

Committee on Standards in Public Life

Local Leadership and Public Trust: Openness and Accountability in Local and London Government

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INTRODUCTION

1. Our evidence focuses on the issues of accountability and openness in local government generally, with special reference to England and Wales. We do not cover London government separately, except for the relationship between the Mayor and the Assembly in Greater London. We attach to this evidence our recent evidence to the Select Committee for Communities and Local Government for its Inquiry into *The Balance of Power: Central and Local Government*, since the views set out here are based in part on its analysis.

THE NATURE OF PUBLIC ACCOUNTABILITY

2. The Committee set accountability as one of the seven principles of public life stating “Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office”. In appraising the accountability of local authorities, the first question is: to whom are they accountable? The Committee’s statement of principle rightly emphasizes that accountability is to the public. The accountability of local authorities is to their local public as represented by their electors and citizens for whom they carry out their responsibilities and to whom they are directly accountable in local elections. There can be other bodies to which the local authority is accountable, as given specific expression in contracts, agreements and statutory requirements. They are best regarded as *links* of accountability rather than as the *bond* of accountability to local citizens, which is accountability for its general responsibility and the discharge of its full range of powers.

3. Accountability of the local authority to its citizens rests upon the councillors because they are held to account at elections. That accountability should inform the whole work of the authority. The effective working of public accountability depends upon the chain of accountability within the authority

and upon the culture of the authority that forms the attitudes and responses of those who work within the authority. Public accountability requires that throughout the organisation the public be seen not just as customers or clients but also as citizens with a right to know, a right to explanation and a right to be heard and listened to, which requires openness in the working of the authority.

4. The chain of accountability encompasses the direct accountability of senior staff to the elected representatives and of their staff to them. Management accountability denotes the accountability of staff for their performance in achieving their responsibilities, and a professional accountability for achieving the required standards of behaviour. Public accountability creates a relationship of stewardship in which those who exercise public power and use public resources are accountable to those on whose behalf they act. They have to give an account and be held to account, which is achieved by the accountability of elected representatives to citizens and by the chain of accountability within public bodies that links those within the organisation to those who are directly accountable to the citizens.

5. The stewardship of those who are accountable to citizens involves a continuing relationship. While there has to be a time when the elected representatives are held to account in elections, the continuing relationship demands that over time the public are informed, given accounts and explanations, are listened to and are responded to, creating the openness necessary for the relationship of stewardship by elected representatives of behalf of citizens to thrive.

6. We take as the basis for our evidence that public accountability requires the public understand the responsibilities of local authorities and how they can be held to account, that they are informed about the work of the local authority and how it relates to other public bodies. Accountability requires both accounting, which involves giving an account and listening to the responses, and being held to account, involving judgment on the account and action on that judgment, which for elected representatives is ensured by the electoral process.

CONFUSION OF ACCOUNTABILITY

7. Accountability requires clarity as to where accountability lies, to whom it is owed and for what. The primary accountability of local authorities is to local citizens for the discharge of their responsibilities. But there is confusion because the actions of central government have undermined the accountability of local authorities to their citizens by seeking to make them agents of central government, confusing the local electorate as to where responsibility lies: is it with central government or is it with local authorities? If with the former, then local elections have lost their meaning for accountability. Confusion limits the transparency of the relationship with the citizens - a necessary condition for accountability. Our evidence to the Select Committee for Communities and Local Government sets out our analysis of the process by which the accountability of local authorities has been undermined. We summarise the main factors involved.

