Agenda Item 9

Leicestershire County Council

SCRUTINY COMMISSION: 6 MARCH 2019

REVIEW OF PROPOSALS FOR A UNITARY STRUCTURE OF LOCAL GOVERNMENT FOR LEICESTERSHIRE

REPORT OF THE SCRUTINY COMMISSION

Purpose

1. The purpose of this report is to set out the findings of the Scrutiny Commission's examination of the County Council's proposals for a unitary structure for local government in Leicestershire.

2. It was not intended that the Commission would come to a view on the matter but rather to reflect to the Cabinet the findings from evidence gathered, the views and concerns of members and suggestions of the issues that the Cabinet and officers preparing the business case might wish to reflect on. As such, this report does not set out any clear recommendations.

Background

3. The Scrutiny Commission met four times between 14 November 2018 and 15 January 2019 to consider the County Council's proposals for a unitary structure for local government in Leicestershire. Its deliberations, and those of the Overview and Scrutiny Committees, were aimed at eliciting the views of members on the draft proposals outlined in the Cabinet report, look at practice elsewhere and gather information from a variety of sources. The Commission is particularly grateful to the following who attended its meetings and provided information:-

    - Baroness Scott of Bybrook OBE, Leader of Wiltshire Council;

    - Councillor Simon Henig, Leader of Durham County Council;

    - Councillor Adam Paynter, Leader of Cornwall Council;

    - Mr N J Rushton CC, Leader of Leicestershire County Council;

    - Mr J B Rhodes CC, Deputy Leader of Leicestershire County Council;

    - Jake Atkinson, Chief Executive of the Leicestershire and Rutland Association of Local Councils;

    - Justin Griggs, Head of Policy and Communication at the National Association of Local Councils;

    - Kevan Liles, Chief Executive of Voluntary Action LeicesterShire;

    - Richard Evans, Chief Executive of Citizen's Advice LeicesterShire;

- Councillor Neil Bannister, Leader of Harborough District Council; and

- Councillor Mike Hall, Leader of Hinckley and Bosworth Borough Council;

4. The County Council's Overview and Scrutiny Committees also met to consider the proposals and the likely impact that they would have on the service area under the remit of each Committee. The key themes and emerging issues from those meetings were reported to the Commission.

5. The discussions were wide ranging and in an attempt to bring together key issues this report is divided into the following sections:-

- Evidence gathered by the Commission:-

    o Existing unitary authorities;

    o Parish and Town Councils;

    o Voluntary Sector;

    o District Councils;

- Key themes and conclusions from evidence gathering;

- Consideration of the Cabinet proposals:-

    o Financial model;

    o Area Committees;

    o Planning governance arrangements;

    o Services in a unitary structure;

- Process of transferring staff to a new organisation.

The views, concerns and suggestions made by members appear in each section.

Summary of Findings

6. Whilst the Commission did not reach a conclusion on whether or not it supported the County Council's proposals for a unitary structure for local government in Leicestershire, there was a general agreement that, if the proposal were pursued, a single unitary council would make the most sense financially and for the delivery of services currently provided by the County Council. This view was not expressed by all members of the Commission. However, for the purposes of this report, where a unitary structure of local government is referred to, it can be taken to mean a single unitary authority.

Evidence Gathering by the Commission

Existing Unitary Authorities

7. A summary of the evidence received from the Leaders of the three existing unitary authorities who kindly gave up their time to talk to the Commission about their experiences in transitioning from a two tier structure to a single tier is set out in the table below.

Theme	Wiltshire	Durham	Cornwall
Vision for unitary authority	Emphasised the need for a clear and simple vision, focused on better services not just saving money	A prosperous, safe and sustainable future for County Durham, listening to and working with local people, leading and shaping communities and working in partnership to ensure quality, cost effective services. Important to give local people an opportunity to help mould the new council – e.g. public consultation to help determine its name.	• Devolution to Town and Parish Councils and Community Networks; • Eliminate duplication; • Stronger voice; • Efficiency.
Alternative options considered	Prior to seeking unitary status, efforts had been made to improve joint working between the county and district councils. This had had some success but was limited by unwillingness from individual organisations to cede power. No consideration of including the unitary authority of Swindon (established in 1997) in the footprint for the new Wiltshire Council	North East Combined Authority set up with powers around buses. This had not been successful and power had been devolved back to constituent councils. No consideration of including the unitary authority of Darlington (established in 1997) in the footprint for the new Durham County Council	Bids put forward by both the District Councils and the County Council. A joint services district project had been attempted prior to seeking unitary status.
Implementation	Seen as an opportunity for a different type of local	Consultative approach taken.	Faced a number of challenges right at the beginning – poor

