

A quick guide to local government

for health commissioners and providers



Acknowledgements

This guide was written by the Local Government Association (LGA). Many facts and figures are taken from the most recent Department for Communities and Local Government's 'Local Government Financial Statistics England 2012' and the Chartered Institute of Public Finance and Accountancy's (CIPFA) 'Finance and General Statistics 2011/12'. This guide was updated in July 2012.

The Local Government Association (LGA) is here to support, promote and improve local government.

We will fight local government's corner and support councils through challenging times by making the case for greater devolution, helping councils tackle their challenges and assisting them to deliver better value for money services.

www.local.gov.uk

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Foreword

From the outsider's point of view the world of local government can seem bewildering. However, for us to do our job effectively we need to make sure that our communities and our partners understand what local government does, how we take decisions and how we engage with them.

This is especially important for our existing and new partners in health. Though local government has been involved in local partnerships to improve local health and wellbeing for many years, the Health and Social Care Act 2012 significantly extends our powers and duties. Moreover, some of the key stakeholders in health – in particular, clinical commissioning groups and local Healthwatch – are new organisations and may not have experience of working directly with local government.

This guide is for them and others who want a better understanding of how local councils work. First published in March 2011, it has been substantially updated to reflect changes in the Health and Social Care Act 2012. We hope that it provides a useful summary of the world of local government.

More information can be found on the LGA website:
www.local.gov.uk/health



Councillor Sir Merrick Cockell
Chairman, Local Government Association

What is local government?

While the origins of local government are medieval, it developed into a recognisable form of government in response to the new urban poor of the Industrial Revolution. It was the Local Government Act 1888 which created 66 county councils, plus a London county council, all run by elected councillors. Local government today comprises 375 councils in England and Wales, with almost 19,400 elected councillors.

What does local government do?

Councils work with local partners, including charities, businesses, other public service providers like the police and the NHS, and their communities to determine and deliver local priorities. They provide a wide range of services, either directly themselves or by commissioning services from outside organisations. They largely work within the powers laid down under Acts of Parliament, and since the Localism Act 2011, they now also have a General Power of Competence, giving councils the same broad powers as an individual to do anything unless it is prohibited by statute.

Most council services are mandatory. This means that the council must do them because they are under a duty to do so by law (eg from April 2013 to prepare and publish a joint strategic needs assessment jointly with clinical commissioning group/s under the Health and Social Care Act 2012). Some mandatory functions are tightly controlled by central government, resulting in a similar level

of service across the country (eg the administration of housing benefit). Other mandatory requirements (eg the library function) leave councils with some discretion over the level and type of service they provide.

Some council services and functions are discretionary. These are services a council can choose to provide but does not have to. They range from large economic regeneration projects, to the removal of wasp nests. Councils have a general power to charge for discretionary services provided they are not prohibited by other legislation and the council does not make a profit. Councils can charge for arts and entertainment activities, sport and recreational facilities and some pest control services, under Acts of Parliament.

Councils deliver a wide range of services. The following table provides a summary of their main services and responsibilities.¹

Principal service	Includes
Children's services	<ul style="list-style-type: none">• schools – nursery, primary, secondary and special (but not academies or free schools)• pre-school education• youth, adult and family and community education• children's and families' services – including welfare, fostering and adoption and child protection• children's public health from age five onwards• youth centres

¹ Adapted from the Department for Communities and Local Government, 'Local Government Financial Statistics England No. 22 2012', pps.16-17.

