

STROUD DISTRICT COUNCIL
EXTRAORDINARY COUNCIL

**AGENDA
ITEM NO**

7 SEPTEMBER 2020

4

Report Title	LOCAL GOVERNMENT REORGANISATION			
Purpose of Report	To note the initial allocation of £25,000 towards the development of a joint proposal promoting a two unitary authority solution for Gloucestershire, in the context of the English Devolution and Local Recovery White Paper which is expected to be published in the near future and is expected to promote local government reorganisation into unitary authorities.			
Decision(s)	<p>Council RESOLVES to:</p> <p>a. Note the allocation of £25,000 from the Transformation Reserve by the Strategic Director of Resources in consultation with the Leader as Chair of the relevant committee to develop a joint proposal promoting a two unitary authority solution for Gloucestershire, to address local government reorganisation.</p> <p>b. Subject to satisfactory progression of this first phase of work and the continued commitment of the other district councils involved, authorise the Chief Executive in consultation with the Leader and the Strategic Director of Resources and S.151 Officer, to carry out further work to progress the development of the proposal.</p>			
Consultation and Feedback	Alliance Group Leaders			
Report Author	Kathy O’Leary, Chief Executive Tel: 01453 754780 Email: kathy.oleary@stroud.gov.uk			
Options	The Council could opt to do nothing. It could also opt to do nothing until the White Paper is published. However, given the amount of work and evidence likely to be required to develop options, this would not put the Council in the best position to influence and shape the future of local government in the county, and increases the risk of a solution being driven by others or imposed by central government. This would not best serve the District’s residents and businesses.			
Background Papers	None			
Appendices	None			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	No	No	No

1. INTRODUCTION

- 1.1 The Government has announced that it will publish an English Devolution and Local Recovery White Paper possibly as soon as September. It is widely expected that this White Paper will contain proposals for wide-ranging local government reorganisation, as a prerequisite to any devolution deals including securing funding. The White Paper is expected to include proposals to establish unitary councils and larger combined authorities of the new unitary councils across large parts of England and possibly in all of those areas which remain two-tier, that is, county and district councils. It is anticipated that the White Paper will set out the expectation that this work is to be completed within this Parliament, that is, before the end of 2024.
- 1.2 Whilst some might assume that the logical conclusion in this scenario for Gloucestershire would be a single unitary council for the whole county, there is a strong justification for exploring and promoting alternative options, not least to ensure that informed choices are made about the future.

2. MAIN POINTS

- 2.1 Local government reorganisation has been on Central Government's agenda several times since 1974, but there has never been a wholesale solution for the entire country. This has resulted in a mixture of unitary and two-tier arrangements, and, most recently, a relatively small number of combined authorities with elected mayors. Those areas which have embraced change have also been those which have benefited most from devolution deals with Central Government, often attracting substantial funding packages. In the majority of cases reorganisation has taken place on the basis of consensus between the relevant councils, although in some cases unitary authorities have been imposed in response to a failing county council.
- 2.2 The anticipated White Paper appears to be Government's response to the Covid-19 emergency and the substantial amounts of money provided to support councils which, across the board, have lost income and incurred additional expenditure. The content of the White Paper is not yet known but there are strong indications that it will include a mandate for local government reorganisation on a scale unprecedented since 1974.
- 2.3 In the Gloucestershire context, it is anticipated that there will be strong arguments made for the creation of a single unitary council for the county, based on the fact that many, if not all, of the public sector organisations – Police, health, the GFirst LEP etc. - have coterminous boundaries with the County Council administrative boundary. However, from a district council perspective this represents a less than ideal solution, potentially making the new council and its services remote from large swathes of its population.
- 2.4 A two unitary authority solution would ensure the continuation of more local service delivery and accessibility and would preserve some of the unique characteristics of Stroud District, keeping public services closer to our residents and businesses, and ensuring that investment in infrastructure, housing, the economy and climate change is not simply focussed on the central urban core of Cheltenham and Gloucester.

- 2.5 Awaiting the publication of the White Paper risks a solution being imposed upon Gloucestershire which is not the best option for our county. It is considered important to ensure that there are different options on the table and that we engage with residents on the choices open to them about the future of local government in our area. Cheltenham Borough Council and Cotswold District Council are supportive of this approach and are prepared to contribute equally to work to draw up a two unitary council proposal which will be undertaken on behalf of all three councils. It is a possibility that other district councils will consider joining forces once the White Paper is published and as work on options progresses.
- 2.6 The Council's budget for 2020/21 includes a Transformation Reserve and it is proposed that the cost of this work is met from that fund. The draft budget for 2021/22 will need to set aside any further funding which may need to be allocated to progress further work in relation to the possibility of local government reorganisation. It has been agreed that £25,000 is drawn down from the Transformation Reserve now in order to develop an options paper for a two unitary solution. Cheltenham Borough Council and Cotswold District Council will also contribute £25,000 each for this first phase of work.
- 2.7 If this work is satisfactory and the three councils remain committed to the development of a two unitary council proposal, it is anticipated that a second phase of work would be undertaken, requiring a further commitment of approximately £75,000 in total, so £25,000 from each of the three councils on current estimates. This could progress to a third phase requiring an input of a further £100,000-plus in total from the three councils, so approximately £33,000 each at current estimates, to develop evidence bases required to support the presentation of a well-researched and compelling option to ensure that well-informed choices are made about the future of local government in Gloucestershire. There is the potential for other councils to join in and share the cost of the project at any stage, which would reduce the overall cost to the participating councils.

3. CONCLUSION

- 3.1 In order to put Stroud District Council in the best possible position to influence the shape of local government reorganisation in the county, it is recommended that we work together with our neighbours at Cheltenham Borough Council and Cotswold District Council to develop a two unitary council proposal which will provide an alternative to other unitary options, such as a county unitary, which may be proposed. It is considered important to start initial work now in anticipation of the Government's White Paper given the likely timetable for unitarisation and devolution.
- 3.2 Council is therefore asked to note that an initial allocation of £25,000 has been made as this Council's share of the cost of joint work to develop a two unitary proposal, and to delegate authority to the Chief Executive, in consultation with the Leader and the Strategic Director of Resources and S.151 Officer to agree to carry out further work to progress the proposal if all three councils are in agreement, noting the potential for other districts to join

forces in future and noting the need to make timely decisions working within existing agreed budget allocations.

4. IMPLICATIONS

4.1 Financial Implications

Funding allocated is from the Transformation Reserve which is set to one side by the Council to pay for improvement and modernisation works. It is therefore a suitable source of funding. The level of this reserve was £37k higher at year end 2019/20 than had been anticipated in the budget so there is a sum of £25k available to allocate as per this report.

Andrew Cummings, Strategic Director of Resources and Section 151 Officer
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4.2 Legal Implications

There are no legal implications arising from the recommendations within this report. The Section 151 Officer has delegated authority by virtue of the Scheme of Delegation to allocate reserves to fund related expenditure in consultation with the relevant committee chair.

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4.3 Equality Implications

There are no equality implications arising from the recommendations within this report.

4.4 Environmental Implications

There are no environmental implications arising from the recommendations within this report.