

**CORPORATE RESOURCES OVERVIEW
AND SCRUTINY
INFRASTRUCTURE OVERVIEW AND
SCRUTINY
COMMUNITY OVERVIEW AND SCRUTINY**

Committee Report

Public

Date of Meeting: 29th June 2004

Title: REGIONAL GOVERNMENT AND LOCAL GOVERNMENT REVIEW

Report of: Town Clerk and Chief Executive

Report reference: CE 18/04

Summary: The attached Executive report outlines The Boundary Committee's Final Recommendations for Unitary Local Government in Cumbria and Lancashire.

It seeks the Executive's views on the preparation of a response to the Office of the Deputy Prime Minister and makes recommendations, which would enable the Council to prepare itself for reorganisation in the event of a vote in favour of an elected regional assembly.

In addition, the report asks that the Executive consider a more proactive role, for the Council, in regional and national discussions on the powers, roles and responsibilities of an elected regional assembly.

Any response to the final recommendations from the Executive will be considered at a special Council meeting on the 2nd July 2004. The views of Overview and Scrutiny are sought ahead of the Executive on the 1st July 2004 and will be considered by the Executive when and if a response is prepared.

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: Boundary Committee Draft (Dec 2003) and Final Report May 2004, University of Northumbria 'CRED' Report prepared for the City Council, August 2003.

Recommendations:

1. To consider the attached Executive report and to give any views to the Executive for consideration at the meeting on 1 July 2004.

Contact Officer: Peter Stybelski

Ext: 7001



REPORT TO EXECUTIVE

PORTFOLIO AREA: ALL

Date of Meeting: 1st July 2004

Public

Key Decision: Yes

Recorded in Forward Plan: Yes/No

Inside Policy Framework

**Title: REGIONAL GOVERNMENT AND LOCAL GOVERNMENT
REVIEW**

Report of: Town Clerk and Chief Executive

Report reference: CE 18a/04

Summary:

This report summarises The Boundary Committee's final recommendations to the Office of the Deputy Prime Minister on the review of local government in Cumbria. It asks the Executive to identify a response from the Council to the ODPM before the cut off date of the 6th July 2004.

In addition, the report makes recommendations in relation to future preparations in advance of the referendum on an elected regional assembly.

Recommendations:

1. The Executive is requested to indicate:
 - whether it wishes to propose a recommendation to the City Council in response to the Boundary Committee's final recommendations; and
 - the content of such a response.

2. The Executive is recommended to approve the establishment of an Advisory Working Group on Regional Government on an all party basis.
- 3 The Executive is asked to indicate whether a response is to be made to the ODPM on the powers of Regional Government.

Contact Officer: Peter Stybelski

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: Boundary Committee Draft (Dec 2003) and Final report May 2004, University of Northumbria 'CRED' Report prepared for the City Council, August 2003.

BACKGROUND INFORMATION AND OPTIONS

The Boundary Committee for England published its final recommendations for unitary local government in Cumbria on the 25th May 2004. Copies of the report have been circulated to all Council members and to the City Vision Partnership. Each Parish and Town Council in the areas affected have received a copy direct from the Boundary Committee. In the report the Committee sets out their final recommendations for Cumbria and Lancashire and summarises the results of the consultation they undertook on the draft recommendations.

The Boundary Committee's proposals for local authorities in Cumbria have not altered since the draft recommendations report published in December, although there have been changes in relation to public protection (police and fire services).

The final proposals for Cumbria are:

Option A: a single unitary authority comprising the whole of Cumbria county area;

Option B: two unitary authorities based on combinations of existing districts in Cumbria and Lancaster City in Lancashire (Allerdale, Copeland, Carlisle City and Eden; and Barrow-in-Furness, South Lakeland and Lancaster City).

Carlisle City Council's preferred option for three pairings based on Carlisle/Eden, Allerdale/Copeland and South Lakeland/Barrow has not been included in the final recommendations. However, the Office of the Deputy Prime Minister has the final say on which options will be included on the ballot paper alongside the question on elected regional assemblies.

Representations on the final recommendations should now be made to the ODPM before the 6th July 2004. It is understood that the Government will not make any decisions on the options until after this date. The Boundary Committee does not plan to issue any further publicity detailing their final recommendations for the public but have indicated that there is nothing to prevent wide circulation of the press release issued by The Committee to coincide with the launch of the final recommendations.

