

# Making London Work Better



Submission to the Office of the Deputy Prime Minister of the review of powers and responsibilities of the Mayor and the Greater London Assembly.



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*Submission to the Office of the Deputy Prime Minister's Review of the powers and responsibilities of the Mayor and the Greater London Authority (GLA)*

## **THE COMMISSION ON LONDON GOVERNANCE**

The London Governance Review Commission (now the Commission on London Governance) was first set up in February 2004, with Members appointed by the London Assembly and the Association of London Governments Leaders' Committee. Following a break before the GLA elections, the Commission was re-established on 21 July 2004.

The terms of reference as agreed at the 9 November 2004 Commission meeting are to examine and make recommendations in respect of:

- a) the accountability of service delivery agents;
- b) the participation of the citizens of London in the delivery of services;
- c) the customer perspective on service delivery arrangements, including levels of satisfaction and involvement;
- d) the provider perspective of service delivery arrangements;
- e) the extent and effectiveness of coordination between service delivery agents;
- f) the efficiency and ownership of the funding streams;
  
- g) the appropriate role of other public sector agencies, quasi-autonomous non-governmental organisations and regional authorities in the provision of services;
  
- h) any inequalities of service provision to consumers as a result of geographical location;
  
- h) the scope for increasing public participation in holding public service providers to account

The Commission intends to concentrate on how well London works. That is why the Commission has decided not to review the boundaries of London or its boroughs; the costs of reorganisation would likely outweigh any possible benefits of better service provision. The Commission's interim report "Capital Life" was published in June 2005.

### **Members of the Commission**

London Assembly

Bob Neill (Deputy Chair)  
Richard Barnes  
Darren Johnson  
Murad Qureshi  
Valerie Shawcross  
Graham Tope

Association of London Government

Cllr Hugh Malyan (Chair)  
Mayor Steve Bullock  
Cllr Merrick Cockell  
Cllr Cameron Geddes  
Cllr Steve Hitchins  
Cllr Edward Lister  
Cllr Andrew Judge

Director of Studies

Richard Derecki  
[Richard.Derecki@london.gov.uk](mailto:Richard.Derecki@london.gov.uk)  
Telephone: 020 7983 4899

Media Contacts

[Denise.Malcolm@london.gov.uk](mailto:Denise.Malcolm@london.gov.uk)  
Telephone: 020 7983 4090  
[Suzanne.Stevenson@alg.gov.uk](mailto:Suzanne.Stevenson@alg.gov.uk)  
Telephone: 020 7934 9757

## **EXECUTIVE SUMMARY**

London is distinct from the rest of the country and deserves a unique set of solutions. This principle has been accepted by successive national governments for generations. Regional government is now firmly established in the capital and broadly accepted. London's local and regional government is working well; there is cross-party working in both the Greater London Authority and at the Association of London Government. London is delivering; London has a higher proportion of Excellent and Good authorities and relatively fewer weak authorities than other regions. We need greater freedom and flexibility in our institutional arrangements to build on our success.

- The Commission welcomes the review of Mayoral powers
- We believe that there is clear scope for devolving powers to the Mayor from the centre and from national quangos to improve the quality, efficiency and accountability of public services

The Commission believes that the Office of the Deputy Prime Minister's (ODPM) forthcoming consultation paper must ensure that:

- the functions and powers of the London Assembly are enhanced to deliver an appropriate level of challenge and accountability to the Mayor;
- the functions and powers of the boroughs and their councillors are strengthened to support effective service delivery and articulation of local need and concerns;
- there is a significant planned downsizing of GOL away from service delivery and fund holding to the role of a secretariat for the Minister for London;
- steps are taken to enhance police engagement with local communities;
- there is a clear alignment with the Department of Health's review of the NHS in London to deliver a single strategic health authority, while preserving the co-terminosity of the boroughs and the Primary Care Trusts;
- there is a better fit between the commissioning of post-16 education and London's skill needs;
- there are strong arguments for a change to the current waste management arrangements in London. The different models must be underpinned by a clear business case and structured to produce clear leadership with a sensitivity to local concerns; and
- there is greater scope for London's needs to influence public funding of arts in the capital.

All these issues are explored in more detail in the report that follows. We recommend it to the Office of Deputy Prime Minister and look forward to work together to deliver the governance arrangements that will best deliver the quality public services London and Londoners deserve.

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## **1. Introduction**

1.1 The Commission on London Governance is a cross-party body set up in February 2004 by the London Assembly and the Association of London Government (ALG) to examine and make recommendations on the efficiency, accountability and funding of public services in the capital.

1.2 In our interim report 'Capital Life' we set out our core principles for public service delivery in London:

- Londoners should have a greater say in their affairs;
- there should be more accountability by service providers to service users;
- greater efficiencies should be sought whilst enhancing local accountability; and
- there should be a restoration of local government (as opposed to local administration) and a greater degree of local funding.

1.3 The Government has a manifesto commitment to "review the powers of the London Mayor and the Greater London Authority (GLA). And we will devolve further responsibility to existing regional bodies in relation to planning, housing, economic development and transport". This process is now underway<sup>1</sup> and this short report is the Commission's contribution to the Government's review.

1.4 Our key contention is that London is distinct from the rest of the country and deserves a unique set of solutions. This principle has been accepted by successive national governments for generations. Regional government is now firmly established in the capital and broadly accepted. London's local and regional government is working well; there is cross-party working in both the GLA and at the Association of London Government. London is delivering; London has a higher proportion of Excellent and Good authorities and relatively fewer weak authorities than other regions. We need greater freedom and flexibility in our institutional arrangements to build on our success. London itself needs to take the lead to intervene in failing services, drive up performance across London in service delivery and more robustly promote cross-party working in the boroughs. These are issues on which we believe the ALG needs to make recommendations.<sup>2</sup>

1.5 Furthermore, we believe that the existing boroughs are, and should remain, the primary democratic and administrative units for local government in the capital. Proposals to merge boroughs into super-boroughs, with constituencies of anywhere between 500,000 and a million people, are based on a simplistic assumption that bigger means better. Proponents of such schemes are unable to point to any detailed studies that set out the expected tangible benefits to their constituents. Nor have they set out the costs in terms of administrative disruption. The impact of moving government further from people's homes would weaken local accountability.

1.6 Our interim report identified the 'clutter of institutions' that govern and direct the provision of publicly funded local services in London – see annex 1 for a graphic

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<sup>1</sup> ODPM Press release 06.09.2005

<sup>2</sup> One proposal made to the Commission is for there to be a London Improvement agency body tasked to deliver pan-London efficiencies.

illustration. We also identified the democratic deficit that undermines local accountability and weakens attempts to improve performance. The Commission believes that to improve transparency in governance in London, Government should make clear the distinct roles of the different tiers of government, as follows:

- at the regional level (Mayor and Assembly) - strategies and accountability;
- at the ALG - co-ordination and lobbying
- at the boroughs – representation and articulation of local needs and views, service delivery and leadership in local partnerships.

1.7 We believe that the Government should seize this opportunity to begin the process of a full review of governance arrangements in London. A number of distinct pieces of work including the extension to the remit of the Lyons review<sup>3</sup>, the Office for Public Management (OPM) led review of the NHS in London<sup>4</sup> and the review of the Government Offices of the Regions<sup>5</sup> are underway and they will also have repercussions for London's governance arrangements. **There is the prospect of further muddle, with different recommendations to different Ministers resulting in a missed opportunity to craft a holistic approach to London's needs.**

1.8 The Commission would urge the Government to broaden the focus of the review of Mayoral/GLA powers to examine ways to enhance the role of the Assembly, to devolve powers to a more local level (the boroughs and wards), the promotion of joint working across borough boundaries, funding of London's public services and the re-balancing of the relationship between local government and national service providers.

1.9 We are looking at ways to tie all these issues together. We believe that there needs to be a London settlement with central government to help rationalise governance arrangements from a service delivery perspective and better articulate the relationship between central government, the GLA and local authorities.

1.10 We believe that there in the short term there are quick wins for the Government, in particular:

- the review of the regional Government Offices must be brought to swift conclusion, without prejudice to the review of GLA powers;
- the recommendations of the review of the powers of the GLA (including the formal decision on the longstanding issues around the London Housing Strategy) should be published early in the new year; and
- the working papers promised by the Lyons review this autumn
- should set out options for the financing of the capital's services.

1.11 We welcome the opportunity to contribute to the Government's review and look forward to a response by Government to these proposals. This is an historical moment for London government: it is important that we get in place the right governance arrangements for the challenge of the years ahead.

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<sup>3</sup> ODPM Press release 20.09.2005

<sup>4</sup> Letter to stakeholders, London Review: Developing a Patient-led NHS

<sup>5</sup> The 2004 Pre-Budget Report announced that HM Treasury would work with ODPM and other Government departments to review ways of improving the efficiency and effectiveness of the Government Office network.

## **2. Government Office for London**

2.1 In our interim report, we set out a number of arguments as to why the Government Office for London (GOL) needs to be dramatically scaled back:

- its activities largely overlap with London's regional and local government;
- its running costs and staff size have risen despite the establishment of the GLA;
- GOL is unable to represent London's interests in Government, as it is the Government's agent in London;
- it is unaccountable to and unknown by the vast majority of Londoners; and
- GOL's responsibility for a significant volume of funding streams gives it licence to meddle in and undermine local government.

2.2 Further evidence has strengthened our case for a significant change to the way GOL operates. Sir Ian Blair, Commissioner of Police of the Metropolitan Police Service (MPS), argues that "The Mayor and GLA are elected every four years by Londoners and therefore are held accountable to communities; Government Office for London (GOL) has no such mandate from Londoners. The major programmes funded by GOL relate to the other functional bodies/London boroughs rather than the MPS. It does seem logical that funding streams pass directly to the GLA and this would reduce a layer of bureaucracy providing benefits for the MPS as funding opportunities would be clearer".

