

## REPORT TO COUNCIL

Report No. 6

Date of Meeting	17 January 2007
Title of Report	Local Government White Paper “Strong and Prosperous Communities” – The future of Local Government in Wiltshire
Link to Corporate Priorities	Council resolutions relating to the future of Local Government in Wiltshire could impact on all of the Council’s Corporate Priorities
Public Report	YES

**Summary of Report**

Following the publication of the Local Government White Paper “Strong and Prosperous Communities” in October 2006, this Council resolved (on 5 December 2006) to support the case for one Unitary Council for Wiltshire in place of the existing County and District Councils, provided that the business case commissioned by Wiltshire County Council demonstrated that this would: be affordable; provide more resources for services; and strengthen community leadership and links with town and parish councils.

A report has been produced for the County Council meeting on 16 January 2007, setting out an assessment of opportunities that could result from establishing one Unitary Council for Wiltshire (dispatched with the Agenda). The County Council’s decision on whether it will make a submission to the Department of Communities and Local Government (DCLG) for the establishment of one (unitary) Council for Wiltshire will be reported to members at or in advance of this meeting.

If the County Council resolves to make a submission to DCLG for a unitary Council for Wiltshire, this Council will need to determine whether to support this submission and whether (if it is invited to do so) to make a joint submission with the County Council.

**Officer Recommendations**

**If Wiltshire County Council resolves (on 16 January 2007) to make a submission to the Department of Communities and Local Government (DCLG) for the establishment of one Unitary Council for Wiltshire, this Council will need to determine:**

- 1. Whether the business case set out by the County Council (in Appendix 1) demonstrates that a Unitary Council for Wiltshire would meet this Council’s criteria (as resolved on 5 December 2006 and set out in section 3.4 of this report).**

**If Council considers that its criteria are met, it will need to:**

- 2. Confirm that North Wiltshire District Council wishes to formally support the submission by Wiltshire County Council to DCLG for the establishment of one Unitary Council for Wiltshire; and consider:**
- 3. Whether it wishes to accept any invitation made by the County Council to make this a joint submission to DCLG.**

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
YES	YES	YES	YES	YES

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## **1. Introduction**

- 1.1 Following the publication of the Local Government White Paper “Strong and Prosperous Communities” in October 2006, this Council resolved (on 5 December 2006) to support the case for one Unitary Council for Wiltshire in place of the existing County and District Councils, provided that the business case commissioned by Wiltshire County Council demonstrated that this would: be affordable; provide more resources for services; and strengthen community leadership and links with town and parish councils.
- 1.2 The County Council has now produced a detailed report (dispatched with the Agenda) and will be addressing this on 16 January 2007. If a decision to put forward a proposal for a Unitary Council in Wiltshire is made by the County Council, this authority will need to determine its position.

## **2. Options and Options Appraisal**

- 2.1. Option 1: To determine that the County Council’s assessment of the opportunities that could arise from the establishment of one Unitary Council for Wiltshire (referred to as the business case in this report) meets this Council’s criteria for affordability, service delivery and community leadership, and to support any submission the County Council may decide to make to the Government for the establishment of a new Unitary Council for Wiltshire.
- 2.2. Option 2: As Option 1 but also to take up any invitation from the County Council to make a joint submission to the Government for the establishment of one Unitary Council for Wiltshire.
- 2.3. Option 3: To determine that the County Council’s business case for the establishment of one Unitary Council for Wiltshire does not meet this Council’s criteria for affordability, service delivery and community leadership and therefore not to support a submission to create a Unitary Council in Wiltshire (should this be made by the County Council). However, it is clear that the Government expects that any area that remains two-tier will seek to maximise the potential for efficiency savings through joint working and the strengthening of community leadership and neighbourhood empowerment. The work undertaken by the County Council would therefore be of use in furthering partnership working within Wiltshire even if no bid for unitary status is made, or if any bid made is then not supported by the Government. The White Paper makes it clear that “no change” is not an option

## **3. Background Information**

### **3.1. The White Paper and Proposals for Unitary Status:**

- 3.1.1. The Local Government White Paper “Strong and Prosperous Communities” was published by the Government in October 2006. The White Paper contained an invitation to Councils in two-tier areas to submit proposals to the Department of Communities and Local Government (DCLG) to either establish a unitary Council structure or a new “pathfinder” approach to joint working between Councils. Proposals have to be made by 25 January 2007. The Government guidance sets out five evaluation criteria against which proposals will be judged: affordability; local support; strategic leadership; neighbourhood empowerment; value for money services and equity.
- 3.1.2. Wiltshire County Council resolved on 7 November 2006 to consider both options. However, the “pathfinder” option required the agreement of all the District Councils

within Wiltshire and not all of the District Councils were prepared to support a submission for “pathfinder status” (see appendix A of the County Council’s report set out in Appendix 1 to this report). The County Council has therefore concentrated on the option of establishing a Unitary Council for Wiltshire.

