



REPORT TO EXECUTIVE

PORTFOLIO AREA: CROSS CUTTING

Date of Meeting: 4 January 2007

Public

Key Decision: Yes

Recorded in Forward Plan:

No

Outside Policy Framework

Title: RESPONSE TO THE LOCAL GOVERNMENT WHITE PAPER

Report of: Town Clerk & Chief Executive

Report reference: CE.36/06

Summary: Presented is the attached report for Full Council in order to respond to the Local Government White Paper "Strong and Prosperous Communities".

Recommendations: Members of the Executive are invited to consider the attached report and make any comments or recommendations to the Council that they consider appropriate.

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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: None

CARLISLE CITY COUNCIL

Report to:- **MAYOR AND MEMBERS OF THE CITY COUNCIL**

Date of Meeting:- **4 January 2007**

Agenda Item No:-

Public		Policy	Delegated Yes/No	
Accompanying Comments and Statements			Required	Included

Title:- **RESPONSE TO THE LOCAL GOVERNMENT WHITE PAPER**

Report of:- **Town Clerk & Chief Executive**

Report reference:- **CE.35/06**

Summary

The purpose of this report is to update the Council on action taken since the meeting of 7 November 2006. At that meeting the Council resolved the following.

- “1. That the Council approves a supplementary estimate of up to £100,000. This money is to be earmarked for the purpose of exploring appropriate response and possible submission to the Government’s White Paper ‘Strong and Prosperous Communities’.
2. The release of the funding is delegated to the Town Clerk and Chief Executive in consultation with the Leader of the Council and other Group Leaders.
3. The expenditure will be reported to the Executive and subject to the usual monitoring procedures by the Corporate Resources Overview and Scrutiny Committee.”

Details of that work and a proposed response to the White Paper are reported herein.

Recommendations

That the City Council:

1. Notes with concern Cumbria County Council's bid for unitary status and opposes the bid in its current intended form.
2. Seeks to work with the other Cumbrian District Councils and the Lake District National Park Authority to commission a study of the appropriate governance and administrative arrangements of the sub-region of Cumbria.
3. Seeks support from the other Cumbrian District Councils to write on behalf of Cumbrian Districts to the Secretary of State for Communities and Local Government alerting her to this work and indicating opposition to the County Council's bid for unitary status.

1. Background

- 1.1 Following the Council meeting of 7 November 2006, officers have taken a number of actions to explore a potential response to the White Paper and, if appropriate begin preparation on a bid for a new unitary structure. The key milestones have been as follows.
 - The engagement of financial consultants to disaggregate the relevant County Council budgets and provide an indication of the likely financial resources available to a number of potential unitary authorities including a Carlisle City Unitary Authority and a Carlisle, Allerdale & Eden Unitary Authority.
 - A facilitated workshop for senior officers and group leaders on the 28 November 2006 to consider the principal challenges in the White Paper and how they could best be met and in particular how they may be met by the establishment of a unitary authority.
 - Following the 28 November workshop an action plan was prepared and officers have since then been collating and evaluating the information necessary to enable members to determine the best way forward for Carlisle.
 - Officers have been developing ideas by visiting unitary authorities to learn about patterns of service delivery and structure; sharing information with similar authorities preparing unitary bids; meeting local stakeholders and seeking specialist advice on upper tier services.
 - The Town Clerk & Chief Executive has been regularly meeting with the City Council's Political Group Leaders to keep them apprised of developments and enable a political steer.

- A briefing for Members of the City Council was held on the 12 December 2006 to provide an update on progress. At this meeting members were advised that the Council meeting planned for 18 December should be postponed in order for officers to reach robust conclusions before recommending a course of action to Members.
- A special meeting of the Council was subsequently arranged for 4 January 2007 to consider the work of officers and resolve a way forward. That is the purpose of this report.

1.2 Officers have carefully considered the preparation of a submission to the Department for Communities and Local Government (DCLG) in order to make the case for a Carlisle Unitary Authority and make the following observations.

