

SOUTH LAKELAND DISTRICT COUNCIL

South Lakeland House Kendal, Cumbria LA9 4UQ

www.southlakeland.gov.uk



Monday, 26 July 2021

Dear Sir/Madam

Council - Tuesday, 27 July 2021

I am now able to enclose, for consideration at the above-mentioned meeting, the following documents that were unavailable when the agenda was printed

7 Local Government Reorganisation

To receive and consider any update as may be available by the date of the meeting (at the date of the Agenda being despatched an announcement is awaited – the update may be a verbal update or report to follow).

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South Lakeland District Council
Full Council
Tuesday 27th July 2021
Local Government Reorganisation

Portfolio: Cllr Jonathan Brook, Leader and Promoting South Lakeland Portfolio
Report from: Chief Executive
Report Author: David Sykes – Director of Strategy, Innovation and Resources
Wards: All
Forward Plan: Not applicable

Links to Council Plan Priorities:

The Council will ensure Local Government Reorganisation will lead to the improvement of public services and delivery of stronger benefits for residents, businesses and the environment of the South Lakeland area. This will enable progress in the delivery of the Council's priorities of

Working across boundaries

Delivering a balanced community

A fairer South Lakeland

Addressing the climate emergency

1.0 Expected Outcome and Measures of Success.

1.1 Council are informed of the decision of the Secretary of State with regard to Local Government Reorganisation in Cumbria. Work will commence with Cumbrian authorities and MHCLG in readiness for the implementation of reorganisation.

2.0 Recommendation

2.1 It is recommended that Council:-

- (1) Note the Secretary of State's decision with regards to Local Government Reorganisation as it impacts this Council;**
- (2) Authorise the Chief Executive and appropriate officers, in consultation with the Leader and Deputy Leader, to commence work with Cumbrian authorities in readiness for the implementation of reorganisation.**
- (3) To note that further reports will be brought to Cabinet and/or Council as appropriate, once there is further detail on the order and how reorganisation is to be implemented. The timetable of implementation may require meetings of Cabinet and Council to be held outside of the approved schedule of meetings.**

3.0 Background and Proposals

3.1 At the meetings on 8 December Cabinet and full Council approved the full proposal for a unitary council for the Bay area for submission to the Secretary of State for

Housing, Communities and Local Government. The proposal was also agreed by Lancaster City and Barrow Borough Councils, and submitted by the required deadline of 9 December 2020.

- 3.2 The Secretary of State has now concluded the consultation process and has announced his decision, subject to Parliamentary approval, to implement the proposal for two unitary councils on an East-West geography for the whole of the administrative county of Cumbria, and not to implement the proposal for a single unitary council nor the two other proposals for two unitary councils for the area, which included our Bay proposal. The decision will mean the replacement of the County Council and all District/Borough Councils with a new unitary Council for the area comprising Barrow, South Lakeland and Eden and one for the area comprising Copeland, Allerdale and Carlisle. A copy of the Ministerial Statement announcing the decisions to Parliament and a copy of the accompanying letter from MHCLG officials is attached as Appendix 1.
- 3.3 The Secretary of State now intends to seek Parliamentary approval for the necessary secondary legislation to implement this two unitary East-West proposal and it is intended that a draft Structural Changes Order will be laid in Parliament “around the turn of the year” and that it will include provision for the appropriate transitional arrangements, including for elections in May 2022 for the future unitary councils, and for those councils to assume the full range of local authority responsibilities on 1 April 2023. Elections to existing councils scheduled for May 2022, including those postponed from May 2021 will be cancelled.
- 3.4 The focus is now for Chief Executives and senior Officers in Cumbria to discuss with Government officials the scope of matters to be included in the Structural Changes Order and how the programme of transition will be managed. Work will progress on the Structural Changes Order and transition planning which will shape the design of the new authority(s). As arrangements and proposals develop, further reporting will take place to Cabinet and/or Council as appropriate.
- 3.5 Members are asked to receive the update and that the Chief Executive in consultation with the Leader and Deputy Leader will work with all Cumbrian authorities in readiness for implementation and transition to a new authority.