Theme	Wiltshire	Durham	Cornwall
	government. Time spent developing and embedding a new culture and values.	Significant level of member involvement.	services and a bankrupt district council – so had taken a fix, prepare, transform, excel approach.
Level of Savings achieved	£25 million recurrent savings, largely as a result of reductions in back office.	Initial savings of £21 million delivered, significant further re-organisation savings achieved once stabilised. Total of £22 million recurrent savings per EY analysis. Had been able to hold onto reserves of predecessor organisations.	New structure more efficient than expected. £170 million savings achieved. (c.£25 million recurrent savings per EY analysis)
Benefits	• Stronger voice; • More likely to be listened to by central government; • No need to make tough savings decisions (e.g. libraries, children's centres) as a result of austerity; • More efficient procurement; • Capacity to lead on and respond to significant issues; • Public satisfaction has improved; • Savings through economies of scale; • Opportunities in combining social care with social housing e.g.	• Greater capacity to respond to regional and national proposals; • Easier to put on events at scale. • Single voice and consistent direction of travel is a particular benefit for economic growth and regeneration. • Business support for unitary model and appreciation of all local government services being in the same place.	• Able to negotiate a devolution deal which did not require an elected mayor. • Made significant service improvements. • Invested £4 million year on year in adult social care.

Theme	Wiltshire	Durham	Cornwall
	developing a housing model to support the ageing population.		
Disadvantages	None discussed.	Data collection at level of former district councils discontinued which could lead to areas previously identified as disadvantaged being masked by the use of average figures across the larger unitary authority. However, data is still collected at Lower Super Output Area.	Issues with decisions taken by district councils just prior to their abolition – e.g. one chose to halve parking costs in the districts. Implementation Team had been set up separately – resulting in a disconnect between the team and the rest of the staff.
Area Committees	Cost about £1 million per year to run. Have executive powers and a delegated budget for youth services and small highways projects. Award £700,000 of capital grants to projects which linked to Council priorities and added value. Vehicle for public consultation. No role in planning matters. Meet in localities. Only unitary councillors allowed to vote although other organisations including Parish and Town Councils are clear partners and expected to report on their activity.	14 Area Action Partnerships. Local areas had been allowed to decide which AAP they wanted to join. Comprised of seven local councillors (one of which is a parish councillor), seven local partner organisations and seven local people. Supported locally with a budget to fund issues and projects. No devolved powers to take executive decisions. Area Structure well supported by local councillors and key in terms of ensuring that all of the county have access to local decision-making and funding for local priorities.	Community Network Panels have £50,000 per year for highways matters and able to determine some traffic regulation orders. Able to determine how they should work including chairing arrangements, agenda and themes to focus on. Unitary and parish councillors allowed to vote. Resourced and supported by senior members of staff.
Planning	Single, strategic Local Plan in place. Local Planning Committees in each district area, reflecting the fact that	Area Planning Committees reflect the political balance of the Council. This and the mix of local members	Strategic Planning Committee and three Area Planning Committees. Structure currently being reviewed

Theme	Wiltshire	Durham	Cornwall
	the Council had inherited four district-level Local Plans. Aim to keep planning local, has also embraced neighbourhood plans. Area Planning Committees are politically balanced although Group Leaders are encouraged to appoint local members where possible. Does not address the issue regarding major decisions being taken by the Planning Inspectorate rather than at a local level but makes it easier to undertake strategic planning and identify areas for economic growth.	and members from other areas of the county resolve the tension between the impact the impact of developments on the locality and the need for consistent outcomes across the county.	in the light of Boundary Review which will reduce the number of councillors.
Transition then Transformation	The new council had been allowed to bed in before starting work on the transformation of services. As a result, for example the harmonisation of waste collection had taken a number of years. Decisions of predecessor organisations respected with regard to housing stock.	Harmonisation of fees and charges across the county had been referred to the scrutiny function of the new unitary authority. Decision taken by the new authority, once established and all options considered, to transfer all housing stock into a single, standalone organisation.	Council tax harmonised to the middle of the levels set by the former district councils. Made appointments first then designed the new structure. Lesson learned – do not go for a 'big bang' approach.
Access to Services	No issues raised by the public. Council operates out of three buildings. Service hubs in all major towns and access to services	Recognition of importance of providing services across the county and not centralising them, even in response to the	Local focus delivered by engaging with Parish and Town Councils and the voluntary sector.

