



# *The New Council Constitutions*

*The Outcomes and Impact of the Local  
Government Act 2000*

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A Summary of the ELG Research Findings



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

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

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# EXECUTIVE SUMMARY

The Local Government Act 2000 was a central plank of the Government's local government modernisation agenda set out in the local government White Paper 1998. It marked the end, in all but the smallest authorities, of the long established committee system in local government. Authorities with populations over 85,000 had to adopt either a mayoral system or a leader and cabinet to enhance executive decision-making. Non-executive councillors were expected to develop a stronger role in community representation and a role in scrutinising executive decision-making. A new ethical framework was also put in place. The Government's aims were threefold:

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

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

- Two census surveys of English principal local authorities undertaken in 2002 and 2006 to gather information on constitutional organisation (see Stoker et al. 2002 and Greasley 2007).
- Two sample surveys of councillors, officers and stakeholders in a representative sample of 40 local authorities to provide information on attitudes towards the changes and the new roles and relationships which have subsequently developed (see Rao 2005; John 2005 and Stoker et al. 2006).
- A wide range of visits, documentary evidence, interviews and observations in over 40 longitudinal case-study local authorities from 2002 to 2006 (see Stoker et al. 2003a, 2004 and Gains 2006).

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

## Embedding Effective Leadership

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

- The 2002 census survey found no problems in implementing the new structures. Most authorities opted for the leader cabinet system (316 or 81%). Eleven authorities (3%) adopted mayoral systems (10 mayor cabinet and one mayor council manager<sup>1</sup>). The remaining 59 smaller authorities (15%) chose to maintain streamlined committee systems in alternative arrangements authorities (Stoker et al. 2002: 13)<sup>2</sup>. Chief Officers reported few costs arising from adoption of the new system (Stoker et al. 2004: 73; section 1.4).
- Officers and stakeholders are more positive about the reforms than councillors, with well over half viewing the new arrangements as an improvement. Executive councillors are more positive than non-executive councillors and Labour councillors more positive than councillors from other parties. Taking councillors, officers and stakeholders together, respondents from mayoral authorities are more favourable than from non-mayoral and from majority authorities than from no overall control authorities (section 1.5).
- The extent to which leaders select cabinet members and allocate portfolios has increased, suggesting growing acceptance of leader freedoms in these areas. A distinct role of executive councillor is also developing. The scope of individualised decision-making for cabinet members has also increased with nearly half (47%) of executive councillors taking decisions alone. Executive councillor’s report spending on average 112 hours per month in their role. Leaders report spending 150 hours per month (section 2.1).
- Across all types of authority there is strong agreement that the 2000 Act changes has delivered stronger leadership with a majority of councillor, officer and stakeholder respondents agreeing that ‘the role of the leader is stronger’, and ‘the leader has a higher profile’. The majority of officers agree that ‘decision-making is quicker’ (section 2.1 and 2.2).

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

2 This group includes one larger authority which adopted alternative arrangements as a fall back following a ‘no’ vote in a mayoral referendum. Subsequently a further four authorities have changed from Alternative Arrangements to Leader and Cabinet systems.

- Councillors and officers also felt that the new executives were effective in providing a vision for the area, leading a drive to service improvement, setting the policy direction, ensuring delivery, dealing with the budget process and lobbying for resources (Table 7 section 2.2).
- There are variations in the way in which leadership is exercised. In some authorities, decision-making flows through the leader or bilaterally between a portfolio holder and leader, in others decisions are taken collectively in cabinet. (section 2.2).
- The case studies also suggest variation across authorities with respect to the ability to move resources, join up policy making and manage party groups. Strategic management is perceived to be easier in authorities with concentrated leadership and party management plays a more important role in authorities with de-concentrated leadership forms (section 2.2).
- Overall councillor, officer and stakeholder survey respondents strongly agreed that the new political management arrangements support visible and effective political leadership. In the sample survey, respondents from mayoral authorities were more likely than other respondents to indicate that leadership aims had been met. In-depth interviews with chief officers and leaders in 10 authorities with varying constitutional forms also revealed widespread agreement that the new arrangements had had a beneficial impact on service delivery (section 2.3; Appendix A and B).

## Enhancing Democratic Legitimacy

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

### VISIBILITY

- Both survey and qualitative evidence suggests that leaders and executive councillors are more *visible* to local communities with named portfolio holders more clearly identifiable as decision-makers. This enhanced visibility of leadership is particularly notable in mayoral authorities (section 3.1).

