

WILTSHIRE COUNTY COUNCIL

SUMMONS ITEM NO. 5

COUNTY COUNCIL
16th JANUARY 2007

**LOCAL GOVERNMENT WHITE PAPER 'STRONG AND PROSPEROUS COMMUNITIES':
ONE COUNCIL FOR WILTSHIRE?**

Purpose of the agenda item

1. To report to County Council an assessment of the opportunity for the Council to submit a joint bid for Pathfinder status and/or to submit a proposal for unitary local government.
2. This report rules out the Pathfinder option (see paragraph 5) and focuses on analysing against the criteria established by the government, the case for a new unitary in Wiltshire.
3. The report is structured as follows:
 - Background information on the relevant Council resolution, Pathfinder pilot invitation and compilation of this report is set out in paragraph 4-8
 - Challenges to local government over the next 10 – 15 years are summarised in paragraphs 9-18
 - The relevant content of the White Paper and the Local Government and Public Involvement in Health Bill is examined in paragraphs 19-22
 - The issues relating to 'One Council for Wiltshire?' are measured against the Government's evaluation criteria:
 - Affordability (paragraphs 23-29);
 - Support from partners and stakeholders (paragraphs 30-32);
 - Strategic leadership (paragraphs 33-52);
 - Neighbourhood flexibility and empowerment (paragraphs 53-69); and
 - Value for money and equity (paragraphs 70-78)
 - Realising the potential benefits in practice and transitional issues are examined in paragraphs 79-87
 - There is then a brief summary of 'what happens next' in paragraphs 88-89
 - Risks and financial implications are set out in paragraphs 90-98
 - There is then a brief conclusion followed by Recommendations in paragraphs 99-104

Background

4. The County Council considered a report at its meeting on 7 November 2006 which summarised the White Paper 'Strong and Prosperous Communities' and identified issues which require early consideration. At the conclusion of the debate the County Council resolved:

- (i) *to note the contents of the White Paper and request the Chief Executive to prepare reports for Cabinet, Scrutiny Committees, Council and other committees as appropriate concerning those proposals of particular significance to the Council.*
- (ii) *to note in particular the deadline for the invitation to Councils in 'two-tier' Counties to submit joint bids for 'pathfinder' status and/or to submit proposals for unitary local government, and request the Chief Executive to prepare a further report on these opportunities, working with the District Councils and other partners, including County Councillors.*
- (iii) *to agree to hold an extraordinary meeting on 23 January 2007* in order to consider that report and to decide whether to submit proposals by the deadline of 25 January 2007.*

* the date was subsequently changed to 16 January 2007.

Pathfinder Pilot Invitation

5. The White Paper was clear that applications for Pathfinder status must be submitted by the partnership of a County Council and all the District Councils in the area. The decisions taken by West Wiltshire and Salisbury District Councils (Appendix A) clearly indicated that those District Councils would not support a potential application for Pathfinder pilot status. In view of those resolutions, this report does not consider that option further. It considers only the option of one (unitary) Council for Wiltshire, in place of the County and four District Councils.

Compilation of this County Council report

6. The compilation of this report to County Council has involved the collection and analysis of extensive information (including some from the District Councils). The timescale since 7 November has been very short.
7. Price Waterhouse Coopers (PWC) have been commissioned to carry out detailed work on Value For Money/Financial Modelling in order that this assessment would benefit from their experience in the necessary financial modelling as required by DCLG, in a number of other county areas.
8. A summary of communication and consultation is appended to this report (Appendix B).

Challenges to Local Government over the next 10-15 years

9. This report is not principally about local government in Wiltshire in 2007. The question underlying the report is, what form of local government is best suited to the challenges and opportunities which Wiltshire will face during the next 10-15 years.
10. Some of these challenges and opportunities arise from national and global trends. HM Treasury's papers for the Comprehensive Spending Review contain a useful survey, highlighting:
 - *Demographic and socio-economic change, with rapid increases in the old age dependency ratio on the horizon, and rising consumer expectations of public services*
 - *The intensification of cross-border economic competition, with new opportunities for growth...*

- *The rapid pace of innovation and technological diffusion, which will continue to transform the way people live and open up new ways of delivering public services*
 - *Continues global uncertainty with ongoing threats of international terrorism and the continued imperative to tackle global poverty; and*
 - *Increasing pressure on our natural resources and global climate, requiring action by governments, businesses, and individuals to maintain prosperity and improve environmental care.*¹
11. These issues apply to Wiltshire as much as any other area of the country, and they require action at this level to complement national initiatives. That in turn requires strong leadership based upon a relationship of trust with local communities. It requires Councils to look beyond their service responsibilities, setting those in the context of wider social, economic and environmental issues.
 12. At the same time, the Chancellor's pre-budget statement on 6 December 2006 implied that spending on public services up to 2010 other than education and health is unlikely to be increased in real terms during the period covered by next year's comprehensive spending review. This will pose particular difficulties for local authorities in responding to the growing needs and costs in a variety of service areas such as social care, waste and public transport.
 13. The pre-budget statement also announced increased pressure on central and local government to achieve efficiency savings of at least 3% p.a. (rather than the current 2.5%), with greater emphasis upon 'cashable' savings. The White Paper makes it clear that all Councils will face these pressures on spending and efficiency, whether they are in unitary or two-tier areas.
 14. The Government also expects local government to press ahead with further, radical, improvements to customer service. This is examined in detail in the recent report by Sir David Varney, referred to later.²
 15. Thus local government, like the rest of the public sector, will face the pressures described above, in helping local communities to respond to national and global changes, managing tight finances in the face of rising demand, and improving customer service. To respond to these challenges requires a relationship with the public which embraces the concept of customer care but also goes beyond that, to create a partnership between local government and the communities it serves.
 16. Difficult decisions about reshaping public services place strains upon that relationship; and we have seen this recently in Wiltshire, in social care and waste recycling, as well as in the NHS consultations about the future of community hospitals in the centre and north of the county. Controversy and public concern about one service or public organisation have a wider effect upon public satisfaction and confidence. 'Community leadership' in practice involves local councillors who build understanding in local communities of the difficult choices which they face and who articulate a way forward which commands local support. These difficult choices extend well beyond the services provided by local government itself, to include other public services and also more fundamental choices about the characteristics of the local community in which people want to live and work.
 17. For the issues which we face in Wiltshire cannot be managed successfully by local government alone. Our success is bound up with the resilience and capacity, the

¹ *Releasing the resources to meet the challenges ahead*, HM Treasury July 2006, pages 13-14

² *Service transformation*, Sir David Varney, 2006

'social capital', of the communities we serve.³ Local government, led by local Councillors as community leaders, must be able to foster and support this social capital.