<p>Highways, roads and transport</p>	<ul style="list-style-type: none"> • highways – non-trunk roads and bridges • street lighting • traffic management and road safety • public transport – discounted travel schemes and local transport co-ordination • some airports, harbours and toll facilities
<p>Adult services</p>	<ul style="list-style-type: none"> • services for older people including nursing, home, residential and day care and meals • services for people with a physical disability, learning disability or mental health need • asylum seekers • supported employment
<p>Housing</p>	<ul style="list-style-type: none"> • social housing • housing benefit and welfare services • homelessness • housing strategy
<p>Cultural services</p>	<ul style="list-style-type: none"> • culture and heritage, including museums and galleries • recreation and sport, including leisure centres and sports facilities • open spaces – parks, playgrounds and allotments • tourism – visitor information, marketing and tourism development • libraries and information services

<p>Environmental services</p>	<ul style="list-style-type: none"> • cemetery, cremation and mortuary services • community safety – including consumer protection, coastal protection and trading standards • environmental health – including food safety, pollution and pest control, public toilets • licensing – including alcohol, public entertainment, taxis • agricultural and fisheries services • waste collection and disposal, recycling and street cleaning
<p>Planning and development</p>	<ul style="list-style-type: none"> • building and development control • planning policy – including conservation and listed buildings • economic investment and regeneration • environmental initiatives
<p>Protective services</p>	<ul style="list-style-type: none"> • community safety services • fire and rescue services • court services such as coroners
<p>Public health</p>	<p>From April 2013:</p> <ul style="list-style-type: none"> • a wide range of mandated public health services, including weighing and measuring children, sexual health, drug and alcohol treatment, and NHS health check programme • advice and information to the NHS • other health improvement measures

Central and other services	<ul style="list-style-type: none">• local tax collection – council tax and business rates (business rates set centrally)• registration of births, deaths and marriages• election administration – local and national, including registration of electors• emergency planning• local land charges and property searches
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Libraries in England received over 264 million visits and lent over 276 million items in 2010/11 – that’s more than five items for every person in the country².

Each year councils provide nearly 24 million days of care to looked after children – that’s 65,000 years’ worth of time³.

10.6 million tonnes of household waste was recycled in England last year – that’s the weight of over 1,000 Eiffel towers⁴.

Councils choose how to organise their operations based on their responsibilities. A number of models exist and it is important to be aware that not all local authorities are structured in the same way.

2 Source: ‘CIPFA Public Library Statistics 2010/11 Actuals’

3 Source: Department for Education: ‘Children Looked After by Local Authorities in England (including adoption and care leavers) – year ending 31 March 2011’

4 ‘Local Authority collected waste for England – annual statistics 2010/11’

How is local government organised?

The structure of local government varies from area to area. In most of England, there are two tiers – **county and district** – with responsibility for council services split between the two tiers, however London, other metropolitan areas and parts of shire England operate under a single tier structure.

In total there are five possible types of local authority in England. These are:

- **county councils** – cover the whole county and provide 80 per cent of services in these areas, including children’s services and adult social care)
- **district councils** – covering a smaller area, providing more local services (such as housing, local planning, waste and leisure but not children’s services or adult social care), can be called district, borough or city councils
- **unitary authorities** – just one level of local government responsible for all local services, can be called a council (eg Medway Council), a city council (eg Nottingham City Council) or borough council (eg Reading Borough Council)
- **London boroughs** – each of the 33 boroughs, including the Corporation of London, is a unitary authority; the Greater London Authority (GLA) provides London-wide government, including special responsibility for police, fire, strategic planning and transport
- **metropolitan districts** – effectively unitary authorities, the name being a relic from past organisational arrangements. They can be called metropolitan borough or city councils.

Currently in England there are 27 counties split into 201 districts. There are also 56 unitary authorities, 33 London Boroughs and 36 Metropolitan Districts. The latest round of English reorganisation became effective in April 2009. Forty-three local authorities were amalgamated into nine unitary authorities serving a combined population of over 3.2 million.

Below the district level, in some parts of England, there are **town and parish councils**, responsible for services such as management of town and village centres, litter, verges, cemeteries, parks, ponds, allotments, war memorials, and community halls.

There are around 10,000 such councils in England and Wales and nearly 100,000 councillors. In some areas of the country other types of councils – London boroughs and unitary authorities – are also consulting with their communities on whether to introduce parish councils based on council ward boundaries or local neighbourhood and community assembly areas. The National Association of Local Councils represents these councils.

For more information visit: www.nalc.gov.uk

Who does what?

