



The Central-Local Concordat

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This note covers the central-local concordat signed in December 2007 in fulfilment of a pledge in the *Governance of Britain* Green Paper. It sets out the various partnership arrangements between central and local government and looks at the history of calls for a more formal basis for negotiation between them. It goes on to explain the difference between the concordat as adopted and the approach of the European Charter of Local Self Government. It looks at some views on the effectiveness of the concordat in the early part of 2008.

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A. A central-local concordat

A concordat is broadly a non-binding “memorandum of understanding” between two parties. The Central-Local Concordat “establishes a framework of principles for how central and local government work together to serve the public”.¹ It was signed by Secretary of State for Communities and Local Government Hazel Blears, and Sir Simon Milton, for the Local Government Association in December 2007. It is not an agreement between DCLG and the LGA but between HM Government and the LGA. The full text of the concordat is available as appendix 1 or online at;

<http://www.communities.gov.uk/documents/localgovernment/pdf/601000>

The main points are as follows;

- It commits Government to reducing unnecessary intervention stating that: 'Councils have the right to lead the **delivery** of public services in their area and shape its future without unnecessary direction or control' and that both local and central government have the responsibility to 'devolve power and engage and empower communities and individual citizens - in debate and decision making and in shaping and delivering services.
- It commits central and local government to work together towards giving people a clearer understanding of what public money is spent in their area, and towards giving councils greater flexibility in their **funding**.
- It commits local government to provide strong **leadership**, to work with their partners and to collaborate in delivering national targets.
- It is explicit for the first time that 'there should be a presumption that **powers** are best exercised at the lowest effective and practical level.
- It spells out key **priorities** which central and local government will deliver together - this includes tackling anti-social behaviour and crime, delivering good local services, more opportunities for young people, promoting enterprise - and how the two should work together.

Development of the Concordat meets a commitment in the *Governance of Britain* Green Paper of July 2007:

Creating a more participatory democracy requires a healthy representative democracy at local level. It also requires citizens to understand the roles of central and local government, and who can be held responsible for the decisions and services which affect their lives. The performance of local authorities, as measured through the Comprehensive Performance Assessment, has improved greatly in recent years. The Secretary of State for Communities and Local Government will now work with the Local Government Association to establish a concordat to govern the relations between central and local government. *This will establish for the first time an agreement on the rights and responsibilities of local government, including its*

¹ HM Government and the Local Government Association, *The Central-Local Concordat* introduction. <http://www.communities.gov.uk/documents/localgovernment/pdf/601000>

*responsibilities to provide effective leadership of the local area and to empower local communities where possible.*²

The Prime Minister, Gordon Brown, had also expressed commitment to a concordat in a speech to the National Council for Voluntary Organisations (NCVO) on 3 September 2007, when he said:

I want to see a vibrant, reinvigorated local democracy - from neighbourhood level engagement and community calls to action, to a renewed focus on the devolution of powers and responsibilities to local government and the accountability of our local police and health services to their communities. In this way, people can connect neighbourhood meetings, local ballots and elections, and new forms of community action, with decision-making and the exercise of power over issues they care about in their daily lives. *As part of a new concordat between local and central government Hazel Blears will be working on proposals for the extension of local democracy and decision making in these areas.*³

B. Introduction and Background

Concordats in their original usage were agreements between nations and the Roman Catholic Church establishing the respective spheres of influence of their respective jurisdictions. Within debates surrounding the central-local concordat, questions about mandate and clarity emerge. It is hard for a single document, however negotiated, to please both those who might be characterised as localists anxious to rectify the perceived ambiguous and subservient position of local government, with those defending parliamentary sovereignty and freedom of central executive action. It has frequently been stated that the constitutional and institutional underpinnings of local government in the UK are weak and that in the absence of a formal written constitution, the position of local government is not protected within the British political system. As such it can be subject to fundamental change:⁴

There is no sovereignty of local government. Parliament is sovereign and has always been so... From time to time Parliament will change things... no body other than Parliament can (or should) determine local government structure and finance.⁵

