

PAPER NO. 7

REPORT TO THE EXECUTIVE MEETING OF 3 SEPTEMBER 2018

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| Meeting: | Executive |
| Date: | 3 September 2018 |
| Subject: | Unitary proposals for Leicestershire |
| Report of: | Beverley Jolly – Joint Chief Executive |
| Portfolio Holder: | Councillor Bannister |
| Status: | Decision |
| Relevant Ward(s): | All |

1 Purpose of the Report

- 1.1 To update members on the proposals from Leicestershire County Council to develop unitary authority proposals for Leicestershire and to seek Executive's endorsement of the proposal to work with other local authorities in Leicestershire to review the current model of local government for Leicestershire.

2 Recommendations:

- 2.1 **To note the decision of Leicestershire County Council to consider a unitary structure for local government in Leicestershire; and**
- 2.2 **This Council will work with all other Leicestershire Authorities to evaluate a range of options on how best to deliver Local Government services in Leicestershire.**

3 Summary of Reasons for the Recommendations

- 3.1 To demonstrate commitment to collaborative working and produce a proposal upon which stakeholders have been fully engaged.
- 3.2 The Corporate Plan sets out the Council's corporate objectives of delivering financial sustainability for the future and also to ensure effective and robust governance arrangements. This collaborative exercise would identify whether

these objectives would be better achieved by adopting a different model of local government in Leicestershire.

- 3.3 At this stage, Executive is only being requested to approve the participation in a collaborative exercise to review the current model of local government for Leicestershire. Any further implications depend on the result of that review and further action that may then be taken. Those implications may be fundamental if they result in the introduction of a new model of local government across Leicestershire

4 Key Facts

- 4.1 At its Cabinet meeting on 6th July 2018, Leicestershire County Council (“the County Council”) resolved to progress work on the development of a unitary authority structure for Leicestershire and to work with counterparts in the region to develop a Strategic Alliance for the East Midlands. A timetable for consideration of the proposals was also discussed and the proposals will be considered by Cabinet on 23 October 2018, followed by a debate by Council on 5th December 2018 of the recommendations proposed by Cabinet. A copy of the Cabinet report and the associated Decision Notice is attached as Appendix A for information.
- 4.2 Whilst the proposals are at an early stage, the County Council Cabinet is due to consider an initial report, setting out the outline proposals and engagement with stakeholders on 16 October 2018. The consultation process will include all district councils.
- 4.3 The Leader has stated that Harborough District Council should actively engage in the consultation process with the County Council, but should also consider other possible options. The Leaders Report to Council on 30 July 2018 confirmed that a meeting of all the Leaders of Leicestershire’s district and borough councils had taken place and that the opportunity to consider all models was welcomed and that a collaborative approach would be adopted to achieve the best outcomes for the residents of Leicestershire and the broader East Midlands area.
- 4.4 The details of the County Council proposals are still awaited, however, Harborough District Council will want to ensure that it is best placed to not only respond to the proposals but to consider other governance options. An officer group, lead by Beverley Jolly - Joint Chief Executive, has been established to review all available options and consider the risks and opportunities that could flow from a change in structure. This officer group will consist of officers from a broad range of areas, including finance, legal and communications.