Theme	Wiltshire	Durham	Cornwall
	through libraries and leisure centres. Links between council and local communities maintained and strengthened.	challenge of austerity.	
Parish and Town Councils	Services devolved to interested Town and Parish Council and assets transferred.	Devolution of power and responsibility to parish and town councils not always possible as some areas were unparished and others chose not to take on additional services.	Devolution of responsibilities to parish councils or community networks.
Role of Councillor	Minimal savings in member allowances. Cabinet members, support members and Committee chairmen expected to give full time commitment to their role.	Cross party working group established to develop constitution and define role of elected members.	123 elected members. The unitary council originally set up 10 Policy Advisory Committees. Each comprised 10 members and was closely aligned to a Cabinet portfolio. This ensured all councillors felt involved in the work of the new council.

8. It is a matter of regret to the Commission that it was unable to hear from unitary authorities that had run into financial difficulties. Cornwall, Wiltshire and Durham are all successful authorities and advocates of the unitary model. It was therefore suggested by members that there had been a lack of balance in the evidence that the Commission received which may have prevented members on forming a firmer view on whether a unitary structure of local government would be right for Leicestershire. That said, officers sought to assure the Commission by undertaking a desktop analysis of publicly available information. This showed that unitary authorities were less likely to run into financial difficulties than upper tier local authorities and also that those financial difficulties were generally less serious. Causes of financial difficulties included size, as smaller unitary authorities could not achieve economies of scale, poor leadership and poor financial management. It was also pointed out that representatives of a failing council or a council in financial and/or service difficulties were unlikely to want to present to an external audience.

Evidence from Parish and Town Councils

9. The Commission received evidence from the National Association of Local Councils (NALC) and the Leicestershire and Rutland Association of Local Councils (LRALC). Although NALC was generally supportive of a unitary structure for local government, LRALC had not taken a view on the County Council's proposals. It had agreed that it would be difficult to reach a position that satisfied all members, so it was keeping a watching brief on developments.

10. The Commission noted the County Council's intention to co-design the offer for Parish and Town Councils with representatives from those councils and to that end, has not given a great deal of consideration to the detail of that offer.

Evidence from the Voluntary Sector

11. The Commission received presentations from Voluntary Action LeicesterShire (VAL) and Citizens Advice LeicesterShire setting out their journeys which had involved the merger of several bodies to become larger, single organisations.

12. VAL advised the Commission that, as a single, countywide organisation, it was able to operate at both the grassroots level to help with frontline service delivery and at a strategic level, in terms of policy development, service development and infrastructure and support. It had also realised significant efficiency savings through the merger and was able to be more flexible in the way that it deployed resources.

13. Citizens Advice LeicesterShire had found that it taken longer to achieve savings as result of the merger than initially projected because tough decisions were not taken around staffing requirements for the new organisation. Charnwood still has a separate Citizens Advice organisation but the working relationships between the two organisations are good and would not necessarily be affected by the creation of a unitary council for Leicestershire.

Evidence from District Council Leaders

14. The Leaders of Harborough District Council and Hinckley and Bosworth Borough Council attended a meeting of the Scrutiny Commission to give their views on the County Council's proposals for a unitary structure of local government for Leicestershire. They had been nominated to do so by the District Council Leaders collectively.

15. They advised that the District Councils are constructively engaged together to look at functional, rather than structural, reform and identify savings. They have urged the County Council to work with them in this area. They also expressed disappointment that the district councils were not consulted on the County Council's proposals for a unitary structure of local government for Leicestershire before they were made public.

16. Their reservations regarding the proposals for a unitary structure of local government are summarised below:-

- A single unitary authority for Leicestershire could be too large and remote, and would not reflect local communities;

- Some existing unitary authorities are facing difficulties and challenges;

- There is a lack of support for the proposals from MPs and Parish and Town Councils;

- The proposals will have an effect on district council staff;

- There is a lack of reference to collaborative working in the outline proposals;

- It is not clear from the outline proposals whether other methods of achieving savings, such as regional collaboration for social care services, have been fully explored;

- There is a lack of detail in the outline proposals around how fees and charges have been calculated and how the harmonisation of pay and benefits will be achieved;

- There is a lack of focus in the outline proposals on improved outcomes for service users.

- There was a suggestion that savings could be made by freezing the salaries of County Council staff or asking them to reapply for their jobs on a lower salary.

