

Executive: 1st April 2021

LOCALLY LED RE-ORGANISATION OF LOCAL GOVERNMENT IN CUMBRIA

Lead member: Mike Starkie, Mayor (Portfolio holder for strategic leadership);
Lead officer: Pat Graham, Chief Executive; and
Report author: Clinton Boyce, Solicitor.

Why has this report come to the Executive? (e.g. Committee request, update report)

This report seeks Members' view on a consultation document issued by the Ministry of Housing, Communities and Local Government ('MHCLG') on the 22nd February 2021 and called 'Consultation on proposals for locally-led reorganisation of local government in Cumbria, North Yorkshire and Somerset'. Within budget, the matter is, by law, an executive decision and the Executive's views on the principles of the proposed response are sought.

Summary

The report summarises the consultation, lists the required consultation questions asked, outlines the internal consultation taken to date with non-executive members, including the Overview and Scrutiny Committee, and suggests how the Council should respond to them before the consultation closing date of the 19th April 2021.

Recommendations:

- (a) That the consultation be noted;
- (b) That the comments made by Member working groups on the 12th March (appendix B) and of the Overview and Scrutiny Committee following its meeting on the 22nd March (paragraphs 3.3 and 3.4 of the report) be noted;
- (c) That the Executive considers what the Council's formal response to the consultation should be, to direct officers as to the principles and nature of that response and to delegate to the Chief Executive the drafting, finalisation

and submission of that response before the closing date of the 19th April 2021.

1. INTRODUCTION

- 1.1 Members will recall that Councils in Cumbria have been developing ideas about restructuring local government for some time and that they requested an invitation from the Secretary of State to submit proposals for unitary local government – a single tier of local government delivering all of the local government services for the area.
- 1.2 The Government’s approach to local government reorganisation is that it should be locally-led, on the basis that those in a local area are best placed to know what is best for the area. This broader policy position was reaffirmed by the Secretary of State in a written ministerial statement published on 12 October 2020.
- 1.3 On 9 October 2020, in response to these requests, the Secretary of State invited the councils to submit locally led proposals for unitary local government. The invitations invited proposals for a single tier of local government permissible under the primary legislation, explained that proposals could be submitted by a council individually or jointly with other councils receiving the invitation and included guidance on what the proposals should seek to achieve, to which the councils were required to have regard. These invitations started the legislative process for restructuring local government in the three areas, which is set out in the Local Government and Public Involvement in Health Act 2007 (the 2007 Act).
- 1.4 The Secretary of State received four proposals from Councils in Cumbria by the specified deadline of 9 December 2020.
- 1.5 The four proposals submitted were:
 - (1) Allerdale Borough Council and Copeland Borough Council submitted a joint proposal for two unitary councils covering the whole of the area of the administrative county of Cumbria: one unitary council in the West comprising the current districts of

Allerdale, Carlisle and Copeland; and one in the East comprising the current districts of Barrow, Eden and South Lakeland.

The Copeland proposal as submitted is attached as Appendix A to this report and also available via this link -

https://www.copeland.gov.uk/sites/default/files/attachments/lgr_final.pdf .

- (2) Barrow Borough Council and South Lakeland District Council submitted a joint proposal for two unitary councils covering the whole of the area of the administrative county of Cumbria and the administrative district area of Lancaster City within Lancashire County: one unitary council (“The Bay”) comprising the current districts of Barrow, Lancaster City (in Lancashire) and South Lakeland; and one comprising the current districts of Allerdale, Carlisle, Copeland and Eden districts in “North Cumbria”.
 - (3) Carlisle City Council and Eden District Council submitted a joint proposal for two unitary councils covering the whole of the area of the administrative county of Cumbria: one unitary council in the north comprising the current districts of Allerdale, Carlisle and Eden; and one in the south comprising the current districts of Barrow, Copeland and South Lakeland in the south.
 - (4) Cumbria County Council submitted a proposal for a single unitary council for the whole of the area of the administrative county of Cumbria.
- 1.6 The 2007 Act requires that, before a proposal for local government reorganisation can be implemented, the Secretary of State must first consult any local authority that is affected by a proposal (but which has not submitted it), and any such other persons as he considers appropriate.
- 1.7 The Secretary of State launched this consultation on the 22nd February 2021. The main consultation document is available via this link – https://consult.communities.gov.uk/governance-reform-and-democracy/cumbria/supporting_documents/LGR%202021%20Consultation%20document.pdf . That is the overarching consultation document and includes North Yorkshire and Somerset Councils. The consultation

document for Cumbria is available via this link – <https://consult.communities.gov.uk/governance-reform-and-democracy/cumbria/> . That link is to the main page of the Cumbria consultation. The documents submitted by each of the seven Councils are available via the links at the bottom of that page. Those links take readers to the web sites of the individual councils which contain the final proposal as submitted on behalf of each Council.

