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MEDIA RELEASE

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The deeds must match the words

Local Democracy think tank the Local Government Information Unit (LGIU) has welcomed the commitment given by the Deputy Prime Minister to creating a "shared vision" for how central and local government can work together on improving public services over the next decade.

LGIU also welcomes the first tangible example of the new approach: the launch of new pilot Local Area Agreements (LAAs). The scheme of nine LAA pilots announced yesterday could evolve into a major step forward in public service reform, recognising the unique role of local government in that reform. By joining up funding streams, red tape will be cut and service solutions will become more effective as staff are freed to focus on local solution and not on form filling for Whitehall.

The pilot scheme also reveals how weak the decentralisers are within government. The Office of the Deputy Prime Minister (ODPM) has joined up some funding, but they have not been able to budge the big spending ministers. The three LAA funding themes (children and young people; safer and stronger communities; and health and older people) reflect existing Whitehall departments in health, education and the Home Office, showing that many key local public services such as the police remain outside scope of properly joined up local agreements.

However, at least one of the nine pilots will go further in fully joining funding streams; a greater merger of budgets will be allowed in the 88 deprived areas that received

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Neighbourhood Renewal Funding (NRF) funding; and the negotiation of LAA deals has been devolved from Whitehall to government offices in the regions. This may help reduce the influence of a traditionally centralist civil service culture.

Dennis Reed, LGIU Chief Executive, said: "The government is recognising in word the unique role of local government in joining together and improving public services in a way that it often has not done in deed. For example, despite all the words in support for local government the recent centralising measures on education funding, happened overnight, bypassing the government's formal machinery for consulting with councils. In contrast, the reform of local government finance that holds the key to the future of local democracy is artificially delayed in favour of a totally unnecessary further inquiry. We hope this new dialogue will overcome the contradictions between what the government says and what it does in its attitude towards local government.

"The Local Area Agreement pilot could develop into the best idea for better public services in a long time and be a valuable step in overcoming the old-fashioned centralist mindset that regards accountability as being from council to Whitehall, rather than from council to local electors. Sadly, this modernising initiative has been somewhat mauled by the spending ministers."

ENDS

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Notes to Editors

1. Originally founded in 1983 to campaign against ratecapping, the Local Government Information Unit (LGIU) is Britain's foremost independent local democracy think tank, campaigning to extend local authority best practice, freedoms and responsibilities. The LGIU is working to influence the debate on local government modernisation. The LGIU and its sister organisations The Education Network (TEN) and the Democratic Health Network (DHN) provide research, policy briefings, information, advice, training

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and lobbying services to local authority and trade union affiliates. Previous LGIU news releases and statements can be viewed at www.lgiu.gov.uk.

2. Today's statements from the Office of the Deputy Prime Minister (ODPM) can be found at http://www.odpm.gov.uk/pns/DisplayPN.cgi?pn_id=2004_0182 and http://www.odpm.gov.uk/pns/DisplayPN.cgi?pn_id=2004_0183.