### COMMUNITY LEADERSHIP

- The Act also envisaged a more outward facing approach with a clear *community leadership* role for leaders and executive councillors. To this end, a third of leaders (including four of the ten mayoral authorities which responded) now chair their local strategic partnership. The time given by

officers to partnership working has doubled since our 2003 sample survey and leaders spend on average as much time with partners as with their party groups. Half of stakeholders responding to the sample survey (50%) had also contributed to developing a policy plan (section 3.2).

- Over half of respondents thought the executive had been effective in setting a vision for the area. On this point, officers are overwhelmingly more positive than councillors. Responses to questions about executive effectiveness in relation to leading partnership bodies, working with stakeholders in the community and promoting good external relations were less positive, with approximately half of officers, and councillors agreeing executive effectiveness in these areas (Section 3.2).
- Again the mayoral option appears to provide a clearer structure for the exercise of community leadership with respondents from mayoral authorities more likely to indicate that the new arrangements enable better relations with partners. This may be attributable to electoral legitimacy, as one mayor explained about the partnership role 'I have no power just influence, [partners] take the calls because I have the mandate' (Gains 2006; Appendix B).

## **PUBLIC INVOLVEMENT**

- The extent to which the Act has facilitated *public involvement* in decision-making is less clear. The census survey and case study visits indicate that, under the new constitutional arrangements, many local authorities have introduced new ways of including the public in decision-making. Innovations such as state of the borough debates; oral, written and web-based questioning of portfolio holders; and the co-option of non-councillors on scrutiny groups were reported. However the sample survey found that less than one in five respondents agreed that the public was more involved in decision-making than previously although rates of agreement with this statement in the mayoral authorities were higher (section 3.3, Appendix B).
- The Act also facilitated decision-making to be delegated to area committees and these have been established in just over half of authorities. So far, approximately six out of ten of these committees have decision-making powers (section 3.4).

## **NON-EXECUTIVE ROLE**

- Non executive councillors spend 75 hours a month on their role (section 3.6). On average the greatest proportion of their time is spent communicating with constituents (18 hours per month) followed by reading and preparation for meetings (17 hours per month). Councillors are more likely to approach officers than portfolio holders with constituency matters. On average 6 hours per month are taken up with scrutiny meetings and half of non executives report they have pushed for an item to go on an overview and scrutiny agenda, worked with members of the public to investigate community concerns or visited outside organisations. Only a quarter report

calling in an executive decision or achieved publicity for a scrutiny activity (section 3.6).

- Interviews with leaders and chief officers suggest that one of the most problematic features of the new council constitutions is embedding the changing role of non-executives. The survey data confirm this: there was little agreement with the statement that 'backbenchers are more engaged' under the new arrangements (only 12% councillors, 9% officers and 12% stakeholders agreed); and only one in four respondents (28% of councillors and 24% of officers) agreed that the executive effectively responds to the concerns of non-executives (section 3.6).

## DIVERSITY

- The 2005 ELG sample survey of councillors suggests there has been little significant change in the diversity of councillors. Only 26% of councillors are female, just over a third of councillors are in paid employment, very few councillors are under 35 years of age and almost all respondents (92%) describe themselves as white. Over a quarter of cabinet members (26%) are women (this rises to over a third (34%) in mayoral authorities), but nearly one in ten authorities (8%) have no cabinet positions held by women. Comparing these findings with previous national surveys of councillors (for example, Young and Rao 1993) reveals that the demographic composition of councillors has been largely unchanged since the early 1990s (section 3.7). The results of *National Census of Local Authority Councillors in England 1997-2006* suggested that there had been some slight increase in the representation of women and non-white ethnic groups since 1997. The diversity of elected representatives is likely to be slow to change and subject to fluctuation.
- Overall, respondents to the sample survey were pessimistic about the extent to which the new arrangements made it easier for women and ethnic minorities to become involved with less than one in five respondents agreeing with these statements. Respondents from mayoral authorities were more positive than respondents from other arrangements about the link between the new constitutions and encouraging diversity but still only approximately a third agreed (section 3.7).
- A more mixed picture of success is suggested in relation to the aim of promoting democratic legitimacy than was found in relation to strengthening leadership. Whilst new constitutional forms of engaging with the public and stakeholders have been introduced, their uptake is uneven. Leaders are more visible and partnership working with stakeholders is clearly embedded but the extent of public involvement is low, the role of non-executives uncertain and diversity has not improved since the introduction of the Act. Over half of officer and stakeholder respondents and just under half of councillors agreed that the political management arrangements under the 2000 Act promoted democratic legitimacy and public trust in local government with mayoral respondents more positive about the impact of this political management arrangement on public confidence. In interviews, leaders and chief officers felt the impact of the new structures on public confidence was hard to gauge and will take longer to be visible (section 3.8).

