



CABINET – 29 MARCH 2019

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

REPORT OF THE CHIEF EXECUTIVE

PART A

Purpose of the Report

1. The purpose of this report is to present the findings of the Scrutiny Commission's examination of the County Council's proposals for a unitary structure for local government in Leicestershire and to set out additional comments made by the Member Working Party on Unitary Structure for Leicestershire.

Recommendations

2. The Cabinet is recommended to:-
 - (a) request officers to have regard to the views of the Scrutiny Commission and the Member Working Party when developing the business case for a unitary structure for local government in Leicestershire;
 - (b) receive the business case for a unitary structure for local government in Leicestershire at its meeting on 25 June 2019.

Reasons for Recommendation

3. The Scrutiny Commission and Member Working Party have made a number of suggestions regarding the content of the business case.

Timetable for Decisions (including Scrutiny)

4. Subject to agreement by the Cabinet, the business case for a unitary structure for local government in Leicestershire will be submitted to the Cabinet for consideration on 25 June 2019.
5. The Scrutiny Commission will then have an opportunity to consider the business case.

Policy Framework and Previous Decisions

6. The Cabinet on 16 October 2018 considered outline proposals for the development of a unitary structure for local government in Leicestershire and agreed that the same report should be considered by the Scrutiny Commission and the Overview and Scrutiny Committees during November 2018.

7. The Scrutiny Commission met four times to consider the outline proposals, on 14 November, 30 November and 6 December 2018; and 15 January 2019.
8. The Scrutiny Commission, at its meeting on 6 March 2019, approved the report of its findings for submission to the Cabinet. It also asked that the minutes of that meeting be submitted to the Cabinet for consideration.
9. The Cabinet on 16 October 2018 also agreed proposed terms of reference for the working party established by the County Council on 26 September. The Working Party has subsequently met four times to consider the outline proposals.
10. At the meeting of the County Council on 5 December 2018 the Leader, in his position statement, informed members of the Council that he would ask the Chief Executive to commission a business case to flesh out in detail what a unitary structure for Leicestershire would look like in the context of a clear vision, what powers it would have and how it would operate. The Leader further advised that the business case would be considered by the Scrutiny Commission and the Working Party before coming back to the Cabinet and on to full Council for approval. Should it be approved, it would become the settled will of the County Council.

Resource Implications

11. Work on the development of a unitary structure for local government has been undertaken within existing resources. The Director of Corporate Resources has been consulted on the content of this report.

Legal Implications

12. The recommendations under consideration are 'Executive Functions' and are therefore a matter for the Cabinet. However, given the significance of the decision it is planned that the business case will be referred to the full Council for consideration and debate. The Leader has given a separate commitment to consideration by the full Council.
13. The Director of Law and Governance has been consulted on the content of this report.

Circulation under the Local Issues Alert Procedure

14. As this is a matter which will affect all areas of the county, a copy of this report is being circulated to all members of the County Council.

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PART B

Background

15. The report of the Scrutiny Commission is attached as Appendix A to this report. The report does not make any clear recommendations, rather it sets out the findings from the evidence that has been gathered and issues that the Commission considers the business case should address. These issues can be summarised as follows:-
- The need for a clear vision that is not just focused on the financial case for change;
 - The principle of transition first, then transformation;
 - Greater clarity around the Area Committees and Planning Governance Arrangements;
 - Greater clarity on how the centrally managed/locally delivered service model will work;
 - The need to have a framework for devolution to Parish and Town Councils in place, including that devolution is a choice, that it will only happen in line with the unitary council's priorities and where services can be delivered more effectively at a local level and that governance and monitoring arrangements are in place;
 - That the financial model needs to reflect savings from members' allowances, the transition then transformation approach and the continued provision of non-statutory services;
 - That the financial business case is externally validated.
16. The Scrutiny Commission on 6 March agreed the report without making any changes. However, members did agree that the minutes from the meeting would also be submitted to the Cabinet. These are attached as Appendix B to the report.
17. The main points raised at the Scrutiny Commission meeting on 6 March were:-
- General recognition of the need to change, but a view that this could be achieved by shared services;
 - Members felt that more consideration was needed of the two unitary model and also of the appropriate size for a unitary authority;
 - A recognition that the debate had caused some staff anxiety and the need for greater clarity on the impact of staff. A suggestion was made that the transition then transformation approach could prolong uncertainty.

Consideration by the Member Working Party

18. The Member Working Party met on 8 March 2019 to consider the report of the Scrutiny Commission. It was recognised that the majority of issues raised by the Working Party were addressed by the Scrutiny Commission report. An analysis of the key issues raised at meetings of the Working Party assessed against the views set out in the Scrutiny Commission report is attached as Appendix C to this report.
19. The key issues raised, which the Working Party considers should be addressed by the business case, are as follows:-
 - The need for Parish Councils to demonstrate good governance and management to deliver devolved services, evidence of which could be through having achieved the National Association of Local Councils Award Scheme;
 - That the Chairmanship of Area Committees should be determined by the Committees themselves and that membership of the Committees should reflect the local political balance;
 - That following the adoption of a Countywide Local Plan it will remain important to have local planning committees;
 - The increased role that members would be expected to play in a unitary authority should be considered further, along with the proposed level of allowance, noting that members' allowances are set by an Independent Remuneration Panel who would have regard to a number of factors;
 - The need for clarity regarding how the unitary authority would manage housing services on transfer and going forward thereafter;
 - The need for analysis of other options such as two or more unitary authorities;
 - The need to demonstrate the residents will get a better service which is more responsive with fewer hand-offs, i.e. an improved customer experience.

Transitional Arrangements

20. The Working Party has given consideration to the transitional arrangements that would be in place if a unitary structure of local government for Leicestershire was to be developed. Transitional functions, and how they will be discharged, would be addressed in a piece of legislation called a Structural Change Order. A desktop examination of Structural Change Orders found two main examples of arrangements that have been deployed to date; an Implementation Executive or a Shadow Authority and Executive. The Working Party identified that its preferred way forward would be to establish a Shadow Executive which is both politically and geographically balanced.

21. It is recognised that the drafting of the Structural Change Order would be undertaken by Civil Servants; however there would be opportunities to influence the content.

Equality and Human Rights Implications

22. Due to the complexity and scope of the proposal to establish a unitary structure for local government in Leicestershire and the possible wide scale impact of the changes proposed, the Council will adopt a strategic approach to conducting EHRIAs.
23. EHRIAs will be carried out during all programme phases and stages to create a new unitary structure. Through such an approach the council will meet the Public Sector Equality Duty by delivering the following objectives:
- Identifying and seeking to mitigate the potential equality and human rights impacts of the proposal on those with protected characteristics.
 - Identifying and seeking to maximise the equality and human rights opportunities of the proposal for those with protected characteristics.
 - Ensuring that a unitary structure for Leicestershire will positively contribute to the elimination of discrimination and the advancement of equality for all.
 - Adopting a “Vision Statement” for Equality and Diversity for the unitary structure for Leicestershire that demonstrates positively and proactively promotes the elimination of discrimination and advancement of equality for all.

Background Papers

Report to the Cabinet on 16 October 2018 – The development of a unitary structure for local government in Leicestershire

Further background papers are listed at the end of Appendix A.

Appendices

Appendix A – Report of the Scrutiny Commission

Appendix B – minutes of the Scrutiny Commission meeting on 6 March

Appendix C – Analysis of key issues raised at meetings of the Working Party assessed against the views set out in the Scrutiny Commission report

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