

**KENNET DISTRICT COUNCIL  
CHIEF EXECUTIVE'S GROUP**

**19<sup>th</sup> December 2006**

**Report Number C/29/06**

**Strong and prosperous communities – the local government white paper  
– Invitation to unitary and or pathfinder status.**

**Report by Mark Boden, Chief Executive**

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**1.0 Purpose of the Report**

- 1.1 Chapter 3 of the White Paper is entitled Effective, Accountable and Responsive Local Government. This chapter invites councils to make bids to become unitary local authorities and/or pathfinder two tier councils. Bids have to be submitted by the 25<sup>th</sup> January 2007.

**2.0 Financial, Staffing, Risk & Legal Implications**

- 2.1 There would be significant financial implications to be managed if a bid for unitary status was to be considered
- 2.2 Making a credible bid would require an allocation of funds for the purpose.
- 2.3 The invitation criteria sets out the following financial considerations;
- i. Transitional costs must be offset over a period of not more than 5 years (the payback period)
  - ii. In each year capital transitional costs incurred are to be financed through revenue resources, normal prudential borrowing or the use of capital receipts
  - iii. In each year revenue transitional costs are to be financed through a combination of
    - in year revenue savings arising as a result of the restructuring
    - other specified revenue savings (over and above Gershon expectations)
    - drawing on revenue reserves as a final option providing these can be demonstrated as prudent and do not have unacceptable impact at national fiscal level.
    - Any council making a proposal should ensure all costs incurred are met locally without increasing council tax.
- 2.4 Moving to a unitary authority or changing the way the two-tier system worked will inevitably have significant risk, legal and human resource implications. At this stage these have not been assessed. However

there is currently some work being undertaken to assess the financial implications.

### **3.0 The options**

- 3.1 The publication of the White Paper in October 2006 sets out the opportunity to submit proposals for unitary local government or pathfinder two-tier working by the 25<sup>th</sup> January 2007.
- 3.2 Depending on the number and quality of the proposals the Department for Communities and Local Government hope to announce preliminary decisions by the end of March 2007.
- 3.3 The criteria for the proposal of unitary structures is as follows;
- Be affordable – the change represents value for money and can be met from councils existing resources
  - Be supported by broad cross section of partners and stakeholders

The future unitary structure will have to:

- Provide strong, effective and accountable strategic leadership
  - Deliver genuine opportunities for neighbourhood flexibility and empowerment
  - Deliver value for money and equity on public services
- 3.4 The invitation is extended to new pathfinder two-tier models. This invitation is addressed to partnerships consisting of a County Council and all Districts in the county area.
- 3.5 The two-tier model should meet the same criteria as for the new unitary structures. With regard to affordability it is not expected that implementing two-tier models will result in transitional costs in advance of savings.
- 3.6 Proposals should be submitted on or before the 25<sup>th</sup> January 2007.
- 3.7 The aim of the two-tier model to be pioneered should be;
- i. Unified service delivery (service user no need to understand whether county, district or other service provider is responsible)
  - ii. Stronger leadership for place shaping
  - iii. Effective accountability arrangements so people know who is responsible for what decision
  - iv. Shared back office functions and integrated service delivery mechanisms.

- 3.8 The government expects all councils in continuing two-tier areas (even if they are not pathfinders) to pursue new arrangements to improve services and efficiencies.
- 3.9 The Wiltshire Customer First Partnership which was set up to deliver the e-government agenda has now been tasked to develop the efficiency agenda by identifying areas where shared services and/or other alternate delivery options will achieve efficiency savings across Wiltshire. It is effectively working towards much of the agenda proposed in the white paper.
- 3.10 The programme is fairly new and still evolving, however there have been success and efficiency savings have been made in service areas, for example payroll & IT procurement. There is a risk that any new proposal could sideline the current work of this partnership.
- 3.11 Wiltshire County Council has approached the council inviting us (through the Customer First Partnership) to develop the pathfinder option for a report to County Council. This offer has subsequently been withdrawn and they have informed us they are now investigating the option of one or more unitary authorities across Wiltshire.

#### **4.0 Conclusions**

- 4.1 There are several options the council could choose.
  - 4.1.1 Bid for unitary status. – However we would need to decide and potentially negotiate the area, e.g. Kennet, Kennet & another district, or Wiltshire. The council would need to be mindful that a bid has to be prepared by 25<sup>th</sup> January 2006 and thus there would be virtually no opportunity to consult.
  - 4.1.2 Bid for pathfinder status – Once again we would need to negotiate the area this would encompass, as above. It would similarly appear to be rather late in the day to pursue this option. There is additionally the risk that this would knock the work of the Customer First Partnership off course and potentially put us further back.
  - 4.1.3 To continue to improve partnership working via the Wiltshire Customer First Partnership.

#### **5.0 Recommendation**

- 5.1 The council considers the issues and makes a recommendation as to the option it wishes to pursue.

