many are already doing so. National associations and think tanks can also take up our calls and join with us in voicing demands for change. Together, we can model the collaboration that is required more than ever across our spheres of government.

8.9   We are aware of the challenges of leading change. To achieve the system change we propose by 2030, we either need a 'big bang' approach or incremental change that moves at pace. We believe that a 'big bang', such as the establishment of a Royal Commission on Local Governance or a Constitutional Convention, would be one effective way of building cross-party support for change. Alternatively, a more incremental approach could be overseen by National Governance Committees across the nations of the UK, rolling out further devolution based on the principle of subsidiarity at pace. We believe the two approaches would work best in tandem, allowing immediate impetus and change alongside a more deliberative approach to solutions. Yet, whatever approach we take, there remains a need for political leadership to overcome the obstacles to change, particularly in central government. This political leadership needs to start now.

Our priorities: The delivery of our recommendations

8.10   Given the democratic role of political leadership in taking forward change, it is not for this Commission to determine the precise details or timing of the implementation of our recommendations. We have no wish to usurp the role of political leaders across the country. However, in listening to the voices of local government over the last eighteen months, we do believe that there is a potential sequencing to our proposed programme of change which can plot a pathway or series of steps towards our vision of a reinvigorated local government by 2030.

8.11   In the first phase of reform, we call upon governments and political parties to commit to the principle of self-organisation which allows local authorities to determine their own structure, size and model of political leadership (thereby putting in place recommendations 6 and 16). Having established one fundamental dimension of the principle of local by default, we should

then move quickly to put in place a clear framework for devolution, clarifying for the public the roles and functions of our different spheres of government, and establishing the membership and parameters of National Governance Committees which can act as consultative bodies for any law and policy-making processes that affect directly local government and devolved institutions (recommendations, 2, 3, and 5).

8.12   But, importantly, we also call for urgent action by government to implement our recommendations for constitutional protection and sustainable funding for local authorities. First, we call upon government to begin the process of putting in place constitutional protection for local government (recommendation 1). This should be considered in tandem with the transfer to local government responsibility for the governance and accountability of all local services (recommendation 8). We recognise that this is a highly charged process which will require time and space to engineer change and deliver cross-party support. It may well require the establishment of a Royal Commission or a Constitutional Convention. However, constitutional protection is central to the future role of local government. This process cannot wait, it has to start now.

8.13   Second, after austerity and cuts to public funding, the Covid pandemic has amplified the financial crisis facing local government. Government has to commit to a multi-year funding settlement that will allow local authorities to meet the needs of their communities and lead communities into and through the post-Covid recovery (recommendation 14). At the same time, we call for the ending of competitive funding regimes (recommendation 15). In keeping with the principle of local by default, the allocation of funding, particularly as we meet head-on the challenges of post-Covid recovery, should be the outcome of a broader dialogue with local government over the needs of its communities. Ending top-down competitive funding regimes and putting in place a multi-year funding settlement would be a first step in that direction.

8.14   The implementation of our vision for local government in 2030 does not rest solely with government. Individual councils and national associations can continue to play their role in facilitating the re-invigoration of local government. Councils supported by national associations can publish local action plans to ensure access to political office of people from all backgrounds (recommendation 18). Equally, they can strengthen the role of local councillors as community leaders, allocating individual budgets and accepting that councillors have the right to be engaged in any decisions or negotiations that impact on their wards (recommendation 27). They can implement in practice a principle of care encouraging all voices to be heard and aligning representative and participatory forms of decision-making (recommendation 24). They can assess the long-term impacts of policies, undertake meaningful equality impact assessments, and work with young people to ensure positive outcomes for current and future generations (recommendations 25 and 26). They can directly provide where appropriate an integrated set of services while using the council pound to buy local and support inclusive economic growth and community well-being (recommendations 23 and 28). Indeed, future-proofing the capacity of local authorities, they can establish new career paths into local government, ensure access to training for all, and develop annual reporting mechanisms in advance of a duty for the local government workforce to be representative of the communities it serves (recommendation 20 and 22). Local councils, as we have evidenced, do not have to wait for central government to act but can be exemplars with local communities of the stewardship of place. Many are already doing so.