4.0 Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Written Ministerial Statement and letter from MHCLG officials

5.0 Consultation

- 5.1 Not applicable, this report updates Council on the Government’s consultation and decision on Local Government Reorganisation.

6.0 Alternative Options

- 6.1 There are no alternative options, the report is to update on the Government’s decision and consider implementation of the decision.

7.0 Implications

Financial, Resources and Procurement

- 7.1 There are no financial, resource or procurement implications in this report which is to provide Council with an update. Previous reports to Council on the Council’s proposal have set out the implications as they are currently and future reports will identify the

financial, resource and procurement implications of implementing the Transition Programme and Change Order.

- 7.1.2 Through another item on this agenda, the Council is being recommended to make provision of £250k for Local Government Reorganisation which will bring capacity for initial consultancy support and consideration of backfilling the establishment to enable key staff to work on transition. The work with all Cumbria authorities will develop proposals on how the costs of reorganisation will be apportioned between the existing authorities.

Human Resources

- 7.2 There are no direct human resources issues from this report. As work progresses, the human resources requirements and implications will be assessed and addressed. This will include requirement to enable key staff to work on transition and the continued delivery of the Council's services.
- 7.2.1 Staff briefings on the decision have taken place, building on those undertaken throughout the period of development and submission of proposals. Regular briefings will continue through which employees are able to discuss the implications of change. Employee representatives will be engaged.
- 7.2.2 The employee support provisions in place for the Customer Connect programme and addressing the Covid pandemic will continue.
- 7.2.3 Regular updates will be provided for members.

Legal

- 7.3 There is reference in the report to a draft Structural Change Order. The Structural Change Order is made by the Secretary of State for Housing, Communities and Local Government in the exercise of the powers conferred by sections, 7,11,12 and 13 of the Local Government and Public Involvement in Health Act 2007 (a) ("the 2007 Act"). A draft of the order would be laid before, and need to be approved by a resolution of, each of House of Parliament in accordance with section 240 (6) of the 2007 Act. Reports will be brought back to Cabinet and Council as required.
- 7.3.1 There are no legal issues to raise in this report but working groups will be tasked in looking at implementation, including but not limited to elections, Joint Committees and the draft Structural Changes Order and will be considering appropriate legal advice as progress is made towards transition to a new Council.
- 7.3.2 The use of consultancy support and/or managing the resources required will follow the process set out in the Constitution at the appropriate time.
- 7.3.3 Legal advice will be provided as the detail emerges.

Health and Sustainability Impact Assessment

- 7.4 Have you completed a Health and Sustainability Impact Assessment? No
- 7.5 If you have not completed an Impact Assessment, please explain your reasons: This report is informing Council of the Secretary of State's decision.

Equality and Diversity

- 7.7 Have you completed an Equality Impact Analysis? No
- 7.8 If you have not completed an Impact Analysis, please explain your reasons: This report is informing Council of the Secretary of State's decision.

Risk Management	Consequence	Controls required
Resource required to progress implementation	Challenging timescales/decision making Ensuring influence in the development of the new Council Ensuring continued operation of services through the transition	Programme design and resourcing to ensure programme implementation and continued operations
Proposal does not gain support of local bodies and other public sector organisations	Lack of engagement with transition and benefits of reorganisation not realised	Position the proposal with local communities, bodies and organisations and gather expressed support

Contact Officers

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David Sykes – Director Strategy Innovation and Resources – d.sykes@southlakeland.gov.uk

