

Allerdale Borough Council

Executive – 25 November 2020

Local Government Reorganisation

Portfolio holder	Councillor Mike Johnson Portfolio Holder for Economic Growth, Community Development and Placemaking
Report from	Nik Hardy Head of Strategy, Policy and Performance
Wards affected	All
Is this a key decision	Yes

1.0 The reason for the decision

1.1 On 9th October 2020, all Local Authorities in Cumbria received an invitation from the Ministry of Housing, Communities and Local Government (MHCLG) to submit proposals for Local Government Reorganisation (LGR) in Cumbria. This paper provides a summary of the background to LGR and the current position. It also seeks to put in place the necessary delegations required to submit a full proposal to Government by the 9th December 2020.

2.0 Recommendations

2.1 It is recommended that Members:

- Note the activity and discussions undertaken to date in developing a full proposal for Local Government Reorganisation in Cumbria
- Give consideration to the views of the Members at the Full Council meeting on the 23rd November in confirming the preferred model of creating two unitary authorities in Cumbria and that the preferred geography of those new authorities is the current footprint of Allerdale, Copeland and Carlisle Councils forming one authority and the current footprint of Eden, South Lakes and Barrow Councils forming another authority
- Authorise the Chief Executive to finalise and submit a full proposal for Local Government Reorganisation in Cumbria based on the Executive's preferred model

3.0 Background and Introduction

- 3.1 Local Authorities are created by statute or royal charter. The current system of local government in Cumbria was created by the Local Government Act 1972, which introduced a major reorganisation of local government across the country into a two-tier structure with effect from 1st April 1974.
- 3.2 Further Local Government Reorganisation undertaken in the mid-1980s abolished the county councils in the metropolitan areas. Additional reform followed the Local Government Act 1992, with the creation of unitary authorities in areas such as Humberside and Cleveland.
- 3.3 The current legislation that facilitates changes in local government structures and boundaries is the Local Government and Public Involvement in Health Act 2007.
- 3.4 In 2006, the Secretary of State invited proposals for re-organisation resulting in new unitary authorities across the country, with a further tranche created in 2009. The most recent reorganisations utilising this legislation were in Buckinghamshire (2020) and Northamptonshire (2020).
- 3.5 There are two procedures under the 2007 Act relating to local government restructuring:
 - Invitation by the Secretary of State for proposals to local government restructuring; and
 - Following a review by the Local Government Boundary Commission for England.
- 3.6 In 2019, the then Secretary of State for Housing, Communities and Local Government set out, in a written statement to the Commons, the specific circumstances in which he would be prepared to issue a formal invitation to councils to submit proposals for new unitary councils, under the Local Government and Public Involvement in Health Act 2007. He indicated that the Government was supportive of councils that wished to combine when locally requested, but was not in favour of unitarisation being imposed top down.
- 3.7 He further reinforced that a proposal for unitary councils can be implemented if the Minister concludes that, across the area as a whole, the proposal is likely to:
 - Improve the area's local government
 - Command a good deal of local support across the area
 - Cover an area that provides a credible geography for the proposed new structures, including that any new unitary council's population would be expected to be in excess of 300,000
- 3.8 A further White Paper on Local Government Reorganisation and devolution was expected in the autumn of 2020, but this is now expected in 2021. A proposal could be implemented without agreement across the County on the preferred model.
- 3.9 In July 2020, local Council Leaders from across Cumbria met with the Secretary of State. At that meeting, the Secretary of State confirmed that local authorities could

ask him to invite proposals. Subsequent to this meeting, the Deputy Leader of Allerdale Borough Council, the Leaders of Carlisle City Council and Cumbria County Council and the Mayor of Copeland Borough Council wrote to the Secretary of State to request that a process for local government reorganisation in Cumbria be initiated.

- 3.10 On 9th October, all Councils in Cumbria received an invitation from the Ministry of Housing, Communities and Local Government (MHCLG) to submit proposals for Local Government Reorganisation in Cumbria in accordance with the Local Government and Public Involvement in Health Act 2007. This invitation is attached as Appendix A to this report.
- 3.11 The timelines for submitting a proposal were detailed in the invitation, with outline proposals due by 9th November 2020 and full proposals by 9th December 2020.

4.0 Content (to include alternative options considered)

- 4.1 A significant amount of development work has been undertaken since the Executive agreed to develop a proposal for Local Government Reorganisation at the meeting held on 2nd September 2020.
- 4.2 Further to that meeting, subsequent discussions were held with other local authorities in Cumbria and Allerdale, Copeland, Carlisle and Eden Councils agreed to work in partnership to appoint KPMG to develop an initial and full proposal for Local Government Reorganisation in Cumbria.
- 4.3 An initial proposal, further to a decision by the Deputy Leader, was submitted to Government on the 9th November (Appendix B). This outlined the four Councils' vision for local government in Cumbria and proposed a two unitary authority and a Combined Authority with a directly elected Mayor model of local government in the county. The submission on the 9th November did not specify a preferred geography for the unitary authorities but did indicate that the full proposal would specify the geographic boundaries.
- 4.4 This initial proposal was developed after some internal analysis of the potential models and some high level analysis of the options by KPMG. At this point in the process some options, such as a three unitary authority model were ruled out, on the grounds that the small population size would not meet the Government's criteria.
- 4.5 KPMG have now completed a detailed options analysis on the potential models in Cumbria. This work included an assessment of:
- Opportunities for sustainable growth – this includes criteria such as economic growth potential and inclusive growth
 - Impact on service delivery – this includes criteria such as service improvement and service geography
 - Democratic representation – this includes criteria such as effective local representation and identity

- Financial benefits and sustainability- this includes criteria such as long term financial sustainability and income potential

Further details of this assessment will be circulated in advance of the meeting.