8.15   With these foundations in place and actively pursued across government, we envisage the implementation of a second set of recommendations to increase the powers and capabilities of local government. We would expect government to bring forward new devolution bills for all nations of the UK (recommendation 4), while establishing in England an independent Standing Committee on local reorganisation (recommendation 7). This would sit alongside the strengthening of local scrutiny through the formal recognition of local government as scrutineer

of other agencies and services in a place, with formal rights to information and meaningful impact (recommendation 17).

8.16   In support of such transformations, we would envisage this second phase of reform strengthening three capabilities across local government. First, we would expect government to cement moves towards sustainable funding for local authorities. This would entail the institutionalization of a political agreement that ensures that local government is attributed a guaranteed percentage of Gross National Product (GDP) to meet fully the needs of its communities, as well as five-year settlements to plan future service delivery. But, in keeping with our guiding principle of local by default, mechanisms should be put in place for local government itself to decide the distribution of funding between councils. This would sit alongside a re-valuation and reform of the council tax and a reform of business rates, as well as the introduction of local freedoms to raise general and specific local taxes and hypothecated taxes (recommendations 9, 10, 11, 12 and 13).

8.17   Second, better remuneration, training, and support for local councillors should come to fruition, having been progressively put in place by government, supported by national associations and councils. Government should introduce a national remuneration scheme for councillors in England and bring into being where necessary national renumeration bodies with a revised remit to advance access to political office for all (recommendation 19). Councils will have strengthened the role of councillors as community leaders to support the reinvigoration of local government, allocating individual councillor budgets and accepting the principle that councillors have the right to be engaged in any decisions or negotiations impacting on their wards (recommendation 29).

8.18   Thirdly, to support of the transformation of local government, central government would need to roll out a national system of pay and conditions across the public sector, removing pay gaps between local government and other public services (recommendation 21). This would accompany the introduction of a duty for the local government workforce to be representative of the communities it serves, with Councils developing an annual reporting mechanism as to how this is being achieved (recommendation 20). In preparation of such changes, councils and educational partners would have established new career pathways into local government and ensured access to training for all in post (recommendation 24).

8.19   This proposed sequencing of the implementation of our recommendations is not set in stone. It is not designed to prevent government, national associations and councils moving forward on the issues that they deem to be a priority. Some of our recommendations can be implemented by councils without the need for approval by central government or changes to the institutional architecture of local government itself. However, in setting out how we might envisage a pathway to 2030, we want to draw attention once again to the need for sustained and resilient political leadership if we are to reinvigorate local government over the rest of this decade. We also seek to highlight the inter-connected nature of our proposals for change, re-asserting our conclusion that it is time for a systemic reform of local government. With this in mind, the final recommendations to be implemented would come as we move into the next decade with the transfer to local government responsibility for primary health care, local policing, funding for public housing and further education and the management of local schools (recommendation 8) and the delivery of constitutional protection for local government (recommendation 1).

The future work of the Commission

8.20   This report is the result of 18 months of listening and dialogue with local government. It is not the culmination of the work of the Commission. Rather, it is the beginning. Moving forward, the Commission will be a standing Commission, acting as an advocate for change, disseminating

its work, and holding those in power to account for their actions. It will act to build support for change across local government and beyond, for the reinvigoration of local government comes not from writing reports but from building and mobilising coalitions for change. This is the next step in the work of the Commission. We invite you to join with us. Let us fix the system by adopting the principal of local by default. Let us improve local governance in the UK. Let us tackle inequality. Let us reconnect communities with public services and make the system work for all.

