



New Council Constitutions

A summary of the ELG Research Findings



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Evaluating Local Governance: New Constitutions and Ethics (ELG) is the name of a research project which is conducting a five year evaluation of the new council constitutions and ethical framework for the Department for Communities and Local Government (Formerly the Office of the Deputy Prime Minister). The project involves a collaboration between the School of Social Sciences, University of Manchester with, Goldsmiths College and the SURF Centre at Salford University. The members of the research team are Professor Gerry Stoker, Professor Peter John, Dr Francesca Gains and Dr Stephen Greasley (University of Manchester), and Professor Nirmala Rao (Goldsmiths College). Further details about the project, publications and current activities can be found on our website www.elgnce.org.uk

The findings and recommendations in this report are those of the author(s) and do not necessarily represent the views or proposed policies of the Department for Communities and Local Government

On 5th May 2006 the responsibilities of the Office of the Deputy Prime Minister (ODPM) transferred to the Department for Communities and Local Government (DCLG)

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Executive summary

The Local Government Act 2000 introduced a separation of powers into English local government for all except the smallest local authorities. A new ethical framework was also set in place, under which all principal local authorities were required to establish a standards committee. The Government's aims were that the introduction of a separation of powers would improve decision-making in local authorities whilst providing checks and balances on that decision-making and enhancing the democratic legitimacy of local government. This summary research paper provides key findings to date from an ongoing evaluation of the Act by the Evaluating Local Governance (ELG) research team based at the University of Manchester (see www.elgnce.org.uk). Taken together, the evidence suggests:

Embedding effective leadership

There is general agreement that the aim of embedding effective leadership has been met. Executive arrangements have bedded down well, providing both more visible and effective leadership and quicker decision-making, which is associated with better service delivery.

Enhancing democratic legitimacy

The 2000 Act has made some contributions towards democratic renewal, for example through better visibility of portfolio holders and leaders, especially mayors. Although there are examples of innovative practice regarding community leadership and public involvement, there is less agreement that these features have been successfully developed. The diversity of elected representatives has not significantly altered and the role of non-executives has not bedded down as well as the executive role. Respondents in mayoral authorities are generally more positive about outcomes relating to community leadership, public involvement and diversity, and more optimistic about the impact on public confidence.

Introducing appropriate checks and balances

The checks and balances introduced by the Act are working although a variable picture is suggested with officers more positive than councillors about the transparency of decision-making under the new arrangements. The scrutiny function, although underdeveloped, is improving from a low base. The standards arrangements are perceived to be working and are broadly viewed as effective. Standards committees have taken on a range of roles beyond adjudication involving a more active promotion of good ethical standards through training and developing protocols and around three quarters of committees are chaired by independent members.

Chapter 1. Introduction

The Local Government Act 2000 was a central plank of New Labour's local government modernisation agenda. It marked the end, in all but the smallest authorities, of the long established committee system in local government. Authorities with populations over 85,000 had to adopt either a mayoral system or a leader and cabinet to enhance executive decision-making. Non-executive councillors were expected to develop a stronger role in community representation and a role in scrutinising executive decision-making. A new ethical framework was also set in place. The Government's aims were threefold:

- To create a more **visible and effective political leadership** in local councils in order to enhance the prospects for effective service delivery and of broader community programmes meeting local and national targets.
- To enhance **democratic legitimacy** of local government, to enable it to gain in public respect and trust so that it could provide a sustainable and viable forum for local collective choice.
- To provide sufficient **checks and balances** in the construction of new council constitutions to ensure that other objectives such as transparency and accountability were not undermined by the drive to stronger executive leadership.

This paper summarises the research evidence on how far the Government have been successful in achieving these aims. It draws on research commissioned by the Department for Communities and Local Government (DCLG) and undertaken by the Evaluating Local Governance (ELG) research team to examine how the new council constitutions and ethical framework are being implemented in local authorities. Specifically, the paper brings together findings from:

- Two census surveys of English principal local authorities undertaken in 2002 and 2006 to gather information on constitutional organisation (see Stoker et al. 2002 and Greasley 2006b/forthcoming).
- Two sample surveys of councillors, officers and stakeholders in a representative sample of 40 local authorities to provide information on attitudes towards the changes and the new roles and relationships which have subsequently developed (see Rao 2005; John 2005 and Stoker et al. 2006).
- Visits, documentary evidence, interviews and observations in over 40 local authorities from 2002 to 2006 (see Stoker et al. 2003a, 2004 and Gains 2006).

Together these data provide constitutional, behavioural and attitudinal indicators on the implementation, operation and outcomes of the 2000 Act. The research team would like to acknowledge the assistance of local authorities and those in the wider local government community who have helped with the ELG research since 2002.