17. The Commission is grateful to Mr N J Rushton CC, Leader of the Council, and to Mr J B Rhodes CC, Deputy Leader, for attending this meeting and providing a response to some of the concerns raised by District Council Leaders. For completeness, that response is summarised below:-

- Mr Rushton is willing to meet with the district council leaders again and will do so when invited;

- The County Council is pursuing structural reform because it is believed to be in the best interests of Leicestershire residents, given the County Council's financial position;

- The County Council will develop a business case with a clear vision of how a unitary structure of local government will be better for Leicestershire residents;

- Under a unitary council, there would be no change to the current provision, including fees, charges, housing and benefits, until consideration had been given by the successor authority to the best way of delivering consistent services across the county;

- A single unitary authority would deliver the greatest level of financial savings and no one is arguing that the current structure is the best way of delivering services.

- There is no intention to freeze County Council staff salaries or ask them to reapply for their jobs.

Key Themes and Conclusions from Evidence Gathering

18. The paragraphs below set out the key themes and conclusions arising from the Commission's consideration of the evidence it received. To reiterate an earlier point, the Commission has not concluded that a single unitary authority is the right model of governance for Leicestershire, but feels that if the County Council is minded to take this decision, the following ought to be key considerations.

Vision and Culture

19. A unitary authority will be a new local authority; it cannot be seen as a 'take over' by an existing council. A new unitary authority would need to have its own culture and values, including being open to public engagement and responsive to local issues.

20. The vision for a unitary authority cannot just focus on the financial case for change. The public needs to see how services will be delivered and to understand the benefits that having a single local authority will bring, such as improved access to services, particularly in localities. Improved community engagement should also be a key theme. This includes ensuring that the culture of the organisation will allow devolution of decision making to the most local level and that public involvement in and access to decision making is enhanced.

Finance

21. All of the unitary authorities that the Commission talked to achieved significant saving through the transition to unitary status. As a result, the ongoing savings requirements faced by these authorities during austerity have been less challenging than those faced by upper tier local authorities. As a result, services which have faced significant reductions in Leicestershire, such as libraries and children's centres, have been protected in unitary county areas.

Voice and Influence

22. A clear benefit of a unitary structure is the stronger, single voice and relatively streamlined decision making processes. This is particularly important in terms of economic development and the Commission heard examples from each council of where being a unitary authority made a real difference. Cornwall had been able to negotiate a devolution deal with the Government, without the requirement to have an elected mayor in place. Durham had successfully bid for a major national contract to build railway carriages and Wiltshire had delivered a range of innovative projects related to the use of public sector estate, including a strategic partnership with the Police.

Transition

23. A key message, particularly from Wiltshire Council, is that of transition first, then transformation. Immediately post-Vesting Day, the most important thing

is for services to be delivered with as little disruption to residents as possible. This is particularly important for housing services. Once the new Council has an understanding of how all the services are run and the different contracts in place, it can come to a view on the most efficient way to deliver services. It can take years to harmonise services but it is worth taking the time to get it right for residents.

Area Committees

24. An Area Committee structure will be essential to mitigate against the challenge that a single unitary authority for Leicestershire is too large and remote. The Committees should not be supported by a large infrastructure, so as not to appear to be recreating district councils, but they should allow local members to focus on issues of local importance. The devolution of powers and budgets is key to preventing them from being 'talking shops' and, building on the suggested new vision and culture, they must also have a robust mechanism in place for engaging with the public.

25. Both voluntary sector organisations that the Commission heard from felt that the unitary proposal should emphasise how community engagement and services could be improved across Leicestershire. The knowledge of VAL, Citizens Advice LeicesterShire and local volunteer centres should be used to help define the boundaries of the Area Committees. Speaking directly to local communities would also be useful.

Planning Governance

26. Local Planning Committees are essential, not just because immediately after transition to a unitary structure there will be seven Local Plans determining planning policy, one for each current district area, but also because they will enable local people to access meetings and the majority of decisions to be taken locally. It is important to keep the Area Committees separate from Local Planning Committees because otherwise the Area Committee agendas will be dominated by planning issues.

The Role of Parish and Town Councils

27. It will be essential for the business case to be clear that Parish and Town Councils will have the option to take on additional services, but it will not be a mandatory requirement. Similarly, unparished areas should be able to choose whether they wish to create a Parish or Town Council or not.

28. Where Parish and Town Councils do decide to take on additional services and where these services can (a) be delivered more efficiently at a local level; and (b) are in line with the new unitary authority's policies and priorities, funding and support should be provided to enable them to deliver these services. Appropriate governance and monitoring arrangements should also be put in place.