18. These considerations point to five critical features of effective and successful local government in Wiltshire in the years ahead:
- (i) effective and accountable strategic leadership, within the County and on the wider stage;
 - (ii) close connections between local government and Wiltshire's communities, and Councillors who are effective community leaders;
 - (iii) high standards of customer care and improved access to services, especially in rural areas;
 - (iv) integrated, customer focused services, maximising choice for the users;
 - (v) improvements in efficiency which are needed in order to achieve sustainable and affordable services in a low spending area.

The White Paper and the Local Government and Public Involvement in Health Bill

19. The content of the White Paper was outlined in my report to County Council on 7 November 2006. It sets out an ambitious programme of change for local government, embodied in the 'Local Government and Public Involvement in Health' Bill, published on 13 December. The Bill includes:

- Structural changes – including powers for the Secretary of State to invite or direct councils to make bids for unitary status and to implement restructuring following consultation. Any new unitary authority will be a totally new authority in legal terms;
- Stronger political leadership – measures requiring all councils to opt for a directly elected mayor, directly elected executive or indirectly elected leader for a four-year term;
- A strengthened role for local councillors – ensuring greater freedom to speak and vote on local planning and licensing issues through a localised code of conduct and delegated powers to tackle local issues.

20. The White Paper suggests that Councils in two-tier areas will be at a disadvantage in responding to this programme of change:

"The Government ... has concluded that local government in two-tier areas faces additional challenges that can make it harder to achieve that strong leadership and clear accountability which communities need. There are risks of confusion, duplication and inefficiency between tiers, and particular challenges of capacity for small districts;

*It recognizes that many local authorities are already working to improve the quality of services in two-tier areas, building strong and sustained partnerships between councils in a county area, but the Government considers there is the potential to go further. In short, the Government believes that the status quo is not an option in two-tier areas if Councils are to achieve the outcomes for place shaping and service delivery that communities expect, and deliver substantial efficiency improvements."*⁴

³ Civic engagement matters on both the demand side and the supply side of government. On the demand side, citizens in civic communities expect better government and (in part through their own efforts) they get it.... On the supply side, the performance of representative government is facilitated by the social infrastructure of civic communities and by the democratic values of both officials and citizens. (Bowling Alone, R Putnam 2000.)

⁴ "Invitations to Councils in England" DCLG (October 2006) page 5

21. Hence the White Paper includes the invitation to Councils in two-tier areas to submit proposals for unitary Councils or 'pathfinder' status.
22. The Appendix to the White Paper (circulated with the County Council report on 7 November) stipulates criteria for submissions for unitary reorganisation:
- (i) *The change to the future unitary local government structures must be:*
- *affordable, i.e. that the change itself both represents value for money and can be met from councils' existing resource envelope; and*
 - *supported by a broad cross section of partners and stakeholders; and*
- (ii) *Those future unitary local government structures must:*
- *provide strong, effective and accountable strategic leadership*
 - *deliver genuine opportunities for neighbourhood flexibility and empowerment; and*
 - *deliver value for money and equity on public services.¹*

Affordability: could the costs of a change to one Council for Wiltshire be met from existing resources

23. The invitation to Councils in the White Paper states as a key criterion for any proposal that "the change to the future unitary local government structures must be affordable, i.e. that the change itself both represents value for money and can be met from Councils' existing resource envelope". Also, restructuring must deliver value for money and be self-financing⁵:
24. The Council has engaged PWC to support the preparation of the proposal, how it compares with other proposals and the robustness of the costs and assumptions. PWC will be at the County Council meeting on 16 January to present their financial analysis. They are acting for a number of county councils and their findings in Wiltshire are broadly consistent with their findings elsewhere. Indeed, in both the areas of transitional costs and annual savings, our assumptions tend to be more cautious than the equivalent figures that are understood to apply in similar counties such as Northumberland, Shropshire and Cumbria.
25. The combined net cost of services in 2006-07 for the County Council and the four Districts Councils is estimated at £555 million (as defined by the framework within which the proposal is made). The transitional costs are estimated to be in the range of £20-£25 million, over 3 years from 2007-08 to 2009-10. The savings are estimated to be in the range of £30-£40 million over the period 2009-10 to 2011-12.
26. With much of the transitional costs being incurred in advance and full savings being phased over the first three years of the new Council, payback would occur in 2011-12, the third year of the new Authority. Annual savings would of course continue after that date.
27. The transitional costs would be a mixture of revenue and capital costs with redundancy and early retirement costs normally treated as revenue. (In previous reorganisations the Government has used discretion to allow some of these costs to

⁵ Details of the requirements are set out in the Appendix to the White Paper -Invitations to Councils in England , paras 3.2 to 4.3. The Appendix was included with the County Council Summons for 7 November. County Council Report White Paper 16012007 FINAL DOCUMENT

be capitalised. Officers would work to minimise these costs and to seek authority for these to be capitalised, to avoid pressure on revenue reserves.)

28. The majority of the capital costs anticipated would be in relation to the integration of information systems and the re-provision of accommodation. The County Council's accommodation strategy has been reviewed to consider the implications of a move to one Council for Wiltshire. The amended strategy (like the original) would be financed through a mixture of capital receipts and prudential borrowing. The cost of integration of information systems could be financed through prudential borrowing, with a clear focus on the development of business cases to evaluate and prioritise the systems to be addressed.
29. The revenue costs relating to the transition could be managed within existing resources, through a mixture of efficiency savings and by the short-term use of general reserves. In this way the transitional costs would not require an increase in the level of Council Tax. Because the District Councils currently have different levels of Council Tax, some transitional arrangements would probably be necessary to enable the new Council to set different rates of Tax for different Districts. Initial calculations suggest that this might be necessary for the first two years of a new Council.

Would the proposal to create one Council in place of five command a broad cross-section of support?

30. The White Paper stipulates support from 'a range of key partners, stakeholders and service users/citizens'. The timescale since the publication of the White Paper has been too tight to permit wide consultation on the option of one Council for Wiltshire, but I have written to key partners to invite any views they may have at this stage. The Government itself will consult on any submissions which it is minded to implement.
31. I have received comments from the Wessex Association of Chambers of Commerce and the Federation of Small Businesses. Their letters are available in the Group Rooms. Both are in favour of one Council for Wiltshire, if the business case is made. The Wessex Association of Chambers of Commerce state that:

*"In our experience, it is clearly evident that the majority of both the public and business communities do not understand the different roles and responsibilities of the two tier system. ...
It is patently obvious to us that it just makes good business sense!"*

The Federation of Small Businesses state that:

"... looking at the bigger picture, I believe it is the best and only solution to cost saving and prudent housekeeping ... "

32. I have kept the District Councils informed. All four have adopted formal positions in relation to the options of 'pathfinder' and unitary status. The District Councils' resolutions are attached at Appendix A. Three are opposed to one Council for Wiltshire and the fourth, North Wiltshire, is in favour, subject to a satisfactory business case. The District Council Chief Executives have been invited to respond to this report by 12 January and their comments will be set out in an Appendix to follow. If I receive any other additional views before the meeting I shall ensure that they too are communicated to the Council.