Background Documents Available

Name of Background document	Where it is available
Report to Cabinet and Council 5.11.20	https://democracy.southlakeland.gov.uk/ieListDocuments.aspx?CId=120&MId=5057&Ver=4
Report to Cabinet and Council 08.12.20	https://democracy.southlakeland.gov.uk/ieListDocuments.aspx?CId=120&MId=5058&Ver=4
Link to Cumbria proposals	https://www.gov.uk/government/consultations/proposals-for-locally-led-reorganisation-of-local-government-in-cumbria-north-yorkshire-and-somerset/consultation-on-proposals-for-locally-led-reorganisation-of-local-government-in-cumbria-north-yorkshire-and-somerset

Tracking Information

Signed off by	Date sent	Date Signed off
Section 151 Officer	24/07/21	26/07/21
Monitoring Officer	24/07/21	26/07/21
CMT	24/07/21	26/07/21

Circulated to	Date sent
Lead Specialist	N/A
Human Resources Lead Specialist	N/A
Communications Team	N/A
Leader and Deputy Leader	24/07/21
Committee Chairman	N/A
Portfolio Holder	N/A
Ward Councillor(s)	N/A

Circulated to	Date sent
Committee	N/A
Executive (Cabinet)	N/A
Council	N/A

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To: All Chief Executives of Cumbria Councils,
Chief Executive Lancaster City Council

By email

21 July 2021

Dear Chief Executive

LOCAL GOVERNMENT IN CUMBRIA

On 22 February 2021, Ministers launched a consultation on eight proposals for unitary local government that councils in Cumbria, North Yorkshire and Somerset had submitted. These proposals were in response to the Secretary of State's invitation of 9 October 2020, and four proposals were received from councils in Cumbria. The consultation ran for eight weeks to 19 April 2021; the Government received over 13,000 responses in total; for Cumbria some 3,200 responses were received.

THE SECRETARY OF STATE'S DECISIONS

I am now writing to let you know that the Secretary of State has today announced his decisions, subject to Parliamentary approval, to implement the proposal for two unitary councils on an East-West geography for the whole of the administrative county of Cumbria, and not to implement the proposal for a single unitary council nor the two other proposals for two unitary councils for the area. I attach a copy of the Written Ministerial Statement announcing the decisions to Parliament. A summary of the consultation responses will be placed in the libraries of Parliament and it will be available via gov.uk.

In reaching these decisions, the Secretary of State carefully considered each of the proposals. He assessed each proposal against the three criteria set out in the invitation sent to all the principal councils in Cumbria on 9 October. These criteria provide that for a proposal to be implemented, that proposal is likely to improve local government and service delivery across its area; commands a good deal of local support as assessed in the round overall across the whole area of the proposal; and any unitary councils to be established have a credible geography. The Secretary of State has also had regard to all the representations he received, including those received through the consultation, and to all the relevant information available to him.

The Secretary of State has concluded for the reasons set out below that the proposal for East-West unitary councils meets all three criteria and noted that due to the size and geographical barriers of Cumbria, together with the rurality of its population, it was more appropriate to implement this compared to the one unitary

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proposal that also met all three criteria. The other two unitary proposals did not meet all the criteria and accordingly it is appropriate to implement the proposal for East-West unitary councils.

The East-West unitary proposal

In relation to this proposal, the Secretary of State considered that it could be judged as meeting the criterion of improving local government and service delivery across the area. He considered that the proposal included evidence of improvement to local government and the delivery of public services, which was supported by a number of stakeholders; the proposal allows for more localised decision making on key services, and in the case of the existing county fire and rescue services, there will be a need to maintain the existing operational arrangements; the proposal suggests that savings annually of between £19.1m and £31.6m will be achieved and that the transition will require a total one-off investment of £17.6m to £23.8m. He was aware that the Department's analysts confirmed that in their view all the Cumbria options would be good value for money.

The Secretary of State considered that there is a good deal of local support in the round for the proposal for East-West unitaries. He noted there is a body of support for the East-West option as there is support for change to a unitary form of government, with greater support for solutions where services are delivered more locally; the evidence in the consultation is limited about support for this specific proposal. However, there is support from business recognising that this proposal could better support the advanced manufacturing base and supply chain around Sellafield; benefits of this proposal were recognised by the nuclear industry, including the National Nuclear Laboratory. Three local MPs have indicated their support for the proposal.