2.3 Sir Ian went on to argue that "Government Offices elsewhere in the UK usefully act as the regional body co-ordinating activity across a number of police forces. In London this function is not required because of the mechanisms in place through the Mayor, GLA and Metropolitan Police Authority (MPA). Additionally, the development of the London Criminal Justice and Crime Reduction Boards has left GOL without the role of Government Office in other regions."

2.4 He added "[Furthermore] clear proposals of realignment would be welcomed including clarity on the responsibilities of the Mayor and the Police Authority and how they can more effectively work together to hold the MPS to account for the service we deliver to Londoners. This relationship is only complicated by the involvement of GOL, which provides very limited added value to the communities of London in relation to community safety."<sup>6</sup>

2.5 We also heard from Sir Michael Lyons who indicated that, although regional offices act as a voice for the minister in charge of that area, they are often second-guessing the needs of the community. He argued further that there is a case for slimming down the role of central government in local affairs, which could be part of the new settlement. A redefinition of responsibilities would be helpful. The Scotland Wales Offices provide alternative models.

2.6 Our conclusion is that **GOL should be released from the standard structure of the English Government Offices to one reflecting London's unique status in having elected regional government.** Annex 2 sets out in more detail how we believe up to £650 million of funding could be devolved down to a more appropriate local government level.

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<sup>6</sup> Submission to the Commission on London Governance: Sir Ian Blair, 9 June 2005



## *Making London Work Better*

2.7 We believe that GOL should be re-structured in such a way that its main functions are to offer secretariat and briefing support to ministers at ODPM, principally the Minister for London. A transition team at GOL should help devolve down long running programmes such as the New Deal for Communities or Neighbourhood Renewal Funding, and initiate and then withdraw from schemes such as the proposals for the extension of Local Area Agreements across London. In order to assure ministers that there is a safeguard to prevent any programme or service previously overseen by GOL from failing there should be a right of intervention with co-decision being effected by the Mayor and the ALG Leaders' Committee.

### **3. Fighting crime and the fear of crime**

#### **Background**

3.1 The Metropolitan Police Service (MPS) is, with more than 30,000 officers, by far the United Kingdom's largest police force. In addition to its 30,000 police personnel it has about 12,000 civilian staff and a growing number of police community support officers (PCSOs) – currently about 1,400. The MPS's annual budget exceeds £2.5 billion. Its organisational structure includes a series of pan-London specialist operations but, following a recent restructuring, most day-to-day or territorial policing is managed at borough level. Each borough has its own operational command unit and a borough commander, and there is a similar arrangement for Heathrow Airport.

3.2 As part of the governance arrangements the Metropolitan Police Authority (MPA) was set up by the Greater London Authority Act 1999 as a statutory body charged with scrutinising and supporting the MPS. The MPA Board is made up of 23 members, 12 from the London Assembly (including the Deputy Mayor) appointed by the Mayor, four magistrates selected by the Greater London Magistrates' Courts Authority and seven independents, one appointed directly by the Home Secretary and the other vacancies advertised openly. The Chair of the MPA is chosen by the members themselves, all of whom are eligible to stand.

3.3 Crime and the fear of crime remain at the top of the list of Londoners' main worries.<sup>7</sup> Recent policing trends show a mixed picture; total notifiable offences in London fell by 3.9 per cent between June 2004, and June 2005, and there was a reduction in some particular types of offences eg. homicides fell from 205 to 166. There was, however, an increase in some offences that are of particular concern to the public, with crimes of violence up 9.7 per cent. One of the most difficult issues facing the MPS is balancing the exceptional policing pressures on London as the UK's capital city with its high international profile, such as the terrorist threat, with meeting public demand for greater concentration on local community safety issues. Under the new Safer Neighbourhoods policy, dedicated teams of police officers and PCSOs are being allocated to groups of wards throughout London to provide reassurance and strengthen contact with the public.

3.4 There are a number of initiatives that we believe should be pursued to align more clearly accountability, of and for service delivery and funding streams for the MPS. Borough partnerships should be continued and strengthened.

#### **Where should policy go from here?**

##### *Appointing the Commissioner*

3.5 The appointment of the Metropolitan Police Commissioner is currently a Crown appointment made upon recommendation from the Home Secretary and the Metropolitan Police Authority, with the Mayor being consulted. We believe that the Mayor should *in principle* have the power to appoint the Police Commissioner. This would visibly strengthen the direct accountability of the Metropolitan Police Service to the public through the office of the Mayor. However, given the roles of national importance that the MPS carries out (eg. counter-terrorism), the Home Secretary will

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<sup>7</sup> Association of London Government, Annual Survey, 2004

not wish to lose the power of recommendation. We accept that position and believe instead that the Mayor and the Home Secretary should discuss the relevant candidates' merits and make a joint recommendation to the Queen.

3.6 Some commentators have argued that there needs to be a review of the role and powers of the London Assembly to hold the Mayor and the MPS to account. There is an argument that the position of Assembly Members serving on the MPA and yet questioning MPS officers and MPA Members at Assembly meetings is untenable over the long term. One possible solution, proposed by the Mayor and some Commission members, would be for the MPA to be abolished and its executive powers transferred to the Mayor and a Police Board, appointed by the Mayor, with the scrutiny function of the MPS being transferred to the London Assembly. This would, however, give London a different mechanism for accountability from the rest of the UK and by removing directly elected representatives from the MPA would also weaken the links with local communities.

3.7 We believe that the ODPM's consultation paper should give consideration to the option of following the London Fire and Emergency Planning Board model, which has Assembly member and local government representation. An elected member, on appointment by the Mayor, should chair the MPA. This arrangement would further increase the transparency of, and strengthen the links, between strategic planning and service delivery at the local level. This process of 'co-decision' will benefit efficient service delivery. We believe that there is also a need to address the anomaly of requiring the Deputy Mayor to be appointed to the MPA.

*The demarcation of local and national interests*

3.8 The merging in the MPS of both local and national interests with separate lines of accountability complicates the funding arrangements for the MPS. Greater clarity may be required to ensure full funding for all the national responsibilities which the MPS carries. Central government recognises that there are distinct national functions carried out by the MPS. A 'Special Payment' is made every year; in 2005-06 this came to £217 million. Nevertheless, the MPS believes this pot is underfunded. In a written submission to the Commission, Sir Ian Blair argues that "there is a shortfall in the funding of the National, International and Capital City (NIC) activities, including Counter Terrorism, undertaken by the MPS. For 2003/04, an independent review by Avail Consulting assessed this shortfall at nearly £34 million. Allowing for variation of deployment on NIC tasks, Avail Consulting assessed the current level of systemic underfunding in the range of £23-45 million."

*A local voice in service delivery*

3.9 As part of its duties the MPA seeks to listen and engage with Londoners. This is a crucial part of the MPA's activities as it informs policing priorities for the year ahead and the way in which London is policed. The MPS has set up a Citizens Panel, made up of 3,000 people chosen to represent London's population and diversity. Each MPA member is associated with each of London's boroughs so that local views can feed into the accountability process. Furthermore, the MPA is committed to ensuring that every borough in London has a community engagement mechanism for local people to speak to their local borough command about policing issues. In most boroughs this takes the form of a Community Police Consultative Group (CPCG). In other boroughs consultative

mechanisms and the ways in which the local community can speak with the local police are being reviewed or developed.

3.10 At the sharp end of crime reduction, many of the borough's Crime and Disorder Reduction Partnerships (CDRPs), which bring together statutory agencies to deliver a local crime reduction strategy, are able to demonstrate the success in having joint tasking and collaborative working. However, for some there remain important issues of accountability, continued resistance to pooling funding streams and tensions between national priorities and local needs to be resolved. Further thinking needs to take place as to how CDRPs will fit into a complex local government landscape at a time when central government is promoting the model of Local Area Agreements for joint working. In taking forward this debate, we look forward to the publication of the Home Office review of CDRPs later in the autumn.

3.11 The Commission is keen to develop ways to strengthen this process of community engagement and influence, without the need for inventing new mechanisms or new layers of bureaucracy. The Commission believes that within the existing local government family there may be scope for developing a more formal role for borough leaders with their borough commanders. This could mean that:

- the Council executive be given the right to be consulted in the process for appointing borough commanders;
- there could be formal powers to support borough Overview and Scrutiny committees to support engagement with local police teams; and
- building on the good practice in many boroughs, a statutory right should be given for local Councillors to be consulted by their Safer Neighbourhood team on issues of local priority<sup>8</sup>.

**3.12 The underlying principle for these proposals is that answerability of local police teams to elected representatives and the local community should be enhanced where possible. But this is not an invitation for boroughs to seek involvement with daily operational control of the police in their community.**

There will be scope for engagement over strategic operational matters, for example the broad approach to setting of priorities around policing of the Notting Hill Carnival, but individual police operations will rightly remain within existing policing frameworks.

3.13 Our proposals work with existing community assets to provide clear, easy to understand and effective mechanisms for local people to develop and strengthen relationships with borough policing commands and their Safer Neighbourhood teams. Crucial to the success of these measures is the resource support that councils and their officers can bring to these engagement processes. A well supported, professionally run engagement process will bring benefits to both sides of the debate in terms of focus and follow-up. The aim is not to create a new set of 'talking shops' but to create a dynamic environment where information is shared and a virtuous circle of influence, accountability and higher quality outcomes is achieved.

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<sup>8</sup> One member of the Commission opposed this recommendation.