Strong, Effective and Accountable Strategic Leadership

33. Several considerations are relevant. Firstly, would one Council find it easier than five to take strategic decisions, to tackle difficult challenges, and to represent Wiltshire's interests on the wider stage, including the region?
34. The Wiltshire Strategic Board is responsible for the County's Local Public Service Agreement (LPSA) and, from April 2007, the Local Area Agreement (LAA). These agreements are intended to promote increasingly close working between local government and other sectors. This is assisted by the growing 'coterminosity' (common boundaries) of public organisations in Wiltshire: one Primary Care Trust for the County, one Basic Command Unit for the Constabulary, an Economic Partnership for Wiltshire (as distinct from Wiltshire and Swindon) from April 2007.
35. One critical success factor for the Strategic Board and its LAA will be the Board's ability to connect with partnerships and more generally, with communities, in the twenty community areas. The County LAA must be perceived as relevant to local communities, tackling the issues which concern them; and its effectiveness will depend upon action in individual areas as much as action at the County level.
36. The Board, led by one Council for Wiltshire, would represent the County's interests at regional and national level. The Regional Development Agency and Government Office for the South West both are organised to interface with the County. The Regional Assembly has developed its Spatial Strategy through its Planning Officers Group drawn from the County areas. The catchment areas of the Environment Agency, the Areas of Outstanding Natural Beauty, and the Army's 'super garrison', all cross District boundaries and could relate naturally to a single Council for Wiltshire.
37. Leadership and collaboration are easier where partners work to the same geographical boundaries. Within Wiltshire the principal public bodies, including the new Wiltshire PCT, the Wiltshire Police Constabulary, the National Probation Service, the Wiltshire Fire & Rescue Service and the Learning & Skills Council, all relate naturally to the area of the County Council. (The Constabulary is reorganising to create one Basic Command Unit for Wiltshire.)
38. One Council would also represent the County's interests with regard to the development of 'city regions', discussed in the White Paper, working to ensure that the development of the major conurbations of Swindon, Bristol/Bath, Southampton, etc., works to the benefit of residents and businesses in Wiltshire as well as those in the conurbations themselves.
39. Secondly, would one Council be remote from local communities, and be perceived as such?
40. Any complex organisation will have a headquarters (although its size may be relatively large or small). Headquarters in Trowbridge could create a feeling of distance for residents in areas to the north, east and south. This feeling could be increased if Councillors were perceived to be taking decisions in Trowbridge which affected local communities thirty miles away.
41. Yet there is a paradox here, for the services provided by local government include very local ones as well as strategic ones – this applies to both County and District Councils. A single Council for Wiltshire would be responsible for local services currently provided by District Councils, including development control and waste collection. In relation to County services, Youth Development Services exist in every Wiltshire town, and a Children's Centre is being developed in every town. The County Council is responsible for street lighting, roads maintenance, local transport planning and road safety in every town and village; for 209 primary schools in towns

and larger villages across Wiltshire; for providing a static and mobile library service serving 247 towns and villages; and for social services within people's own homes.

42. The challenge for a single Council for Wiltshire would be to make the location of its administrative headquarters largely irrelevant to the perception of residents. In terms of customer service, this might require improved services and information by telephone and the internet, plus a wider range of opportunities locally for people to meet Council staff face-to-face. In terms of governance, the new Council might wish to **delegate** to twenty community areas and the Town and Parish Councils within them, rather than **centralise** from four districts; this would build upon the experience of the County and the District Councils in establishing Area Committees or Area Boards.
43. Thirdly, would one Council with responsibility for all local government services be more accountable to people throughout the County's communities?
44. We know that the public is confused by two tiers of local government. This is a persistent finding from national research. Public perception is an issue highlighted by the Commission for Rural Communities⁶. The Commission refer to MORI evidence⁷ that the public are confused about which tier of local government is responsible for which service, for example:

..where the public is confused there is a failure of accountability. People are confused about the respective responsibilities of their District and County Councillors.

45. Locally, there is also confusion. In the recent survey of public satisfaction, 53% of the individual comments made by those who had made a complaint to the County Council were about services provided entirely by the District Councils in Wiltshire. (This is not intended to be critical of District Councils – the same phenomenon may well have occurred in their surveys of public satisfaction with their services!) If the services currently provided by two tiers of government were provided by one, the scope for confusion would be reduced and accountability strengthened.

The Size of One Council for Wiltshire

46. The number of Councillors would be reduced by comparison with the present total of 195 District and 49 County Councillors. The White Paper proposes that elections to new unitary Councils will take place in May 2008. If the County Council decided to make a submission for one Council for Wiltshire, the submission would have to include proposals for the numbers of Councillors in the new Council, and their divisions.
47. The precise number of Councillors varies from Council to Council and there is no formula. There are many examples of Councils which operate effectively with more than 49 Councillors; but relatively few exceed 100. One possibility, for the initial elections in 2008, would be simply to double the number of Councillors from the present figure for the County Council. Two Members for each current one-Member Division (and four in each of the existing two-Member Divisions) would produce 98 Members of a new Council. The average number of electors per Councillor would then be 3,549. This compares with other Councils as follows:
- Wiltshire Districts (average) 1,785
 - Wiltshire County 7,098
 - Swindon Unitary 2,517
 - South Gloucestershire Unitary 2,844

⁶ CRC, 2006

⁷ MORI 2004

- East Riding Unitary 3,917
 - Bristol Unitary 4,000 (approx.)
 - Birmingham Unitary 6,000 (approx.)
48. In comparing these figures, it is important to remember that some other areas of England are not Parished, whereas Wiltshire's communities (with the exception of Salisbury) have Town or Parish as well as District and County Councils. There are 254 Town and Parish Councils in Wiltshire with varying numbers of Councillors: over 2000 Councillors serve the County at this level, reducing the overall ratio of electors per Councillor to 265. This illustrates the enormous potential of closer working with Town and Parish Councils.
49. With regard to the electoral divisions, there would not be sufficient time to undertake a review and redraw boundaries for elections in 2008, but this could be an objective for 2012. The Council could propose from that election to return to single Member divisions, based upon community areas and other factors defining local identity and sense of place.