## Introducing Appropriate Checks and Balances

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

### TRANSPARENCY OF EXECUTIVE DECISIONS

- As well as the greater visibility of named decision-makers, the 2000 Act introduced new procedures relating to the *transparency* of decision-making. In all leader-cabinet and mayoral authorities a forward plan is published showing a schedule of forthcoming executive decisions. However the extent to which this is made accessible varies and the plans are more often used by officers than councillors and the public. Some alternative arrangement authorities also produce a forward plan although they are not required to do so (section 4.1).
- More than half of officers responding to the sample survey agreed with the statements ‘it is easy to find out who has made a specific decision’ and ‘it is easier to find out about council policy’ although councillors were less likely to agree. When asked about the overall impact, over half of respondents agreed that the current political management arrangements provide checks and balances to guarantee transparency of decision-making (section 4.1).

### SCRUTINY

- The introduction of *scrutiny* arrangements was designed to be the principal check on the working of the executive. The evidence on scrutiny arrangements is mixed partly due to the introduction of an entirely new role, partly due to the reluctance of councillors in power to challenge their parties’ executive decision-making, and partly due to a structural imbalance in the level of officer support for scrutiny compared to executive functions (section 4.2).
- There are signs of improvements in the organisation of scrutiny. Three quarters of scrutiny committees (76%) report using scrutiny to explore innovative forms of service delivery (up from 67% in 2002). Two thirds (64%) of authorities are not aware of party pre-meetings being held before scrutiny committees (up from 53% in 2002) and the proportion of authorities offering dedicated officer support has risen from one in three (30%) in 2002 to one in two (45%) currently. However fewer than three in ten (27%) authorities report having all three indicators (exploring innovative service delivery, no pre-party meetings, and a special officer unit) of strong scrutiny. In 2002 only 13% of authorities reported having all three indicators (section 4.2).

- In discussing the operation of the scrutiny system, some leaders and chief officer interviewees raised doubts about the robustness of scrutiny. However, there is good evidence that scrutiny makes a valid contribution to executive decision-making especially in relation to policy development and performance review. There has been a 13 point increase in the proportion of executive councillors reporting changes in their policy area as a result of scrutiny activity (section 4.2).
- Over half of sample survey respondents agreed that scrutiny committees are effective at reviewing service outcomes. The effectiveness of scrutiny was, however, thought to be weaker when used for exploring innovation, reconciling community opinion and acting as a forum for community debate. A little over a third of councillors (37%) and officers (35%) thought scrutiny was effective in holding decision-makers to account. The number of call-ins of executive decisions is generally very low, with a third of councils experiencing no call-ins at all. However six out of ten (60%) executive councillors reported changing a decision as a result of a scrutiny review (section 4.2).

## STANDARDS

- The Act also introduced a new ethical framework and all authorities had to publish a code of conduct and set up a local *standards* committee. Since 2003 these committees have been able to deal with local adjudications referred back to the authority from the Standards Board. Standards committees meet on average five times a year; three out of four committees are chaired by independent members; and the committees have taken on a range of roles beyond adjudication involving a more active promotion of good ethical standards through training and developing protocols. Less than one in ten (8%) of councillors expressed dissatisfaction with the conduct of their standards committee and more than half (55%) felt the committee was effective in promoting an ethical organisation (section 4.3).
- Overall, as with the outcomes relating to around democratic legitimacy discussed above, in relation to the checks and balances introduced by the 2000 Act, respondents were more certain about seeing positive outcomes in relation to executive processes such as transparency of decision-making. There was a more mixed picture in relation to the balance of activity, effectiveness and outcomes of scrutiny. It is clear that this role has taken some time to embed and that scrutiny arrangements are not as robust as executive arrangements. However there are improvements in the degree of institutional support for scrutiny and a reduction in reported party involvement in scrutiny. Case study evidence and data from the sample survey on policy change in response to scrutiny from portfolio holders suggests scrutiny is having an impact but that this impact is very variable. The standards arrangements in authorities appear to have been successfully embedded and are thought to be effective.