Many of the words for non-statutory, non-commercial, relationships; e.g. partnerships, compacts, charters, contracts, conventions or agreements have either very specific meanings or policy connotations. The landscape of central-local partnership consists of many forums with varying importance, status and powers. Since the Department of Communities and Local Government was established in 2003 it has focused on establishing

² Ministry of Justice, *Governance of Britain-Constitutional Renewal* Cm7324 pg 52. For background on the Green Paper see House of Commons Library Research Paper 07/72 *Governance of Britain* and House of Commons Standard Note *Governance of Britain: An update* SN/PC/04703

³ Gordon Brown Speech *The role of the voluntary sector* 3rd September 2007 podcast available at <http://pm.gov.uk/output/Page10617.asp> full text at <http://www.ncvo-vol.org.uk/press/speeches/?id=6292>

⁴ Hugh Aktinson and Stuart Wilks-Heeg *Local Government from Thatcher to Blair; The politics of creative autonomy*, Polity 2000 p 255

⁵ George Jones and Tony Travers *Attitudes to Local Government in Westminster and Whitehall* The Commission for Local Democracy CLD report No 5, 1994 p 9

“mature conversations” between central and local government as laid out within *Stronger and Prosperous Communities* the Local Government White Paper of November 2007.

“The white paper sets out measures to change the way local government works and the way central government works with it. Local partners will have more space to respond to local needs and citizens more say in the services they receive and what happens in their area.”⁶

C. Concordats in Scotland and Wales

Concordats exist between the UK government departments and the Scottish Government and Welsh assemblies. For background, see the Library Standard Note *Concordats and Devolution*⁷. In the Welsh context;

Concordats - whether overarching or bilateral - *are not intended to be legally binding*. Rather, *they are informal and flexible agreements* to which both parties commit themselves. In many cases, they do no more than set out existing administrative best practice.⁸

Relations between the Welsh Assembly Government and Welsh local government are governed by the Local Government Partnership Scheme, as set out in the Government of Wales Act 2006. In a review of the post-devolution settlement in Wales, Sir Jeremy Beecham of the LGA concluded that;

The task is to identify the practical capacity constraints and broker agreement on solutions *such as the formal partnership structures required to support joint contracts*. It also needs a clear view on what sort of intervention is needed, national, regional or local. This is challenging because it falls between the local and central levels of government, and requires much more Assembly Government engagement with area specific solutions.⁹

In the example of Scotland there are not only concordats in place with UK spending departments but also a central-local concordat describing the correct balance of power between the Scottish government and the all-unitary local authorities. The absence of any power to enforce concordats is also acknowledged in the Scottish context:

...Concordat is a statement of political intent. It does not give rise to legal obligations and *is binding in honour only*¹⁰

This new concordat, which exists between the SNP-led Scottish Government and COSLA (The Convention of Scottish Local Authorities) is more ambitious;

⁶ Press Release for *Strong and Prosperous Communities: The Local Government White Paper* 26th October 2006 <http://www.communities.gov.uk/localgovernment/strategies/strongprosperous/>

⁷ House of Commons Library Standard Note SN/PC/3767, *Concordats and Devolution* 7 October 2005

⁸ Welsh Assembly *Index of Concordats* 14th March 2006
<http://new.wales.gov.uk/about/concordats/concordathome/?lang=en>

⁹ Jeremy Beecham *Review of Local Governance of Wales* 10th July 2006
<http://www.wlga.gov.uk/english/beecham-review3/>

¹⁰ Scottish Government *Budget Spending Review* 14th November 2007
<http://www.scotland.gov.uk/About/concordats/inquiries-act-concordat>

The Scottish Government has taken account of the unique position held by local government in the governance of Scotland and the major contribution local government will make to all of the Government's Strategic Objectives and the successful delivery of national outcomes.¹¹

this package, which to be considered as a whole, is both ambitious and ground-breaking. It represents a fundamental shift in the relationship between the Scottish Government and local government, based on mutual respect... The Scottish Government's intention is to stand back from micro-managing that delivery, thus reducing bureaucracy and freeing up local authorities and their partners to get on with the job.¹²

The Scottish example then could be described as an example of "double devolution" by concordat within the UK. "Double devolution" was a popular term associated with David Miliband's tenure as local government minister whereby powers are cascaded from one tier of government to another. It is more commonly used to refer to arrangements between Whitehall and the Town Hall and then onward to communities.