- The arrangements of local government finance confuse accountability for local government expenditure and by implication for local taxation, since it is not clear where responsibility for decisions lies. Capping prevents a local authority setting levels of expenditure and taxation it considers necessary and for which it should be accountable to the local electorate. The high level of dependence on government grant and the gearing effect – little understood by the electorate – can mean expenditure levels are governed more by national decisions on grant than by decisions by the local authority, creating confusion as to where responsibility lies. The number and scale of specific grants, each subject to conditions laid down by central government departments, weakens the responsibility of the local authority for decisions on the allocation of expenditure.
- The growth of targets and of centrally-required performance reports by local authorities has had the consequence of 80% of reports on performance by local authorities being to central government rather than to their local citizens. While there have been recent reductions in the number of targets

and performance indicators, there are still about 190 performance indicators and at least 35 targets agreed with central government through local area agreements, sixteen statutory targets for children's services as well as performance measures required by other central-government procedures

- The growth of inspections now to be undertaken for the community performance assessment, backed by powers taken by central government to act on the inspections or assessments where local authorities are judged to be failing or to reward local authorities judged to be successful, substitutes in effect the judgment of the inspectorates for the judgment of the electorate. It has become more important for local authorities to satisfy the inspectors than to satisfy the electorate. The conclusions of the inspectors rest upon their judgment which cannot be assumed to be infallible or superior to the judgment of local people, raising the issue of the accountability of the inspectorates, which is far from clear.
- The growth of prescription in the form of detailed legislation, regulation and guidance limits the capacity of local authorities to arrange their activities in ways best suited to meet local requirements and the responsibilities for which they are accountable to their local electorate. The local electorate are unaware of the extent of the constraints under which local authorities operate.

The system of local governance

8. The accountability of local authorities should be considered in the context of the system of local governance, that is the complex of bodies with governmental responsibilities at local level. There has been a growth in the number of appointed boards, with responsibilities for health, police, education, economic development and other functions, making decisions on local issues but without accountability to local people. This pattern confuses the public -

they are not aware of even the existence of many of these separate bodies, which makes it difficult for them to know where responsibility lies for issues that concern them. The fragmentation of the system of local governance means that many issues are the responsibility of several public organisations bodies so it is hard to pin down accountability.

9. The Government's solution has been to form partnerships, normally involving the local authority, for specific issues such as law and order, which creates a new fragmentation between a diversity of partnerships, which the local strategic partnership has been encouraged to co-ordinate. In practice the growth of partnerships has made the system of local governance less transparent and more difficult to hold to account.

10. It is hard to establish how these partnerships are accountable to local people, and whether accountability is of a partnership or through its partner organisations, or how partnerships can be held to account with each of the partners having its own accountability, and that rarely to local people. The growth of partnerships has made accountability within the system of local governance more rather than less confusing. In view of the importance of local authorities' role in partnerships and in community leadership, the Committee's inquiry should consider both the implications of partnerships and of the appointed boards for local accountability and openness.

11. Local authorities are required under the Local Government, Economic Development and Construction Bill, currently before Parliament "to promote understanding of the functions of many of the public bodies at local level", (although not apparently of the partnerships), and of "their democratic arrangements", and how the public can take part in those arrangements. This almost impossible task assumes that these bodies have "democratic arrangements", a questionable assumption if local public accountability is at issue. Although such matters are not formally in the terms of the Committee's present Inquiry, it is difficult to see how they can be ignored since the work of local authorities is bound up with these boards and partnerships.

12. A recent development highlights these issues. Local authorities are required to enter into local area agreements (LAAs) with central government through local strategic partnerships (LSPs) representing public partners, the

private sector and community groups. LAAs set out local improvement targets that give expression to sustainable community strategies adopted through the LSP. Statutory responsibility for the community strategy and the local area agreement rests upon the local authority, yet the achievement of much of the strategy and of the local area agreements involves many other public bodies for which the local authority has no direct responsibility and no means of enforcing its views. The only statutory requirement on other public bodies at local level is to co-operate with the local authority in the local area agreement and to have regard to the targets in the local area agreement, neither of which can ensure action. These processes, and even the existence of the LAA and the LSP, are largely unknown to most citizens. These processes raise issues about accountability, since the local authority can hardly have accountability for matters over which it lacks effective control.

Contracting

13. A considerable number of the activities of many local authorities are undertaken by the private or to a less extent the voluntary sector, operating under a contract made with the local authority. The issue of how contracting affects accountability has been too little explored. Contracting raises issues for public accountability and openness, if citizens are not clear who is responsible for a service and, at its simplest, to whom they might complain. There is a potential tension between the confidentiality associated with commercial practice and the openness required for accountability. Details of the working of the private-sector firm may not be available to the public on grounds of confidentiality, although openness for public accountability may require it.