- 4.6 The conclusion of this work revealed that there are two strong options in creating the geography for the new Councils in Cumbria that can create long-term financial savings and can deliver services such as Adult and Children's services successfully. These are:
- Using the footprint of the existing Allerdale, Copeland and Carlisle Councils to form one authority and the footprint of the existing Eden, South Lakes and Barrow Councils to form another authority
 - Using the footprint of the existing Allerdale, Carlisle and Eden Councils forming one authority and the footprint of the existing Copeland, Barrow and South Lakes to form another authority
- 4.7 As reported to Full Council on the 19th November, upon receipt of the initial findings highlighting benefits of both options, the Executive indicated that their preferred position was to form a new authority on the footprint of the existing Allerdale, Copeland and Carlisle Councils.
- 4.8 Members of the Executive have sought to keep the wider membership of the Council informed of developments with regards to Local Government Reorganisation throughout the process and to gather the views of Members on the issue.
- 4.9 Further to the Executive meeting held on 2nd September, a LGR Cross Party Working Group was established and two full member briefings have been held. In addition to this, the Overview and Scrutiny Committee also held a special meeting and a Full Council meeting was held on 23rd November 2020, to debate the issue.
- 4.10 The full proposal, due for submission on the 9th December, will be finalised utilising the current guidance on the development of proposals, which was issued in 2006, and specified the criteria to which any proposal must conform. These were as follows:
- 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 council's existing resource envelope; and
 - Supported by a broad cross section of partners and stakeholders; and
 - Those future local government unitary 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.

4.11 In order to ensure that the submission can be submitted on the 9th December Executive members are asked to:

- Note the activity and discussions undertaken to date in developing a full proposal for Local Government Reorganisation in Cumbria
- Give consideration to the views of the Members at the Full Council meeting on the 23rd November in confirming the preferred model of creating two unitary authorities in Cumbria and that the preferred geography of those new authorities is the current footprint of Allerdale, Copeland and Carlisle Councils forming one authority and the current footprint of Eden, South Lakes and Barrow Councils forming another authority
- Authorise the Chief Executive to finalise and submit a full proposal for Local Government Reorganisation in Cumbria based on the Executive's preferred model

5.0 Delivery arrangements

5.1 Upon receipt of a full proposal the Secretary of State will give it due consideration and decide whether or not to formally consult and the length that any consultation may take. There must be consultation by the Secretary of State with all affected local authorities in the event that more than one proposal is submitted for an area over a period of at least six weeks

5.2 If, at the end of the consultation process, the Secretary of State approves one of the Cumbrian proposals the government would work with the councils to progress a Structural Change Order. This is likely to see the creation of a Shadow Authority.

5.3 It is likely that the existing councils in Cumbria will be given an additional function to prepare for and facilitate the timely transfer of the Council's functions, property, right and liabilities.

5.4 The exact timings for the creation of any new authority are yet to be determined but the Shadow Authority is likely to operate for a year before the creation of the new authority and at that point, existing councils will be abolished.

6.0 Implications and Impact

6.1 Contribution to Council Strategy Priorities, Outputs and Outcomes

Local Government Reorganisation presents an opportunity to support the aspirations of Members contained within the Council Strategy. A unitary authority creates an opportunity to provide the residents of Allerdale with improved, more efficient services and greater financial sustainability.

6.2 Finance/Resource implications

There are no immediate financial implications arising from this report. The reorganisation of local government could bring opportunities for efficiency savings

but there will be costs of both abolishing the existing authorities and creating the new authorities.

6.3 Legal and governance implications

Proposals for a unitary authority are submitted under Part 1 of the Local Government and Public Involvement in Health Act 2007. As the Act makes no specific reference to a decision maker on submission of proposals, the decision is an Executive decision as under the Local Government Act 2000 (s 9D(2)) any function of a local authority not specifically assigned a decision maker in regulations is to be a function of the executive of the authority.

There are no immediate legal and governance implications arising directly from this report, however, subsequent decisions made by Government may have significant implications for the Council.

6.4 Risk analysis

A scored and mitigated risk log

Risk	Consequence	Controls required	Mitigated score
Allerdale's model is not put forward by government to be formally consulted on	The current district boundary will form part of one of the other options	Ensuring that the preferred model is as strong as possible based on the criteria set out by government	3x4
Allerdale's model is not the preferred model chosen by the communities and residents of Cumbria as part of the formal consultation carried out by government	The current district boundary will form part of one of the other options	Ensuring that there is broad community support at submission stage and a good deal of support at formal consultation stage	3x4

6.5 Increasing satisfaction and service

There are no service issues directly arising from this report.

6.6 Equality impacts

An equality impact assessment has not been completed for this report. This report has no direct implications for residents. Future decisions on Local Government Reorganisation will be made by Government further to local consultation.

6.7 Health and Safety impacts

There are no health and safety impacts arising from this report.

6.8 Health, wellbeing and community safety impacts

There are no health, wellbeing and community safety impacts arising directly from this report.

6.9 Environmental/sustainability impacts

There are no environmental or sustainability impacts arising directly from this report.

6.10 Other significant implications

Whilst not arising directly from this report, future decisions on Local Government Reorganisation could have a significant impact on the local government structures in Allerdale, ultimately resulting in the abolishment of the Council.

Appendices attached to this report

Appendix number	Title of appendix
Appendix A	Invitation to submit proposals for Local Government Reorganisation in Cumbria
Appendix B	Cumbria Local Government Reorganisation Outline Proposal

Background documents available

Name of background document	Where it is available

Report author(s) and contact officer(s):

Nik Hardy

Head of Strategy, Policy and Performance

Nik.hardy@allerdale.gov.uk

01900 702778