



Japan Local Government Centre, London

Monthly Report for July 2011 – DCLG Select Committee Report on Localism

Background

The Communities and Local Government Committee is appointed by the House of Commons to examine the administration, expenditure and policy of the Department for Communities and Local Government and its associated public bodies. The Committee was established in July 2005 to examine the expenditure, policy and administration of the Office of the Deputy Prime Minister. Following the machinery of Government changes of May 2006, the Department for Communities and Local Government succeeded the Office of the Deputy Prime Minister. A motion to rename the Committee, the Communities and Local Government Committee, was agreed by the House of Commons in June 2006.

The Committee's membership of 11 is made up exclusively of Members of Parliament (according to party strength in the House). It is appointed for the duration of the Parliament. Its Chair since the May 2010 General Election has been Mr Clive Betts (Labour). The Departmental Select Committees were introduced in 1979 to cover each of the main departments of state.

Localism Inquiry

In July 2010 the Communities and Local Government Committee agreed to conduct an inquiry into the Government's plans for localism and decentralisation of public services. Between November 2010 and February 2011 it heard evidence from local government leaders, independent experts and ministers. The inquiry ran in parallel with an inquiry by the Political and Constitutional Reform Committee on codifying the relationship between central and local government, both referencing each other.

Third Report – Localism

The Committee's report said that the Government's desire to deliver localism is neither supported consistently across Whitehall nor implemented coherently by each department of state. The Committee also warned that the ministers have so far produced no compelling vision of what their imagined localist future will look like.

The Committee Chair Mr Clive Betts MP said:

“The Government has to be clear about what type of localism it wants to pursue. At present there is no generally agreed definition of the term that helps everyone understand, for example, what the future role of local government will be.

Consequently, most Government departments have adopted whatever definition of 'localism' suits their aims, and some key areas of policy remain notably more centralised than others."

The report contains a number of conclusions and recommendations:

1. The Committee welcomes the Government's commitment to localism and decentralisation. It agrees with the Government that power in England is currently too centralised, that each community should be able to influence what happens in its locality to a much greater extent, that there has been in the past too much central government interference in the affairs of local authorities, and that public services have been insufficiently accountable to their local populations.
2. The explanations of localism and decentralisation that the Government has thus far provided invoke very diffuse aims from which it is difficult to construct a coherent picture of the end goal. There is little clarity about who will ultimately be responsible for what.
3. Some policy areas appear to have been granted an exemption from decentralisation. The Committee recommend that the Government undertake a formal consultation to gather the views of local government and other stakeholders about what sort of localism *they* would like to see.
4. The Committee welcome the appointment of a Minister for Decentralisation. The Minister will need to make more clearly demonstrable progress in influencing other government departments than he has done so far if questions about his role and his position in DCLG are to be answered positively.
5. The Government must be wary of assuming that decentralisation will reduce public sector costs in the short or medium term. Localism is a goal worth pursuing no matter what the fiscal circumstances, but realism is needed about how fundamental change will be achieved without resources to support it.
6. Ministers must rein in their interventionist instincts if the Government's localism agenda is to be credible. Ministers are not alone in needing to curb their appetite for intervention. Changing the cultures of the civil service and of Parliament to support a more localist system will be crucial.
7. The Committee accepts the case for some form of minimum national standards in services such as adult social care and child protection, where the needs of the most vulnerable must be protected. It recommends that where such standards are adopted they are formulated in consultation with local government, in order to ensure that they reflect the level of central government oversight appropriate to a localist system and do not simply recreate an overly-interventionist performance regime.
8. The Government's attitude to local government is inconsistent, and local authorities' role in localism unclear.
9. The Committee recommend that the Government work with the Local Government Association to set out examples of specific ways in which the general power of competence will enable local authorities to extend their role beyond that conferred by the well-being powers.
10. Greater financial self-sufficiency for councils is a crucial foundation for localism. If the Government truly wishes to promote far-reaching decentralisation, the

Committee expects that the more radical options for reforming local government finance will be considered as part of the resource review.

11. The Committee recommends that the White Paper on public service reform address the issues of the role of local government, the practical help that can be given to community groups to expand their activities, reform of commissioning processes, accountability arrangements for delivery bodies and those that take on the management of assets of community value, and how the risk of failure will be handled.

Any opinions expressed in this report, which is prepared for translation, are solely those of the author and do not necessarily represent those of JLGC or CLAIR.