The Leader and Deputy Leader have met with colleagues from Allerdale, Copeland, Eden and South Lakeland to consider their response to the final recommendations and have written to request a meeting with the Deputy Prime Minister to make further representations in support of the third option outlined above. A response

has been received inviting representatives of the four authorities to a meeting with Nick Raynsford, the Minister for Local Government on 24 June 2004. A verbal report of the outcome will be made at the meeting. In addition, Allerdale Borough Council undertook to investigate the possibility of judicial review of The Boundary Committee's final recommendations. The grounds for such a challenge were considered to be on the basis that there has been insufficient opportunity for consultation in Cumbria and the inconsistencies in The Boundary Committee's approach to the review e.g. the recommendations for Durham include models which are similar in population size to the two unitary authorities promoted by the Council. At the time of writing there has been no response from The Boundary Committee and counsel's opinion is anticipated shortly.

The Executive is now asked to identify:

- whether a response to the recommendations should be made on behalf of the City Council; and
- the content of such a response.

To assist with this task, a summary of the benefits and drawbacks of each of the options put forward, including the three pairings proposed by the district councils, are outlined in Appendix 1 of this report. These have been collated from both the draft and final recommendation reports of The Boundary Committee and from the independent research undertaken on behalf of the City Council by the Centre for Regional Economic Development at Northumbria University.

Local Government Review - What Next?

If the City Council is to act to ensure that the interests of Carlisle and its residents are fully reflected in emerging structures for local government then it is necessary to prepare ahead so that Officers and Members are well placed to understand the implications in organisational and political terms. Whatever model of local government is proposed, officers and members need to understand how services could be delivered and broader well-being powers and community leadership developed in the different options. The scale of the potential task is enormous and the resource, organisational and political implications need to be identified as soon as possible. In order to make progress in advance of the announcement of a referendum, it is suggested that a corporate group of officers and Members (all party), is established to begin to plan and prioritise the most appropriate action.

A number of issues and information requirements have already emerged which include:

I. Immediate Issues and information requirements

- Mutual understanding of District / County functions including for example, details of staffing numbers, IT infrastructure and the potential for economies of scale in service delivery;
- How can communication between the existing tiers and their partner organisations be maintained now and in period of significant upheaval to ensure that service delivery suffers minimal disruption?
- Is there a need for a sub-regional group to plan and share ideas?
- How can the costs of options including future disaggregation of services be clarified?
- How can service standards be preserved particularly during a period of significant upheaval?

II. Longer term issues and information requirements

- Learning from the experience of those authorities which have most recently reorganised into unitary structures and from Beacon Councils;
- Transitional management arrangements the short, medium and longer term;
- Identification of appropriate unitary models (Allerdale Borough Council are already doing some "scenario planning" – perhaps we can learn from this?).
- Produce a Communication Plan for staff in consultation with Trade Unions.
- Identify where there are benefits from working on a cross county basis.
- Recruitment and retention of staff, identify implications and put forward a plan for addressing these issues

The Executive is therefore recommended to approve the establishment of a Corporate Working Group (all party). This group will assume responsibility for updating the Executive on its work programme and agreeing a reporting framework for issues on which a decision of the Council will be required.

2. Elected Regional Assemblies

A proactive approach on the issue of regional government is also possible. The powers of the proposed assemblies are being formulated now, but to date there has been little discussion within the Council about the implications for local government of an elected regional assembly for the North West.

In terms of making progress on the Council's key priorities – develop Carlisle's regional status, develop Carlisle's infrastructure and in partnership alleviate deprivation and social exclusion – there is a regional dimension. The proposed powers of the assemblies as set out in the White Paper "Your Region, Your Choice" and the changes which are already taking place in terms of spatial planning and the allocation of the single housing pot, point to the need to maximise its influence regionally and sub-regionally.

The Campaign for the English Regions in their report "Regions That Work" argue that if regional government becomes a reality then it should have real power to make a difference, but that these powers should not be removed from local authorities. "Towards Elected Regional Assemblies in the English Regions", a joint report produced by the Local Government association and the County Councils' Network also raises concern about the potential upward drift of powers from local authorities to the regions. This Council could be influencing the debate to ensure that roles and relationships are clearly identified and that the lessons from the experience of devolution elsewhere can be used for the benefit of Carlisle.