The ELG research team will hold a series of dissemination events in the spring of 2007 to share evaluation findings. The team will conclude the research with an assessment of the outcomes and impact of the Local Government Act 2000. This is due to be completed and submitted to DCLG in March 2007.

Chapter 2. Embedding effective leadership

The 2000 Act placed great emphasis on the emergence of visible and effective leadership in systems that allowed for ‘a clearly identified executive to give strong leadership to communities and clarity to decision taking’ (DETR 1999: 19). There is widespread agreement within the local government community and beyond that this aim has been achieved.

- The 2002 census survey found no problems in implementing the new structures. Most authorities opted for the leader cabinet system (316 or 81%). Eleven authorities (3%) adopted mayoral systems (10 mayor cabinet and one mayor council manager¹). The remaining 59 smaller authorities (15%) chose to maintain streamlined committee systems in alternative arrangements authorities (Stoker et al. 2002: 13)². Chief Officers reported few costs arising from adoption of the new system (Stoker et al. 2004: 73).
- The extent to which leaders select cabinet members and allocate portfolios has increased, suggesting growing acceptance of leader freedoms in these areas (Greasley 2006b/forthcoming). A distinct role of executive councillor is also developing. The extent of individualised decision-making for cabinet members has also increased with nearly half (47%) of executive councillors taking decisions alone (Stoker et al. 2006: 20; Table 2.20). Executive councillors report spending on average 112 hours per month in their role. Leaders report spending 150 hours per month (Stoker et al. 2006: 10)
- Across all types of authority there is strong agreement that the 2000 Act changes has delivered stronger leadership with a majority of councillor, officer and stakeholder respondents agreeing that ‘the role of the leader is stronger’, and ‘the leader has a higher profile’. The majority of officers agree that ‘decision-making is quicker’ (Stoker et al. 2006: 57; Table 5.3).
- Councillors and officers also felt that the new executives were effective in providing a vision for the area, leading a drive to service improvement, setting the policy direction, ensuring delivery, dealing with the budget process and lobbying for resources (Stoker et al. 2006: 59; Table 5.5).
- There are variations in the way in which leadership is exercised. In some authorities, decision-making flows through the leader or bilaterally between a portfolio holder and leader, in others decisions are taken collectively in cabinet (Stoker et al. 2004: 41). In the sample survey, respondents from mayoral authorities were more likely than other respondents to indicate that leadership aims had been met (Stoker et al. 2006: 58; Table 5.4).
- The case studies also suggest variation across authorities with respect to the ability to move resources, join up policy making and manage party groups. Strategic management is perceived to be easier in authorities with concentrated leadership and party management plays a more important role in authorities with de-concentrated leadership forms (Gains 2006).

¹ A twelfth authority has subsequently joined the mayor-cabinet authorities

² This group includes one larger authority which adopted alternative arrangements as a fall back following a ‘no’ vote in a mayoral referendum.

- Overall councillor, officer and stakeholder survey respondents strongly agreed that the new political management arrangements support visible and effective political leadership (Stoker et al. 2006: 61; Table 5.9). In-depth interviews with chief officers and leaders in 10 authorities with varying constitutional forms also revealed widespread agreement that the new arrangements had had a beneficial impact on service delivery. As one chief executive explained 'the Act makes it easier to get things done and not get lost in committees' (Gains 2006).

Chapter 3. Enhancing democratic legitimacy

The 2000 Act was designed to enhance the democratic legitimacy of local government, to enable it to gain public respect and trust so that it could provide a sustainable and viable forum for local collective choice. There is evidence of achievements against this aim especially in respect to the visibility of decision-making. A more mixed picture emerges when examining community leadership, public involvement and the diversity of councillors. In particular the role of non-executive councillors appears less well developed than the executive councillor role.

Visibility

- Both survey and qualitative evidence suggests that leaders and executive councillors are more visible to local communities with named portfolio holders more clearly identifiable as decision-makers (Stoker et al. 2006: 57; Table 5.3; Gains 2006). This enhanced visibility of leadership is particularly notable in mayoral authorities (Stoker et al. 2006: 58; Table 5.4).

