

Report of Chief Executive

Executive – 6th December, 2006

“Strong and Prosperous Communities” – The Local Government White Paper

Invitations to Councils in England to make proposals for future structure or partnership models

(This matter is the responsibility of the Leader of the Council)

1. Executive Summary

- 1.1. This reports deals solely with the issue raised in the White Paper of unitary status and two-tier partnership models, including pathfinders.
- 1.2. The report does not seek to analyse these options but to request direction from the Executive on the various options available, namely:-
 - To support Unitary Authority(ies) for Somerset.
 - To support a formal pathfinder bid for Somerset
 - To support enhanced two-tier working across Somerset.
- 1.3. The broader proposals of the White Paper will be debated through Review Board or the Community Leadership Panel.

2. Introduction

- 2.1. The Local Government White Paper was published on 26th October, 2006. It maps out a series of reforms designed to empower citizens and communities, create stronger more visible leadership and put in place a new framework within which local authorities and partners can work to improve their areas.
- 2.2. The full document is available at <http://whitepaper.lga.gov.uk>. By way of an overview the paper covers proposals for:-
 - A new performance framework
 - An enhanced role for councils as strategic leaders and place-shapers
 - Stronger cities and strategic regions
 - Stronger political leadership
 - A strengthened role for front-line councillors

- A wider and stronger role for scrutiny
- Devolution of powers
- Community cohesion
- An invitation to Councils in shire areas to bid for unitary status or enhanced two-tier working

2.3. This report deals solely with the last proposal.

3. The purpose of the Invitation

3.1. The Government started a “debate” in December 2005 on two-tier government. They have reached the following conclusions:-

- (a) That local government in two-tier areas faces additional challenges that can make it harder to achieve that strong leadership and clear accountability which communities need. There are risks of confusion, duplication and inefficiency between tiers, and particular challenges of capacity for small districts.
- (b) That many local authorities are already working to improve the quality of services in two-tier areas, building strong and sustained partnerships between councils in a county area, but the Government considers there is the potential to go further. In short, the Government believes that the status quo is not an option in two-tier areas if councils are to achieve the outcomes for place shaping and service delivery that communities expect, and deliver substantial efficiency improvements.
- (c) That in a number of areas where there is a broad cross-section of support for this, these reforms should now involve a move to unitary local government.
- (d) It also recognises that in the majority of county areas reforms will now take the form of developing innovative new models of two-tier working as described in the White Paper. This process is to be assisted by pathfinder partnerships of a county council and all the district councils in the county, committed to pioneering radical change.

3.2. Any proposals for governance change, whether involving new two-tier models or moving to unitary structures, should:-

- (a) enhance strategic leadership, neighbourhood empowerment, accountability, value for money and equity;
- (b) command a broad cross-section of support; and
- (c) be affordable, representing value for money and meeting any costs of change from councils’ existing resources.

- 3.3. The Government expects all councils in continuing two-tier areas, even if they are not pathfinders, to pursue new arrangements to achieve the same level of improvement and efficiency gains as the new unitaries and pathfinders will be achieving.
- 3.4. Proposals must be submitted to the Department for Communities and Local Government on or before 25th January, 2007.

4. The Invitation for Unitary Structures

- 4.1. Any principal council in England outside the area of Greater London and the Metropolitan counties may respond to the invitation.

4.2. Terms of the Invitation

- 4.2.1. A proposal must be submitted by a council or a group of two or more councils.
- 4.2.2. Any proposal must relate to the area of the council, or of each of the councils, submitting it. The area covered by a proposal may, in addition to the area of the council or councils submitting the proposal, also include adjoining areas which are currently outside that of the submitting council or councils.
- 4.2.3. The area of any proposed future unitary authority must consist of either:-
- (a) the whole of the area of an existing local authority – county or district council (including those with unitary status); or
 - (b) a combination of such whole areas.
- 4.2.4. A proposal must set out the future local government structure for all the areas affected by the change. Hence, where a proposal involves the creation of a unitary authority for an area that does not cover an existing whole county area or areas, the proposal must set out the arrangements which are to apply in the remainder of the affected county area or areas. The proposal must be presented in the form of a business case with full supporting financial analysis.