The table below provides a quick guide to local authority responsibility for major services in England.⁵

	Shire areas			Metropolitan areas	London	
	Unitaries	County Councils	District Councils	Metropolitan districts	London boroughs	GLA
Education	✓	✓		✓	✓	
Highways	✓	✓		✓	✓	✓
Transport planning	✓	✓		✓	✓	✓
Passenger transport	✓	✓				✓
Social care	✓	✓		✓	✓	
Housing	✓		✓	✓	✓	
Libraries	✓	✓		✓	✓	
Leisure and recreation	✓		✓	✓	✓	
Environmental health	✓		✓	✓	✓	
Waste collection	✓		✓	✓	✓	
Waste disposal	✓	✓		✓	✓	
Planning applications	✓		✓	✓	✓	
Strategic planning	✓	✓		✓	✓	✓
Fire and rescue		✓				✓
Local taxation collection	✓		✓	✓	✓	

⁵ Department for Communities and Local Government, 'Local Government Financial Statistics England No.22, 2012', p.19

How councils operate

The role of councillors

Councillors are elected to represent people in a defined geographical area for a fixed term of four years, unless elected at a by-election in which case the time will be shorter. Councillors have to balance the needs and interests of residents, voters, political parties and the councils. The role of a councillor includes:

Representing their ward – this is the primary duty of all councillors. They also have a responsibility to communicate council policy and decisions to people in their ward.

Decision making – they will be involved in decision-making through full council regulatory committees such as planning control or licensing, local voluntary organisation management, membership of partnership boards, as school governors, as employers of staff on appointment panels and disciplinary and grievance procedures.

Policy and strategy review and development – they contribute to this through mechanisms such as membership of overview and scrutiny committees, involvement in advisory groups and partnerships, interaction with executive members, membership on area forums and committees, through case work and surgeries, and membership of a political group.

Overview and scrutiny – councillors who are not in the cabinet can be overview and scrutiny members, who are responsible for scrutinising decisions, plans and services provided by the council or by health bodies. See the section on overview and scrutiny.

Regulatory duties – this involves councillors in quasi-judicial roles on special committees appointed by the council, including planning and licensing.

Community leadership and engagement – this is at the heart of the councillor's role, working in partnership with voluntary and community organisations to actively engage citizens, residents and service users.

How are decisions made?

Under the Local Government Act 2000, councils may be structured in three different ways:

- **A leader and cabinet** – local councillors elect a council leader who then appoints a cabinet. Each cabinet member is responsible for a particular service area/s.
- **An executive mayor and a cabinet** – in some areas the public vote for a mayor who then appoints the cabinet.
- In areas with populations below 85,000, councils may adapt their older structure of committees, each dealing with a separate service area, in which **no distinction is made between cabinet and backbenchers**.

Leader – elected by the majority of the council, the council leader is responsible for setting the vision and direction of the authority.

Cabinet member – an executive member appointed by the leader or directly – elected mayor, with responsibilities for a particular portfolio. The leader can choose the portfolios for cabinet members so there is a great deal of local variation.

Mayor – Some councils have opted to have a directly elected mayor supported by a cabinet. The position of mayor in most local authorities is a purely ceremonial role, usually held by a senior councillor for a year, to represent the council at civic and council events.

The executive is required to set out its programme of work, known as ‘the forward plan’. The plan includes all key decisions due to be made by the executive in the following four months. It must be made available to the public and to all the relevant overview and scrutiny committees.

In all cases, the sovereign body is the full council meeting in which all councillors may vote. This body agrees the budget, sets the policy framework, appoints chief officers and makes constitutional decisions. Consequently, the council officers who support councillors work for the whole council, not on behalf of the controlling party, unlike civil servants in central government.

Overview and scrutiny committees

All councils must establish overview and scrutiny arrangements through which non-executive councillors can question and challenge the performance of the executive in a manner that will enable public debate. Overview and scrutiny committees (OSCs) must reflect the political balance of the councils. Executive members may be asked to attend OSCs but they are not able to be members of OSCs. It is up to councils to determine their overview and scrutiny arrangements and there is considerable local variation on the number of committees and their remit.