29. The Commission noted that NALC runs a Local Council Award Scheme to recognise good practice in governance, community engagement and council improvement. A new unitary authority should support Parish and Town

Councils to achieve these standards and should be more willing to devolve services to those that are recognised by the scheme.

30. The County Council needs to have a greater understanding of the barriers which can prevent Parish and Town Councils from taking on additional services so that, when designing the model for devolution of services from the new unitary authority to Parish and Town Councils, these barriers can either be addressed or acknowledged. Every opportunity should be taken to reduce the burdens on Parish and Town Councils when they opt to take on extra work. The intention to co-design the offer to Parish and Town Councils was welcomed.

Consideration of the Cabinet Proposals

31. The Commission and the Overview and Scrutiny Committees considered the outline proposals set out in the Cabinet report in detail. The Commission received further information relating to the Financial Model, Area Committee Structure and Planning Governance Arrangements which allowed it to delve more deeply into what those proposals might mean for Leicestershire. A summary of the findings is set out in the paragraphs below.

Financial Model

32. The Commission examined the assumptions behind the financial modelling for a unitary authority for Leicestershire. The modelling identified annual savings amounting to £30 million from a single unitary authority for Leicestershire and assumed that the majority of these could be made without any impact upon the services delivered to residents. The savings that do affect front line services are limited to administration, management and procurement activity and these should not be detrimental to service delivery and in some cases could be beneficial. The following table shows a breakdown for the savings assumptions:-

Category	Savings £million
Members' Allowances	0.5
Elections	0.9
Senior Management	5.6
Back office	17.4
Service management and administration	8.5
Contingency	(2.9)
Total	30.0
Implementation cost	(19.0)

33. There was some concern relating to the accuracy of the modelling, based on the fact that officers only had complete access to the County Council's finances and were relying on publicly accessible information for services currently provided by the district councils. The fact that the methodology was based on a revised and updated version of that applied by EY when it produced its Strategic Financial Case for a Unitary Council for Leicestershire

in 2014 also caused some concern in case the assumptions used by EY were now out of date. Officers advised that 80% of local authority services in Leicestershire were provided by the County Council, that the assumptions made regarding the 20% of services provided by district councils had been triangulated against other authorities that had already been through the transition to a unitary structure. In addition, whilst there are similarities to how EY preformed the analysis all assumptions and information had been reviewed and updated.

34. It is important to understand that the majority of the savings arise from reductions in management and back office functions. This relates not just to merging eight organisations into one, but also the reduction in duplication in tasks, such as production of a single Statement of Accounts rather than eight.

35. The projected implementation costs include provision for 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. The Commission learned that there is no evidence to support the assertion that restructuring would cost more than it would save.

36. The principle that a unitary authority will deliver significant savings was generally accepted. Areas where the Commission recommends that the financial model undergoes more testing as part of the development of the business case are:-

   a. Savings from Members' Allowances, to ensure that Special Responsibility Allowances for the Chairmen of Area Committees have been taken into account;

   b. Review how quickly savings will be realised if Leicestershire adopts a 'transition then transformation' approach to unitary status and whether the implementation costs will need adjusting;

   c. Whether the demands on statutory services such as children's and adult social care will affect the unitary council's ability to provide non-statutory services such as some of the services currently provided by the district councils.

37. The Commission recommended that the business case for a unitary structure for local government in Leicestershire must be externally reviewed by a well-known company with a strong reputation in that area. This will provide assurances that the proposed level of savings is accurate.

38. An important point to note is that how the savings will be delivered and the speed at which they will be realised is a matter for the new authority to decide. For example, whilst the business case can make assumptions about the harmonisation of council tax, the approach that will be taken to services where multiple contracts are held and the rationalisation of estate across local government in Leicestershire, the final decisions will rest with the new unitary council.

39. Recent history has shown that organisations facing financial difficulties have had a unitary structure imposed upon them. There is a view that it will be

better to take that decision voluntarily and to manage the process, although that view was not shared by all members of the Commission.

Area Committees

40. The Commission gave detailed consideration to the Area Committee structures employed by Wiltshire Council and Durham County Council. There was general agreement that, if a unitary structure were to be taken forward for Leicestershire, an Area Committee structure would be essential to mitigate against the challenge of the unitary authority being too large and remote.