Devolution is a deal. It is conditional on local government taking on new powers from central government, but then sharing power with citizens, neighbourhoods and the third sector, not hoarding it. I am convinced that we need local authorities whose first task is to map need, second to set goals, third to benchmark best practice, and fourth to seek best value from a range of providers, public, private and voluntary. This commissioning process must promote the innovation and independent outlook of the voluntary sector.¹³

D. Calls for a central/local concordat in England and Wales

There are many reports and inquiries which specifically call for a concordat between central-local government. Calls for a "strong" concordat begin in 1994 with the deliberations of the Commission for Local Democracy. It has been a campaign and central concern of the Local Government Association since it was established following a merger of local government membership organisations in 1997. This long gestation period means that there are many views on what a concordat should be for and what it should contain. Some of these are sketched out below.

The House of Lords Select Committee on the Constitution conducted a review into Central-Local relations published as *Rebuilding Trust* in 1996. The first recommendation of this report was:

The guidelines agreed between the Prime Minister and local government leaders in November 1994 should be developed into a more formal concordat to *govern* relationships between the two tiers¹⁴

¹¹ Scottish Government and COSLA <http://www.scotland.gov.uk/Publications/2007/11/13092240/concordat> December 2007 p i

¹² Ibid p 12

¹³ David Miliband *More Power to the People* The Guardian 21st February 2006 <http://www.guardian.co.uk/society/2006/feb/21/localgovernment.politics1>

¹⁴ House of Lords Select Committee *Rebuilding Trust* on Relations between Central and Local Government Session 1995-96, HL Paper 97, p 1

The report goes on to recommend the ratification of the European Charter of Local Self-Government (discussed below) and a number of other important areas including an end to rate capping, recommending the role of the local authority as a community leader and collection of local taxation. They conclude:

there will always be some areas of tension between central and local government but the committee believes that much can be done to make this tension constructive rather than negative in effect.¹⁵

Prompted by a PQ in 1996 regarding the government's response to *Re-building Trust*, the then Government Minister, Baroness Miller of Hendon, outlined the following actions

...to agree with the new Local Government Association and the Welsh Local Government Association, a statement of the role and status of local government in England and Wales, for inclusion in the guidelines on central/local relations; my right honourable friend the Secretary of State for Scotland will also consider with the Convention of Scottish Local Authorities a similar statement in relation to Scotland;

to undertake with the Local Government Association and the Welsh Local Government Association research on public participation in local government; and to review the arrangements in government for handling cross-departmental business affecting local government.

This programme of action is based on the Government's belief, which the Select Committee shares, that democratically elected local authorities have important roles, in particular that of community leader, in the world of local governance today. As the committee itself recognised, local authorities are not, never have been, and never will be the sole monolithic providers of all services in a given geographical area; nor can they ever operate wholly apart from powers for central intervention. Our programme represents a significant further chapter in the continuing development of local government within our living constitution, a development which we aim to take forward in a spirit of partnership and collaboration.¹⁶

Though not mentioning the word concordat, these 1996 policy proposals are marked by their similarity to the contemporary state of affairs. However nothing of this nature was attempted by the incoming New Labour administration in 1997.