## The Impact of Reform

- Examining the link of constitutional arrangements with performance data, our major focus is on leader-cabinet authorities as the most dominant current constitutional form experienced by citizens in England. There was a positive, statistically significant relationship between the proportion of citizens satisfied with council performance in 2003/4 and the number of executive freedoms, (taking executive decisions, selecting members of the cabinet or allocating portfolios) a leader enjoyed in 2002. The relationship is stronger if we focus only on the top tier authorities. When controlling for deprivation and population, the link between leader freedoms and satisfaction scores is still in evidence in 2006/07 when looking at upper tier authorities (section 5.2).
- Cautiously, and while stressing the limitations of the data, there also appears to be a link between leadership powers in 2002 and a relationship to the CPA performance. The top tier authorities that made constitutional choices providing greater freedoms to their leaders in 2002 have gained higher CPA scores in 2003, 2004, 2005 and 2006, they also performed better with the 2005 and 2006 direction of travel analysis. The relationship between 2002 leader freedoms and 2006 CPA scores is significant at the 95% level<sup>3</sup>. Looking at more recent data, the number of leader freedoms in 2006 is not positively associated with CPA performance. The overall balance of evidence presented here suggests that having stronger leadership powers within the leader-cabinet model, such as those proposed in the Local Government White Paper – Strong and Prosperous Communities – is linked to better performance (section 5.2).
- In addition, there is evidence that other indicators of leadership stability have a positive and statistically significant link to impacts at the 95% level. Satisfaction levels are higher in councils that have a majority party in office and these relationships are statistically significant in both 2002 and 2006. There is also a statistically significant link between majority party control and 2006 CPA. Councils with political stability from 2002 to 2006 have higher CPA scores in 2006 and this is statistically significant. Having a leader who has been in post for at least four years is also positively associated with citizen satisfaction, this relationship is statistically significant. This evidence could be seen as supportive of the White Paper’s case for greater stability of tenure for leaders (section 5.3).
- Taken together our findings show a consistent relationship between on the one hand, authorities with stable political leadership and authorities that have over a period of time given the full range of powers to their leaders and, on the other hand, better service performance and greater citizen satisfaction. Whilst acknowledging the complexity of the relationship between performance and leadership, our evidence overall is supportive of the White Paper’s case for greater powers and stability of tenure for leaders (section 5.3).

3 Statistical significance is used to judge whether relationships found in the data are likely to have happened by chance. Significance at the 5% level ( $p < .05$ ) means that a relationship would only be expected to happen by chance one time out of twenty. An outline of our use of statistical tests can be found in Appendix C.

- The impact of the reforms on wider citizens' attitudes and propensity to vote in local elections is less clearly established than the link between leadership form and performance. 2002 and the level of public trust expressed in the BVPI data in 2006 in upper tier authorities but this relationship is not found when looking at the 2006 data on leadership strength or when considering all authorities. There appears to have been a small general increase in local election turnout over the first half of the decade in general and this is more pronounced in the mayoral authorities. However it is difficult to draw firm conclusions about the effect of leadership form on turnout. The public appears to hold levels of trust in local government politicians which are comparably higher than levels of trust in politicians overall but turnout has only changed relatively little in local elections (section 5.4).

## Conclusions

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

- There is general agreement that the aim of enhancing effective leadership has been met and that the new executive arrangements have bedded down well, thus providing more visible and effective leadership and quicker decision-making which is in turn associated with better service delivery (chapter 2).
- The 2000 Act has made some positive contributions towards democratic renewal, for example through better visibility of portfolio holders (especially mayors). Although there are examples of innovative practice regarding community leadership and public involvement, there is less agreement that these features have been successfully developed. The diversity of elected representatives has not significantly altered and the role of non-executives has not bedded down. That said respondents in mayoral authorities are more positive than other respondents about outcomes relating to community leadership, public involvement and diversity and more optimistic about the impact on public confidence (chapter 3).
- The checks and balances introduced by the Act are working, although a variable picture has emerged. Officers are typically more positive than councillors about the transparency of decision-making. The scrutiny function, although underdeveloped, is improving from a low base. The standards arrangements are also working and are seen as an effective mechanism for providing the appropriate checks and balances (chapter 4).
- Taken together our findings show a consistent relationship between on the one hand, authorities with stable political leadership and authorities that have over a period of time given the full range of powers to their leaders and, on the other hand, better service performance and greater citizen

satisfaction. However our findings suggest that the impact of the changes introduced by the Act on citizen's sense of trust in local government or electoral turnout have been limited.

- Further changes to council constitutions have been proposed by the Government. The 2006 White Paper on 'Strong and Prosperous Communities' addresses many of the strengths and limitations of the current decision making structures identified in our research. The evidence presented here on the outcomes and impacts of the 2000 Act provides a sound basis for proceeding with the proposals around council constitutions subsequently embodied in *The Local Government and Public Involvement in Health Bill* going through Parliament this session.