The Cumbria Branch of the Local Government Association considered the following suggestions:

- Building more collective policy making capacity in Cumbria to build sub regional policy and expressing this together through the LGA and Cumbria Strategic Partnership (CSP).
- Seeking to influence the setting of Regional and any regulatory standards.
- Helping to define the context of regional policies to ensure 'mission creep' does not occur as has been experienced between the London Boroughs and GLA.
- Responding to proposals for financial powers to support single block grant for maximum financial flexibility.
- Formally joining the Cumbria Branch LGA to the North West LGA.

The Cumbria Branch of the LGA decided to refer these matters to the NWRA to see whether:

- Local Authority Members be co-opted to the Elected Regional Assembly (ERA) to embed the principle of partnership and add capacity.
- Meetings of the ERA be held throughout the region.
- Clarification can be made from Government about the impact of ERAs on the future role of the GONW.
- The size of membership of the ERA properly reflects both population size and geographical landmass.
- The ERA can be subject to a formal performance model (like CPA) to demonstrate delivery.

3. CONSULTATION

- 3.1 Consultation to Date – the report will be considered by Overview and Scrutiny and their responses, will inform the Executive meeting on 1 July 2004.
- 3.2 Consultation proposed - the report is to be considered by Full Council at a special meeting on the 5th July.

4. RECOMMENDATIONS

- 4.1 The Executive is requested to indicate:
- whether it wishes to propose a recommendation to the City Council in response to the Boundary Committee's final recommendations; and
 - the content of such a response.
- 4.2 The Executive is recommended to approve the establishment of an Advisory Working Group on Regional Government on an all party basis.
- 4.3 The Executive is asked to indicate whether a response is to be made to the ODPM on the powers of Regional Government.

5. REASONS FOR RECOMMENDATIONS

To ensure that the Council is fully prepared for the potential challenges and opportunities of Local Government Review and Regional Government.

6. IMPLICATIONS

- Staffing/Resources – none at this stage

- Financial – no direct implications
- Legal – none at this stage
- Corporate – included in this report
- Risk Management – risks to be identified and managed by the Local Government Review Group.
- Equality Issues – none at this stage
- Environmental – none at this stage
- Crime and Disorder – none at this stage
- Impact on Customers – no direct implications at this stage

APPENDIX 1

The options reviewed

In collating the merits and drawbacks of each of the options put forward a summary of the views expressed in The Boundary Committee's reports and the CRED report are set out below. Any response to the ODPM should address these points. The names used to introduce each of the options are those suggested by The Boundary Committee and the source of the comment is given in the bracket.

Cumbria Council

This represents option A in The Boundary Committee's recommendations – that it: *"The districts of Allerdale, Barrow-in-Furness, Carlisle City, Copeland, Eden and South Lakeland should be abolished and their functions transferred to Cumbria County Council, which should be renamed Cumbria Council."*¹

Merits:

- A viable authority providing a full range of local government services and build upon the county council's expertise in the delivery of key services (Final Recommendations, May 2004);
- It would be able to build on economies of scale in the delivery of services and core management (Final Recommendations, May 2004);
- It could effectively deliver larger services and specialist functions (Final Recommendations, May 2004);
- It would be well placed to participate in the network of county wide and sub-county partnerships (Final Recommendations, May 2004);
- It could rationalise the number of partnerships required (Final Recommendations, May 2004);
- It could offer benefits in terms of the recruitment and retention of high calibre staff, which The Boundary Committee indicate is already a problem for the district authorities (Final Recommendations, May 2004);
- Cumbria County Council has addressed concerns regarding representation and community engagement in the establishment of a Cumbria Democracy Commission (Final Recommendations, May 2004);
- It would have a viable resource base which would assist in service provision (Final Recommendations, May 2004).

Drawbacks:

- The large geographical area covered could limit the potential for face to face contact with constituents and lead to increased travel time within wards (Final Recommendations, May 2004);
- There are significant challenges facing Cumbria County Council as reflected in a "weak" CPA rating and a "zero-star" rating for social services (Final Recommendations, May 2004).

