

THE DEVELOPMENT OF A UNITARY STRUCTURE FOR LOCAL GOVERNMENT IN LEICESTERSHIRE – SUMMARY OF EMERGING AND RECURRING THEMES FROM THE SCRUTINY PROCESS

Purpose

1. The purpose of this report is to summarise the key issues and recurring themes from the scrutiny process undertaken to date on the proposals for the development of a unitary structure for local government in Leicestershire

Background

2. The Cabinet at its meeting on 6 July requested officers to undertake work on the development of a unitary structure for local government in Leicestershire and to prepare outline proposals. These were subsequently presented to the Cabinet on 16 October, and approved for engagement with stakeholders.

3. The draft minute relating to each committee is set out in the Appendix as follows:-

Children and Families OSC Appendix 1

Adults and Communities OSC Appendix 2

Health OSC Appendix 3

Environment and Transport OSC Appendix 4

4. The views of the Overview and Scrutiny Committees, including the views of the Scrutiny Commission will be submitted to the Cross Party Working Party on Unitary Structure for Local Government in Leicestershire and to the Cabinet.

Summary of Themes

5. The key and recurring issues in the debates are grouped and summarised in the headings below

Overview

6. Engagement Process

The Cabinet was keen for the engagement process over the next few months to incorporate all stakeholders, including District Councils.

7. Letter from MPs

- (i) Various members queried why the process was continuing in the light of opposition from District Council Leaders and MPs. It was confirmed

that the County Council's view was that the democratic process should continue and the views of all stakeholders should be sought.

- (ii) Various members expressed disappointment with the MPs and District Leaders, and felt that they were suppressing debate.

8. Legal Position

The statement of the Secretary of State regarding that the 'sunset clause' in the Cities and Devolution Act 2016 would expire in March 2019 was noted. However there were other provisions in previous Acts which allowed the Secretary of State to invite bids. Should a decision be taken to make an application, it was intended to rely on the previous Acts of Parliament.

9. Strategic Alliance

- (i) It was possible to pursue the development of a Strategic Alliance without structural reform. However this would mean that there would not be a single voice for Leicestershire and this would slow down the decision making process.
- (ii) Whilst concern was expressed that planning, particularly for major transport infrastructure, was increasingly undertaken at a national and regional level, it was also noted that a unitary authority would have more power and influence over this type of planning than the existing local government structures.

Financial Situation

10. County Council's Future

Notwithstanding the recent budget, it was accepted that the financial future remained uncertain and there would be a continued challenge of achieving savings, estimated to be between £10 million and £15 million each year going forward. It was noted that structural reform was the Government's preferred option for struggling councils. Some members felt it would be better to take a decision about the Council's future voluntarily rather than have reorganisation imposed on it.

11. Council Tax

- (i) Whilst it would be a matter for the new Council, the proposals envisaged that council tax would be harmonised at the lowest level (i.e. the rate charged by Hinckley and Bosworth Borough Council). £8 million had been identified as the cost of doing so. The level of parish and town council precepts were not factored into the calculation as these bodies would continue to exist.
- (ii) Every effort would be made to maintain the quality of frontline council services, despite the harmonisation of council tax to the lowest level.

12. Proposed £30 million Annual Saving

- (i) The projected level of savings was based on evidence from recently created unitary authorities and a refresh of the figures used in the 2014 EY Report. Officers had confidence in the level of savings projected, particularly as £3 million contingency had been built in to the proposals. A detailed breakdown of how the savings would be achieved would be circulated to members.
- (ii) No cuts to front line services were proposed. The savings would be achieved through a reduction in management and back office staff. Increased efficiency and a reduction in duplication of back office services would also contribute to the savings. There was no evidence to support the assertion that restructuring would cost more than it saved.
- (iii) The Liberal Democrat view, given at the Children and Families Overview and Scrutiny Committee, was that the £30 million annual savings would be used to fund existing County Council services and would quickly disappear.

13. Implementation Costs

- (i) The projected implementation costs included redundancy costs, calculated at a higher than average level to take account of the expectation that a greater than usual number of senior staff would be affected.
- (ii) It might be necessary, as part of implementation, to break existing contracts. However, there was likely to be a period of transition as the new council was established and this would enable contracts to be harmonised and decisions taken about whether they were worth breaking or not.

Model Unitary Structure

14. Unitary Boundary

The proposals were based on the current municipal boundaries. There was no intention of looking at expanding the county boundaries nor was there any desire on the part of the City Council and County Council to look at boundary changes.

15. Role of Local Area Committees and Area Development Management Sub Boards

These would be Committees of the unitary authority and would be supported centrally, although meetings would be held in the relevant locality. The overall approach, including Local Area Committees, Area Development Management sub-boards and an enhanced role for parish and town councils was intended to strike a balance between achieving economies of scale and preserving the value of local decision making.

16. Role of Local Councillor

A view was expressed that this role seemed more like a business manager and it would be useful to explore with representatives of existing unitary authorities how the role had developed in their areas.

17. Role of Parish and Town Councils

Where parish and town councils wished to take on additional responsibilities, they would receive funding and support to do so. The offer was being developed as part of the engagement process, noting that it was voluntary and that some parish councils would not wish to take on any extra work.

Options Appraisal

18. Single Unitary Authority

Various members expressed the view that a single unitary authority would be better than two authorities, as two would split existing services which already worked well on a countywide basis, and there were benefits to being able to develop an overall, single strategic vision for services. In addition, it would enable the council to move closer to co-terminosity with other public sector bodies, offering opportunities for integration of services.

19. Status Quo

It was suggested that the status quo should have been explored as an option, however it was felt that this was an implicit option in the report.

20. Size of Authority

The number of councillors proposed for a single unitary authority was in line with that of existing unitary authorities, although it was acknowledged that Leicestershire would be larger than most. The Working Party had asked for analysis of the financial viability of existing unitary authorities, based on their size, to support their understanding of the best size for a unitary authority.

Services in a Unitary Structure

21. District Council Services

- (i) There would be no reduction in either statutory or discretionary front line services at the point of transfer. Although decisions would be taken centrally, there would be local delivery and a local focus for services.
- (ii) The economic impact of moving services out from towns and villages had not been assessed. The delivery point for services would be a matter for the new unitary authority to determine.

22. Children and Family Services

- (i) The Children and Family Services Department had a needs based approach to delivering services across the county and the current model, which could be built on, had services managed centrally but delivered locally.

- (ii) It was noted that the Community Safety Partnerships offered a good and thorough understanding of local need which it would be important to preserve through transition.

23. Adults and Communities

- (i) Whilst Lightbulb was provided in partnership across the County and district councils, and had achieved very good outcomes for service users, maintaining the partnership consumed a lot of energy and resources and the results were still variable across the county.
- (ii) The opportunity to have a single voice when bidding for external funding for heritage, leisure and arts was discussed and the benefits explained. These included reduced competition, single bids covering multiple areas, which could carry more weight, and the opportunities to employ professional bid writers.

24. Public Health and Health, Housing and Care Integration

There was a general theme of complexity and a lack in consistency in current arrangements, and missed opportunities to join up services and deliver better outcomes. It was felt that these issues would be resolved through a unitary structure of local government, which would be able to think strategically about service delivery across a wider range of services.

25. Environment and Transport

There was confusion regarding which authority was responsible for which part of the service, which could lead to inefficiencies. A view was expressed that generally, the County Council was best placed to resolve interfaces between organisations.