



## Transformation Committee 29<sup>th</sup> May 2019

### Unitary – Progress Update

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#### Purpose of report

This report provides a progress update on the unitary proposal submitted in August 2018.

**Attachment:** Appendix 1 - Announcement by the Secretary of State for Housing, Communities and Local Government on 13<sup>th</sup> May 2019.

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#### 1.0 Background

1.1 As the Committee is aware, seven of the eight principal authorities in Northamptonshire (every council except Corby BC) submitted a proposal on 31<sup>st</sup> August 2018 to replace the eight councils with two unitary authorities; West and North Northamptonshire.

#### 2.0 Recent developments

2.1 On Monday 13<sup>th</sup> May, the Secretary of State (SoS) announced his decision to proceed with that proposal and put the Structural Change Orders (SCOs) before Parliament. The key points of his announcement, which is attached in full at Appendix 1, are:

- Two unitary councils to replace the current eight principal authorities in Northamptonshire
- The two unitaries to be West Northamptonshire Council, covering the areas of the current Daventry DC, Northampton BC and South Northamptonshire DC, and North Northamptonshire Council, covering the areas of the current Corby BC, East Northamptonshire DC, Kettering BC and BC of Wellingborough
- Vesting Day (the date when the new councils come into existence) to be 1<sup>st</sup> April 2021. This is the only variation by the SoS to the proposal submitted on 31<sup>st</sup> August 2018, which envisaged a Vesting Day of 1<sup>st</sup> April 2020
- Elections to the two Shadow Authorities to take place in May 2020
- District and Borough (D&B) Council elections postponed from 2019 to 2020 to be cancelled. Town & Parish Council elections to take place as currently planned, in May 2020

2.2 The North Northamptonshire Joint Committee will now meet in June to consider issues arising from the creation of the Shadow Authority, such as:

- Its constitution
- Members' remuneration
- The process for appointing Interim Chief Officers

#### 3.0 Consequences of the announcement

3.1 The Vesting Day of 1<sup>st</sup> April 2021 means that:

- ENC will continue to operate and provide services in its area until 31<sup>st</sup> March 2021
- Current councillors' term of office will automatically be extended until that date
- ENC will need to prepare its own budget and accounts for 2020/21
- Councillors elected to the Shadow Authority will be 'twin hatters' if they are also Members of this council (or any of the other constituent councils of North Northamptonshire) in May 2020

- Changes to the Committee Meeting Programme arising from the above will be presented to Council in July.

3.2 MHCLG has asked for councils' opinions as to whether the Shadow Authority should be set up immediately after the SCOs are approved (option 1), which is expected to be September / October 2019, or after the Shadow Authority elections in 2020 (option 2).

3.3 Under option 1, all the Members of the current councils for the West and North areas would become Members of the relevant Shadow Authority. Under option 2, the Shadow Authority would only form once elections to it had taken place.

3.4 Option 2 provides a much cleaner arrangement whereby the key decisions made in respect of the new unitaries are made by people who have been elected to them, rather than to their predecessor authorities. This is the option preferred by MHCLG and was also the clear preference of Leaders across the county when it was discussed at a recent meeting.

3.5 MHCLG is also seeking views on the proposal to cancel the 2020 D&B elections. Again, Leaders were of the unanimous view that this was the right thing to do. While recognising that some Members may not wish to stay on for an extended term, it would seem very strange to the public if elections were taking place simultaneous to the D&Bs and to the councils being created to replace them.

#### **4.0 Progress with the implementation programme**

4.1 Plans are under way to review the current unitary programme in the light of the new timetable; details will be reported to this committee as soon as they are available.

4.2 It is envisaged that the current Discovery and Design phases will be carried out county-wide and that subsequent Implementation and Stabilisation phases will be conducted separately in West and North Northamptonshire.

#### **5.0 Equality and Diversity Implications**

5.1 There are no equality or diversity implications arising directly from this report. There are potentially significant implications from the unitary restructure and these will be addressed during the course of implementation.

#### **6.0 Privacy Impact Implications**

6.1 There are no privacy implications arising directly from this report. There are potentially significant implications from the unitary restructure and these will be addressed during the course of implementation.