14. The contractor is responsible and accountable to the local authority for carrying out the contract rather than for providing a high-quality service, except in as far as it is covered by the terms of the contract. The local authority is responsible for the terms of the contract and for ensuring the contractor carries it out. In drawing up the contract it is important that responsibility and accountability are made clear, and in particular how the public can raise issues of concern about the working of the contract in the provision of services. The contract should make clear the special conditions of public accountability, in particular the requirements of openness. The local authority should make clear

the implications of the contract for the contractor and for recipients of the services, and for citizens generally.

Devolution to neighbourhoods and communities

15. The Government has stressed the importance of the devolution of local-authority activities to local communities at neighbourhood or parish level and of public participation, arguing that such involvement can strengthen representative democracy. But that strengthening will occur only if the relationship between participative and representative democracy is worked out and its importance for public accountability fully recognised. Unless that relationship is clarified, there will be confusion as the public fail to understand the relationship. If developments in public participation lead to decisions on public matters by neighbourhood groups, public accountability may be undermined, with power exercised by self-selected bodies not representative of local citizens generally. In a complex society representative democracy must provide the basis for accountable government. Participative approaches can inform representative democracy but should not determine it, except in the special case of referenda, which can be used only on a narrow range of issues. Devolution of decisions should be to elected bodies, such as parish or neighbourhood councils, accountable to local people through elections.

A confused and confusing basis for accountability

16. Confusion over accountability arises because, as a result of centralisation, setting up boards and partnerships, and developments in contracting, devolution and participation, it is impossible for the public to establish where responsibility lies for many of the decisions that appear to be made by the local authority but are in reality decisions made by central government or by other public bodies. The workings of the current arrangements at local level lack the transparency necessary for effective accountability. The overall effect of many of these developments has been that the accountability of local authorities has been undermined by the actions of central government.

THE ACCOUNTABILITY OF THE ELECTED REPRESENTATIVE

17. Before the Local Government Act 2000 the council was the representative body responsible and accountable for the working of the local authority, the use of its powers and the discharge of its duties. It did not necessarily act directly, but delegated its powers to committees of the council and/or its officers, both of which were linked in the chain of accountability to the council.

18. The Local Government Act 2000 as amended by later legislation, which applies to England and in a modified form to Wales, means that all authorities above 85,000 population were required to create an executive either in the form of a directly-elected mayor with a cabinet, or a leader appointed by the council with a cabinet. These executives exercised all the powers of the council except those reserved for the council, which included major policy documents as well as other functions, including regulatory responsibilities, which were delegated to committees. The executive was allocated its powers in its own right, not on the basis of delegation from the council.

19. There are therefore two representative bodies in the council. In the leader model the executive of the leader and cabinet is accountable to the council, since it appoints the leaders, and although the Government has sought to enhance the power of the leader even further, by providing that he or she is elected for a four-year term, a leader can be removed by a resolution of the council. In the mayoral model accountability lies directly to the electorate rather than to the council.

20. The logic of the new structure under this model is that the council determines the budget and determines policy as expressed in policy documents on the basis of proposals by the executive as amended by the council. The executive carries out the policy within the budget provided and proposes the budget and the policy documents for determination by the council. Where council and the executive disagree on policy or the budget, the views of the council prevail in the final resort. Problems can arise even in the leader model, because the council cannot overturn a decision by the executive except where it is contrary to one of the policy documents that require council approval.