Roadmap for government: Three phases of reform

First phase

- Begin the process of establishing constitutional protection for local government (Recommendation 1).

- Commit to the principle of local self-organisation (Recommendations 6 and 16).

- Put in place a clear framework for devolution, establishing National Governance Committees (Recommendations 2, 3, and 5).

- Commit to a multi-year funding settlement and end competitive funding regimes (Recommendations 14 and 15).

Second phase

- Bring forward new devolution bills for all nations of the UK and establish in England an independent Standing Committee on local reorganisation (Recommendations 4, 7).

- Put in place five-year sustainable financial settlements for local government and institutionalise a political agreement that ensures that funding for local government never falls below a guaranteed percentage of Gross Domestic Product ensuring needs can be met (Recommendations 9, 10).

- Put in place mechanisms for local government to decide the distribution of funding between councils (Recommendation 11)

- Re-value and reform council tax and business rates, and establish local freedoms to raise general, specific local and hypothecated taxes (Recommendations 12 and 13).

- Establish local government as scrutineer of other agencies and services in a place, with formal rights to information and meaningful impact (Recommendation 17).

- Introduce a national remuneration scheme for councillors in England, ensuring national renumeration bodies with a revised remit to advance access to political office for all (Recommendation 19).

- Introduce a duty for the local government workforce to be representative of the communities it serves (Recommendation 20).

- Roll out a national system of pay and conditions across the public sector, removing pay gaps between local government and other public services (Recommendation 21).

Third phase

- Finalise the delivery of constitutional protection for local government (Recommendation 1)

- Transfer to local government responsibility for primary health care, local policing, funding for public housing and further education and the management of local schools (Recommendation 8).

Councils: Working to deliver change

- Publish and report on local action plans to make strident and conscious efforts to ensure access to political office of people from all backgrounds (Recommendation 18).

- Develop annual reporting mechanisms in advance of the duty for the local government workforce to be representative of the communities it serves (Recommendation 20).

- Establish new career pathways into local government and ensure access to training for all in post (Recommendation 22).

- Directly provide where appropriate an integrated set of services (Recommendation 23).

- Implement in practice a principle of care encouraging all voices to be heard and aligning representative and participatory forms of decision-making (Recommendation 24).

- Assess the long-term impacts of policies, undertake meaningful equality impact assessments, and work with young people to ensure positive outcomes for current and future generations (Recommendations 25 and 26).

- Strengthen the role of councillors as community leaders, allocating individual councillor budgets and accepting the principle that councillors have the right to be engaged in any decisions or negotiations impacting on their wards (Recommendation 27).

- Use the council pound to buy local and support inclusive economic growth and community well-being (Recommendation 28)

Appendix1

The work of the Commission

Giving a voice to local government

The underlying working principle of the Commission was to give a voice to those engaged and working in local government. Commissioners engaged in over 18 months of dialogue with local authorities, national associations, think tanks, practitioners, elected members, and political parties. It sought to generate this dialogue by putting in place a series of events where Commissioners could engage openly and transparently with the multiple audiences across local government. Indeed, many of these conversations continued over different sessions, with witnesses being invited back more than once to discuss recommendations with Commissioners.

The support structure for the Commission

The work of the Commission was supported by an Executive, which was led by Professor Steven Griggs (Director of the Local Governance Research Centre (LGRC) at De Montfort University), Dr Arianna Giovannini (Deputy Director of the LGRC) and Neil Barnett (Leeds Beckett University). The Executive provided research support to the Commissioners. It generated and analysed evidence, crystallising emerging debates, and reporting the findings of the Commission. Dr Mark Sandford joined the Executive from March to October 2020 to support the analysis of emerging evidence, specifically in the field of centre-local relations, devolution and local government finance.