## **4. The local voice in London's health care economy**

### **Background**

4.1 It cost £9 billion to run the National Health Service (NHS) in London in 2002/03, making it an organisation similar in financial scale to the GLA group or the combined London boroughs. The service is managed in London on behalf of the Secretary of State for Health by five strategic health authorities (SHAs), responsible for the performance management of the service. A variety of trusts commission and deliver services. Primary care trusts (PCTs) are the core local organisations in the NHS. They are responsible for providing or purchasing most of the NHS services familiar to Londoners, from hospital treatment to General Practice (GP) and dental services. Spending decisions on 75 per cent of the NHS budget are made by PCTs. Londoners' contact with the NHS is most frequently through their GPs who act as gatekeepers to specialist services. The capital has about 4,500 GPs, who are in effect independent contractors responsible for buying or renting their own premises, hiring their own staff and running their own practices as small businesses.

4.2 Governments have for some time promised greater choice for those who use public services, but bringing market pressures into health care provisioning remains controversial. The Prime Minister has stated that his objective is to "change monolithic services into services which are far more centred around the user of those services, which are more diverse in their supply, which ensure that if people are getting a bad system that they have got the ability to go elsewhere."<sup>9</sup> Policy reform in the public services is therefore focused on increasing the choice of providers (for instance a choice between hospitals or schools) as well as devising incentives to encourage providers to increase choice (for example choice of school subject or medical treatment).

4.3 This is a time of potentially great change for the NHS in London. There are two separate but related reviews ongoing at the present time.<sup>10</sup> Our proposals contribute to that debate. Commission members remain concerned that the Department of Health may pressure London PCTs to merge in the hope of generating some modest financial savings. The co-terminosity of boroughs and PCT boundaries has proved to be a great strength of the present arrangements in the capital and increasingly helps ensure a smoother fit between health care and social service provision in complex cases of need. **We would oppose forced PCT mergers unless there are clear, demonstrable benefits to be had by the local community.**

4.4 Wider choice is only one aspect of the policy of reform. Government has argued that greater involvement by individual citizens in public bodies is also needed if public services are to improve. Effective representative institutions, complaints systems, and user surveys are all mechanisms for giving users a 'voice' in service provision. Furthermore, alongside its five year plan, two papers from the Office of the Deputy

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<sup>9</sup> PM Press Conference June 2004

<sup>10</sup> At the 24 May Commission meeting, Carolyn Regan (Chief Executive, NE London Strategic Health Authority) announced a review into the way that strategic planning, capacity planning and workforce management are carried out in the capital. This has been incorporated into a review by Sir Nigel Crisp, Chief Executive of the NHS, into how the NHS can develop a patient-led commissioning system. This review carries implications for the structure of 5 SHAs and the 31 PCTs in London. A White Paper on out-of-hospital care was published in May.

Prime Minister<sup>11</sup> set out a number of proposals for involving communities more effectively in decision-making.

4.5 For members of the Commission, increasing the impact of the local voice is vital to create a flexible and tailored service for all London's citizens. Reconfiguring services can help, but it is only by tying the delivery of health care services into the local community that reform will deliver health improvements for the community. The diversity of London's communities and the increasing complexity of Londoners' needs require strong input and feedback from the local community. Local government can play a vital role in mediating that voice.

4.6 The NHS has a number of initiatives aimed at increasing the public voice in service delivery, but they are resource weak and poorly understood. These include the Commission for Patient and Public Involvement in Health, Patient and Public Involvement Forums, Patient Advice and Liaison Services and local council Overview and Scrutiny Committees. Details are set out more fully in Annex 3. The proposals that follow in this report are designed to increase local involvement in the shaping of service provision at all levels of care in the capital.

### **Structural change in the NHS and the impact on local accountability**

4.7 In considering how to increase the impact of the local voice on service delivery two key strands of the government's reform policy need to be highlighted – the creation of NHS Foundation Trust hospitals and the latest drive to change the way services are commissioned.

#### *NHS Foundation Trusts and local democratic accountability*

4.8 Foundation trusts were introduced in 2004. They have enhanced financial and other freedoms, while still having to deliver to NHS national standards and targets. Guy's and St Thomas', Homerton, Moorfields, Royal Marsden and University College hospitals in London are among the first hospitals in the country to hold foundation trust status and the Government intends to extend this form of organisation.

4.9 In addition to conventional boards of directors, foundation trusts have larger boards of governors (sometimes known as members' councils) on which local authority representatives and other community stakeholders sit. Boards of governors also include members elected by local residents, patients and staff.

4.10 It is the Government's hope that involvement in such elections, as either candidates or voters, will stimulate local interest in the way the NHS is run. Participation in the first foundation trust elections has been low, however, pointing to the need for further debate about the best way to represent local democratic interests on bodies such as NHS trusts.

4.11 Nationally, some of the first trust hospitals received insufficient nominations for office to fill all vacancies, while the numbers of voters in contested elections, as proportions of local populations, has been tiny. Even at a time of concern over declining

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<sup>11</sup> 'Citizen Engagement and Public Services: Why neighbourhoods matter' and 'Vibrant Local Leadership'

turnout in parliamentary and local government elections, the comparison between the election of councillors and foundation trust governors is striking.

4.12 This is illustrated by the contest for ten public seats on the members' council of Guy's and St Thomas' Foundation Trust, one of London's leading hospital groups located in the boroughs of Southwark and Lambeth. The ten successful candidates in the public section of the members' council took office on the basis of 924 returned voting papers, 901 of which were valid. At the May 2002 local government elections in Southwark, by comparison, more than 45,000 people voted. In the same elections in Lambeth, all except three of the 63 councillors elected in 2002 received higher personal votes than the total number of valid voting papers in the public section of the Guy's and St Thomas' members' council elections.<sup>12</sup>

4.13 Different hospitals have different ways of building up their members' councils: some prefer as large a membership as possible, others prefer a smaller membership with whom the executive can communicate more easily. Nevertheless the board of governors has little real power over the board of directors; it can influence or persuade but has no powers to amend budgets or force a change in procedures.

4.14 While we welcome the genuine efforts made to engage with the local community, we remain unconvinced that the governance arrangements for such important institutions as London's hospitals are best suited to deliver clear, local accountability. **A majority on the Commission believes that these boards should be abolished.** We recommend that there should be statutory local government representation on the board of directors and regular appearances in front of boroughs' Overview and Scrutiny Committees.

#### *Reforming the NHS: implications for governance*

4.15 The NHS's new Payment by Results financial structure is only part of a radical change programme which may have considerable implications for its governance and its relationships with local government. A core objective of the Government's changes is to refocus the NHS as a community-centred, primary care-driven service rather than one dominated by big hospitals and centralised decision-making. More services will be offered in the community, with an increasing variety of advanced treatment taking place in GPs' surgeries and other settings such as walk-in centres, local diagnostic centres and a new generation of community hospitals. Social services staff will work in primary care premises such as GPs' surgeries, and healthcare services will be located in some schools and other local government facilities.

4.16 At the same time, the NHS is being opened up to private sector involvement, not only through the Private Financial Initiative (PFI) but by direct involvement in clinical activity. John Reid, the former Health Secretary, has suggested that 15 per cent of non-emergency operations could eventually be undertaken privately.

4.17 The latest Department of Health consultation (Commissioning a patient-led NHS) proposes a step-change in the way services are commissioned by front-line staff. GP practices will take on responsibility from their PCTs for commissioning services. A primary care-driven NHS will increase pressure on local authorities and primary care trusts to break down institutional barriers between health and social services. While

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<sup>12</sup> Other hospitals have had higher turnouts (eg Homerton)

governments have advocated this for many years, progress has been patchy. Since 2002 it has been possible for local authorities and primary care trusts to go beyond collaboration and form formal Care Trusts, bringing elements of NHS and local authority social services care under a single management. The intention is to provide a more comprehensible and connected service to groups, such as the elderly and people with mental illnesses, who often require both types of service. However, only eight care trusts have been formed throughout the country, including one at Camden and Islington and another at Bexley.

4.18 Another impact of the reforms will be to begin redirecting the NHS from a highly-centralised, service-delivery organisation to a more fragmented commissioning agency. The new model envisages PCTs, themselves strongly influenced by the choices of patients, purchasing services on behalf of GPs or groups of GPs in a mixed market of arms-length foundation trust hospitals and private and voluntary sector providers.

4.19 This has considerable implications for future NHS governance. The current governance structure still reflects the NHS's centralised origins, with all members of trust boards appointed on behalf of central government and accountable upwards to the Secretary of State for Health. Patient choice, community-based primary care and local commissioning will focus accountability much more towards the local level. As the NHS reforms evolve, the logic of strengthening links with local government and bringing the commissioning activities of PCTs within the realm of local democratic accountability needs to be strengthened.

### **Where should policy go from here?**

4.20 London should have a **single Strategic Health Authority (SHA)**. We believe that the current system of five SHAs is designed to weaken the London voice within a national service with significant costs to operational efficiency, an effect which staff in the five SHAs have worked hard to mitigate. This rationalisation will bring efficiency savings, a coherence of purpose across London and closer engagement with Pan-London organisations, and develop a sense of community and communality for the NHS in London. There are however detailed issues of governance, such as ensuring a sufficient talent pool from which to appoint non-executive directors to deliver the required level of local accountability and to ensure the appropriate geographical spread, that need to be resolved.

4.21 We believe that, building on the work of the London Health Commission, there should be a **London Public Health strategy** formally set by the Mayor in consultation with the NHS in London. There are significant gains to be made from bringing together resources and capacity from across the GLA group to tackle often complex health and social needs. There needs to be a much closer working relationship between the GLA's London Health Commission and the new SHA to avoid duplication of effort and to ensure a clear direction of travel for health commissioners and providers in London.