- The financial analysis suggests that a Carlisle Unitary Authority could be financially viable. The resources available to a Carlisle Unitary would be in line with similar sized, high performing unitary authorities. Unfortunately the County Council has been unable or unwilling to provide the detailed information required to draw firmer conclusions on the financial case.
- A unitary authority for Carlisle would almost certainly provide the mechanism for successful delivery of the ambitions of the Local Government White Paper. In particular the provision of strong local leadership and the design of services around the needs of local communities would be well served by a unitary Carlisle. In a number of areas, such as the structure/role of the Carlisle LSP the City Council is already well advanced in responding to opportunities presented by the White Paper.
- In order to gauge public opinion, officers commissioned an independent survey of a statistically significant sample of residents in the Carlisle District. This showed strong support for the idea of a Carlisle Unitary (66%) compared with weak support for the idea of a County Unitary (21%). There was also strong support for the idea of a directly elected Mayor/Leader for Carlisle (59%). If the possibility of directly elected leadership for their City is important to the people of Carlisle then it should be noted that a Cumbrian Unitary Authority will deny them that opportunity.
- Authorities that have similarities to Carlisle City Council (for example Norwich, Oxford and Ipswich) that are preparing bids for unitary status have been working on these bids for at least six to twelve months. These organisations are still facing a significant challenge to complete the necessary work within the timetable set out by the DCLG. The compilation of financial information in accordance with the DCLG's requirements is proving particularly difficult for these authorities.

- Officers estimate that at least six months work would be required to prepare a strong bid for Carlisle's unitary status. This work would involve extensive research and analysis, stakeholder engagement and most importantly a genuine dialogue with our communities.
- It is recommended therefore that a bid for unitary structures in Carlisle should not be prepared in response to the DCLG invitation. Members should note that this is not because a robust case cannot be made, it is because a quality submission cannot be prepared given the DCLG timetable and the information currently available from the County Council.
- The communities of Carlisle are better served by the work that is proposed below in this report, than by submitting an incomplete bid for unitary status that would be unlikely to meet the DCLG's requirements in the current timescales.

2. Cumbria County Council's Bid

2.1 Immediately after the publication of the Local Government White Paper the County Council stated its intention to submit a bid for a Cumbria Unitary Authority. Officer representatives from the Cumbrian District Councils have been invited to a number of meetings to 'engage' with the County Council, Capita and Agilysis as they prepare the County Council's bid. Regrettably the District Councils have been unable to influence the County Council's bid, but have been permitted to learn about some aspects of their proposals. Given what has been communicated about the County Council's proposals the following observations are made:

- The County Council's bid appears to divide the County into up to 30 localities ranging from a locality such as Alston (population 2,000) to Urban Carlisle (population 80,000). Each locality would be led by around one to three councillors.
- The intention is to put in place a temporary tier of Area Boards of which there will be four (Carlisle, Barrow, Eden & South Lakes, and Allerdale & Copeland). These Area Boards will be abolished as soon as decision-making can be delegated to the localities.
- The proposed three tiers (strategic authority, area board and locality) appear to be aimed at securing political consensus for the County Councils bid rather than a careful consideration of the needs of communities and subsequent patterns of service delivery.
- The proposed Unitary Authority for Cumbria would have 84 councillors. The County Council currently has 84 members.
- Carlisle may be permitted a Town Council.

- No details of proposed officer structures or service delivery arrangements have yet been shared – Districts have been told that this work has yet to be done. The County Council has however publicised revenue savings that would presumably be accrued through the abolition of local government at the district level.
- We consider that the County Council's case for Unitary Status is weak. The strategic aim of the bid is to secure a unitary County rather than develop the most appropriate modes of service delivery for local communities – this aim was stated hours after publication of the White Paper and before any serious consideration could have been given. The case appears to be built upon crude financial savings that will be made by pulling local government away from local people. It is not clear how this will deliver strong local leadership or empower local people to have real influence over local government
- On the 4 January 2007 the County Council is to hold a briefing for Group Leaders of District Councils. The Group Leaders will therefore be able to update the Council.
- It is recommended that the City Council to resolves to oppose the County Council's bid for unitary status in its current intended form.

2.2 Cumbria is specifically referred to in the Local Government White Paper. Paragraph 3.51 states that “Two-tier Cumbria, for example, has seven council leaders and 62 other executive members for a population slightly smaller than unitary Sheffield which has one council leader and nine other executive members. Of course these areas are far from comparable in many respects and each faces their own challenges. But a structure with nearly 70 local leaders, some with overlapping mandates, at the very least makes considerable demands on all involved.”