Engagement with witnesses and stakeholders across local government was facilitated by a Communications Team led by Mo Baines (APSE Head of Communications and Co-ordination) and Matt Ellis (APSE Communications Officer). The team provided invaluable support in ensuring the openness of the work of the Commission, reaching out to stakeholders across local government and disseminating the emerging thinking of the Commission as its investigations progressed. In the final stages of the Commission's work, they led on the dissemination of the main findings across all levels of government and in the media.

Methods of working

The Commission was formally launched at the September 2019 annual seminar of the Association for Public Service Excellence in Newcastle-upon-Tyne. This launch was followed by a call for evidence from October 2019 to January 2020, which attracted a wide range of submissions from local authorities, trade unions, national think tanks and associations, and practitioners. Responses to the call for evidence were analysed thematically so as to capture the different demands and positions expressed. In addition, the Executive undertook a review of existing evidence and literature on the key issues and questions identified in the call for evidence. This review was brought together with the findings of the call for evidence to establish the lines of inquiry for the Commission.

Commissioners explored these lines of inquiry at targeted oral evidence days, at which witnesses from across the sector were invited to give evidence to the Commission. Evidence days were held over a period of nine months from February to October 2020. Each day was composed of individual themed sessions which lasted on average one and a half hours and brought together four witnesses. Working through the pandemic, sessions were held online after the first two days of evidence gathering in London. Witnesses were invited to present a prepared evidence statement to the Commission before being questioned by Commissioners. Each session was supported by the Executive which subsequently undertook a thematic analysis of the issues covered in the

meetings, identifying the key statements of witnesses and the different perspectives on the future of local government that had been expressed.

Evidence sessions were supported by the delivery of workshops at the conferences of national associations and political parties. As the thinking of Commissioners developed, these workshop and evidence sessions were used to 'test out' potential recommendations and core messages of the work of the Commission. Each Commissioners also undertook a series of individual evidence gathering inquiries, pursuing key themes identified in meetings of the Commission. All workshops and individual inquiries were attended by members of the Executive who analysed findings of each meeting and reported to the full Commission.

Commissioners were particularly keen to hear the views of young people. Two focus groups were undertaken with young people. They were attended by over 40 young people. The first was conducted at the 2020 British Youth Concern North-East Convention, supported by Bright Minds Big Futures and led by Elisha Kaur (Bright Minds Big Futures advisor) and Kameron Spence (Big Committee Advisor). The second took place in December 2020 with students from New Park College, Leicester. It was led by students from the Department of Politics, People and Place at De Montfort University: Kyra Balderstone, Daniel Bewley, Olivia Cottis-Black and Gavin McMinn. In both cases the young people leading the focus group collected evidence and compiled a summary of the main findings which was submitted as evidence to the Commission.

Commissioners would like to thank all witnesses, organisations and local authorities who gave their time to support the work of the Commission. In Appendix 2 we list those who kindly contributed their ideas and reflections on the future of local government, animating the work of the Commission and helping to form the thinking of the Commissioners.

Appendix 2

Written Evidence Submissions and Reports

Aberdeen City Council

Amber Valley Borough & Codnor Parish Councils

APPG on Knife Crime

Blackburn with Darwen

Bracknell Forest

Business Support

CCC Network Social Care Report

Cheshire West and Chester

CIPFA

Core Cities

COSLA

Council of the Isle of Scilly

Durham County Council

EHRC

Fairshare Manifesto

IPPR North

Legetum Institute

Local Government Association

Lisburn and Castlereagh City Council

Max Moullin

Mid and East Antrim

Northern Ireland Local Government Association

Nottingham City Council

Orkney Islands Council

Preston City Council

Rochdale Borough Council

School Food Matters Campaign

SOLAR

Stockton on Tees Borough Council

Town and Country Planning Association

The Women's Budget Group

UNISON BME Workers Report

UNISON

UNITE

Wakefield Council

Wigan Council

Welsh Local Government Association

YMCA Report Local Authorities and Youth Expenditure

Oral Evidence Sessions and Witnesses to the First and Second Sessions of the Commission