Reporting in 2006 *The Power Inquiry* (see Library Standard Note for further particulars¹⁷) recommended the use of concordats as a constitutional mechanism for;

rebalancing of power between the Executive and the legislature and between central and local government. *We propose very strongly that that be done by concordat.* We can cry in the wind about wanting written constitutions, but the reality is that that will remain in the long grass for some time to come. The starting point lies very much with the weft and weave of the British tradition of how to do things. We must recognise that some things should be put down in stone now, because the conventions and

¹⁵ Ibid summary

¹⁶ HL Deb 4 Nov 1996 WA39

¹⁷ House of Commons Standard Note *Power to the People: The report of Power, an Independent Inquiry into Britain's Democracy* 14th March 2006 <http://www.parliament.uk/commons/lib/research/notes/snpc-03948.pdf>

gentlemen's agreements of the past no longer work. The concordats that we recommend actually align with something that is already in place. A concordat was created between the judiciary and the Executive to protect the judiciary from the encroachments of the Executive, and to protect judicial independence. That concordat gives us a template for creating what I describe as a spinal column. This is not some rigid constitution; it simply puts in place some vertebrae that put down firmly the arrangements that there should be between the Executive and Parliament, between the central and the local, and between the judiciary and the Executive. Those vertebrae allow for the flexibility that is so much part of the British way of doing things and do not allow the kind of rigidity that we see in some constitutional arrangements¹⁸

Within the *Power Inquiry*, concordats are used as a pragmatic, but more formal basis for codifying rights and responsibilities between various branches and tiers of government. The *Power Inquiry* is clear that, whilst the "vertebrae" are desirable there should be legislative steps which follow the signing of a concordat.

Recommendation 7: *A concordat between central and local government setting out their respective powers.* We recommend that...a concordat is established between local and central government to confirm where key powers lie and to enshrine the process of decentralisation. This concordat could follow similar lines to the European Charter of Local Self-Government which the UK ratified in 1998 but which seems to have been growing mould on a shelf in Whitehall and to have had a limited effect on policy....the Charter is an admirably brief and direct statement of principles already ratified by the government and as such would form a suitable framework for the negotiations... it is expected that the agreement of such a concordat would be followed by a series of parliamentary acts to ensure that its principles are turned into practical effects "on the ground" by ensuring that democratically elected local authorities maintain or regain significant powers over areas such as education or planning"¹⁹

A central-local concordat was also welcomed by *Governing Well*, the report of the Better Government initiative (a cross-party conference of experts.) In their 2008 report they propose;

The concordat with local government should be based on three key principles;
The government should determine the national policy framework for local services;
The government may set minimum standards for services where consistency at national level is important;
Within this framework, each local authority should lead in establishing a strategy of the future development of its area and local service priorities.²⁰

¹⁸ HL Deb 15 Jun 2006 c 371

¹⁹ Helena Kennedy *Power to the People Inquiry* Joseph Rowntree Foundation: York 2006 p160.
http://makeitanissue.org.uk/devlog/2007/01/the_power_commission_was_estab.php

²⁰ Better Government Initiative *Governing Well* Jan 2008 p 11
<http://www.bettergovernmentinitiative.co.uk/da/57700>

The LGA has also consistently argued this position, most recently in a series of publications about devolution. In assessing their “multiple strategies” and analysing how successful the LGA have been, Tom Entwistle and Martin Laffin write;

“The new ‘partnership’ is codified in concordats and protocols. Doubtless mindful of the ease with which the centre had overturned the old conventions in the 1980s, the LGA has sought written confirmation of the terms on which central and local government should do business.”²¹

The Lyons Review also explored the issues of formal contracts between central and local government as well as considering the constitutional position of local government.

10.35 There remains a question as to whether a more formal arrangement between central and local government is needed to underpin these changes, to inform future policy development and to support scrutiny. There are profound behavioural changes being required of central government both by the White Paper and by my recommendations, which may need some external support and scrutiny to be delivered. A number of stakeholders, supported some kind of formal settlement, arguing for example that: *It would demonstrably improve local governance if there was a clear statement of purpose in the form of a written settlement between central and local government specifying the powers, responsibilities, duties and freedoms of the signatories.* (Mayor of London)

10.41 *I am not seeking to enshrine the constitutional position of local government in law. Laws and agreements do not necessarily create relationships, and the initial steps towards the developmental approach need to be given time to bed in. Nevertheless, I am attracted to a model which in time provides greater Parliamentary oversight, because of the contribution which that could make to developing and sustaining a wider consensus about the respective roles of central and local government.*²²

There is some appetite from within the local government community to explore more binding and formal agreements with central government.