Two conclusions can be drawn from this statement:

- The report's authors regard the current situation as unacceptable and are seeking an imaginative response from the area
- They do not demand identical governance arrangements for Cumbria and Sheffield.

2.3 The second of these two points is important. Cumbria is not a “single place” – it has a series of distinct communities. It is a mix of rural and urban, with agricultural and industrial centres, pockets of affluence and deprivation. There does not appear to be a clear Cumbrian identity.

2.4 The ideal response to the challenge of the Local Government White Paper would therefore have been for the County Council and the six District Councils to come up with a collective plan of action. This has been impossible as the County Council immediately announced it's

intention to develop a bid for unitary Cumbria and has consistently rejected proposals to work with the District Councils on a possible “pathfinder” bid for enhanced two-tier working.

- 2.5 The guidance that accompanies the invitation to councils to apply for unitary structures and pathfinders advises that even those authorities not submitting bids should make serious preparations for change.
- 2.6 Given the position of the County Council, the impossibility of developing a complete bid for a unitary Carlisle within the given timetable and the requirement to make serious preparations for change, an alternative approach is proposed.

3 *The Principled Approach*

- 3.1 It is proposed that the City Council consults with the other five Cumbrian District Councils and the Lake District National Park Authority with a view to conducting a piece of work mapping out alternative local government arrangements for the County. Essentially this would be a study setting out the following:
 - The principles that should underpin governance arrangements for the sub-region of Cumbria
 - A vision for Cumbrian governance
 - A new structure
 - The need for radical innovation
 - The financial feasibility of this
 - A robust case with major cost and value for money benefits
- 3.2 A key virtue of this principled approach is that it would allow a rounded response to the White Paper, addressing all of its challenges, rather than a tactical one based on rivalries between authorities.
- 3.3 Moreover, it could pave the way for some major innovations that could prove more widely useful. For example, the business of balancing strong local leadership, place shaping and personalised service delivery on the one hand, and achieving co-ordinated planning and economies of scale on the other depends on the correct application of the subsidiarity principle. The correct level of oversight, administration or governance for a particular service should relate to the nature of that service. The study could properly disaggregate the services provided by councils across the sub-region and determine how and at what administrative level they should be organised and deployed.
- 3.4 Officers are convinced that this approach has the potential to best deliver the benefits of the Local Government White Paper to the people

of Carlisle. It is possible to reap the savings of services and resources being deployed at a sub-regional level where appropriate, while providing strong local leadership and accessible local government that is close to communities.

- 3.5 This approach cannot take the form of a bid to the DCLG under the current timetable as the County Council refuses to engage with the District Councils to develop a “pathfinder” bid. This is therefore not a “pathfinder” bid. However the clear expectation is that authorities in all two-tier areas make serious preparations for change and develop new ways of working.
- 3.6 It is therefore recommended that the City Council to commissions a study of the appropriate governance and administrative arrangements for the sub-region and work with the other five District Councils and the Lake District National Park Authority. Officers also advise that the other Cumbrian District Councils should be invited to write, with the City Council, to the Secretary of State alerting her to this work and indicating opposition to the County Council’s bid.

4. Next Steps

- 4.1 With the authority of a City Council resolution officers and members will be in a position to secure support of the other five Cumbrian District Councils to commission the Principled Approach described above and write to the Secretary of State.
- 4.2 Political consensus will be essential to the success of this work and Group Leaders and Council Leaders across the District Councils will have a key role in actively seeking consensus and promoting the work of the Districts.
- 4.3 Some District Councils will require a resolution of their full Council to proceed – others already have the appropriate authority. It is anticipated that work on the study could commence in January and a letter can sent to the Secretary of State in advance of the 25 January 2007 deadline for submission of bids.
- 4.4 Should the County Council’s bid for unitary status be unsuccessful, not submitted or some other relevant change of circumstances transpire then the County Council would be welcome to work with the District Councils and the Lake District National Park Authority on the Principled Approach.
- 4.5 A further report with details of progress on the study – should the Council approve this course of action – will be prepared for the next Council meeting.

