

REPORT TO THE COMMUNITY LEADERSHIP SCRUTINY PANEL

15th May 2014

Status: Discussion

Title: Leicestershire County Council: Unitary Authority for the county of Leicestershire Strategic Financial Case

Originator: Simon Riley, Head of Finance and Assets (S151 Officer)

Where from: Scrutiny Work-plan

Where to next: Subject to Recommendation

Objective: To discuss the findings of an independent report, commissioned and published by the County Council, which explores the strategic financial case for establishing a unitary council for the county of Leicestershire

1. Outcome sought from Panel

- 1.1 To review the publically available report from Ernst and Young titled 'Strategic Financial Case for a Unitary Council'.

2 Background

- 2.1 The County Council commissioned a report from Ernst and Young regarding the strategic financial case for a Unitary Council in Leicestershire. This was received by the County Council in February and published on the County Council website. The report cost a fixed fee of £45,230 (excluding VAT) plus expenses capped at 5%. The report was fully funded by the County Council.
- 2.2 At the Council meeting of Leicestershire County Council on the 19th March a motion was raised and a decision taken not to progress or make further representations to the DCLG at this stage. The minute extract from this meeting is detailed below

Motion, "That in view of the considerable reduction in local government income from central government, the reduction of the volume and nature of direct services from local authorities, the division of responsibilities between different tiers, and the resulting confusion among many local residents about who does what, this Council resolves to ask the Leader and Chief Executive to present the case made by Ernst and Young to the Department of Communities and Local Government seeking its approval for a Unitary Council in Leicestershire."

The following decision was taken on the motion moved by Mr Sprason CC:-

“That the County Council:

- (a) notes that the continuing pressures on local authority finances, lasting until at least 2018;
- (b) is pleased that in difficult circumstances it continues to work constructively with District Councils on cost-saving projects such as Supporting Leicestershire Families and shared accommodation;
- (c) notes also that the Leader of the County Council has made clear that he wishes to be open with District Council Leaders and it is known there is no current consensus on the way forward in regard to a unitary structure; and
- (d) therefore believes that at the present time nothing is to be gained by making a proposition to the Secretary of State for Communities and Local Government, when he has explicitly said that he will consider structural change only where there is local consensus between councils.”

- 2.3 The District Councils were not consulted or involved in the development of the Ernst and Young report
- 2.4 The report provides a series of baseline data and extrapolated data. Whilst many of the figures are not independently verifiable, the source data within the report from the CLG Revenue Account Budget FY13/14 is based on an annual financial return to the DCLG required from all Councils
- 2.5 The Ernst and Young report details a series of assumptions around the savings proposals and also estimates an indicative Council size that could arise from the creation of a unitary authority
- 2.6 The national context and direction from the secretary of state for Communities is that he will not support re-organisations unless there is unanimous agreement in the area concerned,

3 Points for discussion

- 3.1 The report was an externally commissioned report by the County Council for their use, and subsequently shared with the public, As such this Scrutiny Panel report does not include any direct commentary or critique of the report findings. However, members of the panel may wish to discuss the following four key focus areas of the report
 - a. Value for Money
 - b. Value to Council Tax Payers
 - c. Locality Focus
 - d. Strategic Impact

4 Equality Impact Assessment Implications/Outcomes

- 4.1 None at this stage

5 Impact on Communities

5.1 Changes in the structure of Local Government will have a major impact on communities. As the report is not progressing there is no direct impact on communities at this stage

6 Legal Issues

6.1 None at this stage

7 Resource Issues

7.1 None at this stage

8 Community Safety Implications

8.1 None

9 Carbon Management Implications

9.1 None

10 Risk Management Implications

10.1 N/A

11 Consultation

11.1 The report was published on the County Council website

Previous report(s):

None

Attachments

Leicestershire County Council Report 'Strategic Financial Case for a Unitary Council'