Community leadership

- The Act also envisaged a more outward facing approach with a clear *community leadership* role for leaders and executive councillors. To this end, a third of leaders (including 4 of the 10 mayoral authorities which responded) now chair their local strategic partnership (Greasley 2006b/forthcoming). The time given by officers to partnership working has doubled since our 2003 sample survey and leaders spend on average as much time with partners as with their party groups (Stoker et al. 2006, Tables 2.2 and 3.6). Half of stakeholders responding to the sample survey (50%) had contributed to developing a policy plan (Stoker et al. 2006: 50; Table 4.7).
- Over half of respondents thought the executive had been effective in setting a vision for the area. On this point, officers are overwhelmingly more positive than councillors (Stoker et al. 2006: 59; Table 5.5). Responses to questions about executive effectiveness in relation to leading partnership bodies, working with stakeholders in the community and promoting good external relations were less positive, with approximately half of officers, and councillors agreeing executive effectiveness in these areas (Stoker et al. 2006, Table 5.5).
- Again the mayoral option appears to provide a clearer structure for the exercise of community leadership with respondents from mayoral authorities more likely to indicate that the new arrangements enable better relations with partners (Stoker et al. 2006: 58; Table 5.4). This may be attributable to electoral legitimacy, as one mayor explained about the partnership role 'I have no power just influence, [partners] take the calls because I have the mandate' (Gains 2006).

Public Involvement

- The extent to which the Act has facilitated *public involvement* in decision-making is less clear. The sample survey found that less than one in five respondents agreed that the public was involved in decision-making although there was less despondency in the mayoral authorities (Stoker et al. 2006, Tables 5.3 and 5.4).

- The census survey and case study visits indicate that, under the new constitutional arrangements, many local authorities have introduced new ways of including the public in decision-making. Innovations such as state of the borough debates; oral, written and web-based questioning of portfolio holders; and the co-option of non-councillors on scrutiny groups were reported (Stoker et al. 2004: 64; Greasley 2006b/forthcoming; Gains 2006). The Act also facilitated decision-making to be delegated to area committees and these have been established in just over half of authorities. So far, around six out of ten of these committees have decision-making powers (Greasley 2006b/forthcoming).

Diversity

- There has been little significant change in the diversity councillors. Only 26% of councillors are female, just over a third of councillors are in paid employment, very few councillors are under 35 years of age and almost all respondents (92%) describe themselves as white (Stoker et al. 2006). Over a quarter of cabinet members (26%) are women (this rises to over a third (34%) in mayoral authorities), but nearly one in ten authorities (8%) have no cabinet positions held by women (Greasley 2006b/forthcoming). Comparing these findings with previous national surveys of councillors (for example, Young and Rao 1993) reveals that the demographic composition of councillors has been largely unchanged since the early 1990s.
- Overall, respondents to the sample survey were pessimistic about the extent to which the new arrangements made it easier for women and ethnic minorities to become involved with fewer than one in five respondents agreeing with these statements (Stoker et al. 2006: 57; Table 5.3). Respondents from mayoral authorities were more positive than respondents from other arrangements about the link between the new constitutions and encouraging diversity but still only approximately a third agreed (Stoker et al. 2006: 58; Table 5.4).

Non-executive role

- Interviews with leaders and chief officers suggest that one of the most problematic features of the new council constitutions is embedding the changing role of non-executives (Gains 2006). The survey data confirm this: there was little agreement with the statement that 'backbenchers are more engaged' under the new arrangements (only 12% councillors, 9% officers and 12% stakeholders agreed); and only one in four respondents (28% of councillors and 24% of officers) agreed that the executive effectively responds to the concerns of non-executives (Stoker et al. 2006, Tables 5.3 and 5.5).
- Officers and stakeholders are more positive about the reforms than councillors, with well over half viewing the new arrangements as an improvement. Executive councillors are more positive than non-executive councillors and Labour councillors more positive than councillors from other parties. Taking councillors, officers and stakeholders together, respondents from mayoral authorities are more favourable than from non-mayoral and from majority authorities than from no overall control authorities (Stoker et al. 2006, Figure 5.1; Tables 2.11, 2.12, 5.1 and 5.2).
- In interviews, leaders and chief officers felt the impact of the new structures on public confidence was hard to gauge and will take longer to be visible (Gains 2006). Over half of officer and stakeholder respondents and just under half of councillors agreed that the

political management arrangements promoted democratic legitimacy and public trust in local government with mayoral respondents more positive about the impact of this political management arrangement on public confidence (Stoker et al 2006, Tables 5.9 and 5.10).

Chapter 4. Introducing appropriate checks and balances

As well as encouraging effective leadership and enhancing democratic legitimacy, the 2000 Act sought to introduce checks and balances to the operation of executive decision-making under the new constitutions through the introduction of procedures to make decision-making transparent, the introduction of a scrutiny system and a new ethical framework. In respect to this aim, the evidence points to a mixed picture with arrangements associated with the operation of the executive and standards more embedded than the scrutiny arrangements.

