

Agenda Item 9



County Council

Open report on behalf of Tony McArdle, Chief Executive

Report to:	County Council
Date:	18 September 2015
Subject:	Review of Unitary Possibilities for Lincolnshire

Summary:

In February of this year the Council set up a task and finish group to look into the potential benefits, risks, costs and savings from having unitary status for Lincolnshire. This report seeks to update councillors on the work of the task and finish group.

Recommendation(s):

- 1) That Council notes the potential for savings from having unitary status.
- 2) In view of central government's lack of appetite for driving the unitary option for two-tier councils the Council does not pursue this option for the term of the current parliament.
- 3) That Council instead supports a joint case being put to central government in support of the devolution of powers

1. Background

At a meeting of Council on 20 February 2015, councillors resolved as follows:

"The Council sets up a Task and Finish Group to look closely at the potential benefits, risks, costs and savings from having unitary status for our county; and this group makes recommendations back to full council as soon as its work is completed."

A further resolution was agreed on 15 May 2105 in that...

"The Council instructs the Unitary Options task and finish group to include these considerations within its remit and asks the Leader of the Council to write to the Secretary of State for Communities and Local Government making the case for the urgent reform of the funding allocation system and the extension of devolved opportunities to Lincolnshire."

The County Council needs to make significant savings over the coming years. District Councils are also facing the prospect of having to make savings, albeit to a lesser extent. The move to County unitary from two tier structures in other parts of the country has shown significant savings.

A Task and Finish Group was established, comprising Councillors M J Hill OBE (chairman), CJ Davie, R G Davies, J R Marriott, CJTH Brewis, C Pain, J D Hough, D McNally and A Austin supported by Tony McArdle, Richard Wills, Nigel West and George Spiteri.

Scope

The County Council wished to identify opportunities that could be realised and savings that could be achieved from the creation of a single unitary council or new structural options in the County area. There are a number of options that might be considered: -

- a. A single unitary authority coterminous with the existing geographical boundary of the county council amalgamating the County Council and the seven District Authorities or two or three such unitary authorities contained within this geography.
- b. A single unitary authority coterminous with the existing ceremonial boundary of the county of Lincolnshire (Humber to The Wash) amalgamating the County Council, the seven District Authorities and the two unitary councils, North Lincolnshire and North East Lincolnshire or two or three such unitary authorities contained within this geography.
- c. A single, devolved, public sector organisation coterminous with the existing ceremonial boundary of the county of Lincolnshire (Humber to The Wash) amalgamating some or all public sector bodies (apart from Defence) in the region; this could include the local authorities (ten in total), NHS (Including Hospitals, CCG's etc.), Police, Fire & Rescue, EMAS, DWP, and other local government agencies.

It follows that a key determinate will be the population base for any new authority and an early view should be formed over the population size that could sustain such a body or bodies.

Findings

Research was conducted into the savings declared by other authorities that have already become unitary authorities. Table 1 gives the results and what the likely savings would be if the percentage against budget was to be applied to the Lincolnshire scenario (the figures are as in 2013)

	Cornwall	Durham	Shropshire	Wiltshire	Lincolnshire
Population	532,273	510,000	308,207	470,981	718,800
Area (hectares)	356,300	233,000	319,736	325,534	592,062
No of District Councils prior to Unitary	6	7	5	4	7
Combined budgets prior to Unitary	£421m	£486m	£356m	£327m	£462m
Savings £ (full year)	£16m	£21m	£15m	£17m	
% Savings	3.8%	4.3%	4.2%	5.3%	
Transitional; costs	£40.0m	£12.5m	£15.1m	£17.0m	
Transitional Costs as % saving	250%	60%	101%	100%	
Savings if % applied to Lincolnshire	£17.6m	£19.9m	£19.4m	£24.5m	

Table 1. Savings summary for Unitary Authorities

Further analysis with a strategic partner has suggested that, based on their experience in other authorities, the potential for transformational savings could be in excess of £30m per annum. The level of savings would reduce if more than one unitary were to be created.

Discussions with academics (University of Birmingham) suggest that, to be viable and sustainable, a unitary authority needs to serve a population in the region of a 250,000 to 300,000 citizens as a minimum.

There is a clear indication from central government that there is little or no appetite for driving the unitary model and there is more focus on bids for combined authorities and devolved powers. A Unitary bid will only be considered if all parties are in agreement.

In Lincolnshire district councils have voiced opposition to pursuing unitary status for the county.

2. Conclusion

While it can be demonstrated that substantial savings can be made by introducing unitary status, in the absence of support from Lincolnshire's district councils and a lack of appetite from central government to drive the process, the pragmatic approach would be to put the council's energies into a devolution document.

It was the common view of the group that no one was taking forward an application for unitary status.

3. Legal Comments:

The recommendation is lawful and within the remit of the Council.

4. Resource Comments:

There are no additional financial pressures arising for the County Council in accepting the recommendations in this report

5. Consultation**a) Has Local Member Been Consulted?**

N/A

b) Has Executive Councillor Been Consulted?

N/A

c) Scrutiny Comments

N/A

d) Policy Proofing Actions Required

N/A

6. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by George Spiteri, who can be contacted on 01522 552120 or George.spiteri@lincolnshire.gov.uk.