41. The Cabinet report on the outline proposals had included a section on Area Committees as a way of strengthening local leadership. This defined the building blocks for Area Committees as:-

- Electoral divisions;

- Local delivery arrangements such as the health and social care Integrated Locality Teams;

- Parliamentary constituencies;

- Need for roughly similar sized populations;

- Reflect natural communities in terms of the economic and local interest and identities.

42. In considering the proposals in the Cabinet report and the Area Committee structures for Wiltshire and Durham, the Commission reached a number of conclusions regarding what an Area Committee structure might look like in Leicestershire. The Commission requests that its views are reflected in the business case for a unitary structure of local government for Leicestershire. They are set out below:-

   a. The Area Committee structure should be separated from the Development Management (Planning) Function.

   b. When designing the geographies for Area Committees, the views of local communities should be sought to ensure that the structure reflects local needs and identities.

   c. Area Committees should be formally constituted with some delegated executive powers and corresponding budgets. These powers should include determining minor highway schemes. The Area Committees could also pick up the work currently undertaken by district health and wellbeing boards.

   d. In terms of voting arrangements, it is recognised that the delegation of executive powers will mean that only unitary councillors will be able to vote. However, arrangements should be put in place to enable members of the public and partner organisations to attend and participate in meetings. This should mean that decisions are reached

by consensus, taking into account the views of all attendees, not just those with voting rights.

e. Meetings of the Area Committees must take place in the relevant localities to ensure that they are accessible to members of the public and local partners.

f. Area Committee agendas should facilitate public engagement and involvement, for example through a public question time, allowing the presentation of petitions and through ensuring that public views are taken into account before decisions are made.

43. There was general consensus that the Area Committee structure must not appear to replicate district councils, although this view was not shared by all members of the Commission. The Team to support Area Committees would be a small, centrally managed team. This was the case in both Wiltshire and Durham, although in Wiltshire an Associate Director has also been assigned to each Board. This is beneficial as it helps to give the Area Boards status and ensure that recommendations are taken back to the Council and acted upon.

Planning Governance Arrangements

44. The Commission recognises the importance of planning to local residents and feels that the business case needs to reassure the public that planning decisions will be taken locally as far as is possible. Detailed consideration of the planning governance arrangements had been undertaken by the Commission to try and identify a system that would work if Leicestershire chose to adopt a unitary structure of local government.

45. There is a consistent approach across county unitary councils to the governance arrangements for planning. This is to establish a countywide Planning Committee to consider 'big ticket' items and underneath that to establish Area Planning Committees on the footprint of the former district councils. There is wide delegation to officers to deal with routine planning matters, as is currently the case for most district councils in Leicestershire. The Commission gave general support to replicating this model in Leicestershire.

46. The main reason for establishing Area Planning Committees on the footprint of former district councils is to allow for the fact that Planning Policy (set out in Local Plans) will continue to be based on district geographies until such time as a single countywide Local Plan is developed. This can take a number of years, for example County Durham still does not have a single countywide Local Plan. The Commission notes that the original proposal in the Cabinet report is for five Area Planning Committees and recommends that this is increased to seven in the business case.

47. Planning policy, such as the development of the Single Local Plan, is an executive function and final approval will be required from the full Council. The Commission is of the view that a new unitary authority for Leicestershire should make the process of determining the Single Local Plan as transparent

as possible. Local Planning Committees and even the Area Committees should be involved in the process of developing the Single Local Plan.

48. The Commission welcomes the idea of the Area Planning Committees meeting in their local areas and are keen to see as many planning applications determined locally as possible. This may require some further consideration being given to the thresholds for where applications should be considered. For example, both Wiltshire and Durham Councils consider large scale major developments at the Countywide planning committee, defined as 200 or more dwellings. The Commission feels that this is a low threshold. In addition, larger developments are most likely to be of interest to local people so, in the light of meetings being accessible to the public, it would support this type of decision being taken locally, whether by the Countywide or Area Planning Committee.

49. With regard to membership, both Wiltshire Council and Durham County Council require the Area Planning Committees to be politically balanced. Wiltshire's Constitution states that "appointment to each of the area planning committees will be politically proportional having regard to the wishes of group leaders, who would be asked to nominate wherever possible on a geographical basis." Durham's Constitution, however, requires membership to consist of "eight Members representing Electoral Divisions within the Committee's area and eight other Members from the rest of the County excluding Members of the Executive". The Commission was of the view that neither of these options would be quite right for Leicestershire. It was suggested that, in determining membership for the Area Planning Committees, the political balance of the area should be recognised and, where possible, the majority of members on each Committee should represent electoral divisions in the relevant area.