North Cumbria Council

This represents option B in The Boundary Committee's recommendations – that is: *“Cumbria County Council and the districts of Allerdale, Barrow-in-Furness, Carlisle City, Copeland, Eden, South Lakeland and Lancaster City (...) should be abolished. The functions of these authorities should be transferred to two new unitary districts, to be named ‘North Cumbria (comprising the former areas of Allerdale, Carlisle City, Copeland and Eden districts) and ‘Morecambe Bay’ (comprising the former areas of Barrow-in-Furness and South Lakeland, and Lancaster City (...)).”*

Merits:

- The challenges facing the county as a whole, particularly in the west of Cumbria, would be better addressed by larger local authorities which might be better placed to act strategically on important issues, such as regeneration and economic decline (Final Recommendations, May 2004);
- This option reflects broad communities of identity in Cumbria as identified in the stage 1 MORI research which suggested that the most significant division in terms of local affinities is on a north/south basis (Final Recommendations, May 2004);
- Creates two unitary authorities which lie between a single unitary and other proposed sub-county options ie. Copeland/Allerdale and Eden/Carlisle (Final Recommendations, May 2004);
- It would have a sufficiently large resource base to deal with the challenge of disaggregating county council services (Final Recommendations, May 2004);
- This pattern of local authorities would be well placed to tackle the socio-economic issues facing west Cumbria and Barrow-in-Furness (Final Recommendations, May 2004);
- This pattern of local authorities could strengthen links which already exist and would allow them to flourish in a mixed socio-economic environment without the need to reconfigure the LSP arrangements, so that focus would not be lost (Final Recommendations, May 2004);
- MORI opinion research showed most support for this option (Final Recommendations, May 2004);
- With respective populations of over 300,000 both ‘North Cumbria’ and South Cumbria’ should have adequate capacity and a sufficiently large resource base to deliver all local authority services within their areas (Draft Recommendations, December 2003);

- This authority would be smaller than the county and arguably better placed to engage with and represent the community (Draft Recommendations, December 2003);
- Most likely to achieve overall economies of scale than the two pairings (CRED, August 2003);
- Co-terminosity with local PCT boundaries – Eden Valley, Carlisle and District and West Cumbria PCTs are all within North Cumbria and they share a Chief executive to facilitate joint working across the area (Draft Recommendations, December 2003);
- Community identity with the pre 1974 County of Cumberland – supported by evidence presented to the Boundary Commission during the 1994 review where surveys indicated that 64% of respondents to a poll in the former area of Cumberland felt fairly strongly that they belonged to “Cumberland” (CRED, August 2003).

Drawbacks/arguments against:

- Some challenges in the disaggregation of County Council services (Final Recommendations, May 2004);
- A possibility that this would break up the effective partnership working which exists between Allerdale/Copeland and Eden/Carlisle and the aggregation of problems would soften the focus in tackling them (Final Recommendations, May 2004);
- It would cover a large geographical area with relatively poor communication East/West and may create difficulties in carrying out its representative functions (Draft Recommendations, May 2004);
- Such an authority would be less able to reflect local preferences and the needs of the area (CRED, August 2003).

Three pairings based on Carlisle/Eden, South Lakeland/Barrow and Allerdale/Copeland

Merits:

- Smaller units of local government may have advantages in terms of responsiveness and public confidence (Final Recommendations, May 2004);
- No conclusive evidence of a simple and overriding relationship between size, whether expressed in a geographical sense or in terms of overall population, and capacity (Final Recommendations, May 2004);
- There was evidence of local support for this approach (Final Recommendations, May 2004);
- Best placed to reflect communities of identity within a diverse area, that it would result in responsive, mid-range authorities and thus have strategic capacity to provide services, yet would remain focused on local needs (Final Recommendations, May 2004);
- Better placed to address the particular concerns in east and west Cumbria (Final Recommendations, May 2004);
- Natural affinities shared by the 'paired' districts, with the mountains acting as a natural barrier between the east and the west of the county (Final Recommendations, May 2004);
- Existing partnerships between Carlisle City and Eden, and Allerdale and Copeland. (Final Recommendations, May 2004);
- Cumbria County Council shared the view that a third option contained wholly within the county boundary should be offered, although it made no specific proposal. It was concerned that people in Cumbria should have a choice of two options that were not affected by the proposals for Lancashire (Final Recommendations, May 2004);
- In terms of community and identity, the three unitary authority option reflects common identities across a range of issues (CRED, August 2003);
- Cumbria Police Authority have stated themselves that they consider the three unitary authority option to be viable as would align the new unitary councils with the Basic Command Units that currently exist within the Cumbria Police Authority (CRED, August 2003);
- The geography of the county to a large extent dictates the transport and communication links. In the context of Cumbria each proposed pair of districts are reasonably well linked, although it should be noted that road links in Cumbria in general are quite poor on the minor roads. Carlisle and Eden are linked by the M6 Motorway and also by the Settle-Carlisle railway and the West Coast Main Line. The A590, A5902 and the A595 roads link Barrow-in-Furness