21. In the mayoral system the council has no way to hold the executive to account. It does not appoint the mayor nor can it remove him or her. The mayor is appointed by the electorate in an election and can be removed only at the next election, and then only after four years, unlike any other political executive position, including the local authority leader. Different from the provisions in many other countries there is no means of removing the mayor judged to be failing or ineffective through recall by the electorate or special votes of no confidence by the council. The lack of such provisions makes accountability in the English model relatively weak. The council under the mayoral model is responsible for the budget and for policy as set out in the policy documents, but, if there is disagreement between the mayor and the council, the council can determine the outcome only by a two-thirds majority. What happens if the council rejects the mayor's proposal by less than a two-thirds majority is not clear, since the mayor can secure his proposals only if the council agrees by a simple majority; doubtless the deadlock has to be resolved by discussion. The requirement for a two-thirds majority confuses local accountability, and the consequent uncertainty weakens it.

22. In London government under a different mayoral model the position is different. The Assembly has no powers over the budget apart from the right to reject the budget and then only by a two-thirds majority, a unique limitation on the power of the main representative body in our political institutions. The London mayor does not even have to put his proposed policies to the Assembly. While the Assembly can scrutinise the policies and performance of the mayor, there is no means of holding the mayor to account apart from the election and then only after four years. No other political executive has such wide powers and such a limited basis for accountability.

23. This weakness of the Assembly, written into the legislation, and the lack of powers by either the Assembly or the electorate to hold the mayor to account other than after four years is a basic weakness in the system of accountability in London government. Outside London the basic problem is confusion, caused by the existence of two representative bodies – the council and the executive, aggravated by the failure of many councils to consider how the council itself can exercise its powers to determine policy.

The elected councillor and the citizen

24. Public accountability involves a continuing relationship of stewardship between elected representatives and citizens. The councillor has normally been ready to deal with constituents' problems, raised in regular surgeries or in other ways, and to build relationships with community groups. They have looked after the interests of their wards. But it is not always clear how under the new political structures the views of the councillor as an elected representative can have an impact on the development of policy and on the work of the executive.

25. The councillor is more than a representative of a ward or electoral district. There is a danger in restricting the councillor to that role or in seeing the councillor as solely concerned with the public as customers or consumers. The councillor joins with other councillors, including members of the executive, to constitute the council as the representative body. In that role accountability by councillors to citizens should be foremost.

26. The Government has embarked on a worrying departure from the clear chain of accountability of officers to councillors to citizens by its provision in the Local Democracy, Economic Development and Construction Bill for senior officers to be called to account at public meetings, answering questions that council members of the executive, including leaders, should answer. The Committee should condemn such a breaking of the chain of accountability that undermines the responsibility and accountability of elected members to citizens.

27. The Secretary of State has emphasised participation of citizens, arguing that this participation can strengthen the elected representative's role. This strengthening will happen only if it leads to interaction between councillors and citizens. Without that interaction participation can be frustrating to the citizen and cannot strengthen the elected representative. For example, the Government has promoted the use of citizens juries. It is not envisaged that the juries will make decisions but that they inform decision-making. If this process is to be effective, there should be direct interaction between the decision-makers and members of the juries, meeting to hear the juries' views and later to discuss the council's considered response, even if some or all of the views of the jury are rejected. Interaction between elected representatives and citizens gives expression to the principle of public accountability.

ISSUES RAISED ABOUT PUBLIC ACCOUNTABILITY

The integrity of the election

28. The accountability of local authorities rests upon the local election and depends upon the integrity of that process. It has normally been assumed there is no threat to that integrity. The Electoral Commission asserts there is little fraud and abuse of the electoral process or even of a threat to that integrity, and the Government has accepted that assessment. There is no better indication of the dangers of this complacent view than the introduction of postal voting on demand without any apparent regard for the dangers to the electoral process. It was assumed that electoral malpractice did not happen here; it was happened in other countries. But the Birmingham case exposed the existence of mass impersonation in two wards made possible by postal voting on demand. The Slough case exposed the dangers in the system of registration. Together these cases exposed serious threats to the integrity of the electoral process. We do not know whether these cases were isolated or whether fraud and abuse are more widespread.