Models for Decision Making in a New Council

50. The Council would need to consider which executive model it would propose for the new Council (see Appendix C). The prospective legislation will require Councils to adopt one of three political management arrangements:
- (1) directly-elected mayor;
 - (2) directly-elected executive; or
 - (3) indirectly-elected leader (elected by the Council) for a 4-year term.
51. All executive powers will be invested in a Mayor (or Leader), including appointing the cabinet and deciding portfolios. Councils will determine how a Leader may be removed in their constitutions (reformed committee system Councils will be unaffected).
52. The County Council will need to consider which of these models should be proposed, if it decides to make a submission to the DCLG. The third model – a Leader appointed by the Council for a four-year term – is obviously closest to the current arrangements. The White Paper implies that the two other models might be preferred by the Government, because they are more likely to lead to 'strong, effective and accountable leadership'; but in Wiltshire circumstances are arguably somewhat different. The County Council for some time has been committed to the ideal of strong leadership of **communities** as well as the County. The ideal for one Council for Wiltshire thus might be 98 strong leaders of their communities, led by the Leader of the Council itself (and by extension of the County) who is elected by all the Councillors for the full term of the Council.

A Council which Delivers Genuine Opportunities for Neighbourhood Flexibility and Empowerment

53. Wiltshire is well placed to build stronger links with its communities. The County Council has Beacon status for 'Getting Closer to Communities'; and it has been shortlisted with an 'excellent' score for a new Beacon category 'Neighbourhood and Community Champions: The Role of Elected Members'.
54. The Council is part of the LGA/ IDeA partnership arrangements for shaping a national programme of support for the role of frontline Councillors. The success of the Wiltshire Improvement Partnership in securing funding already gives access to the IDeA Leadership Academy and the training modules in community leadership.

55. Formal decision making in Wiltshire currently rests at three levels: County, District, and (with the exception of Salisbury) Town or Parish. In addition, since the mid-1990s the County and District Councils and other public bodies have worked to the same 'building blocks' of the County, based upon 20 community areas.
56. The County and District Councils have collaborated in each District to prepare community plans and manage their implementation. Areas outside the Salisbury District have community partnerships of varying forms, and some other area bodies as well. No single model has emerged.
57. In the case of the City of Salisbury, a Council for Wiltshire might wish to commission a special study of possible changes in governance which would build on the strengths and traditions of current arrangements in the City. (The Local Government Commission in the mid-1990s recommended that the City should be Parished, but other models might be considered as well. The Bill gives the necessary powers to the principal Authority.)
58. The County Council has set out a simple vision for Wiltshire:

'people will know within each community area exactly when local issues are being discussed. They will know the best place they can put local issues on the agenda or into a forward plan. They will also know where to sort out any problems for the local community swiftly and efficiently.'
59. This has been the driver for much of the local capacity building work that has taken place across Wiltshire.
60. Building the capacity of Councillors across Wiltshire is central to this vision. New local arrangements will give a positive and higher profile for all Members in local community work as the advocates for local people, understanding their needs and aspirations; acting as the champions for their areas, with a high public profile. Their brief would extend beyond the responsibilities of the Council itself, to embrace other local public services as well. Measures such as the 'community call for action' which are proposed in the White Paper would strengthen this breadth of interest.
61. At the community area level Councillors will be supported to bring together multiple agendas, drive forward local projects and enable joined up responses to '*calls for action*' from the local community. Community champions will also have a key role in influencing the strategic targets that have been identified in the Local Area Agreement and translating them into activities that match priorities identified in the community plans and other key local consultation. Councillors will be put back in the driving seat as the elected and accountable local representatives, ensuring that when decisions are made, particularly those with significant local impact, local people know who made them and why.
62. One Council for Wiltshire would enable the development of one single local decision-making forum in each community area where all elected representatives and local community champions can play a significant part. New local forums would be built on existing area committees and community partnerships and act as a single point of contact for decision-making in the community area, bringing together elected Members at all levels of governance. They are referred to here as 'Community Area Boards' but naming could be left to local discretion.
63. Administrative support for community areas, Area Boards and local Councillors could be greatly improved by consolidating the staffing and other resources currently deployed by the five Councils.

64. Local people, and Town and Parish Councils currently have to navigate a large number of council and external bodies to influence and inform decision making. The simplified structure will enable Wiltshire Councillors, Town and Parish Councillors, service providers (including health, neighbourhood police, school representatives and local businesses), representatives of local organisations and local residents to come together to do local business.
65. The role of the Community Area Boards will vary between different services and issues. Some services are well suited to local decisions such as the Parish Steward Scheme. At the other extreme, a local body cannot determine a major road building scheme (e.g. the A303 at Stonehenge); but it could form a powerful local forum which could lobby and promote a particular solution which had the support of all local interests. Other services and issues might fall at various points on this range. For example, eligibility for the Council's social services must be determined at the County level so that there is equity throughout the County; but within this arrangement the proposed local body could provide a valuable forum for discussion with the voluntary sector and user groups as well as local Councils, about local needs and a co-ordinated response.
66. Wiltshire Police have also signalled their interest in working with Community Area Boards as part of the Wiltshire neighbourhood policing project. Neighbourhood policing would be a key item for a local agenda to resolve problems in the community, to make it a safer place, and a stronger place. This might include working on issues which cannot be delivered by the public service alone, but which involve individuals, households and communities changing behaviours.
67. The County Council has already undertaken a significant amount of work on identifying what the scope for local influence and decision making might be across service areas. As the interim Lyons report points out this may need to be an incremental process in order to identify 'what's better for being local'. This local offer would be negotiated with the local community board against identified priorities in the Community Plan and Local Area Agreement targets, with local Councillors very much leading the debate.
68. How could the Council ensure strong links between community areas and County? One part of the answer could be to build on the practice, now well established in the County Council, of the annual debate on the State of Wiltshire. Similar annual debates could be held in each of the Area Boards. Officers would present information for the debate, including the achievements of the previous year, the concerns expressed by residents, special interest groups (including minority groups), etc., and the prospects for the next few years. These issues could be reflected in a resolution from the Chairman of the Area Board, which could form the basis for debate. The final resolutions would then be submitted to the Council for Wiltshire, as the basis for the debate on the State of Wiltshire, and this in turn would serve to identify the key issues and priorities for the Council's annual Corporate Plan.
69. One Council for Wiltshire would aid these developments, strengthening governance at the community level, strengthening links with Town and Parish Councils, and strengthening the role of the elected Councillor. The current level of complexity with the number of Councils, partnerships, consultation initiatives and other bodies is a barrier to local engagement; it results in resources being spread too thinly and further mystifies where and how to go about accessing information and support for tackling local issues, both large and small. New local arrangement would help to reduce the duplication that often goes on across the five Councils, would enable concentration on developing a single good practice approach to community engagement and allow for a joining up of resources to ensure that minority and hard to reach groups have a voice. In the current situation resources across five Councils are often over-

stretched and non-aligned in their attempts to support front-line Councillors and respond to local community issues.