Despite the concordat, inconsistent government messages continue to flow. The reason lies in the weakness of the concordat. It needs reassessment and then statutory force to ensure it makes an impact on both central and local government. *The concordat should have recognised the constitutional position of local government, indeed that local government was part of the constitution, requiring care and respect befitting a basic institution of our system of government.*²³

E. The European Charter of Local Self-Government

The 2007 concordat does not go so far as to use the Charter as a “framework” but it does make reference to the European Charter of Local Self-Government, of 1985 which was

²¹ Tom Entwistle and Martin Laffin (2003) *The multiple strategies of the Local Government Association; Partner, Player and think tank* Policy and Politics 31 (1), pp. 37-50

²² Sir Michael Lyons *The Lyons Inquiry into Local Government. Place Shaping: a shared ambition for the future of local government* HMSO March 2007

²³ George Jones and John Stewart *What has the concordat achieved?* Municipal Journal 6th march 2008

ratified by the Government in 1998. Full text of this Charter can be found as Appendix 2 or at <http://conventions.coe.int/Treaty/EN/Treaties/Html/122.htm>

The Charter commits the ratifying member states to guaranteeing the political, administrative and financial independence of local authorities. It provides that the principle of local self-government shall be recognised in domestic legislation and, where practicable, in the constitution. Local authorities are to be elected by universal suffrage, and it is a legal instrument to set out the principle of subsidiarity. The Charter goes some significant way further than the concordat in devolving and decentralising power to lower tiers or scales of government not least in the fiscal dimension.

The LGIU [Local Government Information Unit] in their report *Bringing the Charter Home* published “in order to mark the fifth anniversary of the ratification of the Charter by the UK government”²⁴ proposed the following actions for central government;

The implications of the charter should be considered in the context of:

- Its recognition in UK law
- The framework of review and inspection and comprehensive performance assessment
- The balance of funding between central and local government
- The consequences for local government of development of the regional tier in England.²⁵

F. Views on the Concordat

With such strong views on the possible uses for a concordat, the actual 2007 text was bound to disappoint some. Although welcomed as “historic”²⁶ by Peter Hetherington in *The Guardian*, “ground-breaking”²⁷ by the LGA, and “radical”²⁸ by DCLG. It was signed just as bills with significant impact on local authorities have been progressing through Parliament. It was in response to Government amendments on the *Planning Bill* that the LGA was roused to protest; “in tabling this amendment without consultation, government is acting contrary to the central/local concordat” a view which was reported by the *Local Government Chronicle*.²⁹

Party political views on the role and function of the concordat have been expressed. Julia Goldsworthy, the Liberal Democrat shadow local government spokesperson, has argued that the concordat provides a basis for renegotiating local government financial allocation and settlement.

We need to move away from capping and ring-fencing, and we need a simpler grant mechanism, so that people can understand its relationship to the services that they receive.

²⁴ Local Government Information Unit *Bringing the Charter Home* 2005 p 3

²⁵ Local Government Information Unit *Bringing the Charter Home* 2005 p 6

²⁶ Peter Hetherington *New central-local deal makes history* *The Guardian* 19th Dec 2007

²⁷ Local Government Association Press Release 12th December 2007
<http://www.lga.gov.uk/lga/core/page.do?pagelid=41509>

²⁸ Department for Communities and Local Government Press Release 11th December 2007
<http://www.communities.gov.uk/news/corporate/601058>

²⁹ Dan Drillsma-Milgrom *Row over concordat erupts* *Local Government Chronicle* 14th Feb 2008

*Surely that is in the spirit of the central-local concordat: indeed, that is what it was designed to achieve. If the Government do not make those changes to local government finance, they will reveal their true colours. They are not committed to devolved decision making, because they are not putting their money where their mouth is.*³⁰