- 4.5 The purpose of the officer group, subject to member approval, will be to consider the option put forward by the County Council, but to also consider the other governance structures, in collaboration with other district and borough councils.
- 4.6 Over recent years a number of different models have been put forward by local authorities, many in response to increased financial pressures. The Heseltine report “No Stone Unturned” recommended a wholly unitary system be adopted in England in 2012. This was not pursued by the Government at the time. In 2016 proposals were submitted by Dorset and Buckinghamshire. The proposal for Dorset was for two unitaries and in Buckinghamshire the county council proposed a single unitary county model whilst the district councils proposed a two unitary model. Following the issuing of the Section 114 to Northamptonshire County Council in February this year, Max Caller recommended a two unitary approach for Northamptonshire.
- 4.7 Following the publication of the Caller Report Government has now issued official guidance on the formation of unitary authorities as part of the Northamptonshire invitation. The guidance states (inter alia) that the proposal for the establishment of a unitary authority should improve local government and service delivery, give greater value for money and generate saving as well as stronger strategic leadership. This has to be supported locally, (locally being defined as across the whole area of the proposal) and the size of the unitary area has to be “...a credible geography consisting of one or more existing local government areas and having a substantial population that a minimum is sustainability in excess of 300,000”.
- 4.8 It is proposed that the officer group will carry out further work on the full range of options, in consultation with partner authorities to review the current two tier arrangement and taking into account statutory guidance, whether a change to that structure could benefit residents and improve service delivery.
- 4.9 The County Council has published its timetable for considering the unitary proposals which are set out in the table below. The County Council Cabinet will be considering the initial proposals at its meeting on 16 October 2018. To ensure that the council is able to consider the proposals in detail; the Leader has indicated he will consider calling an additional meeting of the Executive as required. Whilst this is an executive decision, it is acknowledged that all members should have an opportunity to discuss the proposals and it is suggested that the rota of meetings be reviewed to ensure that members have an opportunity consider any proposals and respond to the initial consultation. It is suggested that the Council meeting on 12 November 2018 may be an appropriate meeting in this regard.

| Proposals | LCC Meetings |
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| Consider outline proposals and agree to engage with stakeholders on option | Cabinet 16 th October 2018 |
| Scrutiny comment on outline proposals | Scrutiny Commission 14 th November 2018 |
| Consider outcome of stakeholder engagement and the way forward | Cabinet 23 November 2018 |
| Debate the proposed way forward recommended by Cabinet | Council 5 th December 2018 |

5 Legal Issues

5.1 The procedure for establishing a unitary authority is set out in Sections 1-7 of the Local Government and Public Involvement in Health Act 2007, as amended by Section 15 of the Cities and Local Government devolution Act 2016. Section 2 of the 2007 Act gives the Secretary of State the power to ask local authorities to submit a proposal to change form a two tier to a unitary authority. Advice can be sought from the Local Boundary Commission on any proposals.

5.2 The detail of the process is not set out in detail in this report, but any proposals that are developed will need to include a robust business case, and evidence how they will improve local government and service delivery as well as providing better value for money.

6 Resource Issues

6.1 It is anticipated that the initial work to be carried out by the officer group should be covered within existing budgets. However, it is envisaged that more detail work on potential options will be carried out in collaboration and partnership with other local authorities. The scope of any such work has yet to be agreed and as such additional budget provision may be required when the scope has been agreed.

7 Equality Analysis Implications/Outcomes

7.1 There are no direct equality implications at this stage, however a full Equality Impact Assessment would need to be completed for any detailed proposals.

8. Risk Management Implications

8.1 The County Council proposals will need to be reviewed in tandem with a full options appraisal of all the alternative governance arrangements, in order for the Council to make informed responses to the consultation with stakeholders and the wider community.

9 Consultation

9.1 Consultation with the local community, partners and stakeholders is an essential part of the process.

10. Options

10.1 The proposals set out in the body of the report should help to inform the Council's response to the County Council consultation as well as seeking to establish a preferred model of local governance. There is a requirement to consult with other local authorities, but not be work collaboratively. Whilst it is an option for the Council to initiate this work itself, the preferred approach would be to work in partnership with the other district and borough councils with this initial work.

11 Background Papers

11.1 Local Government and Public Involvement in Health Act 2007
Cities and Local Government Devolution Act 2016
House of Commons Library Briefing Paper Number 07104 6 April 2018: Local government in England: structures

Previous report(s): None

Information Issued Under Sensitive Issue Procedure: Y/N

Ward Members Notified: Y/N

Appendices:

A. Leicestershire County Council Cabinet report dated 6 July 2018 and Decision Notice