Transparency of executive decisions

- As well as the greater visibility of named decision-makers, the 2000 Act introduced new procedures relating to the *transparency* of decision-making. In all leader-cabinet and mayoral authorities a forward plan is published showing a schedule of forthcoming executive decisions. However the extent to which this is made accessible varies and the plans are more often used by officers than councillors and the public (Stoker et al. 2006, Tables 2.23 and 3.17; Gains 2006). Some alternative arrangement authorities also produce a forward plan although they are not required to do so (Gains 2004: 18).
- More than half of officers responding to the sample survey agreed with the statements 'it is easy to find out who has made a specific decision' and 'it is easier to find out about council policy' although councillors were less likely to agree (Stoker et al. 2006: 57; Table 5.3). When asked about the overall impact, over half of respondents agreed that the current political management arrangements provide checks and balances to guarantee transparency of decision-making (Stoker et al. 2006: 61; Table 5.9).

Scrutiny

- The introduction of *scrutiny* arrangements was designed to be the principle check on the working of the executive. The evidence on scrutiny arrangements is mixed partly due to the introduction of an entirely new role, partly due to the reluctance of councillors in power to challenge their parties' executive decision-making, and partly due to a structural imbalance in the level of officer support for scrutiny compared to executive functions (Stoker et al. 2004: 58).
- Three quarters of scrutiny committees (76%) report using scrutiny to explore innovative forms of service delivery. Two thirds (64%) of authorities are not aware of party pre-meetings being held before scrutiny committees and the proportion of authorities offering dedicated officer support has risen from one in three (30%) in 2002 to one in two (45%) currently. However fewer than three in ten (27%) authorities report having all three indicators (exploring innovative service delivery, no pre-party meetings, and a special officer unit) of strong scrutiny (Greasley 2006b/forthcoming).
- In discussing the operation of the scrutiny system, some leaders and chief officer interviewees raised doubts about the robustness of scrutiny (Gains 2006). However, there is good evidence that scrutiny makes a valid contribution to executive decision-making especially in relation to policy development and performance review (Stoker et al. 2004: 60).

- Over half of sample survey respondents agreed that scrutiny committees are effective at reviewing service outcomes. The effectiveness of scrutiny was, however, thought to be weaker when used for exploring innovation, reconciling community opinion and acting as a forum for community debate. A little over a third of respondents thought scrutiny was effective in holding decision-makers to account (Stoker et al. 2006: 59; Table 5.6). The number of call-ins of executive decisions is generally very low, with a third of councils experiencing no call-ins at all (Stoker et al. 2004: 47; Greasley 2006b/forthcoming). However six out of ten (60%) executive councillors reported changing a decision as a result of a scrutiny review (Stoker et al. 2006: 26; Table 2.32).

Standards

- The Act also introduced a new ethical framework and all authorities had to publish a code of conduct and set up a local standards committee. Since 2003 these committees have been able to deal with local adjudications referred back to the authority from the Standards Board. Standards committees meet on average five times a year; three out of four committees are chaired by independent members; and the committees have taken on a range of roles beyond adjudication involving a more active promotion of good ethical standards through training and developing protocols (Greasley 2006a and Greasley 2000b/forthcoming).
- Less than only one in ten (8%) of councillors expressed dissatisfaction with the conduct of their standards committee and more than half (55%) felt the committee was effective in promoting an ethical organisation (Stoker et al. 2006, Figures 2.1 and 2.2).

Chapter 5. Conclusions

The Local Government Act 2000 introduced a fundamental change in the organisation of, and decision-making in, local government. It introduced new roles and relationships between executive and non-executive councillors, councillors and officers and the authority and its stakeholders and the public. The qualitative and quantitative evidence gathered by ELG to date provides a consistent picture of change with regard to the numerous outcomes of the Act.

There is general agreement that the aim of enhancing effective leadership has been met and that the new executive arrangements have bedded down well, thus providing more visible and effective leadership and quicker decision-making which is in turn associated with better service delivery.

The 2000 Act has made some positive contributions towards democratic renewal, for example, through better visibility of portfolio holders (especially mayors). Although there are examples of innovative practice regarding community leadership and public involvement, there is less agreement that these features have been successfully developed. The diversity of elected representatives has not significantly altered and the role of non-executives has not bedded down. Respondents in mayoral authorities are more positive than other respondents about outcomes relating to community leadership, public involvement and diversity and more optimistic about the impact on public confidence.

The checks and balances introduced by the Act are working, although a variable picture has emerged. Officers are typically more positive than councillors about the transparency of decision-making. The scrutiny function, although underdeveloped, is improving from a low base. The standards arrangements are also working and are seen as an effective mechanism for providing the appropriate checks and balances.

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