The Commission held two sessions over the course of its evidence gathering with each hosting thematic evidence sessions, as follows:

First Session of the Commission London 11-12 February 2020

Thematic Session on Roles and Powers

Thematic Session on Finance

Thematic Session on Working with

Communities

Thematic Session on Organisation and Culture

Thematic Session on Workforce

Thematic Session on Centre-Local Relations and Communications

Second Session of the Commission Autumn 2020 - Online
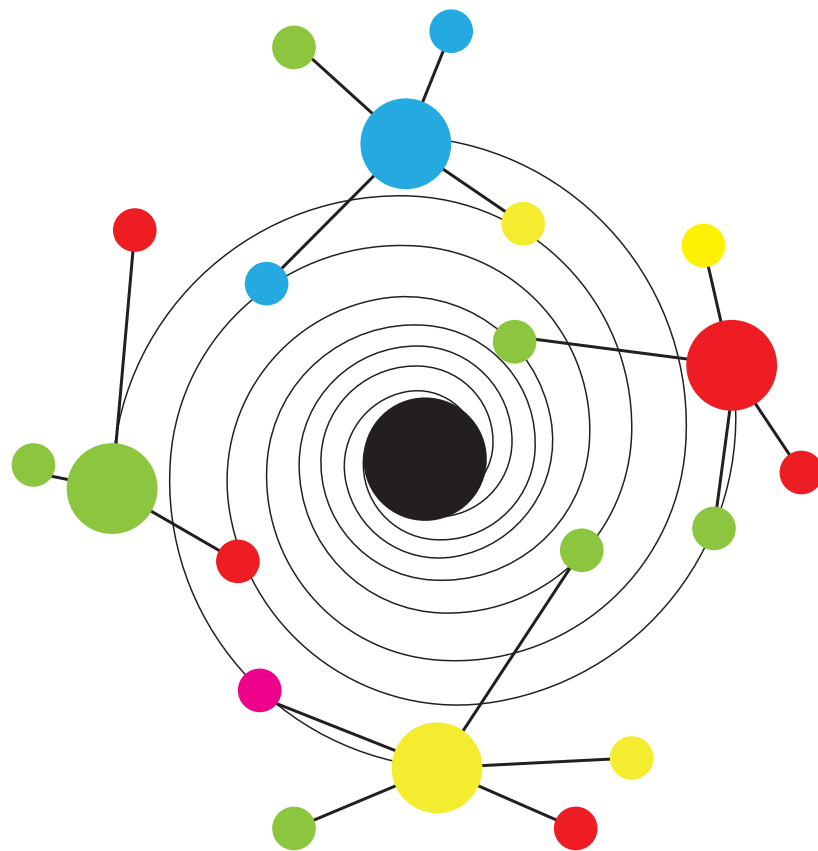
Thematic Session on Placemaking, Services within Communities and Health Second Session of Commission (4 November 2020)

Thematic Session on Social Care Second Session of Commission (9

November 2020)

Thematic Session on Finance Second Session of Commission (9 November 2020)

Thematic Session on Climate Change Second Session of Commission (19

November 2020)

Thematic Session on Covid Recovery Second Session of Commission (20 November 2020)

Special sessions, interviews and roundtables

Evidence Session for Northern Ireland Local Government, Belfast (21 February 2020)

Online interview with Ben Houchen, Mayor of Tees Valley Combined Authority (15 January 2021)

Online interview, Cllr Alison Evison, President, COSLA and Simon Cameron, Chief Officer, COSLA (15 January 2021)

APSE National Council and invited guests, special online session (25 March 2021)

Stockton Bright Minds Big Future Group (thanks especially to Kam and Elisha) BYC North East convention

Online interview with the Women's Budget Group (15 January 2021)

Political party liaison

Where permitted both in-person and online events and workshops took place with the Conservative Councillors Association, the Association of Labour Councillors, The Scottish National Party, Local Government Conference and the Association of Liberal Democrat Councillors