50. The Commission understands that moving to a unitary structure of local government for Leicestershire will not resolve the local concern of major planning decisions being determined by the Planning Inspectorate at a national level, where the local context is not taken into account. However, it is recognised that a single, countywide Local Plan would carry greater weight with the Government than the current seven district level local plans.

Services in a Unitary Structure

51. The appendices to the Cabinet report set out the opportunities that a unitary structure could afford to each County Council service, focusing on how better outcomes could be delivered for residents, local businesses and partner organisations. Each Overview and Scrutiny Committee considered the appendix relevant to their service area and a summary of the findings is set out in the paragraphs below.

Children and Families Service

52. A unitary structure made sense for the Children and Families Service as a lot of its services were already delivered in localities. The current model, where services were managed centrally and delivered locally, could be built on when developing the new unitary authority's service offer.

53. In terms of Community Safety, the benefits relate to streamlined governance and a reduction in duplication. Members emphasised that the existing Community Safety Partnerships offer a good and thorough understanding of local need. This must be preserved through the transition process.

Adults and Communities

54. Most adult social care services are solely provided by the County Council so the transition to a unitary authority would have limited impact. However, the business case needs to also include proposals for services currently provided by district councils such as leisure and open spaces. The Commission would welcome clarity with regard to how these services will fit into the new structure.

55. The Lightbulb Service, a single service across Leicestershire providing practical housing support, is felt by members to represent an example of effective partnership working across the county and district councils. The service is award winning and has achieved very good outcomes for service users. However, from an officer perspective and whilst recognising the many benefits of the service, the partnership consumes a lot of energy and resources and results are still variable across the county.

Public Health and Health and Care Integration

56. There is a general theme of complexity and a lack of consistency in arrangements, and missed opportunities to join up services and deliver better outcomes. It is felt that these issues might 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.

Environment and Transport

57. A countywide approach to services such as waste, car parking, street cleansing and environmental services would create consistency across the county. There is currently a degree of confusion regarding which authority is responsible for each part of the service; this can lead to inefficiencies.

Economic Growth and Development

58. A benefit of having a single unitary authority for Leicestershire would be a greater opportunity for promoting economic development than the current structure provided. This included being able to have a larger economic development team which could respond strategically to opportunities.

59. With regard to development management, the Commission felt that more work was needed to identify whether a having a Community Infrastructure Levy in place across the county was actually a benefit. It would admittedly be more cost effective to introduce than in the current structure, but district councils that had looked into developing a scheme had found they attracted less money to mitigate the cost of developments than Section 106 contributions.

60. Similarly, in terms of property management, whilst it was acknowledged that a centralised choice based lettings system would be cheaper to administer and more accessible for registered partners, there were concerns regarding the benefits of such a scheme, as it would require alignment with the criteria used by neighbouring authorities.

Regulatory Services

61. There is a general recognition that for the Trading Standards Service, a unitary structure of local government presented numerous benefits. These benefits included establishing a single enforcement team including planning enforcement, the opportunity to remodel existing Trading Standards and Environmental Health Services into a single Public Protection Service with the expertise in place to deal with issues holistically and support legitimate businesses. It also offered greater opportunities to generate income and a better and easier service for local business to access.

Combined Property Service

62. There is a general understanding that, with a single unitary council for Leicestershire, some rationalisation of the local government estate would take place. This would be more efficient than the current fragmented services. Where appropriate, buildings must be retained in localities to enable the local delivery of services. However, the details of which properties would be surplus to requirements and the locations where services would be provided from will be a matter for the new authority. The Commission therefore expects the business case to be silent on this particular point.

63. The Commission recommends that, if the unitary proposal is taken forward, work is undertaken to understand how many people access local authority buildings across Leicestershire for help and advice. It would be important to ensure that the transition to a unitary authority does not disadvantage vulnerable residents.

64. There are benefits to locating more than one organisation on the same site, particularly where it enables a more comprehensive service to be provided to members of the public. This needs to be considered as part of the property strategy.

65. Members emphasised that if a new unitary authority for Leicestershire is established it should seek to avoid silo working. For example, any decisions regarding the deployment of local government estate must be linked to considerations regarding economic development in the county and must take into account the economic impact on towns and villages, cost, business need and the value of the land.

Revenue Collection

66. Most councils operate a combined revenue and benefits service. There are advantages to developing a single benefits service for Leicestershire, for example for council tax concessionary discounts, as a strategic view can be taken and certain behaviours can be incentivised.