4.3. The Criteria for Unitary Structures

- 4.3.1. The criteria with which any proposal must conform are:-
- (a) the change to the future unitary local government structures must be:-
 - affordable, i.e. that the change itself both represents value for money and can be met from council's existing resource envelope. The pay-back period must be no more than 5 years.

- Supported by a broad cross-section of key partners, stakeholders and service users/citizens; and
- (b) those future unitary local government structures must:-
- provide strong, effective and accountable strategic leadership;
 - deliver genuine opportunities for neighbourhood flexibility and empowerment; and
 - deliver value for money and equity on public services.

5. Improving Two-tier Government

- 5.1. The Government recognises that in the majority of county areas reforms will take the form of enhanced two-tier working.
- 5.2. To assist this the Government is inviting proposals for pathfinder partnerships of a county council and all district councils in the county, committed to pioneering radical change.

5.3. Terms of the Invitation

5.3.1. The aim of the two-tier model to be pioneered should be:-

- (a) unified service delivery with service users having no need to understand whether the county, district, or indeed other service provider is responsible;
- (b) stronger leadership for place shaping;
- (c) effective accountability arrangements so that people know who is responsible for what decision; and
- (d) shared back office functions and integrated service delivery mechanisms.

5.3.2. The new two-tier model must relate to the whole of the county area.

5.3.3. The two-tier model should meet the same criteria (set out in paragraph 4.3) as proposed new unitary structures. As regards the affordability criteria, it is not expected that implementing two-tier models will result in authorities having to incur and finance transitional costs in advance of savings.

5.3.4. A proposal must outline the new two-tier model which the partnership intends to develop, highlighting in particular the legislative changes it believes would be necessary to develop the model to the full.

- 5.3.5. A partnership submitting a proposal must be prepared for its development and implementation to be subject to long term evaluation that the Government would commission.

6. **Timetable**

- 6.1. An indicative timetable for handling proposals is set out below:

25th January 2007	Deadline for councils to submit proposals for unitary structures
End of March 2007	Announcement of the Government's preliminary views as to those unitary proposals that have met specified criteria. Consultation with local stakeholders that are potentially affected by proposals.
	Announcement of successful pathfinder proposals.
End of June 2007	Stakeholder consultation on "shortlisted" unitary proposals close.
Early July 2007	Final announcement of those areas that will be restructuring into unitaries
May 2008	Elections to new unitaries
By April 2009	New unitaries up and running.

7. **The Current situation across Somerset**

- 7.1. Somerset County Council approved a motion at Full Council on 22nd November, 2006, instructing officers to work on a bid and prepare a submission for the creation of a Unitary Council for the existing area of Somerset. This will be considered at a special meeting of the Full Council in January 2007.
- 7.2. **The Executive's view on this Motion and proposal for a Single Unitary authority for Somerset is sought.**

8. **The Council's Current Strategic Position**

- 8.1. The Council has made great strides towards delivering much of the White Paper agenda.
- 8.2. Focussing on the invitation which is the subject of this report the Council is at the forefront of improving its performance across all tiers of government.