The Secretary of State also considered that the proposal for East-West unitaries could be judged to meet the credible geography criterion. He concluded that the populations of the councils (225k and 273k) are below the range of council size set out in the invitation, but the proposed councils would have established local identity and local economic geography, as referred to in the criterion.

The proposal for a single unitary

In relation to this proposal, the Secretary of State considered that it could be judged as meeting the criterion of improving local government and service delivery across the area. He noted that the proposal is likely to generate improvements to the operation of local government through the removal of the two-tier system and alignment of decision making; the proposal suggests that direct financial benefits are £96.5m over five years whilst recognising that there will be indirect benefits from service transformation, but these are not quantified as they will be dependent on decisions of the new council; the proposal states that transition to unitary local government in Cumbria will all occur in the first year and cost £17.3m. He was aware that the Department's analysts confirmed that in their view all the Cumbria options would be

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good value for money but that this option would be likely to be better value for money.

The Secretary of State considered that there is a good deal of local support in the round for the single unitary proposal. He noted that this support includes that from educational institutions, PCC, fire organisations and certain neighbouring principal councils; residents and parish council responses in the consultation are finely balanced.

The Secretary of State also considered that the single unitary proposal could be judged to meet the credible geography criterion. He noted that the proposed council is within the range of council size set out in the invitation, and the geography of the council would preserve current service delivery for county level services over a county-wide area.

However, as mentioned above, the Secretary of State considered that it would be more appropriate to implement the proposal for East-West unitary councils, given the size and geographical barriers of Cumbria, together with the rurality of its population.

The North South unitary proposal

In relation to this proposal, the Secretary of State considered that it could be judged as meeting the criterion of improving local government and service delivery across the area. He noted that this proposal included evidence of improvement to local government and the delivery of public services; the proposal suggests that savings annually of between £19.1m and £31.6m will be achieved and that the transition requires total one-off investment of £17.6m to £23.8m. He was aware that the Department's analysts confirmed that in their view all the Cumbria options would be good value for money.

The Secretary of State considered that there is a good deal of local support in the round for this unitary proposal. He noted that there is a body of support for the North South option as evidenced by the fact that there is support for change to a unitary form of government, with greater support for solutions where services are delivered more locally; the evidence in the consultation is limited about support for this specific proposal; two local MPs have indicated their support for the proposal.

The Secretary of State also considered that the proposal could not be judged to meet the credible geography criterion. He noted that the populations of the councils (260k and 240k) are below the range of council size set out in the invitation without identifying any issues of local identity or geography, as referred to in the criteria.

The Bay unitary proposal

In relation to this proposal, the Secretary of State considered that it could not be judged as meeting the criterion of improving local government and service delivery across the area. He noted that whilst the proposal provides some evidence of improvement to local government in the area of the 'Bay' Council, it does not consider the impact of restructuring in the proposed North Cumbria Council, nor the impact of

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removing Lancaster City from Lancashire, which could also affect boundaries of the police and fire authorities; the proposal states that transition will cost £27.2m and create direct benefits of £100.5m over 10 years, together with indirect costs of £15.2m and indirect benefits of £41.8m. He was aware that the Department's analysts confirmed that in their view all the Cumbria options would be good value for money.

The Secretary of State considered that there is a good deal of local support in the round for this unitary proposal. He noted that there is considerable support from residents of the area for The Bay proposal, and there is also support from health bodies and businesses. He also noted that a Lancashire MP has indicated support for this proposal but that no Cumbria MPs have done so.

The Secretary of State considered that The Bay proposal could not be judged to meet the credible geography criterion. He noted that the proposal is silent in relation to North Cumbria or the impact that removing Lancaster City from Lancashire would have on local identity and credible geography.