Would one Council for Wiltshire provide value for money and equity on public services?

70. From the viewpoint of the user of local government services, integration of related services is crucial. This requires a holistic approach to all services within an area. This is particularly challenging in two tier areas. The table below summarises the number of Councils currently responsible for specific services in Wiltshire. For many services responsibilities overlap and high levels of co-operation and partnership working are required.

Service	Number of delivery organisations	Service	Number of delivery organisations
Refuse collection	4	Building control	4
Refuse disposal	1	Development control	5
Recycling	5	Housing advice and homelessness	4
Economic Development & Regeneration	5	Housing benefit	4
Planning	5	Council Tax collection & precepting	5+
Transport and environmental services	5	Call centres	5
Web sites	5		

71. There are many other instances where the County and District Councils need extensive partnership working between distinct but related services, e.g. vulnerable adults and housing, child protection, schools and leisure services.
72. One Council for Wiltshire would be able to lead the development of:
- One community strategy (instead of the current five)
 - One local development framework (instead of five)
 - One housing strategy (instead of four)
 - One ICT strategy (instead of five)
 - One customer care strategy (instead of five)
73. These key policy documents would ensure that there was a common and equitable approach at a strategic level to managing and promoting the priorities of the County. Equally, the participation of partners would be more consistent and less resource intensive. The new Wiltshire PCT for example would need to be represented in only one strategic partnership not five.
74. Other benefits would arise from what is known as the costs of being in business:
- A single management team
 - A single administrative headquarters
 - Council Tax equalisation
 - Stronger contract negotiating position

- Less public confusion
 - Stronger Wiltshire identity
 - More powerful local Member representation
75. Furthermore, one Council would be able to build on the best practice among the current five Councils. The current range of costs in Wiltshire Districts varies significantly.⁸ Examples are Housing Benefit Administration where cost per head of population varies from £1.19 to £11.87 per head, Planning Policy, Building & Development Control where cost varies from £9.86 to £21.28 per head, and Local Tax Collection where cost varies from £3.47 to £12.68 per head.
76. The Government expects local government to press ahead with further, radical, improvements to customer service. The recent report by Sir David Varney recommends:
- Developing a 'change of circumstances' service starting with bereavement, birth and change of address
 - A cross-government identity management system
 - Single information and transactional websites covering all public services
 - Improvements to the performance of public sector contact centres including 25% reduction in costs. The report recommends that centres of fewer than 200 operators should be required to merge. Currently the County Council and all four of the District Councils in Wiltshire operate call centres (or equivalent), and they are all well below this size.⁹
77. Varney calls for the public services to present a much more co-ordinated relationship with the citizen so that he/she does not have to interact with a number of different organisations to resolve an enquiry or issue. One Council for Wiltshire would be likely to find it easier to implement Varney's recommendations.
78. The challenges set by the Government, following the Varney report, will require each of the five Councils to respond. Creating a unified system to allow citizens to interact with numerous systems is complex and increases in complexity and cost with the number of systems involved. One Council for Wiltshire would be likely in due course to reduce the number of systems and also reduce the risk of incorrect identity management. In addition, face-to-face contact and services should be simplified to reduce confusion for the citizen. This means much greater shared use of buildings and local access points. One Council for Wiltshire could streamline access to information and transactions through the internet and also permit full rationalisation of property and greater shared use by different services, so that it is simpler and clearer for the citizen to find out information and access to services through one local service point.

Could the Potential Benefits of one Council for Wiltshire be Realised in Practice?

79. The previous sections have identified potential benefits, and some disadvantages, of one Council for Wiltshire. The Council will want to consider, how those benefits would be realised. Commentators locally and nationally have made the point, that there's a great difference between identifying potential benefits and actually realising them. With reference learning from previous experience of local government reorganisation, Professor Michael Chisholm's studies are relevant in setting out the issues in a balanced way. Appendix D sets out relevant information, drawing on his analysis.

⁸ CIPFA Finance and General Statistics 2006-07 Estimates

⁹ *Service transformation*, Sir David Varney, 2006

80. In my own view, it is essential to distinguish between different forms of local government reorganisation. As Chief Executive during 1996/98, I found the reorganisation to create Swindon unitary Council very complex, involving the 'disaggregation' of the County Council's services and budgets between the continuing County and the new Unitary, and appointing approximately one third of our employees to the new Council. This, and variants, constituted the typical model in the 1990s – splitting County Councils in order to create new and smaller unitary Councils. This process is different from that of aggregation, bringing together all the services, budgets and employees of the County Council with all the Districts within the County.
81. The Countryside Agency (Countryside Agency, 2004) has published a research project on the characteristics of successful unitary authorities, with a focus on five case study rural unitary authorities. Characteristics of success were summarised as being related to having a critical mass of population necessary for the provision of most services but including effective use of partnerships and local delivery arrangements, coterminosity with partner agencies and access to services in locations that match effective communities. The Commission for Rural Communities (CRC, 2006) advocates unitary local government as a means of introducing stability in the longer term to local government structure but in relation to service targets and quality, they caution that within larger unitary authorities, 'rural proofing' would become ever more important.

Transitional Issues

82. A range of transitional issues must be considered.
83. In the event that the County Council decided to make a submission to the DCLG for one Council for Wiltshire, the submission would need to propose a date - 'vesting day' - for the new Council to come formally into being. (The period between the election of Councillors to the new Council and vesting day would be a 'shadow period', when the new Council would work alongside the existing five Councils but would not formally assume their responsibilities.)
84. The Government has indicated that they would expect vesting day to be not later than May 2009, limiting the shadow period to a maximum of twelve months. In practice, there may be advantages in a shorter period: the sooner the new Council takes full responsibility, the better; but the new Council would need an Executive and a Head of Paid Service first. Thus the first task of the new Council would be to appoint an Executive and, I suggest, an Appointments Committee to make the appointment of the Chief Executive of the new Council. (None of the five current Chief Executives would have ownership of the new post.) If the post had been advertised earlier on a provisional basis, it would be possible to make the appointment during June and to have a Chief Executive in post by October 2008. That would clear the way for vesting day by 1 November, although it would be possible to allow a longer period.
85. The first task of the Chief Executive would be to work on a transition plan with the Executive, and to commence appointments to a new management structure. That task would be easier if some preliminary work had been undertaken by the five existing Councils, working together, before the new Council came into being. However, it must be for the new Council, advised by its Chief Executive, to determine its values and key objectives, which would guide the Council during the transition.
86. Specific issues which would arise include support for the new Cabinet and constitution, staffing structures and appointments, contract expiry and re-tendering, and property arrangements. If the County Council approved the submission of a

proposal to the Government, then outline transition planning would need to be incorporated in the submission.

