

Local Government Reform proposal for the Bay area 8 December 2020

Report of Chief Executive

PURPOSE OF REPORT

Further to Council's decision of the 5 November to approve and submit an outline proposal for a unitary council for the Bay area, this report brings back the full proposal for Council's approval and authorisation to submit to government by the deadline of the 9 December 2020.

The Bay unitary proposal is also being considered by South Lakeland District Council and Barrow Borough Council at the date of this Council meeting, 8 December 2020. If approved by all three councils, they will jointly submit the full proposal to government.

This report is public.

RECOMMENDATIONS

It is recommended that Council:

- (1) Considers and approves the full proposal for a unitary council for the Bay area (attached at Appendix 1) recommending it for submission by the Leader and Chief Executive to the government by 9 December 2020; and**
- (2) Authorises the Chief Executive, in consultation with the Leader, to approve any minor amendments that may arise following consideration of the proposal by Barrow Borough and South Lakeland District Councils, prior to submission.**

1.0 Report

- 1.1 Following the Council meeting of the 5 November and Council's approval and authorisation to submit the outline proposal for a unitary council for the Bay area, further, more detailed work has continued to develop a full proposal based on the government's criteria and the Treasury Green Book 5 case model.
- 1.2 The full proposal is included as Appendix 1 in the Cabinet report pack, attached to this report. The full proposal includes significantly more detail than the outline proposal, to address all of the business case requirements, to examine options, to capture how the opportunities a unitary model can offer for residents around the Bay.
- 1.3 This report seeks approval of the full proposal and authority to submit to government by the deadline of 9 December.

- 1.4 Should the government agree that a new unitary council for the Bay be developed, further detailed work will continue to develop and agree all structures, service delivery arrangements and resourcing for the new council.
- 1.5 Members are referred to the full report pack for more detailed information. The report pack includes the following:
- Cabinet report requesting Cabinet's endorsement of the proposal
 - Appendix 1 - The full unitary council proposal for the Bay
 - Appendix 2 - A summary of engagement and consultation work
 - Appendix 3 - The government's letter of invitation to the Cumbria authorities, which includes the core criteria
 - Appendix 4 - The government letter regarding Type C proposals

2.0 Options and Options Analysis (including risk assessment)

- 2.1 Council is asked to note the Options appraisal included as part of the Cabinet report in the report pack. This options appraisal examines Option 1; Submit the full proposal for a unitary council for the Bay; and Option 2: Do not submit the full proposal for a unitary for the Bay. The officer preferred option is Option 1.

3.0 Conclusion

- 3.1 The full proposal for a unitary council for the Bay area is now available for consideration by council and is recommended for approval and submission to the government but the deadline of 9 December.

CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):

There are no direct impacts at this stage, but this report is focused on the overall objective of achieving improved outcomes and benefits for residents, businesses and stakeholders. More detailed impact assessments will be required as part of forward planning and implementation, if the proposal is supported.

LEGAL IMPLICATIONS

There are legislative powers available to enable local government reorganisation. Proposals for a unitary authority may be submitted under Part I of the Local Government and Public Involvement in Health Act 2007. Section 2 of the 2007 Act explains the process. Also, the Cities and Local Government Devolution Act 2016 Section 15(1) provides a Legislative framework that can be deployed to implement a wide range of Local Government reforms.

Please note the legal implications in the attached Cabinet report for further detail.

FINANCIAL IMPLICATIONS

Overall, the full proposal carries a financial business case as well as achieving value for money and improved service outcomes, compared with the current two-tier government structures. Transitional costs will be required to develop and implement all arrangements, and this will be

a shared issue for all three councils. However, over a ten-year period the cost of local government substantially reduces, becoming considerably more sustainable in the long term.

If the proposal is approved by government, developing arrangements will need to be supported by ongoing consideration of financial implications at every stage.

Please note the financial implications in the Cabinet report for further detail.

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces

Resource requirements moving forwards are fully considered and addressed as part of the full proposal and the costs associated with this carry a good business case. Clearly, there are significant benefits for the district and the wider Bay area that can be delivered by the council playing a full role in designing and implementing any new arrangements for a unitary council.

Further information on resource implications is included in the detailed Cabinet report.

SECTION 151 OFFICER'S COMMENTS

Please note the s151 comments in the attached Cabinet report are reproduced below

After a decade of having to make substantial savings Local Government continues to face significant financial challenges leading to suggestions that the current two tier model of local government is reaching the limits of what can be achieved and that the way in which services are administered and delivered needs to be rethought.

The proposal looks to establish a new Unitary for the Bay Area across two existing County Council boundaries. Increasing the scale at which Local Authorities operate can provide significant financial benefits through economies of scale. These benefits tend to be generated by reducing duplication across front and back office functions, senior management as well as reductions in areas such as property costs etc. However, it does require the disaggregation of services currently provided by both Lancashire and Cumbria County Council's such as Children's and Adult Social Care. This would result in additional costs being incurred, both because of the disaggregation process, but also in terms of the lost opportunity costs associated with not maximising the potential benefits on offer.

In addition, any new Authority would inherit a share of assets such as school buildings etc to deliver its new services but also its share of liabilities associated with pensions, long-term borrowing, or other obligations such as PFI/ PPP which are currently with both County Council's.

The Council has contributed to the production of the indicative financial benefits within the proposal (Appendix 1 Section 4.4 - Finance and affordability). Members may wish to consider and challenge as appropriate. If the proposal is approved by Government, developing arrangements will need to be supported by ongoing consideration of financial implications at every stage.

MONITORING OFFICER'S COMMENTS

As per Cabinet report.

BACKGROUND PAPERS

None

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