The concordat is also alluded to as a remedy for perceived lack of local accountability, expressed here by the Conservative MP and commentator David Curry;

Huge issues remain to be addressed in local government: how accountability can be achieved in the important public services of policing and health, one of which has no level of accountability at all; the assertion of representative democracy, rather than the irresponsible empowerment of national quangos or small local boards; and how agendas based on choice can be made manageable and affordable. The settlement does not address those crucial issues and, in effect, the devolution proposals do nothing else... *Concordats get us nowhere. I leave the Minister with the thought that there have been two famous concordats in history: one between the Pope and Napoleon, and one between the Pope and Mussolini. I hope that this one has a better fate than those two did.*³¹

Commentators have expressed frustration at the limitations of the concordat. Professors George Jones and John Stewart writing recently in the MJ conclude that;

We welcome the concordat as the first stage on the road to a final document that will provide a firm basis for the development of central-local relations to meet the needs of society in the 21st century. A second stage is urgently needed.³²

G. Appendix 1: Central-Local Concordat 12 December 2007

This agreement, made between Her Majesty's Government and the Local Government Association, establishes a framework of principles for how central and local government work together to serve the public. Central government departments and councils commit to uphold these principles. This meets a commitment in the *Governance of Britain* Green Paper, published in July 2007.

These principles reflect the way in which the relationship between central and local government is managed currently. The Government is committed to constitutional reform and will work with the LGA to ensure that the roles and responsibilities of local government are reflected in proposals as they are developed.

1. Local areas face significant challenges, from globalisation and social and demographic change. Our citizens rightly place increasing demands on public services, based on their rising expectations and ambitions. To meet these challenges and aspirations, communities need strategic leadership and public services must continually improve in quality and efficiency and must treat everyone fairly. We believe it is the responsibility of elected politicians and appointed officials in central and in local government to ensure that local places and public services rise to this challenge, for all citizens, in every part of the country, so that everyone can enjoy a better quality of life.

³⁰ HC Deb 4 Feb 2008 c 749

³¹ HC Deb 4 Feb 2008 c 752

³² George Jones and John Stewart *So just what has the concordat achieved?* Municipal Journal 6th March 2008

2. Parliament passed the Local Government and Public Involvement in Health Act in 2007. This, alongside other policies set out in *Strong and Prosperous Communities – The Local Government White Paper*, marks a moment of significant and lasting change. Together, they set a new baseline for relations between central and local government. We will work to develop the relationship further from that foundation.

3. Central and local government both derive their legitimacy from Parliament and the electoral mandate granted to them by individual citizens who look to central and local government to take the lead in ensuring better places and better services.

4. This means that central and local government are partners in delivering improved services and in strengthening our democracy. In particular, we share objectives to:

- create and sustain thriving communities, where people want to live, work, bring up their families and retire; where they can reach services; and with access to decent homes at a price they can afford;
- tackle anti-social behaviour and crime and promote good health;
- improve outcomes for children, young people and families;
- anticipate the needs and aspirations of an ageing society through preventative measures that encourage greater independence and wellbeing for older citizens;
- nurture business and enterprise, increasing skills and employment and creating wealth and rising prosperity, shared by all;
- protect and enhance the environment, tackle climate change and pollution;
- support a thriving third sector of local voluntary organisations, community groups and social enterprises;
- promote a pluralist, healthy democracy with tolerance, decency and respect at its heart, without space for political or religious extremism; and
- promote high standards of conduct in public life.

In delivering these objectives, there should be a presumption that powers are best exercised at the lowest effective and practical level.

5. Central government has the responsibility and democratic mandate to act in accordance with the national interest. Acting through Parliament, it has the over-riding interest in matters such as the national economic interest, public service improvement and standards of delivery, and taxation.