87. A single Council for Wiltshire would have to build on the strengths of all five existing Councils. A new Council also would have to consider how to establish a 'new beginning' for the new Council, and how to communicate that to staff of all five previous Councils, as well as the public.

What Happens Next?

88. If the Council decides to submit an application for one (unitary) Council for Wiltshire, this must be done by 25 January 2007. The Government will then consider whether the submission meets its broad criteria, described in the White Paper (see Appendix to the White Paper – circulated with the County Council Summons for the meeting on 7 November 2006 and available on the Council's website). If the Government concludes that it does, it will undertake consultation in the County during a twelve week period, before taking a final decision by July 2007. Those areas where submissions are approved will be named in secondary legislation in November 2007. If the legislation is approved, elections will take place in May 2008.
89. If the Council decides not to go down this road, it will no doubt wish to consider, with the District Councils, how best to respond to the challenges and opportunities described earlier in this report, and including those regarding expenditure, services, efficiency and customer care.

Risks and Financial Implications

90. If the County Council decides to respond to the invitation in the White Paper by making a submission to the DCLG for one (unitary) Council for Wiltshire in place of the County and four District Councils, there must be a risk that the Council's submission is not approved by the DCLG. There are indications that a limited number of submissions will be accepted, although Ministerial statements have indicated that the number of submissions which could be approved, if they meet the criteria, could be higher than the figure of eight quoted in the White Paper.
91. There are difficulties in developing a full business case and financial model in the tight timeframe required by the Government. These risks will reduce significantly as more detailed structural and financial information becomes available. Those submissions which are accepted by the Government will then be subject of public consultation during which the business case can be further developed.
92. There are risks of a setback to relationships between the County Council and those District Councils which do not favour a submission for unitary reorganisation; but working relationships between County and District staff on a wide range of issues have remained constructive throughout the recent period. Relationships will not deteriorate if people are determined to avoid this.
93. There is a risk of disruption to service delivery – this will vary substantially depending on the level of change for different services during the transition. Risk mitigation would require close attention to the scale and minimisation of change especially in relation to the 'front line'. It would be particularly important to minimise the risk of any adverse impact on the Housing Benefits service, where substantial numbers of local people are dependent for their household income.
94. Transitional risks include the scope and scale of system and data migration. Districts are running more than sixty applications, in addition to the much greater number within the County. These applications will be rationalised to create a single system approach across the new Authority, with significant benefits to the organisation. Key

areas will include Revenues and Benefits, Planning, Waste, business management (finance, HR and procurement), Customer Care and web development as well as numerous smaller scale and more specialist applications.

95. Some will be straightforward, such as customer care (due to the universal adoption of the Lagan system). Others will be more demanding, involving significant data migration. However the current systems can be safely maintained until it is safe to migrate. The proposed transitional costs incorporate estimated requirements for data migration. Significant organisational and system savings could accrue once this work has been completed. The full analysis will help determine the sequencing and the resource profiling.
96. Key to this system transition will be the availability and dedication of sufficient operational staff to manage the migration of data, to develop the new processes and procedures and to deliver the training required for the staff moving onto the new systems. Sequencing of infrastructure and application migration may pose an additional risk to operational effectiveness in the short term (6 -12 months).
97. The County Council is procuring a new business management programme to support finance, HR, procurement and payroll. The implementation of these systems is likely to take place from autumn 2007. Some components will go 'live' in October 2008 and others during 2009. This will require a dedicated internal team of up to 30 staff, at the same time as the work to commence the creation of a new Council. It may not be possible to migrate immediately to a single business management architecture across the new Council, and it might be more sensible to run some current District systems during 2009-10. The procurement of this programme is still in its early stages. The revenue costs are likely to be manageable within resources currently allocated for support across the Districts. A broad order estimate of capital would indicate that some additional capital would be required to absorb the current District functions but this should not exceed 20-25% of the overall capital costs, (probably under £1m).
98. Some District Council departments, e.g. ICT, may be reliant upon a small number of key technical staff. If these staff decide to leave prior or during transition there would be a significant risk to maintaining operational services. Measures would be needed in order to mitigate this by bringing in skilled interim staff.

Conclusion

99. The County Council must consider whether one Council for Wiltshire would be better placed than the current five Councils, to respond to the challenges described earlier in this report, including global and national trends as well as the pressure for greater efficiency. If so, the Council can respond to 'the invitation' in the Government's White Paper by proposing one Council for Wiltshire. On the basis of the analysis in this report, that proposal would appear to meet the criteria specified in the White Paper – although naturally there can be no guarantee of approval by the Government.
100. Wiltshire is a County with a strong identity and with twenty identifiable community areas that have been the basis for local engagement for a number of years. There would be a reduction from the current total number of District and County Councillors, but the opportunity exists for the Members of one Council for Wiltshire to have a more powerful and clearly defined community leadership role.
101. The financial case for submitting a response to the Government's invitation is broadly established in terms of the potential recurrent savings over the longer term from the creation of a single Authority.

102. If the Council decides on balance not to make a submission to the Government, the unitary model of local government nevertheless can provide a 'yardstick', indicating the savings in operational costs to which the continuing five Councils should be aspiring; but savings on that scale would require a 'step change' in the collective ambition and radicalism of the five Councils. A radical form of concerted organisational change is required in local government in Wiltshire, to take the necessary 'leap forward' in terms of our measurable efficiency and effectiveness:

"The Government believes that the status quo is not an option in two-tier areas if councils are to achieve the outcomes for place shaping and service delivery that communities expect, and deliver substantial efficiency improvements... the government expects all councils in continuing two-tier areas, even if they are not pathfinders, to pursue new arrangements to achieve the same level of improvement and efficiency gains as the new unitaries and pathfinders will be achieving"¹⁰

103. The Customer First Partnership has enjoyed some real achievements – collaborative implementation of a Customer Relations Management system, work on some shared services, e.g. contracts for advertising and agency staff, joint IT hardware procurement, and a radical proposal for a single non emergency number. The evaluation of the 2005-06 Customer First programme acknowledged that improvements are needed in accountability and ownership, and in benefits realisation. Despite the achievements, the current agreed forward programme is not sufficiently 'transformational' to meet the efficiency targets faced by Wiltshire Councils. For that, something along the lines of the Pathfinder model described in the White Paper would be required, whereby the starting point is the model of one organisation serving five Councils.