4.22 At a minimum to achieve better health outcomes and efficiency savings, boroughs' health plans should be brought into conformity with PCT plans and vice versa. As the NHS reforms advance, the Excellent and Good Comprehensive Performance Assessment (CPA) rated **boroughs should be allowed to take over health commissioning from PCTs**. Social care and health budgets would be pooled within a single organisation. Health commissioning priorities would become subject to local democratic debate and control, making choice an issue for the community as well



as for individual patients. Some boroughs are well advanced down this path. Croydon has a number of budgets pooled between PCTs, Health Trusts and the Council's Social Services Departments. Joint commissioning boards for mental health services in Croydon have yielded significant, demonstrable, efficiency savings.

4.23 Members of the Commission have been involved in a round of discussion with senior health officials as part of their review of London's NHS structures. **We are deeply concerned at the possible arbitrary merging of PCTs in London** to deliver unspecified efficiency savings. We believe that the loss of the growing benefits from co-terminosity of the borough and PCT boundaries (which brings close working relationships with the police, fire and prison service) will outweigh any marginal managerial savings. Furthermore it is impossible to believe that arbitrary mergers of PCTs will promote joint commissioning across borough boundaries and the sharing of Neighbourhood Renewal Funding (NRF). In our view it is much better to allow joint-borough working to develop organically as it is and then to look at PCT alignment.

4.24 The pre-1990 right of the boroughs to nominate councillors to serve on all NHS trusts in their area should be restored, with the GLA and ALG nominating to London-wide NHS bodies such as the London Ambulance Service Board.

4.25 The boroughs' health scrutiny role, which gives councillors responsibility for representing the local-level public interest in the NHS, including with the GPs in that councillor's ward, should be expanded. The NHS' patient and public representation services, introduced only when Community Health Councils were abolished in 2003, are already being changed again. Giving councillors formal responsibility for representing the public interest in local NHS institutions would be more easily understandable than the inward-looking NHS arrangements, enhancing councillors' roles as community representatives and linking health to wider local policy objectives. Local councillors should be supported to become the public face of all publicly funded local services.

## **5. Giving Londoners the skills they need: the Learning and Skills Council**

### **Background**

5.1 London has a highly dynamic economy, with productivity per person 20 per cent above the UK average. It is estimated that there will be 600,000 more jobs in the capital by 2016; an increasing proportion of these will require advanced skills. As in many areas of London life there are great disparities in the population; some 24 per cent of working-age Londoners (roughly one million people) have a degree, with a further seven per cent having a postgraduate qualification. Yet at the other extreme about 700,000 Londoners have no qualifications, 23 per cent have inadequate numeracy and literacy skills and some groups – such as refugees and asylum seekers – face particular barriers to employment.

5.2 At our panel session on 20 July we heard that alongside these absolute numbers, the trends in learning development in London are no longer moving in a positive direction. Despite the success registered in improving the numeracy and literacy standards of some 150,000 adults over the past five years,<sup>13</sup> we heard that in terms of improvements:

- the proportion of those with a degree in London is not growing as fast as in other regions;
- the proportion of London's population with five GCSEs at A-C grades has actually gone down, and
- the reduction in the number of people with no qualification in the workforce is at its lowest level over a seven-year period.

5.3 As Jacqui Henderson, the former Regional Director, London Learning and Skills Council noted at our meeting “for London as a whole these statistics are extremely worrying”.

5.4 The national Learning and Skills Council (LSC) was established in 2001, combining the training functions of the former Training and Enterprise Councils (TECs) with the work of the Further Education Funding Council. It is responsible for funding and planning education and training in England for young people over 16 years of age (other than those in universities) and adults. These responsibilities take it into the fields of: further education; work-based training; school sixth forms; workforce development; adult and community learning; advisory and guidance services and education-business links. It has a budget of £9.3 billion in 2005/06, set to rise to more than £10 billion by 2007/08. In 2003/04, funding to London totalled about £1.2 billion.

5.5 The 15-strong national Learning and Skills Council is appointed by the Secretary of State for Education and Skills. It operates through 47 local learning and skills councils across England. Five cover London – Central, East, North, South and West - and their directors have a co-ordinating regional structure. The boundaries of London's five learning and skills councils are not co-terminous with those of the five London Strategic Health Authorities, but LSC boundaries are the same as the sub-regions in the Mayor's London Plan. LSCs overlap with the boroughs in many areas including sixth form education, regeneration and economic development, and with the London Development

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<sup>13</sup> Peter Pledger (Executive Director, London West Learning and Skills): evidence to the Commission, 20 June 2005.

Agency. A memorandum of understanding is intended to ensure that the LSCs and local government work together effectively.

### **Where should policy go from here?**

5.6 There are a number of powerful arguments as to why changes are needed to deliver a more effective and responsive service.

- The establishment of five LSCs appeared to be designed to weaken the voice of London within a national framework. At a minimum, a single LSC with a sub-regional structure would be more effective, allowing easier coordination of working partnerships to operate at the regional and sub-regional level and with more efficiency, as it would allow some greater degree of flexibility for moving resources across London to meet greatest need. It would furthermore give London the clout it needs to ensure it achieves the level of resources to meet the challenges identified earlier. National standards set by central government would set the benchmark, which London would build on.
- **We want to go further.** Senior GLA officials speak of the implementation gap that exists with the Mayor unable to deliver his strategies because he lacks any real levers to direct or change resource flows. Giving the Mayor the budgets, and the responsibility, to deliver on the priorities of the London Regional Skills Partnership would enhance accountability and strengthen the strategic role of the Mayoralty; this would also allow for a greater degree of fine-tuning in policy to meet the distinctive challenges faced by professionals delivering learning and skills services and give London a clear mechanism to demonstrate its value-added in delivering these services.
- **The powers, budgets and responsibilities of the London LSCs should be brought into one structure, Skills London, accountable to the Mayor and answerable to the London Assembly.** This should include all the LDA's existing skills responsibilities including Business Link. The targets and budgets for the new body should be set regionally but aligned so as to contribute to the delivery of the national framework.
- The new functional body should have a board modelled along similar lines to that used for the London Fire and Emergency Planning Authority (LFEPA), which combines elected representatives from both local government and the London Assembly. Specialist experience can be brought in to support the elected members by Mayoral appointment.
- Some members of the Commission believe that the LSCs are too remote, fail to engage effectively with local politicians and are unable to respond flexibly to changing local circumstances. Borough councils have a vital role to play in feeding in local intelligence as to the challenges, needs and demands of the local population, public sector employers and the business community. With the powers, budgets and responsibilities of the London LSCs being brought into a new regional body accountable to the Mayor, the Local Strategic Partnership should be tasked with drawing up borough adult skills plans setting out local needs and demands. This will begin to make the system more obviously demand-driven. The LSPs could also monitor progress in the delivery of the skills and training development strategy across its borough.

## **6. Emptying the bins: Municipal Waste Management in the Capital**

### **Background**

6.1 London produces approximately 17 million tonnes of waste<sup>14</sup> and has just 10 million tonnes of waste management capacity, i.e. 60 per cent of what is needed. Municipal solid waste (MSW - made up of household and some business waste) constitutes 25 per cent of this total and is dealt with in a number of ways – nine per cent is recycled, 20% is incinerated, and 71% is land filled.

6.2 Most of the 1 million tonnes of municipal waste incinerated is taken to the Edmonton Solid Waste Incinerator at Enfield and the South East London Combined Heat and Power facility (SELCHP) in Lewisham, both of which provide about a third of the incineration capacity in England. Just over three million tonnes of municipal waste is sent to landfill, with the vast majority going for disposal outside London. In 2003-04 London recycled 0.5 million tonnes of municipal waste.

6.3 By 2020, London is forecast to produce 25.8 million tones of waste, which will need to be managed within London in the face of diminishing landfill capacity. However, London faces a number of unique challenges in delivering a sustainable waste management infrastructure. These include:

- an historic reliance on landfill and lack of its own treatment facilities;
- a lack of available space for new waste management facilities;
- a fragmented waste management structure; and
- finding the funding for the required infrastructure.

6.4 Municipal solid waste in London is currently collected by 33 separate Waste Collection Authorities (WCAs) which are co-terminous with the boroughs and delivered to London's Waste Disposal Authorities (WDAs) for treatment. Prior to its abolition on 31 March 1986, the Greater London Council was the WDA for London. With the abolition of the GLC, four federal groupings of boroughs (funded by levy on the constituent boroughs) were created, leaving twelve individual boroughs that act as both collection and disposal authorities.<sup>15</sup>

6.5 The existing collection and disposal arrangements have been in place for nearly 20 years. However, the challenges that waste disposal authorities face in the future are of a different order to those faced so far (there are new EU statutory targets, for example) and it is timely to consider whether more strategic arrangements may make these challenges easier to resolve.

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<sup>14</sup> Source ALG briefing note. Data are for 2000/01.

<sup>15</sup> **East London Waste Authority** - Barking & Dagenham, Havering, Newham and Redbridge  
**North London Waste Authority** - Barnet, Camden, Enfield, Hackney, Haringey, Islington and Waltham Forest.

**Western Riverside Waste Authority** - Hammersmith & Fulham, Lambeth, Wandsworth and Kensington & Chelsea.

**West London Waste Authority** - Brent, Ealing, Harrow, Hillingdon, Hounslow and Richmond.

6.6 At its 19 July meeting, the Commission heard from a number of leading experts in the field. Many of our guests spoke of the need for leadership and vision for managing waste collection and disposal across London. Some argued that “next to nothing” has happened in the past 20 years to tackle the issues facing the sector and that only a strategic London-wide body could undertake these tasks. For example, we heard that London will need another 100 facilities for re-cycling, yet only five planning decisions have been reached in this area in the past five years. Others argue that, before restructuring the sector, what is needed is a clear steer from central government: including a settled policy, clear route maps and adequate funding for local government to meet its targets.

