

TITLE: 1st Report of the Local Government White Paper Working Group

PORTFOLIO HOLDER: Cllr Norman Williams

Lead Officer : Liam Murphy, Chief Executive

Report Author: Liam Murphy, Chief Executive

Summary: To report to Council the progress to date of the Member Working Group on the Local Government White Paper of 2006.

RECOMMENDATION: That Council approve

- 1) the terms of reference of the Group;
- 2) the recommendation not to endorse Cumbria County Council's Unitary Status Bid at this time;
- 3) the partnership arrangement with the other Cumbrian District Councils to develop a model of future improvement for local authorities in line with the Secretary of State's request; and
- 4) the use of existing Council resources through Standing Orders and Regulations to support the work of the Group.

Impact on delivering the Corporate Plan

No direct impact but could change the strategic direction of the Council over the next few years.

Impact on other statutory objectives

Has implications for the further improvement and development of various statutory objectives.

Financial and human resources

All costs can be recovered from existing resources. Funding may be required for up to £50k in total, to be drawn from the Reserve Fund (current balance £211,890.47).

1. Introduction

At December Council in 2006, Members heard a presentation followed by discussion on the Local Government White Paper and its implications for the future of the authority. In particular, Council's attention was drawn to the invitation to submit bids for unitary status that had been taken up by Cumbria County Council without prior or initial consultation with Copeland BC. Aside from the unitary status issue there were many more implications for the authority. Council decided to delegate the role for developing a response to the White Paper to a Member Working Group drawn from the Executive and

Shadow Executive. The Group has met on two occasions as well as attending a number of special events. This is the Group's first report back to Council.

2. Terms of Reference

The first meeting of the working group was held on 7th January with a subsequent meeting on the 15th January. The working group comprises:

Councillors MJ Ashbrook, D Moore, A Norwood, N Williams, and Miss E Woodburn.

Officer support is from Member Services and the Chief Executive. Cllr Williams was appointed to the chair. The group noted that it had a delegated role to develop a response to the Local Government White Paper on the Council's behalf. The Group agreed to (a) concentrate first on the Council's response to Cumbria County Council's bid for unitary status and the district councils/ LDNPA alternative proposal, and (b) to consider other constitutional/governance issues in the white paper at a later stage.

***Recommendation:* That Council approve the terms of reference of the Group.**

3. Cumbria County Council's Unitary Status Bid

Cumbria County Council has prepared a proposal for unitary status that offers to dissolve the six district councils and have their responsibilities absorbed by CCC as the "continuing authority" and then for this authority to become the new Cumbria Council. The new council would have an initial 84 seat Council Chamber (along current CCC lines) eventually to be increased to 100 seats following an Electoral Commission review. The Council would have an indirectly elected Leader model (as per the White Paper) with limited internal Member Committees. Cumbria would be governed through 4 area committees for West Cumbria (Copeland and Allerdale), East Cumbria (Eden and South Lakes), Carlisle, and Barrow. To these area committees, comprising local members, responsibilities would be delegated for a range of Council services and budgets. Under these area committees would be 20 – 30 community boards chaired by local members with parish council representation. The final tier would be the constituent parish councils under each community board.

The vision for the new authority is centred upon the following themes:

- Economic regeneration
- Nuclear industry
- Tourism
- Education and skills
- Farming, land management and climate change
- Capacity in the Voluntary Sector

The proposed new authority is believed to have a number of advantages to the current two-tier model in terms of co-terminosity with other key partners, e.g. Cumbria Constabulary, Cumbria PCT, and an alleged ability to release savings and efficiency gains through consolidation of services and resources. The County Council acknowledges that there are examples of best practice from the County and District Councils in Cumbria upon which it can build. Key issues that the proposal wants to bring closer to the communities of Cumbria are: affordable, decent housing; the streetscene; securing a more prosperous future for children; easing access to services, jobs, and facilities; and supporting a health service able to meet future needs.

The unitary proposal correctly acknowledges that the key to improved local responsiveness is linked to financial issues, human resources, and relationships with other key partners.

The services to be delegated to the 4 area committees are:

- Facilitation and development of community boards;
- Leadership on place-shaping on major regeneration issues, e.g. West Cumbria Masterplan;
- Highways, programmes and maintenance;
- Integration of waste and civic amenity site issues;
- Rationalisation and use of property assets;
- Housing, especially the delivery of affordable housing;
- Arts and culture overview; and
- Area performance management.