2. THE CONSULTATION

- 2.1 The consultation begins by stating that “in deciding which proposal, if any, to implement in an area, subject to Parliamentary approval, the Secretary of State will make a balanced judgement assessing the proposals against the three criteria set out in the statutory guidance accompanying the invitation, and having regard to all representations received, including responses to this consultation, and to all other relevant information available to him. These criteria, which reflect longstanding criteria for assessing unitary proposals, are that - a proposal should seek to achieve for the area concerned the establishment of a single tier of local government, that is, the establishment of one or more unitary authorities:
- (a) which are likely to improve local government and service delivery across the area of the proposal, giving greater value for money, generating savings, providing stronger strategic and local leadership, and which are more sustainable structures;
 - (b) which command a good deal of local support as assessed in the round overall across the whole area of the proposal; and
 - (c) where the area of each unitary authority is a credible geography consisting of one or more existing local government areas with an aggregate population which is either within the range 300,000 to 600,000, or such other figure that, having regard to the circumstances of the authority, including local identity and geography, could be considered substantial”.
- 2.2 It then reminds us of the following matters which were required to be taken into account in submitting the final proposals and which remain applicable:

- (a) A proposal should describe clearly the single tier local government structures it is putting forward, and explain how, if implemented, these are expected to achieve the outcomes described above in 2.2;
- (b) The need for evidence and analysis to support a proposal and any explanation of the outcomes it is expected to achieve, including evidence of a good deal of local support;
- (c) The impact of any proposed unitary authorities on other local boundaries and geographies. If the area of any proposed unitary authority crosses existing police force and fire and rescue authority boundaries, the proposal should include an assessment of what the impact would be on the police forces and/or fire and rescue authorities and include the views of the relevant Police and Crime Commissioners and Fire and Rescue Authorities; and
- (d) Any wider context for any proposed unitary authorities around promoting economic recovery and growth, including possible future devolution deals and Mayoral Combined Authorities.

2.3 Importantly it then states “All ... of the proposals submitted are for a type of proposal which is permissible under the 2007 Act. The Secretary of State is consulting on these proposals and welcoming views from any interested persons, including residents, before he makes any assessment of the merits of the proposals or considers them against the criteria” and concludes by stating that “The Secretary of State may decide, subject to Parliamentary approval, to implement a proposal with or without modification, or to not implement any proposal for an area. He may also seek advice from the Local Government Boundary Commission for England. If any proposals are to be implemented, we would expect new unitary councils to take on full council role from April 2023, with the transitional arrangements in 2022-23 to support a smooth implementation”.

2.4 The list of persons consulted is lengthy and for Cumbria is:

(a) The principal councils in the area (the seven) together with Lancashire County Council, Lancaster City Council and 'the district councils within Lancashire County;

(b) Neighbouring principal councils:
Blackburn with Darwen Borough Council
Blackpool Council
Durham County Council
North Yorkshire County Council
The district councils within North Yorkshire County
The district councils within Lancashire County
Northumberland County Council
North of Tyne Combined Authority
North East Combined Authority

(c) Public Service Bodies:

Health Bodies: NHS Morecambe Bay CCG, NHS North Cumbria CCG, Calderdale & Huddersfield NHS Foundation Trust, North Cumbria Integrated Care Foundation Trust, South West Yorkshire Partnership NHS Foundation Trust, University Hospitals of Morecambe Bay NHS Foundation Trust, Lancashire and South Cumbria Integrated Care System, North East and North Cumbria Integrated Care System, North West Ambulance Service NHS Trust.

Policing, Fire and Rescue Bodies: Chief Constable of Cumbria Constabulary, Chief Constable of Lancashire Constabulary, Chief Fire Officer of Cumbria Fire and Rescue Service, Chief Fire Officer of Lancashire Fire and Rescue, Cumbria Police and Crime Commissioner, Lancashire Police and Crime Commissioner.

(d) Other Public Sector Bodies:

Arnside and Silverdale Area of Outstanding Natural Beauty, Lake District National Park Authority, North Pennines Area of Outstanding Natural Beauty, Solway Coast Area of Outstanding Natural Beauty, Yorkshire Dales National Park Authority, Nuclear Decommissioning Authority, Independent Chair of the Cumbria Children's Safeguarding Partnership, Independent Chair of the

Safeguarding Adults' Board, Dumfries & Galloway Council, Scottish Borders Council, Transport for the North.

