

Extraordinary (Informal Joint) Cabinet



Forest Heath
District Council

Title of Report:	The Future of Local Government in West Suffolk	
Report No:	CAB/FH/17/026	
Report to and dates:	Extraordinary (Informal Joint) Cabinet	30 May 2017
	Council	14 June 2017
Portfolio holder:	Councillor James Waters Leader of the Council Tel: 07771 621038 Email: james.waters@forest-heath.gov.uk	
Lead officer:	Ian Gallin Chief Executive Tel: 01284 757001 Email: ian.gallin@westsuffolk.gov.uk	
Purpose of report:	To update Cabinet on the issues and challenges facing local government and invite them to commission further work on the testing of suitable future governance options – in particular the development of a draft business case on the option of a single council for west Suffolk. Also to seek agreement on the establishment of a Future Governance Member Steering Group.	
Recommendation:	<p>It is <u>RECOMMENDED</u> that Cabinet:</p> <ol style="list-style-type: none"> (1) Notes the changing context for local government in West Suffolk; (2) Recognises the need to continue to assess whether the current governance structures are the most effective they can be, particularly in regard to future role/ challenges for communities; (3) Commissions further work from Officers to test the option of a single council for West 	

	<p>Suffolk against the alternative options outlined in this report through the production of a business case, for consideration by Council on 14 June 2017; and</p> <p>(4) Agrees to the establishment of a Future Governance Member Steering Group on the basis set out in this report at Section 4.6 and the Terms of Reference set out in Appendix A to Report No: CAB/FH/17/026.</p>
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>
<p>Consultation:</p>	<ul style="list-style-type: none"> • The proposals in this paper have been discussed informally with Cabinet members at St Edmundsbury Borough Council. • The intention to consider future arrangements for local government in west Suffolk was widely communicated on 9 May 2017. Members were briefed individually or through group leaders in advance. The communication also included notification to key stakeholders, and the views expressed in response have been taken into account in the drafting of this report. • Should Forest Heath District Council decide to pursue the option of a single council for west Suffolk, specific, targeted public engagement would take place from mid-June onwards.
<p>Alternative option(s):</p>	<ul style="list-style-type: none"> • The options for the future of governance in west Suffolk will be explored within the proposed forthcoming report to Council. • If we do not proceed in examining the future arrangements at this time, we miss the opportunity to capitalise on the potential benefits of alternative models.
<p>Implications:</p>	
<p><i>Are there any financial implications? If yes, please give details</i></p>	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <ul style="list-style-type: none"> • If Cabinet agrees to proceed with the development of a draft business case, the financial, implications will be addressed in that document. This report relates simply to the commissioning of further work.

<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> None as a direct result of this report 	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The preparation of a draft business case needs to take account of the Secretary of State for Communities and Local Government's tests for changes in governance arrangements and the requirements of the Local Government Boundary Commission for England. 	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> None as a direct result of this report 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Officer resource is dedicated to the production of a business case that does not proceed	Low	The business case work will consider wider governance issues that will support the council's future improvement, irrespective of the final decision	Low
The opportunity to consider the best model of local government for West Suffolk is missed	Medium	Preparation of a business case, including an appraisal of the available options.	Low
Ward(s) affected:		All Ward/s	
Background papers:			
Documents attached:		Appendix A: Terms of reference for a Future Governance Member Steering Group	

1. Key issues and reasons for recommendation(s)

1.1 Background

1.1.1 In light of significant changes in the UK economy, society and demographics, alongside financial and governmental changes, it is timely for all local councils to consider their role, form and structure, in order to ensure they are fit for purpose for the next decade. Many of these challenges are new and more complex than those previously faced by local government.

1.1.2 A number of councils around the country have been considering changes to their organisation in order to ensure they remain sustainable and continue to deliver. Forest Heath District Council and St Edmundsbury Borough Council now have the opportunity to reflect on their arrangements so as to make sure they are financially and structurally resilient, and can continue with a strong base from which to invest in and support communities and businesses and deliver services to customers into the next decade.

1.1.3 This report sets out:

- the changing context for local government in west Suffolk;
- the options for future governance that are available to the council, including the option of a single council for west Suffolk;
- the proposed approach to exploring these options;
- the longer-term process; and
- the immediate next steps.

Additional supporting information

2 Changing context of local government

2.1 Some of the changes and challenges facing Forest Heath and St Edmundsbury Councils are set out below. These 'drivers of change' have led both Cabinets to seriously consider what options are available to the councils beyond the successful shared service partnership, plus ongoing programmes of modernisation of service delivery, transformation and investment.

