

Strategy & Partnerships Scrutiny Committee

12 January 2012

Policy Update - Open Public Services White Paper and Localism Act 2011

Purpose

1. To update Members of the Strategy and Partnerships Scrutiny Committee on the government's policy agenda as articulated in the Open Public Services White Paper and provide a briefing on the Localism Act.
2. This paper follows an earlier briefing given to the Strategy and Partnerships Scrutiny Committee in March 2011.

Background

3. The coalition government has a fundamentally different philosophy to the previous government in terms of how public services should be delivered. A critical element is the desire to devolve power to the most appropriate local level and see power shift from central government to local areas and local people.
4. Key themes that can be seen across the broad policy agenda are a focus on:
 - Strengthening communities and increasing their engagement and involvement with decisions about things that affect them
 - Improving the transparency of decision making and public service organisations
 - Diversifying the providers of services to better meet local need
 - Placing an emphasis on local growth as a stimulus for improvements in local services rather than centrally provided grants.
5. These drivers cut right across Oxfordshire County Council's core business and in many ways align well with the Council's aim to create a 'Thriving Oxfordshire' which recognises the importance of engaged and empowered communities able to lead and benefit from growth.
6. This paper focuses particularly on the Open Public Services White Paper and the Localism Act 2011, which together can be seen as providing the bedrock of the new approach.

Open Public Services White Paper

1. One of the key policy document published in recent months is the Open Public Services White Paper. This consultation document set out the government's goals in relation to the way in which public services should operate and be delivered in future.
2. The five core principles set out in the White Paper are set out below, along with some of the other policy initiatives which fit under these principles:
 - a. Increase choice by giving people direct control over the services they use. For example, provision of personal budgets, provision of data to enable choice.
 - b. Power should be decentralised to the lowest appropriate level. For example focus on provision of community rights, neighbourhood planning, Police and Crime Commissioners.
 - c. Public services should be open to a range of providers. For example support for mutual and social enterprise and pro-active procurement approaches.
 - d. The state's key role is to ensure fair access to public services
 - e. Public services must be responsive and held to account by the people they serve. For example a focus on open data and pay transparency.
3. Many of these principles are already core aspects of the Council's work, for example the roll out of personal budgets in adult social care, the completion of Service and Community Impact Assessments when services are changing to guard against discrimination and unfair access.
4. The government's response to their consultation exercise has not yet been published therefore the detailed implementation plan nationally is not yet clear. What is clear is that these principles will underpin the government's approach to public services going forward and will be driven by departments across Whitehall.

Key Areas of the Localism Act & OCC Response

1. The Localism Bill received Royal Assent on the 15th November 2011 becoming the Localism Act 2011. The Act represents a key landmark for the coalition government in its goal to decentralise power and strengthen the role of local communities in decision making on public services.
2. The Localism Act introduces a range of new powers and possibilities for both local communities and local authorities. The key provisions within the Act are outlined below. Further guidance and implementation

nationally will be worked on over the coming months with all measures due to be in operation by April 2012.

Planning / Finance

5. Encouraging growth is a key feature of central government's approach to local finances. As part of this approach under the Localism Act local authorities are given the power to set local discounts on business rates to support struggling businesses and encourage new start-ups. Any discount will need to be fully funded locally.
6. A duty to co-operate in relation to strategic planning has been introduced to ensure that where planning issues impact on two or more local authorities they proactively work together.
7. These changes should be seen within the context of significant alterations to funding for local government and planning that also build upon the broad principles of localism. These include some element of future budgets being based upon locally raised business rates, the Community Infrastructure Levy and the New Homes bonus, in addition to the likelihood in future of funding flowing through the Local Enterprise Partnership.

Governance

8. Councils now have greater freedom to change their governance structures with the ability to move away from the executive model back to a committee system if they wish.
9. The Standards Board has been abolished. Instead there is a requirement to be placed on local authorities to draw up their own local codes for elected members.
10. A General Power of Competence will be introduced, allowing local authorities to do anything unless expressly prohibited by law. This is different to the existing system which allows local authorities only to do those things permitted in legislation.