#### **7.0 Legal Implications**

7.1 While the SoS has now made his announcement, the restructure is still dependent on the relevant legislation (Structural Change Order) being passed by Parliament. Design and delivery of the new Unitary Councils' service delivery will require significant legal input.

#### **8.0 Risk Management**

8.1 The primary risks to this council associated with the implementation of the new unitaries are the pressures on staff, particularly management, in participating in and / or running the projects required to do so, and the loss of staff at all levels and the potential difficulty of recruiting to those vacancies given the uncertainty over the future.

- 8.2 These risks and the steps being taken to mitigate them are set out in the risk register.
- RMCORP012 – Risk of unitary preparations diverting resources from delivery of Corporate/Efficiency Plans
  - RMCORP012a – Prepare programme plan, assess resource requirements for delivery of transition to unitary
- 8.3 We will carry out a full review of these risks in the light of the SoS's announcement and update the risk register accordingly.

## **9.0 Resource and Financial Implications**

- 9.1 There are no financial implications arising directly from this report. The council has already set aside £500k to fund the costs of the restructure and, as set out in a previous report to this committee, it is likely that significant further sums will need to be allocated to the process. It is considered likely that the balance of the costs to be incurred in 2019/20 can be met through the business rates pilot funding that the Northamptonshire councils were recently awarded.
- 9.2 Significant staffing resources will be needed to support and deliver the programme of work over the next 22 months. Decisions will need to be taken in due course about the extent to which additional resources are brought in to cover for that loss of capacity and the extent to which current activities are prioritised.

## **10.0 Constitutional Implications**

- 10.1 The new unitaries will need constitutions to be prepared and approved at their first meetings. Drafting has already begun. Provision has also been made within our Constitution for the creation of a Joint Committee prior to the creation of the Shadow Authority; a report for which was approved at the Extraordinary Council meeting held on 25 February 2019 (minute 427 refers) following consideration at this Committee.

## **11.0 Implications for our Customers**

- 11.1 The resource implications referred to above will be a challenge that will need to be addressed in order to ensure that we maintain standards of service to our customers.

## **12.0 Corporate Outcomes**



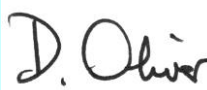
- 12.1 The intention is to implement the programme in order to achieve a positive impact on all of the Council's corporate outcomes although, when the Council is abolished in 2021, it will be the outcomes adopted by the new North Northamptonshire Council that will become relevant.
- 12.2 As the current Corporate Plan covers the period 2016 to 2019, a new Plan will be produced for debate and adoption by Members, to cover the period to 31<sup>st</sup> March 2021. It is anticipated that this will be presented to Council in July.

## **13.0 Recommendations**

- 13.1 The Committee is recommended to:
- a) note the latest update on the unitary situation; and
  - b) authorise the Chief Executive and the Leader to advise MHCLG that this council's

preference is for the Shadow Authorities to come into being after the elections to it in 2020 and for the District & Borough Council elections scheduled for May 2020 to be cancelled.

*(Reason - to keep Members up to date with developments on the unitary proposal and to express a view on the electoral arrangements in relation to the new unitaries)*

<b>Legal</b>	Power:				
	Other considerations:				
<b>Background Papers:</b> Previous monthly reports to this Committee					
<b>Person</b>	<b>Originating</b>	David Oliver, Chief Executive			
<b>Report:</b>		☎ 01832 742105 ✉ doliver@east-northamptonshire.gov.uk			
<b>Date:</b> 15 May 2019					
<b>CFO</b> 16/5/19		<b>MO</b> 16/5/19		<b>CX</b> 16/5/19	

# Local Government Update: Written statement - HCWS1556

WS

**Ministry of Housing, Communities and Local Government**

Made on: 14 May 2019

Made by: [James Brokenshire](#) (Secretary of State for Ministry of Housing, Communities and Local Government)

HCWS1556

## Local Government Update

On 29 November 2018 I told the House that I was launching a statutory consultation on the proposal for reorganising local government in Northamptonshire which I had received from seven of the area's eight principal councils. The councils had submitted this proposal in response to the invitation issued on 27 March 2018 following the recommendations in the independent inspection report on Northamptonshire County Council.