The Health and Social Care Act 2001, confers on local authorities (those with social care responsibilities) powers of health scrutiny.

The Health and Social Care Act 2012 alters health scrutiny provision. At the time of writing, regulations regarding health overview and scrutiny were being consulted on and will be published later in 2012.

Health and wellbeing boards

Health and wellbeing boards (HWBs), created by the Health and Social Care Act 2012, are a new type of partnership. First-tier councils have a duty to establish a health and wellbeing board as a committee of the local authority, in order to:

- promote integrated working between health and social care, and other services to improve health and wellbeing
- prepare and publish a joint strategic needs assessment and a joint health and wellbeing strategy jointly with clinical commissioning group that have a boundary within the local authority area
- address the wider determinants of health
- involve and engage the community in all of the above.

As a minimum, membership of health and wellbeing boards must include:

- at least one elected member
- the directors of adult social services, children's services and public health
- a representative of each relevant clinical commissioning group
- a representative of the local Healthwatch
- a representative of the NHS Commissioning Board, when required.

Additional members may also be appointed by the HWB and the local council following consultation with the HWB.

Relationship between councillors and officers

There is a clear distinction between councillors and officers. Councillors, through decisions of the full council and the executive, set the overall policy of the council. Senior officers, led by the chief executive and chief officers are responsible for advising the cabinet and scrutiny committees on policy and are responsible for implementing councillors' decisions and for service performance. Officers have a duty to give unbiased professional advice. The important exception here is HWBs, on which elected members, local authority officers and representatives of external local and national organisations are statutory members.

How local authorities engage with communities

Elections – Elections provide an opportunity for councillors to explain to their communities their policies and priorities and for councillors to understand the needs and concerns of their residents.

Parish and town councils – many rural areas, and some urban ones, are divided into parishes and town councils, represented by parish and town councillors. All tiers of local government aim to work together to develop a dialogue with people, in order to inform plans and services.

Neighbourhood assemblies, community forums and area committees – many councils have created local mechanisms for devolving decision-making to neighbourhoods and smaller areas. These enable citizens to have greater involvement in decisions about spending through delegated budgets and participatory budgeting, develop community action plans, help set priorities for local scrutiny, have a say on planning applications, issues and campaigns.

Surgeries and casework – regular ward surgeries enable local people to meet their councillors, raise their problems for councillors to take up as casework, and hear about and have a say in local plans and priorities.

Consultations, sounding boards and citizens panels – as with other public bodies, councils have statutory duties to consult with local people about changes to their area, for example over school closures, planning applications, plans for redevelopment and regeneration. Some councils have informal

consultation mechanisms through citizens' panels and sounding boards. They have no legal status but they enable the council to hear from a representative sample of local people.

Service users groups, eg tenants reps, service users panels – many councils also have established involvement mechanisms for engaging particular interest groups in order to find out about their experience of existing services, to plan improvements and to develop new innovations.

Surveys – councils also undertake regular national and local surveys on a wide range of issues to gauge satisfaction with services and plans, identify the current and future needs of their population and seek ideas about innovation.



Local government spending and funding

Local government finance is notoriously complex and is worthy of a guide all of its own. Here we try to set out the very basics. If you want to know more, the Department for Communities and Local Government's 'Local Government Financial Statistics England'⁶ and the Chartered Institute of Public Finance and Accountancy's (CIPFA) 'A comprehensive guide to local government finance' (2011/12 edition)⁷ are detailed guides.

Local government accounts for about a quarter of all public spending in the UK. Local government net current expenditure in 2011/12 (England and Wales, excludes capital expenditure) was budgeted to be £125 billion⁸. Local government is facing an unprecedented reduction in resources allocated by central government.