(e) Business Bodies:

Cumbria Chamber of Commerce, Cumbria Local Enterprise Partnership, Federation of Small Businesses (Lancashire & Cumbria), Lancashire Local Enterprise Partnership, Lancashire Chamber of Commerce, Sellafield Ltd.

(f) Voluntary Sector Bodies:

Cumbria Community Foundation, Cumbria Council for Voluntary Services, Cumbria Third Sector Network, Lancaster Council for Voluntary Services.

(g) Education Bodies:

Lancaster University, University of Central Lancashire, University of Cumbria.

(h) Other Bodies:

Cumbria Tourism, Lord-Lieutenant for Cumbria, Lord-Lieutenant for Lancashire.

(i) National Bodies:

Environment Agency, Highways England, Local Government Association, National Housing Federation, National Association of Local Councils, Public Health England.

2.5 The consultation questions are as follows:

- “(1) Is the Councils’ proposal likely to improve local government and service delivery across each area? Specifically, is it likely to improve council services, give greater value for money, generate savings, provide stronger strategic and local leadership, and create more sustainable structures?”

- (2) Where it is proposed that services will be delivered on a different geographic footprint to currently, or through some form of joint arrangements is this likely to improve those services? Such services may for example be children's services, waste collection and disposal, adult health and social care, planning, and transport.
- (3) Is the councils' proposal also likely to impact local public services delivered by others, such as police, fire and rescue, and health services?
- (4) Do you support the proposal from the councils?
- (5) Do the unitary councils proposed by the councils represent a credible geography?
- (6) Do you have any other comments with regards to the proposed reorganisation of local government in each area?

Please indicate reasons for your answers".

2.6 As stated, the closing date is the 19th April.

3. CONSULTATION WITH MEMBERS

3.1 A briefing/discussion was held with all members on the 12th March. A summary of that discussion is attached as Appendix B to this report.

3.2 On the 22nd March the Overview and Scrutiny Committee met to consider the consultation. At that meeting the Chief Executive outlined the Council's current position (supporting an east (Eden, South Lakeland and Barrow)/west (Copeland, Allerdale and Carlisle) split) and explained the other options being proposed. She commented that the Morecambe Bay proposal was posing a number of challenges as it included areas outside of Cumbria. She indicated that a decision from the Secretary of State is expected late summer and explained the tight timescale culminating in a new authority in April 2023. She took members through each of the options as follows applying the assessment criteria referred to in 2.1 above:

East/west (as proposed by Copeland)

It is felt that this very strongly represents our local need. The natural connectivity is to the north along the coastal strip to Allerdale and then Carlisle. It is considered that this option will be paid off in 2 years and drive significant savings freeing up funding to allow reinvestment and improvements. Running costs will be 7% lower than now, so representing value for money. The County Council currently runs its services through a locality model with three areas so there is no reason this 2 model should not work.

If a combined authority is then created then this would drive investment. Police and fire could sit within the combined authority. Also protects safeguarding by having all 'blue lights' together.

In respect of people services two smaller services will improve resilience. Health alignment which does not work on any authority boundary at the moment remains a problem. In respect of credible geography the west has a sporting and industrial culture with economic geography being evidenced in a number of places.

The Bay model

There is a lot of merit in a Bay authority – history, health and strength that works. Not a bad model and it is good to have aspirations in different proposals but issues for the Government are that it is light on detail and creates disruption across two counties which is not addressed in the proposal. For this reason it is a partial, light proposal. Police in both counties object to this model. Also has largest implementation cost at £24m.

North/south unitaries

We do not propose to comment too much on this proposal. It has the same issues as the Copeland proposal but additionally does not support community identity as its people will not be linked with Allerdale. Importantly it could jeopardise the whole of the central government policy on nuclear, making it more difficult to deliver such ambitions.

County unitary

There are benefits – the proposal is simple, ease of implementation, single point of contact and can achieve significant savings (£96m over 5 years). However there are shortcomings – the proposal says very little on opportunities for transformation and how services will be delivered locally. Of concern is the aim to make savings of £96m over 5 years and the extent to which that will impact service delivery. There is nothing in the County model about devolution, combined authorities, etc. With a unitary model there is nothing to combine.

Overall every model has strengths and weaknesses but it is believed that the Council's proposed option is the best.