The Secretary of State's conclusions

Accordingly, given his conclusions as to how each of the proposals stands in relation to the criteria and possible implementation, the Secretary of State considered it appropriate to implement the proposal for two unitary councils on an East-West geography, and hence he has decided, subject to Parliamentary approval, that this proposal is to be implemented. In reaching this view, he was also aware that all the principal councils in Cumbria were seeking change and that the consultation had demonstrated wide support for reform.

NEXT STEPS

The Secretary of State now intends to seek Parliamentary approval for the necessary secondary legislation to implement this two unitary East-West proposal. It is intended that the draft structural changes Order will be laid in Parliament around the turn of the year and that it will include provision for appropriate transitional arrangements, including for elections in May 2022 for the future unitary councils and for those councils to assume the full range of local authority responsibilities on 1 April 2023, when predecessor councils would be abolished.

My team and I look forward to working constructively with all the Cumbria councils on the implementation of the proposal. As a first step we will be discussing with Cumbria Chief Executives and their senior officers details to be included in the structural changes Order and subsequently we will be sharing with them detailed texts of the Order as the drafting is developed. I would suggest it would be helpful for us to meet with all Cumbria Chief Executives in the near future, and my office will be in touch about arranging such a meeting.

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Ministers now expect all the councils in Cumbria to work collaboratively and constructively together. Ministers are clear that there is now an opportunity, if Parliament approves the structural changes Order, to establish for the people of Cumbria more sustainable local government which will better serve local communities and businesses across the area, delivering for them the high quality and efficient local services people and businesses need and deserve.

I am copying this to the Chief Executive of Lancashire County Council; the Chief Constables of Cumbria Police and Lancashire Police; the Chief Fire Officers of Cumbria Fire and Rescue Service and the Lancashire Combined Fire Authority; and to the chief executive of the Cumbria Local Enterprise Partnership.



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LOCAL GOVERNMENT UPDATE

On 12 October 2020 [HCWS502] I told the House that I had issued invitations under the Local Government and Public Involvement in Health Act 2007 (“the 2007 Act”) to principal councils in Cumbria, North Yorkshire, and Somerset, including associated existing unitary councils, to submit proposals for moving to unitary local government in those areas. Councils in these areas had requested such invitations and had been developing ideas about restructuring local government in their areas for some time.

The consultation

On 22 February 2021 I told the House [HCWS785] that I was launching a statutory consultation on all of the eight locally-led proposals for reorganising local government that I had received on 9 December in response to the invitation. These proposals were - four from councils in Cumbria, two from councils in North Yorkshire and two from councils in Somerset. In the case of each area there is a proposal made by the county council for a unitary authority covering the whole area. In the case of North Yorkshire and Somerset there is a proposal from district councils for two unitary authorities in each area. In Cumbria district councils have made three proposals, each of which involve establishing two unitary authorities.

When launching the consultation I made it clear that I welcomed views from any interested persons, including residents, in addition to the named consultees. The named consultees were the councils which made the proposals, other councils affected by the proposals, councils in neighbouring areas, public service providers, including health providers and the police, Local Enterprise Partnerships, and certain other business, voluntary sector and educational bodies. The consultation closed on 19 April and I have received a total of 13,020 responses. I will be placing a summary of the consultation responses in the libraries of Parliament.

The decisions on unitary proposals

I am now able to inform the House of my decisions as to which of the eight proposals, subject to Parliamentary approval, are to be implemented. The 2007 Act provides that I may implement a proposal with or without modifications. I have decided that in each of the areas to make no such modifications.

In reaching my decision, I carefully considered each of the proposals. I assessed each proposal against the three criteria set out in the invitation sent to all the principal councils on 9 October. These criteria provide that for a proposal to be implemented, that proposal is likely to improve local government and service delivery across its area; commands a good deal of local support as assessed in the round overall across the whole area of the proposal; and any unitary councils to be established have a credible geography.

