

Cabinet

27 August 2020

Devolution and Local Government Reform

Recommendations

That Cabinet approves the submission to Government of the Strategic Case for Change for a single unitary Council for Warwickshire so as to preserve the opportunity for Warwickshire to be considered in an early tranche of local government reform and that the Chief Executive is authorised in consultation with the Leader to make any amendments considered necessary in advance of submission

1.0 Executive summary

- 1.1 The Government has announced its intention to publish a White Paper on Devolution and Local Recovery. Exact timeframes are not yet known but the White Paper is expected in September.
- 1.2 Whilst the exact detail of the White Paper is not yet known it is widely expected that the Government will set out its proposals for local government structural reform in England along with setting out the role which greater devolution will play in our national recovery.
- 1.3 In anticipation of the White Paper, many Councils are actively considering their position on local government reform and the future direction they would wish to take. The County Council has also been undertaking such preparatory work in advance of the White Paper being published to enable the Council to be in a position to consider the options for Warwickshire. This report proposes a direction for Warwickshire and a course of action which would preserve the Council's ability to be included in the early tranche for reform, should it wish to be.

2.0 Supporting information

- 2.1 It is anticipated that the Government will invite a small number of Councils to take part in the first tranche of local government reform. Details of the process are emerging and we understand that Councils who are able to submit their cases for structural reform to Government by early September will be considered for inclusion in the first or early tranche for local government reform.
- 2.2 In light of this, and in order to afford Warwickshire the opportunity to be considered for early inclusion, work has been undertaken on a case for change for Warwickshire. As part of this work, PriceWaterhouseCoopers (PwC) have been commissioned to support the Council to develop a case for change for a new single unitary Council for Warwickshire and also to identify possible alternative options for future local government reform.

- 2.3 The case for change explores the national drivers for the UK and its recovery such as economic growth, levelling up of powers and investment in the regions, climate change and public service reform, setting out what those could mean for Warwickshire. It also sets out the existing and future financial pressures facing Councils, including those in Warwickshire and why, taking into account the challenges we face and the ambitions we have, the time is now right for a reform of local government structures within the County.
- 2.4 The case for change considers the following options for reform, taking into account the Government's indicative evaluation criteria for structural change
- 2.4.1 an enhanced two-tier model which would preserve the existing county council and five district and borough councils and optimise collaboration in areas of duplicated responsibility
 - 2.4.2 a single unitary council for Warwickshire which would see the creation of a new council, replacing the existing six, which would deliver all local government services
 - 2.4.3 a two unitary model for Warwickshire which would see the creation of two new unitary councils (a North and a South) each taking responsibility for the delivery of all local authority services within their respective areas
- 2.5 The case for change, attached at Appendix 1, concludes that the current two tier structure of local government is reaching the limits of what can be achieved for Warwickshire and that maintaining it would inhibit the ability of its councils to continue to meet the needs of our residents, communities and businesses. Further to this, Government has also indicated that 'no change or status quo' is not an option. The case for change also concludes that a newly formed single unitary council for Warwickshire is the only option that would meet the Government's aspirations and enable Warwickshire to secure a fair recovery from the impact of Covid, focused on improved outcomes for all citizens, whilst maximising the effectiveness of services and minimising the cost of government.
- 2.6 The case for change recognises the strength of existing partnership working across the Warwickshire councils and the progress that has been achieved. However, the case for change is about the future. Given the urgent financial pressures across the local government sector and within Warwickshire, it concludes that it is essential to act now in a way which mitigates a more significant impact of these financial pressures on continued delivery of essential services.
- 2.7 The case for change will be considered by Council on 22nd September. It will be a matter for the Council to decide whether it supports local government reform for Warwickshire and the single unitary model for Warwickshire that the case for change proposes.
- 2.8 Should the Council wish to proceed with the case for change, and Government be supportive of the model proposed, the Council would be invited to develop a full business case which would be developed over coming months and would involve wide engagement with local residents, businesses and partners as well as staff and other relevant stakeholders. Should Council on 22nd September not support the case for change, this decision would be confirmed to Government (MHCLG) and the case for change could be withdrawn. Should that be the case, Warwickshire would then likely be subject to the imposition of local government reform measures, whatever their shape, in the future.

3. Environmental Implications

The opportunities for addressing climate change under a new governance model are set out in more detail in the case for change.

4. Financial Implications

There are no direct financial implications arising from this report. The financial implications of potential future local government reform are set out in the case for change

5. Timescales associated with the decision and next steps

The case for change will be presented to full Council for consideration at its meeting on 22 September 2020. Pending that decision, in order to preserve the Council's position and to retain the opportunity of being considered in the early tranche for local Government reform, the case for change will be submitted to Government (MHCLG) subject to subsequent Council ratification.

Background Papers

None.

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This report was circulated to the following members in advance of publication

Group Leaders

No local members