29. The judgment of the Electoral Commission rests upon the number of prosecutions and electoral courts that have found abuse, but we do not know if they are merely the tip of the iceberg. The figures given have been shown by research in Stuart Wilks-Heeg, *Purity of Elections in the UK: Causes for Concern* (York: Joseph Rowntree Reform Trust (2008)), to be an underestimate of the actual number of prosecutions. The number of prosecutions is not in itself an indicator of the extent of abuse any more than the number of prosecutions is an indication of the extent of burglary or of other crimes. There has been no investigation or research commissioned by the Electoral Commission or the Government into the extent of fraud and abuse. Following the previous recommendation of the Standards Committee on this issue, the Electoral Commission has now undertaken to carry out such an investigation, but as yet no results have been reported. Meanwhile the dangers remain. The Government has taken only limited action to deal with the issue, maintaining postal voting on demand and failing to introduce radical reform of the system of registration along the lines implemented recently in Northern Ireland. The integrity of the electoral process remains in doubt, although it is critical to public accountability.

Election Courts

30. The integrity of the electoral process is protected by Election Courts, first established in the nineteenth century. There is need for a review of Election Courts. It is amazing they have not been reviewed after the experiences of Birmingham and Slough revealed banana-republic practices of false registration and mass impersonation.

31. A series of issues indicate the need for a review if election courts are to be an effective instrument in maintaining the integrity of the electoral process.

- Their proceedings are based on an election petition from complainants. There is only a short time for a complainant to send in a petition containing an allegation of malpractice, and large sums have to be paid to do so, £400 initially and for a local election, £2500, and potential for hefty costs in pursuing the petition. The short timescale and cost must deter some from making and taking forward cases, and require a review.
- Section 160 of the Representation of the People Act 1983 provided that if at the end of the trial the Commissioner's report names as guilty persons proved to be corrupt, who had been neither candidates nor named in the petition, they must be given notice and an opportunity to be heard in their defence, and with representation. In the Birmingham cases 20 names were put forward by the petitioners for consideration by the court, but the process was abandoned as impractical to allow a fair hearing in the time available. This experience revealed defects in the law, and should be changed.
- The procedures have been little changed since election courts took over responsibility from the House of Commons for dealing with election petitions. Section 157 (2) of the 1983 Act lays down that "the principles, practice and rules on which committees of the House of Commons used to act in dealing with election petitions shall be observed so far as may be", without specifying what they are. It must be time to state and review them.

- Section 181 (2) of the 1983 Act as amended by the Representation of the People Act 1985 provides that the Director of Public Prosecutions or his representative shall attend an election court if required by the commissioner. In practice it has not been easy to secure this attendance even though required by the Act, yet such attendance can assist the court and facilitate police investigations and later prosecutions. Relations with the police present other problems. The police have not been geared up to deal with abuses of the electoral process. If relations between the police, an election court and electoral administrators are not fit for purpose, there is a need for review.
- A parliamentary election court is held before two judges but a local election court is held before only one commissioner. Since a local election court concerned with malpractice raises issues about the integrity of the whole election system, its importance should be recognised by being held before two commissioners. An election court takes the form of a trial between the petitioner and the respondent. The wider public interest in the integrity of the electoral process is not represented before the court, but the commissioner has an inquisitorial role and can report on issues of public interest as in the Birmingham case by Commissioner Morry. He could be assisted by the Electoral Commission being represented before the court to raise issues of public interest to be considered in his judgment. One such issue is whether there are suggestions of wider malpractice beyond the scope of the petition. The Commissioner could ask in his report that the Commission or another appropriate body should investigate the state of the electoral process in the area.

32. A review is long overdue. It should be commissioned by the Ministry of Justice from the Electoral Commission and should cover the whole process for investigating and controlling electoral malpractice. The Committee on Standards in Public Life could start the process of review by urging the Ministry of Justice to commission such a review from the Electoral Commission.

Electoral turnout

33. It will be argued that the low election turnout weakens local government and its accountability. However, turnouts of between 35 and 45 per cent mean that far more citizens are involved in holding local authorities to account than are involved in holding local appointed boards to account. The right to vote, whether exercised or not, has an impact beyond and before the actual election. Any citizen can vote; a sizeable number do. The possibility of defeat and the hope of election condition the attitudes of elected representatives. The right to vote reflects the stewardship of the councillor expressed at its best in interaction between the councillor and citizens, with the councillor giving an account and hearing the responses. The right to abstain in an election can itself be a response to the work of councillors.