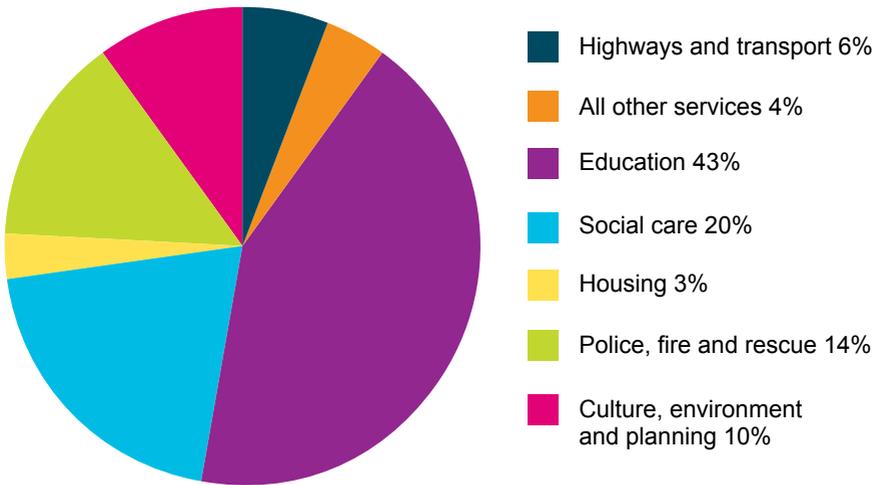
6 <http://tinyurl.com/cipfaguide>; <http://www.cipfastats.net/general/financegeneral>

7 <http://tinyurl.com/lgfinancestats>

8 CIPFA Statistics: Finance and General Statistics 2011/12', page 2
<http://www.cipfastats.net/general/financegeneral>

It breaks down as follows:

England and Wales 2011/12 budgeted estimates



Description	Total (budgeted) £bn
Education	46
Social care	22
Housing (excluding Housing Revenue Account)	3
Police, fire and rescue	15
Culture, environment and planning	11
Highways and transport	6
All other services	4

The three main sources of income for local government in England are government grants, council tax and redistributed business rates. Local government's 2011/12 budgeted revenue expenditure (not the same as net current expenditure) of £99.5 billion was budgeted to be financed as follows:

- £56 billion – government grants (52 per cent)
- £26 billion – council tax (25 per cent)
- £19 billion – redistributed business rates (20 per cent).

Councils also receive income from returns on borrowing and investments, interest and capital receipts, sales, fees and charges and council rents⁹.

Council tax makes up the majority of the difference between a council's planned budget and its central funding. In 2011/12, the government made an extra £650 million per annum available for the next four years to deliver on its promise to help local authorities deliver a council tax freeze in England. Under the Localism Act 2011 councils will be required to hold a referendum on council tax increases if they are above a certain level as determined by the Government. Council tax accounts for only one quarter of local income; a four per cent increase in council tax is needed to achieve a one per cent increase in total local spending.

Business rates Councils collect business rates (officially called National Non-Domestic Rates) on behalf of central government. These funds are then redistributed back to councils by the Department for Communities and Local Government on a per head basis. Subject to the passage of the Local Government

9 CIPFA Statistics: Finance and General Statistics 2011/12', pages 2 and 5

Finance Bill, from 2015 local authorities will be allowed to retain 50 per cent of their business rate growth. However, central government will retain the rate setting powers and decide on the proportion that can be retained by councils¹⁰.

Local government finance settlement The 2011/12 local government finance settlement leaves local government with a funding shortfall of around £6.5 billion in the next financial year, with some councils facing more than 16 per cent reductions in the amount of money they receive from central government. This is the toughest settlement in living memory.

Further information

To find out more about how local government works, and its new public health remit, visit the following web resources:

Local Government Association (LGA)
www.local.gov.uk

Department for Communities and Local Government (DCLG)
[www.communities.gov.uk/corporate/about/whatwedo/
localgovernment](http://www.communities.gov.uk/corporate/about/whatwedo/localgovernment)

Department of Health – Health and Social Care Act 2012
www.dh.gov.uk/health/tag/health-and-social-care-bill

Centre for Public Scrutiny (CfPS)
www.cfps.org.uk

¹⁰ <http://tinyurl.com/lgfinancebill>



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