Those services that would be centralised are: Children, Young People and Leisure; Adults, Health and Housing; Safer and Stronger Communities; Planning, Environment and Transport; Economy; Contracted Services; Social Inclusion; and Finance and Resources.

The back office functions of the authority (HR/Payroll, Procurement, Asset Management, IT, Finance, Revenue & Processing) would be centralised in specialist key locations in Whitehaven, Workington, Penrith, Kendal, Barrow, and Carlisle.

The proposal offers to make savings of up to £22.2m per annum once the new authority is established, however, it also admits that half of these savings (£11.1m) would be used to finance redundancies for 100 or so senior officers. The other half of the savings appear to be used to suppress council tax levels in the first year before rising (in Copeland terms) by at least 100% per annum. There is currently a gap in the finances for paying for the transition from being the County Council to being the new authority as the initial cost would have to be met by a County Council currently burdened with all manner of costs, debts, and liabilities. The County Council is not able to consider how to finance these transition costs until February and consequently the submission for unitary status by the 25th January deadline will have a hole in the transition costs.

The narrative offered by the proposal makes challenging and interesting reading and if the proposal could be delivered it would mark a significant and beneficial change for the governance and management of local services in Cumbria. There are, however, many concerns with the proposals. In terms of the governance and service model, many of the proposals could have been done by the County Council already and do not need unitary status in order to be achieved. This raises the question as to how effective the new authority might be in the full delegation of services to localities, and doubt is further enhanced by the limited high-level detail on how the transformation and management of services would be achieved. In turn, this superficial detail is most likely to mean that the costings in the proposal are at best indicative and are likely to change when properly worked up. Even at this level and stage of proposal development the costs of establishing the new authority will use up any efficiency savings; plus, there is currently no complete financial mechanism for funding the transition costs – nor will there be in time for the first submission deadline.

For these reasons the working group recommends that Council does not endorse the County Council's proposals for unitary status at this time.

Recommendation: That Council do not to endorse Cumbria County Council's Unitary Status Bid at this time.

4. The Work of the Cumbrian District Councils

The Local Government White Paper makes it quite clear that local government in England has to change and authorities that are not involved in a transition to unitary status, or in the two-tier pathfinder programme, will have to change and that the "status quo" is not an option. For these reasons, the district councils in Cumbria have met to discuss (a) how to respond to the unitary bid, (b) how to develop a plan B should the unitary bid fail, and (c) see if an alternative model to future governance in Cumbria can be identified.

The district councils have felt isolated by the actions of the County Council in the preparation of the unitary status bid, particularly as the County have openly consulted with "key stakeholders" and not included the district councils in this group.

The district councils are now working to develop:

- Robust proposals for new streamlined governance arrangements which enhance community engagement, devolve powers to neighbourhoods and parishes, and strengthen the role of the front-line councillor;
- Clear subsidiarity principles, disaggregating the public services provided by authorities across the county and making a principled rather than an arbitrary case for the best administrative level for them;
- A clear policy on shared services and collaborative service delivery models for the county;

- Robust proposals for the streamlining and reduction of existing governance arrangements; and
- Key benefits, including reductions in costs, of the new model.

Under the Secretary of State's invitation rules, the district councils would be required to indicate an alternative (or 'Plan B') model for local government in Cumbria by the July 2007 deadline for government decision.

At the core of the County Council's bid is the notion that great savings will be made by abolishing the district councils even though 80% of total local government spending in Cumbria is done by CCC. The district councils have an initial view that even greater savings could be made at the expense of the County Council's overheads and administrative infrastructure.

Recommendation: That Council approve the partnership arrangement with the other Cumbrian District Councils to develop a model of future improvement for local authorities in line with the Secretary of State's request within the White Paper.

Recommendation: That Council approve the use of existing resources through Standing Orders and Regulations to support the work of the Copeland Member Working Group with the other Cumbrian District Councils.

Background Papers: One Council, One Vision, One Voice: the case for a unitary Cumbria (January 2007), Cumbria County Council

Cumbria County Council: preparation and analysis of financial case supporting the proposed reorganisation to a single unitary authority for Cumbria – discussion draft (January 2007), PriceWaterhouseCoopers

Consultees: Local Government White Paper Working Group
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