OCC Response

A report to the Standard's Committee in December outlined the Council's plans to produce one code of conduct across Oxfordshire (county and districts) in response to the abolition of the Standards Board. Parish and town councils will also be required to adopt a code of conduct and can do so by adopting the code of their principal authority. Therefore if a code can be adopted by the County Council and its districts there is an opportunity for harmonisation throughout the three tiers of local government in Oxfordshire.

The General Power of Competence may be of relevance to the Council; however the use of the power will need to be considered on a case by case basis as services identify innovations which may require

its support.

The ability to set business rate discounts sits with the billing authority i.e. the districts, there are likely to be a range of different schemes in Oxfordshire. Where appropriate we will be working closely with district colleagues on other changes to the financing of local government to ensure strategic / infrastructure needs are being sufficiently considered.

Through existing arrangements such as the Spatial Planning and Infrastructure Partnership (SPIP) and the Council's system of regular bilateral meetings with Oxfordshire districts, the duty to co-operate is already being enacted within the County. The community's response to the opportunity to be more involved in local planning decisions and the district role in supporting this engagement may make arrangements like SPIP more significant in future in terms of managing broader infrastructure needs.

Empowering communities

11. The Act introduces a range of new powers for local communities in order to support the shift in public service delivery and ownership to the lowest possible level.
12. Community Right to Challenge – this enables voluntary and community groups and council employees (where they form a mutual) to express an interest in delivering a council service. The local authority must consider the expression of interest and where it is accepted run a procurement exercise for the service. This right is designed to make the most of innovative community ideas for running services differently and in a way which is more tailored to local needs.
13. Community Right to Buy – under this right communities will be given time to raise capital to 'save' assets designated as of community value when the owner gives notification of their intention to dispose. Assets can be both public and private. The list of assets of community value must be prepared by local district councils. Once included assets will be on the list for 5 years.
14. Neighbourhood Planning and the Community Right to Build – parish or town councils can designate an area it wishes to create a plan for. After this has been recognised by the local planning authority the parish / town council can then set general planning policies for the development and use of land in the area (a neighbourhood development plan). Communities can also permit developments they want to see without the need for planning applications (a neighbourhood development order). These must be agreed by local referendum. Neighbourhood plans and development orders must be scrutinised by an external examiner to ensure they conform with national and local planning policy.

OCC Response

Working is taking place in the Council's Property and Facilities Service to review the implications of the Act for property, particularly how we respond to the community right to buy and the impact this may have on the Council's assets.

Using the Council's existing locality working structures may be one way to effectively manage the roll out and up take of the new community powers. It is known at the moment what appetite there might amongst community groups to challenge or take on assets. This is something the Council will be looking to explore further with voluntary sector colleagues and using learning from the recent experiences with the transfer of assets through the Big Society Fund.

Neighbourhood planning is primarily a district concern. Four areas in Oxfordshire are Neighbourhood Planning Frontrunners (Banbury, Wroxton, Thame, Woodcote and Chipping Norton) and will be receiving specific funding to support the development of these techniques. The final National Planning Policy Framework has not yet been published. Learning from the frontrunners and confirmation of the planning policy framework will help determine issues which OCC need or wish to be involved with further.

Local Government pay accountability and transparency

15. Local authorities will have to publish a senior pay policy annual statement which sets out the Council's policies in relation to the remuneration of its chief officers and lowest paid employees and the relationship between the two.
16. Statements must be prepared by 31st March of the preceding financial year starting with March 2012. These must be approved at Full Council and published on the council website

OCC Response

The Council's Corporate Governance Group is taking forward work to ensure the Council is compliant with the requirements around pay transparency and a special Council meeting has been set up. Other transparency measures such as publishing Council expenditure of over £500 have already been addressed. The Council's open information page on the website provides details for the public.

Future Work

17. The implementation of this new agenda may be something that the Strategy and Partnerships Scrutiny Committee wishes to return to in future. The specific links to the committee's remit are highlighted below:

- a. Corporate and community leadership – response to push for greater community power / involvement.
- b. Property – community right to buy.
- c. Procurement – open commissioning policy in a number of services, enabling different providers to participate.

18. It is important for the Committee to bear in mind the current financial constraints the Council is operating in and importance this places on prioritising our response to national policy to those issues of most significance locally.

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