6. Councils have responsibilities for service performance but also for the prosperity and well-being of all citizens in their area and the overall cohesion of the community. They have a general power to promote community well-being and a responsibility to do all they can to secure the social, economic and environmental well-being of their areas. The LGA and central government will work together to encourage all councils to make effective use of the well-being power and to conduct a growing share of the business of government.

7. In this relationship, there are reciprocal rights and responsibilities.

8. Central government has the **right** to set national policies, including minimum standards of services, to work with local areas to support them and, as a last resort, to intervene to avoid significant underperformance. It proposes to Parliament the legislation within which local government works.

9. Central government has the **responsibility** to consult and collaborate with councils in exercising these rights. It undertakes to progressively remove obstacles which prevent councils from pursuing their role, including reducing the burden of appraisal and approval regimes, the ring fencing of funds for specific purposes and the volume of guidance it issues.

10. Councils have the **right** to address the priorities of their communities as expressed through local elections and to lead the delivery of public services in their area and shape its future without unnecessary direction or control.

11. Councils have the **responsibility** to provide leadership that is accountable, visible and responsive to their communities and to work in partnership with the local statutory, business and third sectors, and collectively to drive continuing improvement.

12. Both partners have the **responsibility** to use taxpayers' money well and devolve power, and to engage and empower communities and individual citizens – at national level and at local level – in debate and decision making and in shaping and delivering services.

13. Central and local government will also work together to deliver the Public Service Agreements set out in the Comprehensive Spending Review (CSR07) and the new Performance Framework set out in the White Paper and 2007 Act, through around 200 national indicators and a commitment to agree no more than 35 targets in any one area (plus statutory educational attainment and early years targets).

14. Central to these new arrangements will be the negotiation of new style Local Area Agreements between local partners and between them and Government, as the key means of agreeing, delivering and monitoring the outcomes for each area which are delivered by local government on its own or in partnership with others. We accept that this objective will require major changes in behaviour and practice from central government departments, their agencies, government offices, councils and local partners. We share a commitment to leading the effective implementation of the necessary changes.

15. Central and local government share a commitment to delivering services that represent value for money; to ensuring that public services, including new obligations imposed on councils, are properly funded; and that local taxation is guided by principles of transparency, clarity, and accountability.

We will work together to provide greater clarity and transparency to local people on the levels of public funding going into local areas, and work towards giving councils greater flexibility in their funding, to facilitate the wide degree of autonomy referred to in the European Charter of Local Self Government.

16. We will work together to develop a new relationship between local businesses and councils; to increase local democratic accountability of key public services, in particular the police and health services; and to explore options for reforming the adult care and support system. We share a commitment to working with the third sector, upholding the principles in the Compact.

17. The partners to this agreement will come together regularly in a renewed Central-Local Partnership. One of the roles of that partnership will be to monitor the operation of this agreement, and to revise it for the future as necessary.

H. Appendix 2 European Charter of Local Self-Government

Strasbourg, 15.X.1985

The member States of the Council of Europe, signatory hereto,

Considering that the aim of the Council of Europe is to achieve a greater unity between its members for the purpose of safeguarding and realising the ideals and principles which are their common heritage;

Considering that one of the methods by which this aim is to be achieved is through agreements in the administrative field;

Considering that the local authorities are one of the main foundations of any democratic regime;

Considering that the right of citizens to participate in the conduct of public affairs is one of the democratic principles that are shared by all member States of the Council of Europe;

Considering that it is at local level that this right can be most directly exercised;

Convinced that the existence of local authorities with real responsibilities can provide an administration which is both effective and close to the citizen;

Aware that the safeguarding and reinforcement of local self-government in the different European countries is an important contribution to the construction of a Europe based on the principles of democracy and the decentralisation of power;

Asserting that this entails the existence of local authorities endowed with democratically constituted decision-making bodies and possessing a wide degree of autonomy with regard to their responsibilities, the ways and means by which those responsibilities are exercised and the resources required for their fulfilment,

Have agreed as follows:

Article 1

The Parties undertake to consider themselves bound by the following articles in the manner and to the extent prescribed in Article 12 of this Charter.