and South Lakeland. They are also linked by rail. Allerdale and Copeland are linked by the A595 road and by rail (Draft Recommendations, December 2003);

- MORI public opinion research also offers some support to the contention that these three proposed unitary authorities would generally reflect local community identities and interests. For example, it found that in Eden, Carlisle is a focus point for services and shopping in particular. South Lakeland was found to have affinity with south Cumbria. In west Cumbria, some residents in Copeland look to Workington (in Allerdale) as well as Whitehaven in Copeland borough for services such as shopping (Draft Recommendations, December 2003).

Drawbacks:

- New unitary authorities need to be capable of 'punching their weight' within a regional context and The Boundary Committee is convinced that leads towards larger rather than smaller units (Final Recommendations, May 2004);
- There are potentially capacity issues with very small authorities. This was highlighted by a number of government departments in the ODPM guidance and by some stakeholders (Final Recommendations, May 2004);
- In the case of smaller unitary authority options there is concern about the capacity to deliver large-scale services such as education and social care (Final Recommendations, May 2004);
- The Boundary Committee believes that the submissions in support of the three parings have underestimated the continuing role of the LEA and its key function in supporting schools. Similarly, the implications of the Children's Bill for local authorities were sometimes underplayed. In addition, there appeared to be insufficient attention in some submissions to the impact responsibility for the strategic management of large-scale services would have, both on the corporate centre of an authority and on overall service delivery (Final Recommendations, May 2004);
- The SSI (Social Services Inspectorate) expressed concern that authorities constituted on a smaller sub-county basis would be unlikely to have the capacity to effectively deliver a full range of social services (Final Recommendations, May 2004);
- The National Union of Teachers (NUT) stated their opposition to the breaking up of the education function where it is currently delivered at a county level, arguing that new unitary authorities would not be large enough to provide the necessary infrastructure (Final Recommendations, May 2004);
- Public opinion research carried out by MORI at Stage Three found that few interviewees spontaneously mentioned the 'pairs' of districts as their preferred option, when presented with the opportunity to express a preference for an

option not being consulted upon. Most interviewees selected one of the two options that formed part of our draft recommendations (Final Recommendations, May 2004);

- Concerns that the four councils may not fully appreciate the scale of the task of taking on and sustaining services that are, at present, underperforming at county level (Final Recommendations, May 2004);
- Two unitary authorities in the north of Cumbria could struggle to attract the requisite number of high-calibre managers and specialists, which could further impair their ability to provide large-scale services (Final Recommendations, May 2004);
- Concerns over the ability of two unitary authorities in the north of the county to tackle the particular structural issues in Cumbria (Final Recommendations, May 2004).
- Concerns about whether these authorities would have sufficiently robust resource bases to meet the needs of local communities. In the Boundary Committee's view, alternative options offer far less high-risk alternatives to meeting the needs of communities in these areas (Draft Recommendations, December 2003);
- Nearly half of Carlisle respondents (47%) prefer option B – the North Cumbria option. The main reason for liking this option is that residents would like their council to cover a small area (mentioned by 52% of those who preferred option B), (MORI Community Research in Carlisle City Council Area 2004);
- 2% of residents say they would prefer another option which has not been put forward by the Committee. Of these, half (1% of all residents) specify, unprompted, a preference for three unitary councils (MORI Community Research in Carlisle City Council Area 2004).