I have also had regard to all the representations I received, including those received through the consultation, and to all the relevant information available to me, including the results of the local poll that the Somerset district councils held during the period

from 18 May to 4 June and the representations received about the poll and its conduct.

For Cumbria I have decided to implement, subject to Parliamentary approval, the proposal for two unitary councils - an East unitary council covering the existing areas of Barrow, Eden and South Lakeland and a West unitary council covering the existing areas of Allerdale, Carlisle and Copeland. I considered that this proposal met all three of the criteria.

I also considered that the proposal for a single unitary council for the whole of Cumbria also met all three of the criteria. However, having regard to the size and geography of Cumbria, including the geographic barriers of lakes and mountains, and the rurality of its population, I have decided that it would be more appropriate to implement the East West unitary proposal, allowing for more localised decision making, which could be important given the geography of Cumbria.

I have decided not to implement the proposal for two unitary councils – one council comprising the existing areas of Barrow, South Lakeland and Lancaster City and the other council comprising the existing areas of Allerdale, Carlisle, Copeland and Eden. I considered that this proposal did not meet the improving local government and service delivery and credible geography criteria. I have also decided not to implement the proposal for two unitary councils – one council comprising the existing areas of Allerdale, Carlisle and Eden and the other council comprising the existing areas of Barrow, Copeland and South Lakeland. I considered that this proposal did not meet the credible geography criterion.

For North Yorkshire I have decided to implement, subject to Parliamentary approval, the proposal for a single unitary council for the whole of the existing administrative county of North Yorkshire. I considered that this proposal strongly met all three of the criteria. I have also decided not to implement the proposal for two unitary councils - one council comprising the existing areas of Ryedale, Scarborough, Selby and the current unitary of York, and the other council comprising the existing areas of Craven, Hambleton, Harrogate and Richmondshire. I considered that this proposal did not meet the improving local government and service delivery and credible geography criteria.

For Somerset I have decided to implement, subject to Parliamentary approval, the proposal for a single unitary council for the whole of the existing administrative county of Somerset. I considered that this proposal met all three of the criteria, strongly meeting the improving local government and service delivery criterion. I have also decided not to implement the proposal for two unitary councils - one council comprising the existing areas of Mendip District and South Somerset and the other council comprising the existing areas of Sedgemoor and Somerset West & Taunton. I considered that this proposal did not meet the improving local government and service delivery and credible geography criteria.

Future steps

I now intend to seek Parliamentary approval for the necessary secondary legislation to implement my decisions. I intend to lay the draft structural changes Order before

Parliament around the turn of the year and they will include provisions for appropriate transitional arrangements, including for elections in May 2022 for the future unitary councils; for cancelling elections currently scheduled for May 2022 for existing councils, including those rescheduled from May 2021 as a result of the orders made earlier this year; and for the unitary councils to assume the full range of local authority responsibilities on 1 April 2023, when predecessor councils would be abolished.

Establishing these new unitary councils will be a significant step towards ensuring the people and businesses across Cumbria, North Yorkshire and Somerset can in future have the sustainable high-quality local services they deserve. I expect all the existing councils and their partners to work collaboratively and constructively together to drive forward the process of establishing unitary councils and transforming local service delivery for the residents, businesses and local communities of these three areas.

I would like to reiterate that Government will not impose top-down government solutions. We will continue, as I am now currently doing, to follow a locally-led approach where councils can develop proposals which have strong local support. However, restructuring is only one of the different ways that councils can streamline and make savings, and deliver strong leadership. This has been the Government's consistent approach since 2010, when top-down restructuring was stopped through the Local Government Act 2010.

When considering reform, those in an area will know what is best, and as my Rt Hon Friend the Prime Minister set out in his speech on 15 July we remain committed to devolving power to people and places across the UK. We are open to devolution where there is strong local leadership, whether supported by two tier local government, unitary structures or various joint arrangements. Our plans for doing this and strengthening local accountable leadership will be set out in the forthcoming Levelling Up White Paper