3.3 Members raised a number of points:

- (a) What was Carlisle's preferred option? The Chief Executive explained that there were a number of abstentions there but that their Executive had submitted a north-south bid;
- (b) Whether any change resulting from the Police and Crime Commissioner election would result in a different approach being taken? The Chief Executive explained that it would have no bearing on the eventual structure.
- (c) Why is there an assumption that east/west will lead to mayoral model? None of the proposals will directly lead to mayoral authority.
- (d) What is best for our residents, particularly younger ones, is what is important.
- (e) Whilst the proposal might be right in terms of sense of place, people and history reservations were expressed as to why including Barrow in the Council's proposal was not considered. The Chief Executive commented that Barrow as part of the Bay proposal had already advanced their proposal prior to Copeland stating theirs. There is no desire by Barrow to be with Copeland. Also geographically there might be issues as our boundary is not coterminous with the Barrow boundary (South LDC intervenes);
- (f) We are smallest of three authorities – what guarantees do we have that we will be adequately represented? The Chief Executive commented that all areas of the new authority would be represented.

- (g) clarification was given around the role of KPMG in the process.
- (h) concerns expressed about the mayoral model of governance and how it was not working in terms of the majority of members being alienated from actual decision-making.
- (i) emerging consensus that the current model is not fit for purpose due to difficulties with budget, or lack of it.
- (j) Officers were praised for their tremendous work in progressing the proposal to where we are today.

3.4 Overall members of the Committee were unsure which proposal they preferred and therefore what form the response to the consultation should take. There was clear disappointment at the option of Allerdale/Copeland/Barrow not being progressed as that would have supported nuclear issues with some members commenting that that would have been their preferred option. It would have provided a workable east-west split of two authorities. Given the lack of that option some members preferred the Council's proposed option over the others. Some members stated that they preferred the County option. Councillor Pollen indicated that this was Councillor Meteer's (apologies for absence received) preferred option. Overall the Committee did not feel that they could give a clear direction to the Executive on what the response to the consultation should be with members expressing differing views on the way forward and which option should be progressed.

4. PROPOSED RESPONSE BY THIS COUNCIL

4.1 It is recommended that any response should respect the other submissions but yet continue to demonstrate that the proposal already submitted by the Council is by far the best in terms of improving local government and service delivery, giving greater value for money, generating savings, providing stronger strategic and local leadership, has more sustainable structures and that the area of the new authority is geographically and, in respect of local identity, credible.

4.2 KPMG has undertaken some work on preparing a response for the Council. The latest draft is attached as Appendix C. This supports the Council's original bid and responds to the consultation questions. It also provides a strengths, weakness, opportunities and threats analysis on the Bay and County proposals and makes a comparison with the

east/west proposal. It is recommended that this document, Appendix C, forms the basis of the Council's response.

5. CONCLUSION

- 5.1 This is the next stage in local government re-organisation. It is recommended that the Council continues to maintain its original position on this matter namely to request two unitary councils covering the whole of the area of the administrative county of Cumbria: one unitary council in the West comprising the current districts of Allerdale, Carlisle and Copeland; and one in the East comprising the current districts of Barrow, Eden and South Lakeland.
- 5.2 The document prepared by KPMG at Appendix C could form the basis of the Council's response to the consultation. The Executive is asked to consider that document and provide a steer on what the Council's formal response to the consultation should be, to direct officers as to the principles and nature of that response and to delegate to the Chief Executive the drafting, finalisation and submission of that response before the closing date of the 19th April 2021.

6. STATUTORY OFFICER COMMENTS

- 6.1 Monitoring Officer's comments: Contained within the report.
- 6.2 Legal comments: Solicitor is report author; any legal issues are addressed within the report.
- 6.3 Section 151 Officer Comments: The immediate financial costs and the engagement of KPMG have been dealt with in previous reports to the Executive. No further financial implications arise at this time. As part of budget setting for 2021/22 Council approved a further £125,000 to progress local government re-organisation after the 1st April should it move to the next stage. The possible savings arising from re-organisation are set out in the full business case.
- 6.4 Equality Impact Assessment (EIA) Comments: Ability to access services might be affected particularly those with the protected characteristics of age and/or disability where a resident may have to access a service they use at a different location, possibly farther away. This may be less likely

with the Council's proposal than with a larger unitary. A potential impact in this regard is flagged at this stage. If the matter progresses, dialogue between any new unitary authorities and outgoing authorities will be needed to ensure that there is an appropriate and mitigated transition in service delivery and that future arrangements protect those with such characteristics.

6.5 Policy framework: Local Government Reorganisation and Devolution would provide the residents of Cumbria with a model of local government that is better placed to deliver the strategic ambitions laid out in the Council's Corporate Strategy.

6.6 Other consultee comments, if any: none.

Background Papers:

Government consultation documents;
Final proposal/full business case previously submitted; and
KPMG draft response document.

Appendices:

Appendix A	Council's final proposal as submitted in December 2020;
Appendix B	Notes of Working Groups held on Friday 12th March; and
Appendix C	Draft consultation response prepared by KPMG – To Follow