104. The Commission for Rural Communities (CRC, 2006) has noted that:

"since the Best Value regime was introduced in 1998, as well as later performance review processes such as CPAs, how few shire authorities have fundamentally re-engineered and shared their overhead and back office functions. The scope for establishing 'virtual' unitary authorities has been there for years but has not been exploited."

Recommendation

- (1) The Council is asked to decide whether it wishes to respond to the invitation in the White Paper by making a submission to the DCLG for one (unitary) Council for Wiltshire in place of the County and four District Councils.
- (2) If it decides to do so, the Council is recommended to invite North Wiltshire District Council to make a joint submission, and also to consider what should be said in the submission about the following points:
 - (i) Elections in May 2008 on the basis of current Divisions, with doubled representation (two Councillors in current single divisions, four in the dual divisions in Salisbury and Trowbridge, making 98 Councillors in total), plus a proposal that the boundaries should be reviewed at the earliest opportunity, preferably in time for the elections in 2012, to create 98 single Member divisions reflecting community areas and other factors shaping the identity of local communities;

¹⁰ 'Invitations to Councils', DCLG October 2006, pages 5-6

- (ii) Vesting day (the term for the effective date of a new authority) on 1 November 2008;
- (iii) Executive model of indirectly-elected Leader elected (by the whole Council) for four years;
- (iv) Financial provision for transitional arrangements in 2007/08 to be considered in the recommendations by Cabinet to Council on 13 February

KEITH ROBINSON
Chief Executive

The following unpublished and published documents have been relied on in the preparation of this Report:

Letters to the Chief Executive from the Wessex Association of Chambers of Commerce and the Federation of Small Businesses

Anite and Solace Enterprises (2006). *Looking Back on the Local Government Reorganisation of 1995 -1998: Reflections and Lessons Learned.*

WCC document - *CIPFA Finance and General Statistics 2006-07 Estimates and 2005-06 Best Value Performance Indicators – analysis of Spending Estimates 2006-07 and Performance 2005-06.*

Commission for Rural Communities CRC (2006). Discussion paper: *Shire local government – time for change?*

Countryside Agency (2004). *Research Project on Characteristics of Successful Unitary Authorities.*

LGA - *LGA Briefing on the Local Government and Public Involvement in Health Bill.*

MORI (2004). *Frontiers of Performance in Local Government.*

List of Appendices to this Report:

- Appendix A District Council Resolutions – attached
- Appendix B The Communication Strategy and Consultation Process - attached
- Appendix C Options for Executive – attached
- Appendix D Lessons from the Local Government Reorganisation in the 1990s
- Appendix E Comments from District Council Chief Executives (to follow in further dispatch)
- Appendix F Further consultation responses received subsequent to dispatch on 8th January 2007 of the Summons for County Council (to follow in further dispatch)
- Appendix G Any further District Council Resolutions subsequent to dispatch on 8th January 2007 of the Summons for County Council (to follow in further dispatch)

Appendix A

DISTRICT COUNCIL RESOLUTIONS

The relevant Resolutions of the Wiltshire District Councils were as follows:

West Wiltshire District Council on 7 November resolved:

- (a) *That this Council does not support Wiltshire County Council in its actions of rushing into preparatory work for a unitary status or pathfinder bid for submission to Government by the deadline of 25 January 2007 as set out in the invitation to councils in the recent White Paper.*
- (b) *That this Council considers any such action to be an unwanted distraction and regrets the lack of opportunity for full and proper democratic debate amongst all parties involved.*
- (c) *That this Council looks forward to the opportunity of a measured and paced full and frank discussion involving all 3 tiers of local Government and everyone this will affect, namely the people of West Wiltshire and beyond to secure a way ahead for the future of local Government.*
- (d) *That this Council nevertheless looks forward to continuing co-operation between the four district councils and the County Council in fields identified already such as the Customer First Project.*
- (e) *That there should be urgent consultation with the other Wiltshire district councils to reach a consensus and that this Council takes the lead in achieving this.*

The Cabinet of Salisbury District Council met on Wednesday 15 November to discuss the invitation to councils to put forward a bid for unitary status or new ways of joint working (Pathfinder). The recommendation set out below was agreed at that meeting:

1. *that the Cabinet considers the Officers to be correct in their assessment of the prospects for a South Wiltshire Unitary Authority bid, and therefore recommends to the Council at a special meeting to be held on 18 December 2006, that such a bid should not be pursued;*
2. *In the light of the strength and success of the Customer First Partnership, in which Officers of this Council are taking leading roles, a bid for Pathfinder status would at this time be inappropriate.*

It was also resolved that the Salisbury District Council Leader and Officers be authorised to discuss the County Council's approach with the County Council's Leader and Chief Executive.

On 13 December, the Cabinet of Salisbury District Council agreed that an approach should be authorised to Customer First Partnership to request an urgent review of the scope and timetable for shared services. An Extraordinary Council meeting of Salisbury District Council was held on 18 December. After a full debate, the following was agreed:

1. *This Council accepts that a bid for unitary status by Salisbury District Council should not be pursued at this time.*

2. *This Council urges the Secretary of State to reconsider the existing rules which prevent two unitary authorities for Wiltshire which would, if allowed, better reflect the geography of the county.*
3. *This Council believes that a unitary council for the whole of Wiltshire would not reflect natural communities, would be cumbersome and bureaucratic, involving disruption and substantial capital costs and loss of local democracy which would not best serve the people of South Wiltshire and will not therefore support it.*
4. *This Council believes that existing and emerging partnership arrangements demonstrate that services can be delivered cost effectively in the existing two-tier structure without the disadvantages inherent in a move to a County-based unitary. It believes that for the time being continuing to increase partnership working within the existing two-tier arrangement is in the best interests of the people of South Wiltshire.*
5. *This Council authorises its Leader and Chief Executive to respond to the Secretary of State, the County Council and other Wiltshire district councils in accordance with these Resolutions.*

On 5 December North Wiltshire District Council resolved* that:

1. *Council welcomes the recent Local Government White Paper, particularly those parts which promise real local autonomy, the virtual abolition of nationally imposed targets, greater financial freedom, genuine local responsibility for byelaws and that more 'unitary authorities' will assume greater powers;*
2. *Council regrets the continued emphasis on Executive Mayors, specially the proposal to deny local people the right to a referendum on having a mayoral system;*
3. *This Council supports a unitary authority across the county of Wiltshire if the work being carried out at present and audited by Price Waterhouse delivers a business case with supporting financial breakdown, a full description on the proposed new local government structure, which is affordable and will deliver more resources for service provision and will build better community cohesion and a one Council service with a stronger local member leadership role and closer links and support for parish and town councils to develop and represent their communities;*
4. *The County paper on a unitary authority is debated at an extraordinary District Council meeting to be arranged for January 2007;*
5. *The above motion to be communicated to Ruth Kelly MP, to Michael Ancram MP and James Gray MP.*

* This is a draft Minute.