34. The confusion of accountability set out earlier in this paper is an influence on turnout, raising the issue of who is responsible for the decisions made in local government. The tendency of central government to treat local authorities as mere agents for the provision of services is a signal to local electors that local elections do not matter and that only national elections count.

Performance management

35. Effective performance management can sustain accountability within a local authority, in that staff are held to account by their superiors in the chain of accountability and senior staff are held to account by the elected representatives in the executive and/or in the council. Performance management can play a part in the accountability of the executive to the council either by scrutiny or directly by the council considering reports on executive performance, although the latter has not developed far in every authority.

36. Developments in performance management have been encouraged by the Government – with the danger they substitute accountability to central government for accountability to local people. The Government’s approach has been based on its targets and performance measures, which are inevitably focused on particular services or aspects of those services, giving rise to a tick-box approach in which the objective is to meet the target rather than to provide good service or to resolve a

problem. The approach is too simple: meeting the target is success; not meeting it is failure.

37. Targets as the main basis for local accountability can distort the work of a local authority. Focusing on particular services or particular aspects of a service can lead to neglect of other services or other aspects of a service. The danger is that targets are seen in isolation from the other work of the authority and the needs and aspiration of citizens that can rarely be reduced to a set of targets.

38. Effective performance can use targets, but as a basis for discussion which can lead to learning about effective performance. Discussion can encompass the possibility that not meeting a target can be a success, and meeting it a failure, or, if circumstances change, the target is no longer appropriate. Discussion can cover the unintended effects of the target, including the effect on other services or other aspects of services. It is always possible that the wrong targets have been set. In the public domain what is meant by good performance can be a subject of genuine political disagreement.

39. Effective performance management should recognise that the full development of public accountability, both internally and externally, requires explanation, discussion and deliberation as a basis for learning.

Overview and scrutiny

40. When new political structures were originally proposed by the Government, the scrutiny function was emphasised as a means of ensuring the accountability of the executive, and scrutiny committees were proposed as the means of carrying it out. Many councillors were hostile to the proposal, because the word “scrutiny” suggested a negative role, criticising decisions and performance, rather than making a positive contribution to the work of the local authority.

41. The Government responded by naming the new committees “overview and scrutiny committees”, which has led the local authorities where overview and scrutiny has been most successful to pursue policy development often with the encouragement of the executive. Some of these committees have innovated in their ways of working, using discussion sessions, rather than the more formal

processes of question and answer, involving the public and of gaining experience of practice.

42. There have been problems in the work of overview and scrutiny committees:

- Hostility by the executive in some local authorities, leading to the committees' views being ignored.
- The lack of powers of the council to take action on the views of the overview and scrutiny committee, except on policy issues, limiting the potential of overview and scrutiny. Even on policy issues there is uncertainty as to the powers of the council to act except through amendments to the relevant policy document.
- The failure in some local authorities of the procedures adopted by overview and scrutiny committees to realise their full potential. Their agendas and methods of working have been based on the previous service committees, with long agendas focused on decisions by the executive and not on their new role. In other cases the adoption of question-and-answer sessions, following the dominant practice of select committees in Parliament as the sole method for obtaining evidence, has limited the development of other effective ways of gaining evidence that make use of the closeness of local authorities to the problems and policies they are examining. This instance is an example of a wider problem in the implementation of the new political structures arising from following the practices of central government and ignoring the problems of an over-dominant executive and the distinctive features of local government.
- The lack of support by officers expressly dedicated to overview and scrutiny in some authorities, in particular the limited staff of many shire district councils, and the lack of resources specifically allocated to overview and scrutiny. The Local Democracy, Economic Development and Construction Bill

provides that all authorities, except shire districts, should appoint a designated officer to promote, support and guide the work of overview and scrutiny, but does not necessarily ensure adequate support for it.