Oral Witness List

Cllr Aitkin Susan, Leader, Glasgow City Council

Naomi Alleyne, Director of Social Services and Housing, Welsh Local Government Association

Colin Angel, Director of Policy, UK Home Care Association

Ian Baggott, West Midlands Parks Forum

Cllr Sue Baxter, Chair National Association of Local Councils

Andrew Bazeley, Policy, Insight & Public Affairs Manager Fawcett Society

Dr. Neema Begum, University of Manchester

David Bentley, CIPFA Property Services

Simon Bottery, Senior Fellow, Kings Fund

Richard Bourne, NHS Confederation

Ian Brooke, Chair, Chief Cultural and Leisure Officers Association

Andy Burns, Associate Director, Local Government, CIPFA

Michael Burton, Editorial Director, The MJ

Dr Jonathan Carr-West, Chief Executive, Local Government Information Unit

Stephen Cirell, National Expert on Public Sector Climate Change, APSE Energy Associate

Suzanne Clark, Transformation Programme Lead, East Ayrshire

Lee Copeland, CLLD Local Action Group Programme, Durham County Council

Dan Corry, Chief Executive, New Philanthropy Capital

Mark Davies, Director for Communities and the Environment, Lancaster City Council

Gordon Elliot, Head of Partnerships and Community Engagement,

Durham County Council

Hugh Ellis, Policy Director, Town and Country Planning Association

Graham Farrant, Chief Executive, Bournemouth Christchurch and Poole Council

Stephen Forster, National Chair, LACA

Dom Goggins, Parliamentary Renewable and Sustainable Energy Group

Karen Grave, President, Public Services People Managers Association

Susan Halliwell, Association of Directors of Environment, Economy, Place and Transport and Oxfordshire County Council

Richard Hayes, Institute of Highways Engineers

Fiona Howie, Chief Executive, Town and Country Planning Association

Nadira Hussain, Director of Leadership Development and Research, Society of innovation Technology and Modernisation

Dr Peter Kenway, Director, New Policy Institute

Kate Langdown, Director of Environment, Bournemouth Christchurch and Poole Council

Rachel Laurence, Head of Enterprise strategy and employment, London Borough of Barking and Dagenham

James Lazou, Research Officer, UNITE

Dr Rachel Lee, Policy and Research Manager, Living Streets

Cllr Andrea Lewis, Deputy Leader, Swansea County Borough Council

Chris Llewelyn, Chief Executive, Welsh Local Government Association

Cllr Anita Lower, Local Government Association

Kevin Lucas, Care workers for change campaign, UNISON North West

Will Mapplebeck, Strategic Communications and Public Affairs, Core Cities,

Louise Marix Evans, Committee on Climate Chang, Special Advisor

Cllr Mike McCusker, Lead Member for Planning and Sustainable Development, Salford City Council

Aileen Murphy, Director, National Audit Office

Ines Newman, Researcher and Author, Women's Budget Group

Jenna Norman, Public Affairs Officer, UK Women's Budget Group

Luke Raikes, Senior Research Fellow, IPPR North

Jon Richards, Assistant General Secretary, UNISON

Dr Mark Sandford, House of Commons Library

Cllr Afzal Shah, Cabinet lead for Climate, Ecology and Sustainable Growth, Bristol City Council

Kathryn Shaw, Media and Communications Manager, Living Streets

Mike Short, Deputy Head of Local Government, UNISON

Karen Smyth, Head of Policy and Governance, Northern Ireland Local Government Association

Cllr Sharon Taylor, Leader of Stevenage Council, District Councils Network

Professor Maria Sobolewska, University of Manchester

Professor Tony Travers, London School of Economics

Duncan Whitfield, Municipal Treasurers Association and Southwark Council

Cllr Ken Wyatt, National Association of Councillors

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