### **Where should policy go from here?**

6.7 At its 19 July meeting, the Mayor’s Policy Director for the Environment set out arguments for a London Single Waste Authority (LSWA). Collection would still be arranged by, and be accountable to, the boroughs and there would need to be a separate planning board to whom the waste authority would apply for planning permission. Key to his case is the argument that such an authority could:

- deliver a more cost effective waste disposal regime;
- create pan-London ‘sticks and carrots’ to drive up re-cycling rates;
- harness available funding streams to raise the level of investment for needed infrastructure; and
- promote a single awareness campaign.

6.8 **The Commission believes that there are strong arguments to consider changes to the current arrangements. Some members of the Commission expressly support the Mayoral proposals for a LSWA structured as a functional body. Others believe that there are a number of options which need to be considered** (see Annex 4). These include borough-led models that would build on existing arrangements, avoid the separation of functions into different tiers of local government and be delivered quickly as they avoid the need for primary legislation.

6.9 The ODPM’s consultation paper must consider all the possible options. The Mayor’s proposals should not be the preferred option without a clear business case demonstrating that:

- the economic benefits of any new institutional arrangements must clearly outweigh the costs involved, including opportunity costs;
- better environmental outcomes are going to be achieved; and
- there will be greater public accountability of the new functional body.

The Mayor’s scoping paper on proposals for a London Single Waste Authority (September 2005) does not meet these requirements.

6.10 The Commission heard a number of concerns expressed in opposition to the Mayor’s proposals, which the consultation paper should address: in particular, the fear that the London Single Waste Authority (LSWA) would not be in touch with local

requirements, perceptions and feelings. The fear is that decisions could be imposed on local communities in the name of what is best for London regardless of genuine local concerns and without an appropriate timescale for those concerns to be properly aired. There could be cost implications associated with the Mayor's decisions and for which the Mayor would need to be responsible. There needs to be some protection offered to the boroughs from the possible imposition of a regime by a Mayor which might have serious financial consequences. There should be some checks and balances on anything which involves the transfer of resources directed by a person who does not collect them. Furthermore, little consideration has been given as to how to preserve the links between collection and disposal functions to avoid disputes at the margin, nor has any thought been given to governance arrangements of the LSWA and its relationship with the Assembly.

**6.11 The Commission believes that *if* the LSWA were established its board should combine the strengths of Mayoral leadership, borough expertise and the pan-London perspective brought by Assembly Members.** A mixed membership along the lines of LFEPA with private and voluntary sector participation as necessary would provide firm foundations for implementing an agreed London waste strategy. These arrangements would also need to ensure that the budget be open to scrutiny by the Assembly and that the Assembly's powers of summons in respect of functional bodies' personnel and documentation would apply.

6.12 As a final refinement, further arguments were advanced that waste regulations which can "impinge on planning and help or hinder", and which are currently part of the remit of the Environment Agency, should be part of the assessment of how the waste sector should be developed. We believe that there is scope for devolution to a London-wide level or to local council environmental health departments and would welcome the Government's comments on this issue.

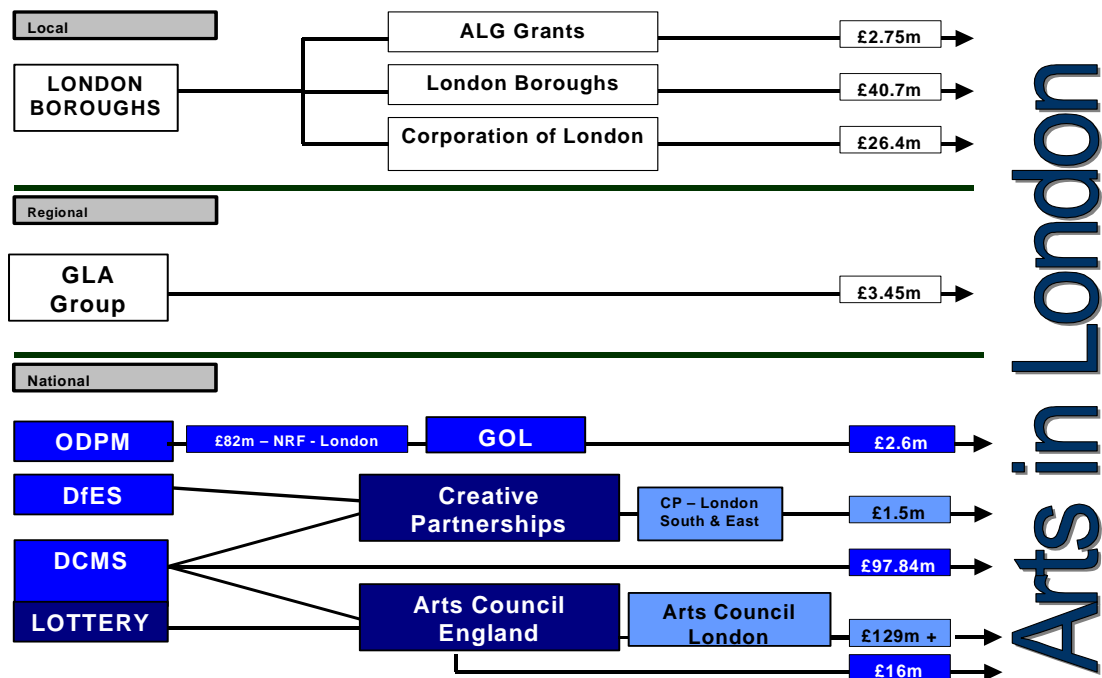
## 7. Arts funding in the City

### Background

7.1 London’s cultural organisations contribute to a wider creative industries sector which forms one of the most dynamic areas of the city’s economy, with a £21 billion annual turnover. The Mayor is statutorily required to produce a cultural strategy, and in this the Mayor calculates that London’s cultural sector receives financial support from all sources of £1.33 billion a year. Most of this comes from the public sector, with the arts the biggest single recipient (£320 million in 2002). But the structures for spending public subsidy are complex, vary from one sub-sector to another, and produce an inconsistent patchwork of delivery. Some boroughs receive significant subsidies: others, particularly the outer London boroughs, very little.

7.2 Funding of some of London’s most famous cultural institutions – its national museums – takes place through direct agreements with the Department of Culture, Media and Sport, and in many cases their trustees are appointed by the Prime Minister. Arts Council England, created in its present form in 2002, channels both the Government’s contribution and National Lottery money to arts organisations.

Chart 1: Public funding streams for London’s arts



7.3 The Arts Council England’s national council is appointed by the Secretary of State for Culture, Media and Sport. There are nine regional arts councils, including one for London, and chairs of the regional councils form part of the national council’s membership. Regional arts councils are responsible for agreeing regional strategies and plans within the national framework, approving investment plans, and agreeing regional budgets and larger grants.

7.4 The 15-strong regional councils include six seats for representatives of regional and local government. Members of the London Assembly and London borough councillors serve on the London regional council and there have been discussions between the Mayor and the London region to seek coherence between its future programmes and the Mayor's cultural strategy.

7.5 While Arts Council England reserves seats on its regional councils for local government representatives, there is no obligation for funded organisations to do the same, however substantial the grants they receive. In March 2005, Arts Council England announced regular funding of £300.7m to arts organisations throughout England in 2005/06. Slightly more than half of this, £152.3m, will go to London. That is because four of the 'big five' flagship organisations supported by Arts Council England are based in London. These are the Royal Opera House, South Bank Centre, Royal National Theatre and English National Opera. Between them these four institutions will receive more than £76m, or half London's total allocation.

7.6 All four institutions, like most others funded by Arts Council England, are heavily reliant on public sector support. English National Opera's analysis of income for 2000/01, for example, shows that 53 per cent of the total came in the form of public money from Arts Council England, and another 28 per cent directly from members of the public via the box office; some of the remainder came from other public sources such as Westminster City Council. Yet neither London local government nor the company's regular paying audience contribute to the make-up of its board, on which members serve by invitation. All four large arts organisations are registered charities and, although charities may elect trustees from among their members, they are not obliged to do so. The arts organisations have various friend and membership schemes, but these do not confer any power to elect board members. This absence of direct local government or public involvement in governance is particularly striking in respect of the South Bank Centre which was run by the Greater London Council until its abolition in 1985 and, in its earlier days, by the London County Council.

7.7 Sarah Weir (Executive Director, Arts Council England - London) set out for the Commission the ways in which the Arts Council works closely with partners at all level of society, including with local authorities and the Mayor. But as Councillor Denise Jones (Chair of the ALG Culture and Tourism Board) argued, "there is cross working, although it is not good enough yet. There should be more joined up working to make sure that we all know what arts are going on in London." We particularly welcome the work that the Arts Council is involved in to encourage bids for grants to come from outer London boroughs, but there may be scope for the Mayor to promote the availability of arts funding to ensure a wide diversity of recipients.

### **Where should policy go from here?**

7.8 The Mayor has created a London Cultural Consortium (LCC) and shown the benefits of elected regional government becoming actively involved in promoting and lobbying for the cultural sector. There is a case for extending the Mayor's powers to help bring greater cohesion to a highly fragmented sector. As well as reducing ambiguity and overlap in the present funding arrangements, this would position cultural activities within the framework of broader social and economic policies. **The government could as a minimum fund the Mayor's LCC, as it funds other regional cultural consortia.**



7.9 **Government should also devolve down to the Mayor, in consultation with the ALG, the appointment powers for the board of Arts Council - London, including the post of Chair.** Closer working relations between the Arts Council, the ALG and the boroughs could help avoid duplication, ensure a more equitable distribution of support across the whole of London and, by providing a mechanism for combining funding streams, create greater pools of upfront capital to draw in private sponsors.