On 19 December Kennet District Council resolved that:

- 1 *This Council believes that a unitary council for the whole of Wiltshire would not reflect natural communities. It would be cumbersome and bureaucratic, involving disruption and substantial capital costs and loss of*

local democracy which would not best serve the people of Kennet. Therefore this Council will not support it.

- 2 This Council believes that existing and emerging partnership arrangements demonstrate that services can be delivered cost-effectively in the existing two-tier structure. It believes that continuing partnership working within the existing and evolving two-tier arrangement is in the best interests of the people of Kennet.*
- 3 This Council authorises its Leader and Chief Executive to respond to the Secretary of State, the County Council and other Wiltshire district councils in accordance with these Resolutions and to represent the case in any relevant Forum.*

Appendix B

THE COMMUNICATION STRATEGY AND CONSULTATION PROCESS

1. The Government has stated that it recognises that any proposal for unitary status may not carry consensus from or within all sectors. Any proposal must have support from a range of key partners, stakeholders, and service users/citizens. Any proposal should provide details of such support. A Communications Strategy and consultation exercise has been implemented encompassing the elements set out below.

Involvement of County Councillors

2. Weekly information bulletins have been issued to all County Councillors on a regular basis starting in November. I also invited the Overview and Scrutiny Management Committee to consider whether they wished to be specifically involved and the Chairman indicated that he was not looking at present for a particular role for the Committee.

Involvement of the Wiltshire District Councils

3. I wrote on the day of the County Council on 7 November to notify the District Chief Executives of the County Council's decision, and enclosing a copy of my original report. Subsequently, a letter was sent to the District Chief Executives on 17 November inviting the District Chief Executives to indicate how they wished to be involved in the work streams indicated above. On 8 December a written request was submitted to the District Councils in relation to data that was required for the financial modelling. The White Paper makes clear the Government's expectation that this would be forthcoming. On 8 January I also invited each of the District Chief Executives to submit a one-page note on this report, and their notes will be included in an Appendix to follow.

Involvement of the Town and Parish Councils

4. Parish Councils have an important role to play in representing their community at a local area level and the White Paper suggested that they may wish to work with District/County Councils in developing proposals. Consultation events were arranged for the Town and Parish Councils to be held on 8, 9, 10 and 11 January in locations across the County. In advance of these events an information bulletin was issued to the Town and Parish Councils.

Consultation with the Wiltshire Strategic Board

5. I wrote to members of the Wiltshire Strategic Board other than the District Councils on 14 December, making reference to the County Council report, appended Guidance and the Resolution, and inviting 'in principle' views of their bodies/organisations in relation to the options. On 8 January I also sent the partners copies of this report to invite their comments and any responses received will be included in an Appendix to follow.

Communications and Consultation with the County Council's Staff

6. The 'global' e-mail bulletin arrangements and lead articles on the Intranet have been used to keep staff frequently informed of the broad content of the White Paper, the County Council report and the Resolution and Cabinet reports. There have also been headline articles in the Team Brief cascade communication (News and Views) promoting feedback from staff. The corporate Communications Unit prepared a

'Frequently Asked Questions' briefing for the Intranet and this was adjusted as the report preparation process was taken forward. A special e-mail address WhitepaperQA@wiltshire.gov.uk was set up from 14 December to enable individual staff queries and comments to be handled. The trade unions have been separately informed about the County Council report and the Resolution and Cabinet reports.

7. Briefing and discussion at the Corporate Management Board took place and opportunities were taken to brief staff groups, for instance at the Senior Managers' Conference held on 5 December.

Other Consultation

8. The Government Office for the South West (GOSW) was informed of the overall direction of the County Council's decision making and White Paper work programme. The Leader and I had the opportunity to brief the Wessex Association of Chambers of Commerce (WACC) on 7 November. Letters attaching the County Council report and the Resolution were sent to the WACC and the Federation of Small Businesses on 18 December, inviting their comments – their replies are appended to this report.

Responses of the Council's Major Partners

9. Any responses will be Appended to follow.

OPTIONS FOR EXECUTIVE STRUCTURES

Directly Elected Mayor	Directly Elected Executive	Indirectly Elected Leader – Whole Council Elections
Councillors elected by whole council elections every 4 years, or otherwise by halves or thirds	Councillors elected by whole council elections every 4 years, or otherwise by halves or thirds	Councillors elected by whole council elections every four years
Direct election of Mayor every 4 years	Direct election of a slate* of the Leader and Executive every 4 years	The Council elects a Leader by simple majority for a 4 year term
Cabinet of 2-9 appointed by Mayor from councillors	Cabinet of 2-9, directly elected	No confidence vote could end Leader's appointment
		Cabinet of 2-9 appointed by Leader from councillors

Extract from White Paper 'Strong and Prosperous Communities', page 56

** This term refers to a list of named Councillors who are proposed to be the prospective Cabinet, subject to direct election*

Appendix D

LESSONS FROM THE LOCAL GOVERNMENT REORGANISATION IN THE 1990s

The main academic source of analysis lies in the work by Professor Chisholm.

When local government was reorganized during the 1990s, considerable emphasis was placed by the Government on the financial savings which would accrue to offset the costs incurred in making the changes. The transitional costs were seriously underestimated, and the expected savings did not materialise.

Chisholm comments that the higher transition costs per head for a sub-County unitary rather than a County-wide unitary are consistent with the assumption that, where complete counties are reorganised, the transition costs rise with the number of unitaries to be created. The basic reason for this is the existence of shared costs within a local authority, or what may be called overhead costs. He states that during the 1990s, the Local Government Commission came to the view that a Unitary County would generate annual savings compared with two-tier structures, whereas a pattern of Unitary Districts would increase costs.

He further observes that in 2004, the County Councils Network estimated that Unitary Counties would generate savings which would repay the transition costs in no more than three years, whereas two or three Unitary Councils in place of County and District Councils would be unlikely ever to achieve savings to warrant the transitional expenditure. His conclusion is that, "On the evidence currently available, any move to unitary structures would need to be on the basis of large unitary authorities, substantially bigger than individual Districts, and even then there would probably not be the financial savings to offset the transition costs unless the unitaries were whole counties."

In 2000 Chisholm had concluded that "the post-reform evidence suggests the smaller unitary authorities in Scotland and Wales, and presumably also in England, do not enjoy the economies of scale available to councils with larger populations. An important reason for this lies in the fact that, despite the rhetoric about councils becoming enablers rather than providers, direct provision remains a very important part of local authority activities".

Sources

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