- 8.3. The Improving Services in Somerset project (ISiS) will ensure unified service delivery and sharing of back office functions. Substantive quality and efficiency gains will accrue.
- 8.4. Taunton Deane Local Strategic Partnership is considering with Somerset County Council and this Council future area arrangements for this Borough to ensure aligned localism.
- 8.5. As officers we are currently reviewing our structure to ensure it is aligned to the ISiS and emerging area agenda. Officers would be open to the consideration of shared management teams across Somerset. This could be developed as vacancies arise, therefore avoiding enforced redundancy and retirement costs.
- 8.6. This Council has very strong leadership as verified externally by the Audit Commission and Leadership Centre for Local Government.
- 8.7. The Council enjoys exceptionally high levels of customer satisfaction. We are currently just short of 70%. The combined figure for all districts is 65%. The average for Unitary Councils is 51%. Somerset County Council's figure is 51%.
- 8.8. There is no evidence available nationally that suggests unitaries perform better or are more cost-effective than the combined efforts of Counties and Districts. This Council prides itself on high quality, low cost services.
- 8.9. The "your council your views" survey (May 2006) also gave some very good results for us, especially in light of the current unitary debate:
 - 57% think that Taunton Deane Borough Council should have main responsibility for setting priorities for the area (Somerset County Council = 23%).
 - 2. 81% associate Taunton Deane (the place) with Taunton Deane .Borough Council (the organisation).
 - 3. 60% think we deliver good value for money.

Questions 1 and 2 were asked by us on behalf of the Lyons Inquiry and submitted to the Inquiry in June. Generally, we have a very good understanding of our residents' needs and priorities and an ability to respond to these.

- 8.10. Finally, we have many partnership arrangements at community and service level that are driving forward service quality and/or efficiency gains. Examples include the Somerset Waste Partnership and the move to an integrated service, the South West Audit Partnership and the Somerset Strategic Housing Group, jointly procuring housing surveys and IT systems.
- 8.11. My personal opinion, not borne from a belief that we must defend District Councils at all costs, is that this Council's direction of travel accords highly

with the White Paper. I believe a formal (through Pathfinder) or informal bid to further enhance two-tier working across the whole of Somerset is the way forward.

8.12. In terms of unitary status for Somerset, we have yet to see the detail of any bid(s). However, I would currently have concerns around:-

- Loss of democratic representation
- The size, particularly of a single unitary
- The loss of local identity
- The loss of local ability to be responsive and make decisions and deliver on behalf of local communities
- The real ability to pay back transactional costs and to delivery business case projections
- The distraction that reorganisation would cause to service delivery.

8.13. I believe all of these concerns could be addressed by retaining the current structure and focussing on the improvements already in hand.

9. Other Options for Somerset and Taunton Deane Borough Council

9.10. A single authority would service a population of over half a million people, over a vast geographical area. It is plausible, therefore, that this Council may wish to lead or support a proposal for two Unitary Authorities for Somerset.

9.11. The Executive view (in principle) on the potential to submit or support a proposal for two Unitary authorities for Somerset is sought.

9.12. Three or more Unitary authorities would clearly be unsustainable based on current configuration of unitaries.

9.13. Some interest has been expressed across Somerset in submitting a Pathfinder bid. This Council is already closely aligned to the Pathfinder principle through its work on the ISiS project.

9.5 The Executive view (in principle) on the potential to support a Pathfinder bid for Somerset is sought.

9.6. It is clearly stated in the White Paper that status quo is not an option. Following discussions with the Government Office for the South West it is clear that this Council could submit an “informal” response to enhance two-tier working. This would follow the Pathfinder principles but would not necessarily have to command support from all five other Somerset authorities. Again, Taunton Deane Borough Council’s general direction of travel would align with any proposal.

9.7 The Executive view (in principle) to support an informal “Enhancing Two-tier” bid for Somerset is sought.

10. Conclusion

- 10.1. To date, no officer time has been dedicated to working up a specific response to the Government’s invitation.
- 10.2. Before resources are committed to either work up a bid or to support or to campaign against any proposal, the views and direction of the Executive is sought.
- 10.3. In terms of the County bid and any other that may come forward for unitary status, the Council will have a formal opportunity to respond to any bid made after 25th January, 2007.
- 10.4. Further reports will be submitted as appropriate.

11. Recommendation

- 11.1. The Executive’s views on the Invitation to Councils are sought.

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