## **8. Checks and Balances**

8.1 The Commission is clear that in any discussion about revising Mayoral and GLA powers, consideration needs to be given to how the checks and balances to Mayoral power should be refined. In particular, we would welcome consideration in the forthcoming consultation paper of how the role of the London Assembly should evolve to ensure that there is sufficient challenge to the executive. The Assembly's statutory role is to hold the Mayor to account, primarily through the formal process of consultation and approval of the Mayor's budget, but also through Mayor's Question Time and Plenary sessions and through its various Committees, which are tasked with, among other things, scrutinising the Mayor's policies.

8.2 The Assembly's 25 Members, elected on a constituency and pan-London basis, are resourced to scrutinise the finances, policies and outputs of the Greater London Authority, which includes the Mayor's Office and the four functional bodies (Transport for London (TfL), the Metropolitan Police Authority (MPA), the London Fire and Emergency Planning Authority (LFEPA) and the London Development Agency (LDA)).

**8.3 The London Assembly is a vital partner to the Mayor in ensuring good governance in the capital, the delivery of value for money policies and the input of the views of all local people in the Mayor's decision-making process.**

### *Assembly powers in relation to the Mayor*

8.4 To date there have been eight Mayoral statutory strategies and seven non-statutory strategies. The Assembly has a preferred stakeholder status, being consulted before other interested parties by the Mayor on any statutory strategy or change to the strategies. This provides some input into the formation stage of the Mayor's policies, but no real power to check or balance his ability to dispense resources. The Mayor can listen but take no notice. **The electorate provides a broad mandate to govern but the Assembly provides the day-to-day accountability and challenge for specific policies and programmes.**

8.5 Some Commission members believe that the London Assembly needs to have an extension of its powers both to strengthen the quality of the challenge to the Mayor and to validate the Mayor's assertion to be receptive to the views of all Londoners. One refinement could be that there should be meaningful opportunities for the Assembly to influence all the Mayor's strategies, for instance via pre-scrutiny or call-in powers similar to those exercised by local authority Overview and Scrutiny Committees. But such powers would stop short of creating a new power of amendment of final draft strategy documents. The need for the Mayor to consult with and gain the approval of the Assembly will mean that the political constituency that supports his policy will be larger than it has to be at present. The London boroughs will feel more assured that their concerns will be aired. These changes will not significantly restrict the Mayor's ability to act in a decisive fashion.

8.6 Some members of the Commission believe that more radical change is required, with the Assembly's existing powers to amend and present an alternative budget, with the agreement of two-thirds of its members, to be extended to cover all the major policy areas in which the Mayor presents his strategies. There would therefore be a 'Second Reading' debate on the principles of the strategy and then consideration of the strategy in plenary session or in committee. The Assembly would then have the ability

to amend the strategy given a two-thirds majority. The Assembly would therefore evolve down the path of the other devolved authorities developing into a 'quasi-legislative' body. This would in effect give the Assembly the power to scrutinise the Mayor's spending plans before the commitments are made.

*The role of Assembly Members on the boards of the functional bodies*

8.7 The GLA's four functional bodies deliver transport, policing, fire and emergency planning, regeneration and business support services. Collectively they have a budget of some £10 billion, the bulk of which is government grant. Each of the functional bodies has slightly different governance arrangements:

- TfL is directed by a management board whose members are chosen for their understanding of transport matters and appointed by Ken Livingstone, Mayor of London, who chairs the TfL Board. No Assembly members or London councillors are permitted to sit on the Board.
- The LDA Board is a business-led board, which is appointed by the Mayor. It gives strategic leadership to the organisation and is accountable to the Mayor for the Agency's performance and targets. Its 14 members include Assembly Members, councillors and business representatives.
- LFEPA's 17 members are the Authority's main decision making body. They focus on the organisation's strategy and policy; its responsibilities include appointing senior staff and hearing disciplinary cases. Members, and the Chair, are appointed by the Mayor; nine members are from the London Assembly and eight are nominated by the London boroughs via the Association of London Government.
- The MPA has 23 members: 12 from the Assembly appointed by the Mayor, four magistrates selected by the Greater London Magistrates' Courts Authority and seven independents, of whom one is appointed directly by the Home Secretary). The MPA is tasked with increasing community confidence and trust in London's police service, setting policing targets and monitoring performance. The Chair is elected by its members.

8.8 These boards are part of the executive, and appointments to them an important patronage power of the Mayor. Yet these arrangements lack consistency and offer different forms of accountability. For example the Chair of the MPA is elected by the MPA Board but the Chair of LFEPA is appointed by the Mayor. There appears to be no rationale for these different arrangements, nor any underlying principles to guide membership and appointments.

8.9 Tony Travers (Director, Greater London Group, London School of Economics) argues that in relation to the role of Assembly Members on the boards of the functional bodies "my view would be that the boards responsible for the services that the GLA is responsible for would *not* have Assembly Members on them". Tony Travers argues that Assembly Members are compromised by being on boards of the functional bodies and then also having the task of scrutinising their activities. The co-opting of Assembly Members into executive positions weakens the ability of the Assembly to scrutinise the policies and activities of the functional bodies. He argues that Londoners' needs could

best be served by a clear division between executive and legislative or scrutiny functions, as the Welsh Assembly has recently accepted.

8.10 The Commission, however, believes that there does indeed need to be reform of the boards of the functional bodies. **But that the direction of travel should be in order to make them more representative of London's government as a whole. Thus the board for LFEPA, which includes Assembly members and representatives of the boroughs, should become the template for them all.** The Commission believes that:

- all functional bodies, existing and newly created, should include a proper balance of members from both the Assembly and the London boroughs. Boards combining borough and Assembly members achieve a mixture of local intelligence and pan-London views vital to help steer pan-London services. They provide a visible link to local communities. This arrangement would further increase the transparency of, and strengthen the links, between strategic planning and service delivery at the local level;
- all functional bodies should be chaired by an elected member on appointment by the Mayor;
- there needs to be further investigation into devising a mechanism by which the Mayor is able to give policy leadership to the functional bodies to deliver Mayoral manifesto and strategy commitments.

8.11 Following this model would mean reform of the constitution of the board of Transport for London to allow Assembly Members and London councillors to sit on it. The number and appointment of the Assembly and ALG members should be looked at in the round to ensure that elected members are able to contribute effectively to the running of the authorities.

#### *The Assembly and the boroughs*

8.12 Some members of the Commission are keen to explore ways in which greater synergies could be realised by closer working between the Assembly and the Association of London Government. There have been some limited examples of joint working, for example a joint scrutiny of a pan-London service, the London Ambulance Service, but closer co-operation could boost the resource base that Assembly Members could draw on and provide the boroughs with a more effective way of making representations to the Mayor's policy development. There is a strong case for a joint-committee looking at the work of any future single Strategic Health Authority for London.

8.13 One possible model that deserves further reflection is to establish a Senate for London made up of the Mayor (as Chairman), Borough Leaders, Chairs of functional bodies and Assembly Members, meeting together perhaps monthly, bimonthly or quarterly to initiate and develop policies for London. This needs to be part of a new constitutional settlement for London to give the Senate a formal structure.

## **9. Conclusion and recommendations**

9.1 Our recommendations are summarised in the following pages. They are intended as contributions to the drafting of the ODPM's consultation paper on the review of the powers of the Mayor and the GLA. We welcome the opportunity to contribute to the Government's review and look forward to a response by Government to these proposals. **This is an historical moment for London government: it is important that we get in place the right governance arrangements for the challenge of the years ahead.**

### **Main recommendations**

1. The Commission would urge the Government to broaden the focus of the review of Mayoral/GLA powers to examine ways to enhance the role of the Assembly, to devolve powers to a more local level (the boroughs and wards), the promotion of joint working across borough boundaries, funding of London's public services and the re-balancing of the relationship between local government and national service providers. (*Introduction, para 1.8*)

2. GOL should be released from the standard structure of the English Government Offices to one reflecting London's unique status in having elected regional government (*Government Office for London, para 2.6*)

3. Mayor and the Home Secretary should make a joint recommendation on the appointment of the Metropolitan Police Commissioner to the Queen. (*Fighting crime and the fear of crime, para 3.5*)

4. We believe that the ODPM's consultation paper should give consideration to the option of adopting the London Fire and Emergency Planning Board (LFEPA) model, which has Assembly member and local government representation, as the preferred governance structure for all present and future functional bodies (including the Metropolitan Police Service) or Mayor's agencies. With appointment of an elected member as the Chair made by the Mayor. Specialist experience can be brought in to support the elected members by Mayoral appointment. (*Fighting crime and the fear of crime, para 3.7, also in 5.6, 6.11 and 8.11*)

5. There may be scope for developing a more formal role for borough leaders with their borough commanders. This could mean that:

- the Council executive be given the right to be consulted in the process for appointing borough commanders;
- there could be formal powers to support borough Overview and Scrutiny committees to support engagement with local police teams; and
- building on good practice in the boroughs a statutory right should be given for local Councillors to be consulted by their Safer Neighbourhood team on issues of local priority<sup>16</sup>.