This locally-led proposal is to replace the existing eight councils across Northamptonshire (the County Council and seven district councils) with two new unitary councils - one for North Northamptonshire covering the existing districts of Kettering, Corby, East Northamptonshire and Wellingborough, and the other for West Northamptonshire covering the existing districts of Daventry, Northampton and South Northamptonshire. The proposal envisaged the new councils being fully operational from 1 April 2020.

The statutory consultation closed on 25 January and invited views from councils concerned, other public sector providers and representatives of business and the voluntary sector and welcomed views from any interested persons.

I have received a total of 386 responses. The district and county councils – except for Corby Borough Council – and councillors and public service providers including the Police and Crime Commissioner and health partners, generally supported the proposal. Responses from businesses, members of the public, parish councils and community organisations were more mixed.

This consultation supplements the consultation exercise undertaken on behalf of the Northamptonshire councils by the independent Opinion Research Services. This exercise included face to face workshops, a representative telephone survey of Northamptonshire residents and an open questionnaire.

90% of respondents to the telephone survey agreed that there was a need to make changes to Northamptonshire local government and 74% agreed with the unitary proposal. 83% of the over 6000 individuals who responded to the open questionnaire agreed that there was a need for change, with 67% agreeing that a number of unitary councils should be introduced and 44% supporting the proposal for two unitary councils.

I have now carefully considered the councils' proposal, along with the results of the consultation exercises, a report by the Northamptonshire Children's Commissioner, submitted to my Rt. Honourable Friend the Secretary of State for Education and me, on how best to ensure continued improvement of the fragile children's social care service in Northamptonshire in the context of reorganisation, and all other relevant information

and material available to me. I have concluded that the proposal meets our publicly stated criteria for local government reorganisation. That is if implemented I am satisfied that the proposal would improve local government and service delivery in the area, has a good deal of local support and the area of each new unitary represents a credible local geography.

This is on the basis that there is a Children's Trust covering the whole of Northamptonshire, which with my support, my Rt Honourable Friend the Secretary of State for Education is minded to establish, as recommended by the Children's Commissioner, if the unitary proposal is to be implemented. With such an arrangement children's social care would not be disaggregated with the Trust discharging functions on behalf of both councils. My Rt. Honourable Friend will be publishing the Commissioner's report today. It is also on the basis that work continues to be taken forward in Northamptonshire to do more to integrate adult social care and health services.

I have therefore decided, subject to the issuing of statutory directions requiring the establishment of a Children's Trust and to Parliamentary approval of the secondary legislation, to use my powers under the Local Government and Public Involvement in Health Act 2007 to implement the proposal. These powers enable me to implement a unitary proposal with or without modification and in this case, having carefully considered all the material available to me, I have decided to make one modification to the proposal.

This is to extend the period for fully implementing the new arrangements so that the new councils are operational from 1 April 2021. Whilst I recognise that a delay in implementation will mean potential savings estimated in the proposal will not be realised for another year, I am clear that the extended implementation period means we can be confident that there will be a safe and effective transition to all the new service delivery arrangements across the whole of the area, including for those crucial services supporting the most vulnerable. Throughout this extended period my Commissioners will be able to continue to support the County Council.

To support the transition, I have decided to establish shadow authorities. I envisage the May 2020 local elections in Northamptonshire will be elections to those shadow authorities rather than to district councils, with the district elections currently due on that date being cancelled. In line with the approach in the proposal for elections to the new unitary councils, I also envisage the elections to the shadow authorities are held on the basis of 3 member wards resulting in the North Northamptonshire Council having 78 members and West Northamptonshire Council having 93 members. Those so elected would be members of the new councils when these go live in April 2021. Elections to parish councils will proceed as scheduled in May 2020. I intend to confirm these electoral arrangements shortly after hearing any views the district and county councils may have on this.

I now intend to prepare and lay before Parliament drafts of the necessary secondary legislation to give effect to my decisions. Establishing these new unitary councils will be a significant step towards ensuring the people and businesses across Northamptonshire can in future have the sustainable high-quality local services they deserve. I welcome the commitment of all the existing councils and their partners to drive forward this process of establishing new councils and transforming local service delivery. I am confident this will continue.

This statement has also been made in the House of Lords: [HLWS15](#)