

South Lakeland District Council Cabinet

5th November 2020

Local Government Reform (building a case for change)

Portfolio:	Cllr Giles Archibald – Leader and Promoting South Lakeland Portfolio
Report from:	Lawrence Conway - Chief Executive
Report Author:	David Sykes – Director Strategy, Innovation and Resources
Wards:	All
Forward Plan:	not applicable

1.0 Expected Outcome

- 1.1 The Secretary of State for Housing, Communities and Local Government, has invited the principal authorities in Cumbria to submit a proposal for a single tier of local government.
- 1.2 This report seeks additional funding to support the work required to consider and submit a proposal.

2.0 It is recommended that Cabinet

- (1) Approve additional funding of £65,000 from existing budgets for external consultancy services and related costs related to preparing a proposal for government.**
- (2) Agree to the waiving of contract procedural rules with regards to the appointment of consultants and authorise the Chief Executive to agree and appoint consultants for the purpose of developing a proposal for submission prior to the deadlines set by the MHCLG.**
- (3) Note that further reports will be brought back to Cabinet and Council to agree any proposal prior to submission to Government.**

3.0 Background and Proposals

- 3.1 Members will be aware that at Council on 6th October 2020, Members approved exploring Local Government Reform and devolution, including the development of a high level case for a new Unitary Council for the area comprising Barrow Borough, Lancaster City and South Lakeland Councils. It was also noted that the Secretary of State may then invite the Council to put forward a formal proposal which would be subject to future agreement.

3.2 Prior to consideration of a high level case, the Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007, has now invited any principal authority in the area of the county of Cumbria to submit a proposal for a single tier of local government, in accordance with the following criteria:

1. By 9 November 2020 authorities must at least submit an outline proposal, and if a full proposal has not been submitted by that date, the full proposal must be submitted as soon as practicable thereafter and by no later than 9 December 2020.
2. Authorities must have regard to the guidance from the Secretary of State.
3. An authority may either make its own proposal or make a proposal jointly.

3.3 In exploring devolution around the Bay area, Barrow, Lancaster and South Lakeland Councils had started work to prepare a high level case. This work will be considered in terms of the Outline Proposal required to meet the guidance set out by the Secretary of State in responding to an invitation to make a proposal. If the Outline Proposal is approved for submission, work will continue in developing a Full Proposal for consideration by Cabinet and Council prior to the submission deadline of 9th December 2020.

3.4 The three Councils are equally sharing the costs of developing the proposal. Additional resources will be required to support this and extra funds of £65,000 are requested to be set aside from existing budgets (GTH Other Items budget) to help develop the proposal for submission.

3.5 A decision on whether to submit a proposal will be presented to a future meeting of the Cabinet and Council prior to submission to the Secretary of State.

4.0 Consultation

4.1 Consultation is not relevant to the content of this report but the content of the proposal when it is worked up will be the subject of consultation.

5.0 Alternative Options

5.1 The Council may choose not to submit a proposal for a single tier authority. This option is not recommended.

6.0 Links to Council Priorities

6.1 The recommendations relate to the future model of local government for South Lakeland District Council which impacts local service delivery.

7.0 Implications

Financial, Resources and Procurement

7.1 Paragraph 7.3 of the Council's Financial Procedure Rules permit officers to transfer budgets up to £60,000 with Cabinet approval required for transfers between £60,000 and up to £100,000. Officers have agreed a transfer of £58,000 from the GTH Other

Items budget to fund this work based on initial proposed costs. It is now requested that this budget is increased from £58,000 to £65,000 which takes the total amount over the officer limit and requires approval by Cabinet. This is to ensure sufficient budget to review and respond to other proposals that may be submitted.

- 7.1.1 Paragraph 3B1 of the Scheme of Delegation to Officers delegates to the Chief Executive and Directors to take all steps necessary to deliver the services for which they are responsible, subject to the incurring of expenditure up to a maximum of £50,000 on any one item identifiable within a specific budgetary provision or, to the extent that the Budget is not sufficiently specific, within the detailed estimates prepared for the purpose of the budget. As this item exceeds the £50,000 delegation this report requests additional delegation from Cabinet to the Chief Executive to accept the proposed contract.

Human Resources

- 7.2 There are no direct human resource implications arising from this report.

Legal

- 7.3 The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007 has invited the principal authorities in Cumbria to make a proposal in accordance with the attached letter (appendix 1).

- 7.3.1 Section 3(5) of the 2007 Act requires authorities to have regard to guidance issued by the Secretary of State as to: "*what a proposal should seek to achieve*"; and "*matters that should be taken into account in formulating a proposal*".

- 7.3.2 Guidance for this invitation is set out in the Schedule to the letter in Appendix 1 which states as follows:

1. 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. The following matters should be taken into account in formulating a proposal:

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 in paragraph 1 above.

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.

d. Any wider context for any proposed unitary authorities around promoting economic recovery and growth, including possible future devolution deals and Mayoral Combined Authorities.

e. If the proposal submitted by 9 November 2020 is an outline proposal it should indicate what further material is expected to be provided and when this would be submitted which should be no later than 9 December 2020

7.3.3 Lancaster City Council is the lead authority for the purposes of the procurement of the proposal and will be responsible for ensuring that the procurement process is fully compliant with all relevant procurement legislation and that the proposal that is commissioned meets the requirements of the Secretary of State's Guidance, noted at paragraph 7.5 above.

7.3.4 In consultation with the Procurement Team, the Chief Finance Officer, and the Monitoring Officer a waiver of the Council's Contract Procedure Rules has been approved in the exceptional circumstances occasioned by the urgent timescales proposed by the Secretary of State.

Health, Social, Economic and Environmental

7.4 Have you completed an Health, Social, Economic and Environmental Impact Assessment? No

7.5 If you have not completed an Impact Assessment, please explain your reasons: Not required on this report.

Equality and Diversity

7.6 Have you completed an Equality Impact Analysis? No

7.7 If you have not completed an Impact Assessment, please explain your reasons: Not applicable on this report

Risk

Risk	Consequence	Controls required
The Council's preferred single tier authority is not submitted.	An alternative single tier authority is submitted and progresses.	Work programme including timetable. Project management.
The Council's preferred single tier authority is submitted but is not progressed.	An alternative single tier authority is submitted and progresses.	Strong evidence base for proposals.
The appointment of contractors to support the Council's submission has not been in accordance with the Council's Constitution and statute	Work is undertaken out with the Contract Procedure Rules	Use of appropriate waiver and amendment to budgets as proposed by the report

Contact Officers

David Sykes email david.sykes@southlakeland.gov.uk

Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Letter from MHCLG

Tracking Information

Signed off by	Date sent	Date Signed off
Legal Services	23/10	26/10
Section 151 Officer	23/10	26/10
Monitoring Officer	23/10	26/10
CMT	26/10	26/10

Circulated to	Date sent
Lead Specialist	N/A
Human Resources Lead Specialist	N/A
Communications Team	N/A
Leader	26/10
Committee Chairman	N/A
Portfolio Holder	N/A
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	05/11/2020
Council	N/A