(*Fighting crime and the fear of crime, para 3.11*)

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<sup>16</sup> One member of the Commission opposed this recommendation

6. We would oppose forced PCT mergers unless there are clear, demonstrable benefits to be had by the local community. (*The local voice in London's health care economy, para 4.3*)

7. A majority on the Commission believes that the boards of governors for foundation trust hospitals should be abolished, and new governance arrangements devised. (*The local voice in London's health care economy, para 4.14*)

8. London should have a single Strategic Health Authority (SHA). (*The local voice in London's health care economy, para 4.20*)

9. We believe that, building on the work of the London Health Commission, there should be a London Public Health strategy formally set by the Mayor in consultation with the NHS in London. (*The local voice in London's health care economy, para 4.21*)

10. At a minimum to achieve better health outcomes and efficiency savings, boroughs' health plans should be brought into conformity with PCT plans and vice versa. As the NHS reforms advance, the Excellent and Good Comprehensive Performance Assessment (CPA) rated boroughs should be allowed to take over health commissioning from PCTs. Social care and health budgets would be pooled within a single organisation. Health commissioning priorities would become subject to local democratic debate and control, making choice an issue for the community as well as for individual patients. (*The local voice in London's health care economy, para 4.22*)

11. We are deeply concerned at the possible arbitrary merging of PCTs in London to deliver unspecified efficiency savings. We believe that the loss of the growing benefits from co-terminosity of the borough and PCT boundaries (which brings close working relationships with the police, fire and prison service) will outweigh any marginal managerial savings. (*The local voice in London's health care economy, para 4.23*)

12. Giving councillors formal responsibility for representing the public interest in local NHS institutions would be more easily understandable than the inward-looking NHS arrangements, enhancing councillors' roles as community representatives and linking health to wider local policy objectives. Local councillors should be supported to become the public face of all publicly funded local services. (*The local voice in London's health care economy, para 4.25*)

13. Giving the Mayor the budgets, and the responsibility, to deliver on the priorities of the London Regional Skills Partnership would enhance accountability and strengthen the strategic role of the Mayoralty (*Giving Londoners the skills they need, para 5.6*)

14. The powers, budgets and responsibilities of the London LSCs should be brought into one structure, Skills London, accountable to the Mayor and answerable to the London Assembly. This should include all the LDA's existing skills responsibilities including Business Link. The targets and budgets for the new body should be set regionally but aligned so as to contribute to the delivery of the national framework. (*Giving Londoners the skills they need, para 5.6*)

15. The Local Strategic Partnership should be tasked with drawing up borough adult skills plans setting out local needs and demands. (*Giving Londoners the skills they need, para 5.6*)

16. The Commission believes that there are strong arguments to consider changes to the current arrangements for waste management. Some members expressly support the Mayor's proposals for a single waste authority. The Commission nevertheless believes that the ODPM's consultation paper must consider all the possible options. The Mayor's proposals should not be the preferred option without a clear business case demonstrating that:

- the economic benefits of any new institutional arrangements must clearly outweigh the costs involved, including opportunity costs;
- better environmental outcomes are going to be achieved; and
- there will be greater public accountability of the new functional body.

The Mayor's scoping paper on proposals for a London Single Waste Authority (September 2005) does not meet these requirements.  
(*Emptying the bins, para 6.8 & 6.9*)

17. The Commission believes that *if* the LSWA were established its board should combine the strengths of Mayoral leadership, borough expertise and the pan-London perspective brought by Assembly Members. A mixed membership along the lines of LFEPA with private and voluntary sector participation as necessary would provide firm foundations for implementing an agreed London waste strategy. (*Emptying the bins, para 6.11*)

18. The government could as a minimum fund the Mayor's London Cultural Consortium (LCC), as it funds other regional cultural consortiums. Government should also devolve down to the Mayor, in consultation with the ALG, the appointment powers for the board of Arts Council - London, including the post of Chair.  
(*Arts funding in the City, para 7.8 & 7.9*)

19. Assembly's powers should be enhanced to provide effective challenge to the Mayor. Some Commission members propose enhanced scrutiny and call-in powers. Others would prefer a power to amend his scrutinies by a two-thirds majority. (*Checks and balances, para 8.5-8.6*)

## **Annex 2: Devolving GOL funding streams**

In Appendix 3 of our interim report we identified 27 GOL funding streams each worth over £1 million per annum. The following list sets out how we believe these funding streams could be devolved to a more local level of government to provide a more efficient and accountable public service.

### **1. Housing**

Funding Stream £270m
Housing Investment Programme

#### **Recommendations**

Widening of Mayor's strategic role to be accompanied by appropriate checks and balances from the Assembly and the ALG. Mayor rather than GOL to chair London Housing Board.

### **2. Community Regeneration and capacity building**

Funding Streams £109m
Neighbourhood Renewal Fund – (ends 05/06)
Community Chest
Community Empowerment Fund
Community Learning Chest
Neighbourhood Management Pathfinders
Neighbourhood Renewal Capacity Building Fund

#### **Recommendations**

Funding to go to boroughs. These funds had their origins in ideas flowing from the national strategy for neighbourhood renewal during the Government's first term, which helps account for the high level of government involvement. But neighbourhood renewal is essentially a local activity, which must be responsive to variations in local



circumstances. Transferring funding to boroughs would improve integration of priorities with other borough-level regeneration and community development activities. It might help unlock some of the experiments in neighbourhood governance that the Government is seeking. Eliminating GOL’s involvement should generate efficiency savings – Neighbourhood Management, for example, provides relatively modest Government funding of £200,000-£350,000 per year to pathfinder schemes which GOL co-ordinates. London has five national pathfinders, with GOL staff working in three geographically-based teams to co-ordinate them.

### **3. Support for the young and those with special needs**

Funding Streams £80m
Connexions Grant Funding
Positive Activities for Young People
Transforming Youth Work
Special Educational Needs/Disability Act

#### **Recommendations**

Funding to go to boroughs. Mayor/LDA to gain responsibility over skills aspects. The youth green paper ‘Youth Matters’ proposes giving local authorities central responsibility for youth services. A range of existing funds will be merged so that, according to the green paper, “local authorities working through children’s trusts can use the funding more flexibly to tackle the needs of young people in a holistic way”. Local authorities will be encouraged to retain the Connexions brand name, but this is a significant example of responsibility being returned from a quango to local government. The changes will go far beyond careers advice and other traditional youth service activities. Local authorities will be expected to take the lead on issues such as teenage pregnancies, drugs and youth crime, creating links with existing functions such as crime and disorder reduction partnerships. The youth green paper and the development of children’s trusts provide powerful opportunities to ensure that the necessary funds are properly channelled to local authorities.

### **4. EU Regeneration funding**

Funding Streams £90m
European Structural Fund (Objective 3)
European Regional Development Fund (Objective 2)
European Structural Fund (Objective 2)

## **Recommendations**

Future EU funding to go to the Mayor/LDA. These are the ultimate examples of regional funds, awarded by the EU to address regional social and economic issues. In the other eight English regions, which do not have regional government, there may be some logic to the involvement of government regional offices. That is not the case in London. The Welsh European Funding Office, part of the Welsh Assembly Government, is responsible for managing all aspects of these funds in Wales and there is no justification for London being treated differently. Integration with other LDA regeneration and skills budgets would maximise efficient use of the funds.

## **5. Regeneration**

Funding Stream £55m
New Deal for Communities.

### **Recommendation**

It cannot be disputed that the New Deal for Communities (NDC) was set up as a long-term national government scheme, hence GOL's involvement. There are, however, no plans to extend NDC beyond the original pilot schemes (ten of the 39 are in London). NDC areas cannot be treated permanently as little islands, isolated from the boroughs of which they form part. The Government's push on neighbourhoods, allied to the well-publicised difficulties of some NDC schemes, creates a case for giving boroughs control of funding. A London-wide NDC unit (either LDA or ALG-led) could be used to build lessons from the schemes into future regeneration and neighbourhood governance work.

## **6. Crime**

Funding Streams £28m
Building Safer Communities Fund
Basic Command Unit Fund
Street Crime Wardens
Home Office Directors' Allocation Fund
Neighbourhood Wardens

### **Recommendations**

These are all crime/community safety related funds, some of which are currently being streamlined. London-wide budgets should go to the Mayor/MPA and local-level ones to the boroughs. As well as improving co-ordination with other initiatives, this would help the Government's drive for greater local accountability of the police service. Public

## *Making London Work Better*

interest in policing is more likely to be achieved by engaging people in practical community safety activities than by trying to get them to attend MPA meetings. Many borough council leaders would welcome more direct involvement with their police borough commanders, and direct control of some specific local-level initiatives would encourage that.

### **Annex 3: The public voice in the NHS**

From 1974 until their abolition in December, 2003, Community Health Councils were responsible for representing local consumer interests in the NHS. With the abolition of Community Health Councils, the Government set up the Commission for Patient and Public Involvement in Health (CPPIH) and Patient and Public Involvement (PPI) Forums. There are now PPI forums for all English NHS trusts. Their roles include obtaining views from local communities about health services, influencing the design of services and providing advice and information to patients and carers. Members of the PPI forums are volunteers, supported by not-for-profit Forum Support Organisations appointed on the basis of competitive tendering.

The Government has announced, however, that the Commission for Patient and Public Involvement in Health is to be abolished in August 2006, with consequent changes to the running of the forums.

Patient Advice and Liaison Services (PALS) exist in all trusts to help and support patients, families and carers, including liaising with staff and managers, and patients also have access to an Independent Complaints Advocacy Service.