Process for Transferring Staff to a New Organisation

67. The Commission recognises that technical matters such as the process for transferring staff to a new organisation will not be addressed in the business case. Nonetheless, a number of concerns were raised during the Commission's deliberations regarding redundancies and how posts would be recruited to. To avoid further debate on this matter, the Commission sought advice from the Director of Law and Governance and Director of Corporate Resources. Their advice is set out below and this advice should be included in the business case so as to provide reassurance to all staff (District and County) that there will be equality of opportunity and staff will be treated fairly.

68. The latest guidance on the process for transferring staff to a new organisation is from the Local Government (Structural and Boundary Changes) (Staffing) Regulations 2008. This states that the post of Head of Paid Service must be subject to open competition, with the expectation that a national recruitment process will be carried. TUPE applies to all other posts, although authorities are encouraged to follow the same process of open competition for other senior roles. In terms of TUPE, each of the eight organisations will be treated equally with joint criteria in place to assess similar roles regardless of salary and match them to the new structure. Trade Unions will also be involved. The following principles will apply:-

    - Staff will be provided with as much assurance as possible;

    - There will be equality of opportunity and staff across all organisations will be treated fairly;

    - The cost of redundancy will be managed.

69. Where roles are unique, staff will automatically transfer to the new organisation. It is recognised that, for roles where there is duplication across organisations, there will be redundancies. Each existing council should seek to agree a joint protocol for handling redundancies, including the appeals process. This will normally happen after vesting day but a voluntary early redundancy scheme can be put in place, subject to joint agreement.

70. The new council will need to operate effectively from vesting day so structures will be developed and some posts appointed to ahead of time. The new structure will need approval from both members and officers. Once Directors have been appointed they will be empowered to build their own services and structures.

71. The estimated £30 million annual savings that a single structure of local government for Leicestershire would make only equate to approximately five percent of the total budget. Redundancies would therefore not be significant in the context of the total number of staff employed by the eight organisations. An exact figure has not been confirmed and one is not expected to be specified in the business case either.

Transition Arrangements

72. The Commission noted that there are two main examples of arrangements for the discharge of transitional functions that have been deployed to date; an Implementation Executive or a Shadow Authority and Executive. These arrangements are set out in legislation, through a Structural Change Order, and as such are drafted by civil servants, although all affected local authorities are able to make representations to the Secretary of State during the drafting process.

Conclusion

73. This report sets out the key findings from the consideration of the proposals for a unitary structure of local government in Leicestershire by the County Council's Overview and Scrutiny function. There are a number of issues raised throughout the report which the Commission requests that the Cabinet and officers preparing the business case have regard to. Whilst the report stops short of making clear recommendations, it nonetheless outlines areas where there was a good measure of agreement. The Commission looks forward to reviewing the business case for a unitary authority for Leicestershire in due course.

Background Papers

Report to the Cabinet on 16 October on outline proposals for a unitary structure of local government for Leicestershire -
http://politics.leics.gov.uk/mgAi.aspx?ID=56777#mgDocuments

Additional report to the Scrutiny Commission on the Financial Model -
http://politics.leics.gov.uk/documents/s143565/Financial%20Options%20Appraisal%20summary.pdf

Additional report to the Scrutiny Commission on Area Committees and Planning Governance Arrangements
http://politics.leics.gov.uk/documents/s143565/Financial%20Options%20Appraisal%20summary.pdf

Summary of the Key themes and emerging issues from the scrutiny process
http://politics.leics.gov.uk/documents/b13647/Emerging%20Themes%20from%20Scrutiny%20Discussion%20Wednesday%2014-Nov-2018%2010.00%20Scrutiny%20Commission.pdf?T=9

Presentations from Wiltshire Council, VAL and Citizen's Advice LeicesterShire
http://politics.leics.gov.uk/documents/b13837/Presentations%20Wednesday%2014-Nov-2018%2010.00%20Scrutiny%20Commission.pdf?T=9

Presentations from Durham County Council and Cornwall Council
http://politics.leics.gov.uk/documents/b13838/Presentations%20Friday%2030-Nov-2018%2010.00%20Scrutiny%20Commission.pdf?T=9

Minutes of meetings of the Scrutiny Commission:

- 14 November
  http://politics.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=5307&Ver=4

- 30 November
  http://politics.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=5763&Ver=4

- 6 December
  http://politics.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=5820&Ver=4

- 15 January
  http://politics.leics.gov.uk/ieListDocuments.aspx?CId=137&MId=5852&Ver=4

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