Article 2 – Constitutional and legal foundation for local self-government

The principle of local self-government shall be recognised in domestic legislation, and where practicable in the constitution.

Article 3 – Concept of local self-government

1. Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.
2. This right shall be exercised by councils or assemblies composed of members freely elected by secret ballot on the basis of direct, equal, universal suffrage, and which may possess executive organs responsible to them. This provision shall in no way affect recourse to assemblies of citizens, referendums or any other form of direct citizen participation where it is permitted by statute.

Article 4 – Scope of local self-government

1. The basic powers and responsibilities of local authorities shall be prescribed by the constitution or by statute. However, this provision shall not prevent the attribution to local authorities of powers and responsibilities for specific purposes in accordance with the law.
2. Local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence nor assigned to any other authority.

3. Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy.
4. Powers given to local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority except as provided for by the law.
5. Where powers are delegated to them by a central or regional authority, local authorities shall, insofar as possible, be allowed discretion in adapting their exercise to local conditions.
6. Local authorities shall be consulted, insofar as possible, in due time and in an appropriate way in the planning and decision-making processes for all matters which concern them directly.

Article 5 – Protection of local authority boundaries

Changes in local authority boundaries shall not be made without prior consultation of the local communities concerned, possibly by means of a referendum where this is permitted by statute.

Article 6 – Appropriate administrative structures and resources for the tasks of local authorities

1. Without prejudice to more general statutory provisions, local authorities shall be able to determine their own internal administrative structures in order to adapt them to local needs and ensure effective management.
2. The conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence; to this end adequate training opportunities, remuneration and career prospects shall be provided.

Article 7 – Conditions under which responsibilities at local level are exercised

1. The conditions of office of local elected representatives shall provide for free exercise of their functions.
2. They shall allow for appropriate financial compensation for expenses incurred in the exercise of the office in question as well as, where appropriate, compensation for loss of earnings or remuneration for work done and corresponding social welfare protection.
3. Any functions and activities which are deemed incompatible with the holding of local elective office shall be determined by statute or fundamental legal principles.

Article 8 – Administrative supervision of local authorities' activities

1. Any administrative supervision of local authorities may only be exercised according to such procedures and in such cases as are provided for by the constitution or by statute.
2. Any administrative supervision of the activities of the local authorities shall normally aim only at ensuring compliance with the law and with constitutional principles. Administrative supervision may however be exercised with regard to expediency by higher-level authorities in respect of tasks the execution of which is delegated to local authorities.

3. Administrative supervision of local authorities shall be exercised in such a way as to ensure that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect.

Article 9 – Financial resources of local authorities

1. Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers.
2. Local authorities' financial resources shall be commensurate with the responsibilities provided for by the constitution and the law.
3. Part at least of the financial resources of local authorities shall derive from local taxes and charges of which, within the limits of statute, they have the power to determine the rate.
4. The financial systems on which resources available to local authorities are based shall be of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost of carrying out their tasks.
5. The protection of financially weaker local authorities calls for the institution of financial equalisation procedures or equivalent measures which are designed to correct the effects of the unequal distribution of potential sources of finance and of the financial burden they must support. Such procedures or measures shall not diminish the discretion local authorities may exercise within their own sphere of responsibility.
6. Local authorities shall be consulted, in an appropriate manner, on the way in which redistributed resources are to be allocated to them.
7. As far as possible, grants to local authorities shall not be earmarked for the financing of specific projects. The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction.
8. For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market within the limits of the law.

Article 10 – Local authorities' right to associate

1. Local authorities shall be entitled, in exercising their powers, to co-operate and, within the framework of the law, to form consortia with other local authorities in order to carry out tasks of common interest.
2. The entitlement of local authorities to belong to an association for the protection and promotion of their common interests and to belong to an international association of local authorities shall be recognised in each State.
3. Local authorities shall be entitled, under such conditions as may be provided for by the law, to co-operate with their counterparts in other States.

Article 11 – Legal protection of local self-government

Local authorities shall have the right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.