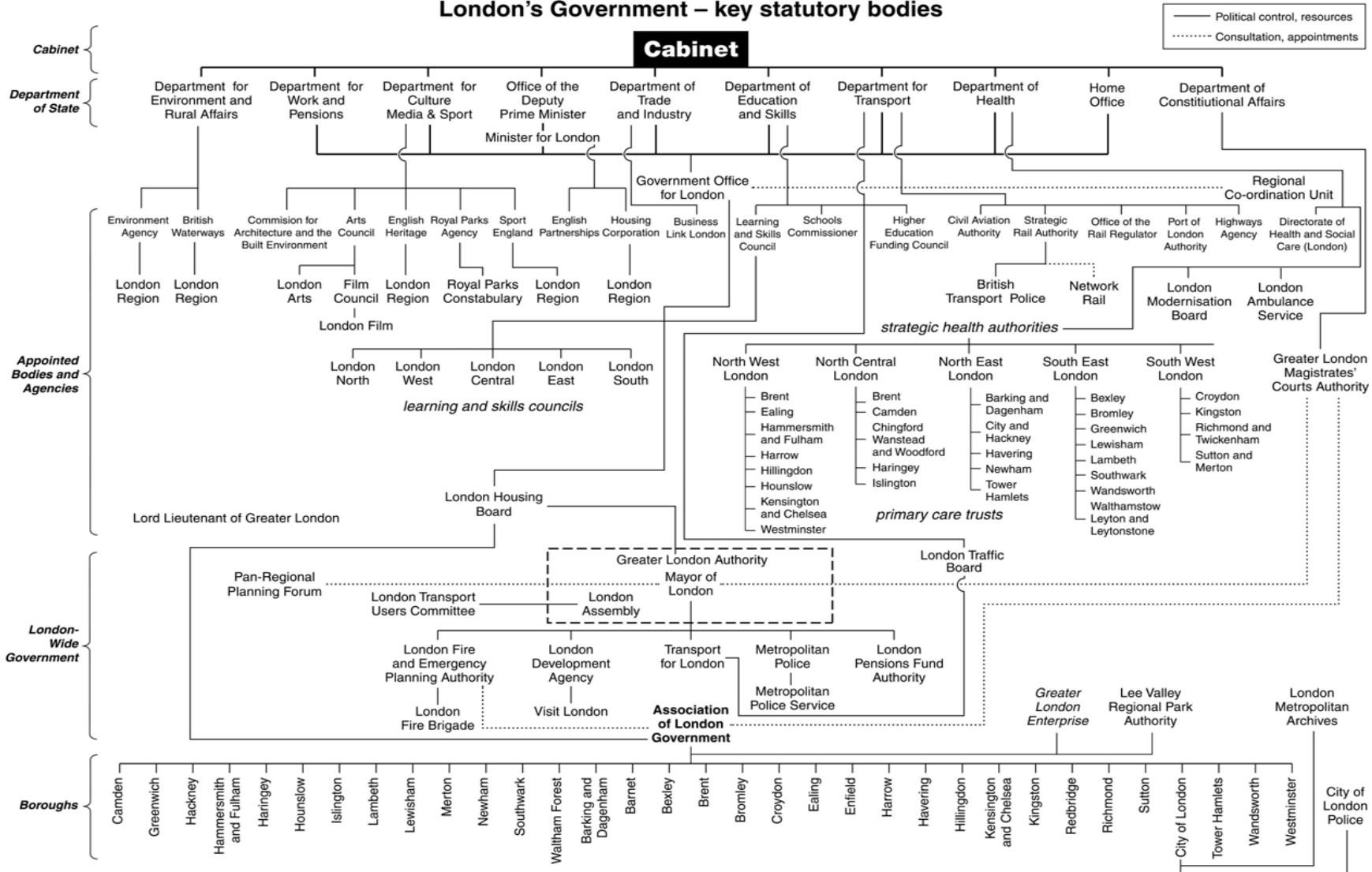
Since January 2003, NHS trusts have been under a legal requirement to involve and consult patients and the public in the planning and development of services, and in making decisions that affect the way services operate.

Boards of some NHS trusts in London contain members of the London Assembly and/or borough councillors, while others do not. Assembly Members and councillors serve as individual appointees rather than local government representatives. The statutory right to local authority representation on NHS bodies was abolished in 1990. Local authorities with social services responsibilities, such as the London boroughs, have since 2003 had power to scrutinise NHS services through Overview and Scrutiny Committees. However scrutiny activity is often poorly resourced and outgunned by powerful professionals within the NHS.

# Annex 1: Source: Travers "The Politics of London: Governing the Ungovernable City"

(Walthamstow, Leyton and Leytonstone should be under the NE London SHA)

## London's Government – key statutory bodies



## Annex 4 – Sample Options for Waste Management Governance in London

Model	Description	Planning	Governance	Finance	Legislation	Operations	Comments
Current	4 statutory levying authorities, covering 21 LBs, plus individual and joint voluntary	With LA unless facility capacity triggers Mayor's approval	Borough members	Through boroughs (and council tax)	None	With Waste Disposal Authority (WDA)	Fragmented and non strategic
Current plus	12 unitary authorities not in a WDA to form another or joint existing WDAs	With LA unless facility capacity triggers Mayor's approval	Borough members	Through boroughs (and council tax)	Statutory Instrument (SI) needed	With WDA	Still fragmented and still difficult to take a London wide view outside of MWMS.
Functional Body (1)	New functional body, appointed by Mayor (like TfL)	In	Mayor and appointees	Mayoral precept (plus possible grant switch from local authorities/WDAs to GLA)	Primary legislation needed	Directly managed by new body	Most centralised model. Breaks the collection/disposal link. Scope for conflicts over funding at the interface. Inclusion of planning would cause conflicts with boroughs. Would not be supported by LAs
Functional body (2)	New functional body partly appointed by Mayor, partly by boroughs (like LFEPA)	Optional inclusion	Mayoral appointees (majority) and borough members	Mayoral precept (plus possible grant switch from local authorities/WDAs to GLA)	Primary legislation needed	Directly managed by new body	Breaks the collection/disposal link. Inclusion of planning would cause conflicts with boroughs. Would not be supported by LAs
Statutory joint committee	Joint Committee of boroughs set up by statute	Optional inclusion	1 per borough	Boroughs and council tax	SI needed	Either direct managed, or transfer over time	Quick to establish and Londonwide, but no direct link with the Mayor
S101 committee	Voluntary joint committee with Mayor/GLA optional	Optional in	1 per borough (and Mayor/GLA if in)	Boroughs and council tax (with GLA contribution)	None	Either direct managed, or transfer over time	Will need to embrace Mayor's strategy and give him a full role if it is to be inclusive. Capable of swift implementation

Source: ALG April 2005

## Other formats and languages

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### Public Liaison Unit

Greater London Authority  
City Hall  
The Queen's Walk  
London SE1 2AA

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### Chinese

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### Vietnamese

Nếu bạn muốn có văn bản tài liệu này bằng ngôn ngữ của mình, hãy liên hệ theo số điện thoại hoặc địa chỉ dưới đây.

### Greek

Αν θέλετε να αποκτήσετε αντίγραφο του παρόντος εγγράφου στη δική σας γλώσσα, παρακαλείστε να επικοινωνήσετε τηλεφωνικά στον αριθμό αυτό ή ταχυδρομικά στην παρακάτω διεύθυνση.

### Turkish

Bu belgenin kendi dilinizde hazırlanmış bir nüshasını edinmek için, lütfen aşağıdaki telefon numarasını arayınız

### Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਦਸਤਾਵੇਜ਼ ਦੀ ਕਾਪੀ ਤੁਹਾਡੀ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਚਾਹੀਦੀ ਹੈ, ਤਾਂ ਹੇਠ ਲਿਖੇ ਨੰਬਰ 'ਤੇ ਫੋਨ ਕਰੋ ਜਾਂ ਹੇਠ ਲਿਖੇ ਪਤੇ 'ਤੇ ਰਾਬਤਾ ਕਰੋ:

### Hindi

यदि आप इस दस्तावेज की प्रति अपनी भाषा में चाहते हैं, तो कृपया निम्नलिखित नंबर पर फोन करें अथवा नीचे दिये गये पते पर संपर्क करें

### Bengali

আপনি যদি আপনার ভাষায় এই দলিলের প্রতিলিপি (কপি) চান, তা হলে নীচের ফোন নম্বরে বা ঠিকানায় অনুগ্রহ করে যোগাযোগ করুন।

### Urdu

اگر آپ اس دستاویز کی نقل اپنی زبان میں چاہتے ہیں، تو براہ کرم نیچے دئے گئے نمبر پر فون کریں یا دیئے گئے پتے پر رابطہ کریں

### Arabic

إذا أردت نسخة من هذه الوثيقة بلغتك، يرجى الاتصال برقم الهاتف أو مراسلة العنوان أدناه

### Gujarati

જો તમને આ દસ્તાવેજની નકલ તમારી ભાષામાં જોઈતી હોય તો, કૃપા કરી આપેલ નંબર ઉપર ફોન કરો અથવા નીચેના સરનામે સંપર્ક સાધો.

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City Hall  
The Queen's Walk  
London SE1 2AA

**www.london.gov.uk**  
Enquiries **020 7983 4100**  
Minicom **020 7983 4458**



The Association of London Government (ALG) is a voluntary umbrella organisation for the 32 London boroughs and the Corporation of London. It is committed to fighting for more resources for London and getting the best possible deal for London's 33 councils. Part think-tank and part lobbying organisation, it also runs a range of services designed to make life better for Londoners. It lobbies for more resources and the best deal for the capital, taking a lead in the debate on key issues affecting the capital. Most important, the ALG provides the London boroughs with a single, powerful voice in negotiations with the Government and other organisations in London.

## LONDONASSEMBLY

The London Assembly is the scrutiny arm of the Greater London Authority (GLA). Its 25 Members hold the Mayor to account. Assembly Members scrutinise his £9.6 billion spending plans and examine how he is fulfilling his wide-ranging responsibilities towards services in London, such as transport, policing and economic development. Empowered by statute to carry out scrutinies – akin to House of Commons Select Committees – the London Assembly also raises issues of importance to Londoners. Assembly Members test those in charge of public, private and voluntary sector agencies, highlighting any failures and proposing solutions that will improve the lives of Londoners.