- 3.1.3. A Unitary Council for Wiltshire would be a new authority, not an extension of the County Council.
- 3.1.4. On 13 December 2006, the Local Government and Public Involvement in Health Bill was published. The Bill paves the way for the Government to create new unitary authorities where their evaluation criteria are met and where there is broad local support.
- 3.1.5. The County Council’s report – set out in Appendix 1 to this report - considers what form of local government in Wiltshire would best serve Wiltshire’s communities during the next 10 to 15 years, bearing in mind the social, economic and environmental challenges that will be faced in the medium to long term. The report discusses the opportunities that a Unitary Council might bring for Wiltshire and its communities but also stresses that many of these benefits could be achieved through more radical partnership working in joining up services between Councils.
- 3.1.6. The District Council Chief Executives were invited to comment on the County Council’s report by 12 January. Any comments made by this Council’s Chief Executive will be reported to members at or before this Council meeting.
- 3.1.7. The County Council is meeting on 16 January 2007 to determine whether to make a proposal to DCLG for the creation of a Unitary Council for Wiltshire. The County Council’s decisions will be relayed to members at or before this Council meeting.

## 3.2. **North Wiltshire District Council’s Position:**

- 3.2.1. This Council made the following resolutions on 5 December 2006:
  - 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, especially 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 of 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 be communicated to Ruth Kelly MP, to Michael Ancram MP and James Gray MP.

### 3.3. **3.3 Timescales for the creation of a new Unitary Council:**

#### 3.3.1. Submission of proposals to DCLG by 25 January 2007, following which:

- Announcement by Government on proposals that will proceed to the consultation stage: by end March 2007
- Consultation on proposals: by end June 2007
- Announcement by Government which proposals will go on to implementation: by end July 2007
- Elections: May 2008
- New unitary councils operational: no later than April 2009

#### 3.3.2. The County Council's report suggests that, following elections in May 2008, a new Unitary Council for Wiltshire could start to operate as early as 1 November 2008.

### 3.4. **Preparation of the County Council's Business Case for a new Unitary Council:**

3.4.1. This authority has provided – on request - extensive financial, service and anonymised personnel information to the County Council to enable the County Council to produce a business case for a Unitary Council for Wiltshire. The County Council has commissioned Price Waterhouse Coopers to carry out detailed work on value for money and financial modelling, as required by DCLG. This information is not available at the time of writing this report, although it is anticipated by way of a technical appendix either on or soon after 11 January 2007. Price Waterhouse Coopers are undertaking similar work for other shire Counties within England, allowing for some comparisons to be made with the case for a Unitary Council for Wiltshire. The time available to produce the business case and the financial modelling has been very short and the estimates are subject to considerable further refinement. The County Council's report attached as Appendix 1 summarises key points of the business case and sets out the opportunities that could result from the establishment of a Unitary Council for Wiltshire.

3.4.2. Senior officers, including the Chief Executive attended a meeting with County Council officers on 5 January 2007 to discuss the contents of the business case and in particular the financial projections. Further meetings are planned to take place to further develop the financial projections and practical considerations and this work would continue if the County Council agree to make a proposal for a Unitary Council for Wiltshire to DCLG.

3.4.3. The County Council's Chief Executive, Dr Keith Robinson will give a verbal update at the meeting if necessary.

### 3.5. **Proposals for political leadership for a new Unitary Council:**

3.5.1. The County Council's report suggests that the Executive model for a new Unitary Council for Wiltshire may best be one of indirectly elected Leader, elected by the whole Council for a four year term. (All principal Councils will need to choose one of three Executive models in future: Directly elected mayor; directly elected executive; or indirectly elected Leader - all elected for 4 years).