The role of the council

43. Some local authorities are uncertain about the relationship between the council and the executive, which should be at the heart of processes for accountability in local government, particularly in mayoral authorities where the mayor and council have different bases in their accountability to citizens. Only in London has that uncertainty been resolved unambiguously in favour of the mayor, leaving the London Assembly with virtually no responsibilities for which it should be held accountable, and giving the mayor as an individual great power for which he can be held to account only every four years.

44. In the leader model the new political structure embodies the accountability of the executive to the council, with the council determining the budget and the policies of the local authority within which the executive acts, normally on the basis of the executive's proposals. Some local authorities have not fully appreciated this process, and, even when it has been recognised, they may not have fully ensured that both the powers of the council are recognised and that the procedures of the council reflect its role in policy-making and the need to ensure the accountability of the executive to the council, not least for the effective implementation of the council's policy. Not all councils have reviewed their procedures to achieve these aims, through ensuring detailed examination of policy and budgetary proposals and providing for regular reports from the executive to be discussed in the council. The full development of public accountability requires that the executive be held to account by the council, even when the council will normally support an executive in which it has confidence.

STRENGTHENING ACCOUNTABILITY AND OPENNESS IN LOCAL GOVERNMENT

45. Our evidence to the Select Committee for Communities and Local Government sets out the steps necessary to establish a facilitative style in the relations of central government with local authorities rather than the present dominant prescriptive style. Those recommendations would go far to reduce

the confusions in accountability and to strengthen accountability at the local level. We set out below some of the steps we recommended there as well as ways to deal with specific problems identified in this paper.

Recommendations for central government

46. There is a need for changes in the approach of central government. It needs:

- To base local government finance on local accountability by eliminating capping, reducing grant dependence and the plethora of specific grants that still remain;
- To clarify in the concordat between central and local government that the primary accountability of local authorities is to its citizens;
- To set up an independent body to review and report on central-local relations including the impact on local accountability of changes proposed in policy or legislation;
- To establish the principle that legislation imposing duties on local authorities should be proposed only where there is a clear national interest, with detailed prescription limited to what is required by that interest, leaving the main working out of the detail to local accountability;
- To review the work of the inspectorates and of central-government procedures generally, and the workings of local authorities, to ensure they do not weaken the accountability of local authorities to their citizens;
- To review the complex structure of local governance to strengthen local democracy and local accountability by enabling accountability of local appointed boards to local people, based on the powers necessary to ensure the leadership role of the local authority and the achievement of the community strategy and the local area agreement;

- To give councils the power not merely to consider the recommendations from overview and scrutiny committees but to act on them;
- To give the London Assembly powers to determine policy and the budget on the basis of a simple majority, and to councils and to mayoral authorities elsewhere the right to determine policy and the budget by a simple majority;
- To make provision for the right of recall for elected mayors including for London;
- To reform electoral arrangements through the introduction of individual registration based on the provisions in Northern Ireland.

Recommendations for local government

47. Local authorities should review their organisation and procedures to ensure they meet the requirements of accountability and openness. This review should cover:

- The procedures for overview and scrutiny, the support given to it and the resources made available to it, to enhance its contribution to local accountability;
- The development of public participation to ensure it strengthens local accountability by limiting decision-making to representative bodies and ensuring that participative approaches inform the work of elected representatives by encouraging interactions between citizens and elected representatives;
- The constitution and procedures of the council, and the extent to which they give adequate expression to the role of the council in determining the budget and policy, and in holding the executive to account;
- The extent to which the representative role of the councillor informs the decisions of the executive, and the policy roles of both executive and council, enhancing the councillor's role in local accountability as an elected representative;

- The extent to which the council's organisation gives sufficient expression to the role of the councillor as citizen as well as customer or consumer, giving recognition to the citizen's right to know, to explanation, to be heard and to be responded to.

48. The operation of the new structures and other developments in Government policy have created problems for the effectiveness of public accountability in local government and the openness of the process of local governance to the public. We welcome this investigation by the Committee on Standards in Public Life.