### 3.6. **3.6 Assessment of how the Business Case meets this Council's criteria:**

3.6.1. Affordability/More resource for service delivery:

WCC Report Summary:	Officer Commentary:
<p>Transitional costs are estimated to be £20-£25 million between 2007/08 and 2009/10.</p> <p>Savings are estimated to be £30-£40 million between 2009/10 and 2011/12, giving a payback period of under five years.</p> <p>Ongoing savings are estimated as £15 million per annum, based on a total current spend for the five authorities of £555 million (in 2006/07).</p> <p>Further commentary is provided in paragraphs 70 to 78 and 90 to 98 of the County Council's report.</p>	<p>From discussions held with County Council officers, initial views on the preliminary figures suggest:</p> <p>The savings being predicted for refuse collection and for housing may be over estimates. However, some other areas appear to be fairly conservative estimates. The potential to realise savings to the ongoing level set out in the County Council's report (£15 million p.a.) appears to be realistic.</p> <p>The costs of ICT transition (to a one system approach across the new authority) may be underestimated.</p> <p>Transitional costs do not include any financial incentives to encourage key staff to stay in post. However, costs for specialist interim staff are included for some areas.</p> <p>Potential savings may be adversely affected by lower levels of government grant as a result of the Comprehensive Spending Review 2007. However, this would be a reality for the current two-tier partnership arrangements too.</p>

### 3.6.2. Enhanced Community Leadership/stronger links with Town and Parish Councils:

WCC Report Summary:	Officer Commentary:
<p>Paragraphs 33 to 69 of the County Council's report attempts to address the opportunities and challenges that exist in relation to strategic and community leadership, neighbourhood empowerment and local flexibility</p>	<p>Many of the opportunities identified in this report could be taken forward through the current two-tier arrangements.</p> <p>The establishment of Community Area Boards (built on existing area committees and community partnerships) is proposed as a way of strengthening local decision making.</p>

## 4. 4. Financial Implications

- 4.1. Transition to and establishment of a new Unitary Council for Wiltshire would have major financial implications for this authority in the transitional period. Should a proposal go forward to DCLG and be accepted by the Government, further detailed reports would be prepared for Council, Executive and Personnel, Licensing and Administration Committee as appropriate.

- 4.2. The possibility of a Unitary Council for Wiltshire being established has been included as a risk item linked to consideration of the level of reserves the Council needs to maintain.

## **5. Legal Implications**

- 5.1. The establishment of a new Unitary Council for Wiltshire would have major legal implications for this authority in the transitional period, including work on contracts and property transactions. Should a proposal go forward to DCLG and be accepted by the Government, further detailed reports would be prepared for Executive and Council as appropriate.

## **6. Community & Environmental Implications**

- 6.1. The establishment of a new Unitary Council for Wiltshire would have a major impact on the way in which local people and local communities interact with local government. The County Council's report sets out some proposals on how local community leadership could be strengthened by a new Unitary Council. Many of these proposals could be taken forward through the existing two-tier arrangements.

## **7. Equalities and Diversity Implications**

- 7.1. There will be equalities and diversity implications of any move to a new Unitary Council for Wiltshire. Equality Impact Assessments would need to be carried out should a proposal go forward to DCLG and be accepted by the Government. Equality Impact Assessments would then be required as part of the transitional work.

## **8. Human Resources Implications**

- 8.1. Transition to a new Unitary Council for Wiltshire would have major human resources implications for this authority and for the County Council. Should a proposal go forward to DCLG and be accepted by the Government, further detailed reports would be prepared for Council, Executive and Personnel, Licensing and Administration Committee as appropriate.
- 8.2. The preparatory work for transition to a new Unitary Council would require a large amount of staff time (at all levels) to be devoted to transitional arrangements, drawing resource away from other Council commitments and priorities.

## **9. Risk Analysis**

- 9.1. The risks of establishing a new Unitary Council for Wiltshire include:
- Financial risk – the forecasted savings not being made and/or the transitional costs exceeding estimates.
  - Service delivery disruption - during the transition to the new authority and in any settling down period once the new unitary authority was up and running.
  - Community engagement and equality of access to services – there is a risk that a larger Council would be more remote from local communities.
  - Non achievement of Council corporate goals and priorities as resource would need to be moved to management of the transition process.

- Loss of skills and expertise if key staff decide to leave during transition.
- Democratic deficit – a reduction in the number of councillors serving Wiltshire could lead to less engagement with local people and communities.

<b>Appendices:</b>	<b>Appendix 1: Wiltshire County Council report to extraordinary Council meeting on 16 January 2007.</b>
<b>Background Documents Used in the Preparation of this Report:</b>	<b>Local Government White Paper “Strong and Prosperous Communities”, October 2006</b>

**Previous Decisions Connected with this Report**

<b>Report</b>	<b>Committee &amp; Date</b>	<b>Minute Reference</b>
<ul style="list-style-type: none"> <li>• <b>Motion to Council on Local Government White Paper</b></li> </ul>	Council, 5 December 2006	C72.2