Changes in local government finance

Four Year settlements
100% Business Rates retention scheme
Phasing out of Revenue Support Grant
Flexible use of capital receipts
New Homes Bonus changes (reductions in funding for West Suffolk)
Increased emphasis on borrowing
Increased emphasis on investment
Emphasis on locally generated income supporting local service delivery
Exploring new approaches (e.g. user pays)

Health and care

Health & Social Care integration (HASCI)
Sustainability and Transformation Plan (STP)
Role of mental health and wellbeing
Homelessness

Growth

Inclusive growth
Housing White paper
Industrial Strategy
Strategic Planning and Infrastructure Framework
Housing affordability

Local government transformation

Localism and devolution
Suffolk-wide working (Transformation Challenge Award)
One Public Estate
Shared Services
Formation of academies

Wider societal change

Ageing population
Welfare reform
Brexit
Digital transformation

3. Options for future governance

3.1 Against this backdrop of significant change, Forest Heath and St Edmundsbury Councils are continuing to pursue the vision of:

- A strong and growing economy;
- Strong families and communities;
- Self-sufficient and resilient local government;
- Using our commercial approach to invest back into our communities; and
- Efficient, effective services, offering value for money.

3.2 Given the significant growth in West Suffolk, the Local Government Boundary Commission for England is already due to carry out an electoral review of both FHDC and SEBC district electoral arrangements before 2019. This will examine the size of the Councils and, flowing from that, create new Wards within our Council areas.

3.3 The Councils now also need to consider what the overall Council arrangements should be to best support the delivery of the objectives in paragraph 3.1. Members will be aware of the significant achievements both Councils have delivered in working towards common goals, and with this in mind, informal discussions between Forest Heath and St Edmundsbury Cabinets have focused on the option of a single council. This would give us an effective means to build on our existing success in shared working, with the minimum levels of disruption to residents and stakeholders.

3.4 However, more detailed work and wider discussion is now needed to test this proposal, in particular by comparing it to other possible options including the status quo. We need to ensure this presents the right option for both Councils to take forward, and if Councils agree, then making sure that the business case is robust when comparing to the Government's tests against which they will assess proposals for change from local government, i.e.

- Better local / public services;
- Significant cost savings;
- Greater value for money;
- Stronger and more accountable local leadership; and
- Sustainability in the medium to long term.

3.5 It should be emphasised that none of the above options would prevent the councils from engaging with wider programmes of collaboration or integration with other organisations, for example, within the Suffolk system, or for participating in arrangements that allow devolution of powers from central government. One or other of the options may make such partnerships more straightforward, but all would allow these further transformation initiatives to include Forest Heath.

4. Proposed approach

4.1 In order to properly consider what will be the best model of local governance in west Suffolk in the future, work by members, supported by Officers, is

now needed to test the option of a single council against other all the other possible options that are within our control, as follows:

1. Do nothing;
2. Revert to working as two separate councils on some or all matters;
3. Expand the shared services partnership to include new partner organisations; or
4. Create a new single council for West Suffolk.

4.2 It is proposed that this should be done through the development of a draft business case for consideration by Forest Heath and St Edmundsbury Councils in June 2017.

4.3 The draft business case should cover:

- The relative strengths of the single council option in achieving the council's overarching objectives, when compared to the other options outlined above;
- The 'fit' of the single council option, plus alternative options with each of the Government's test for changes in council arrangements (paragraph 3.4).

Longer-term process

4.5 If the Councils agreed the draft business case in June 2017, it would then be informed by a process of public engagement in the summer, before being considered by both Councils again in September 2017. At this point, if the Councils agree to endorse the final business case, and the option of a single council, it would be submitted to the Secretary of State for Communities and Local Government, with a request to lay an Order in Parliament that would result in a single council for West Suffolk, with elections in May 2019 to the new council. This decision would also trigger a boundary review by the Local Government Boundary Commission for England, for a single council. It should be noted as referred to in paragraph 3.2 above, two boundary reviews would still take place if the Councils remained separate.

Future governance steering group

4.6 If the business case was to be agreed in September 2017, the Council would be required to undertake a number of important decisions at an early stage to inform the subsequent Order to be issued by the Secretary of State. This may include decisions around the future council name, council size and high-level governance structure. With this in mind, the Leaders of the Councils have requested a Member Steering Group be formed, in accordance with the Terms of Reference attached at Appendix A, to assess the technical requirements involved in moving forwards the proposals, and support the ultimate decision making processes.

5. Next steps

5.1 It is recommended that the draft business case to be prepared by Officers should be considered by a meeting of Forest Heath District Council on 14 June 2017. This would be in parallel to consideration by St Edmundsbury Borough Council on 13 June 2017, depending on the outcome of St Edmundsbury Cabinet's meeting.

Appendix A

Terms of Reference Future Governance Member Steering Group

Objective

1. To advise and support the Leaders of Forest Heath District Council and St Edmundsbury Borough Council on the technical decisions required as the relevant Councils proceed in reviewing their governance arrangements.

Terms of Reference

- To advise on the development of the final business case for future governance to be approved by Council in September 2017, ensuring that the business case is robust and has given due consideration to relevant material factors;
 - To advise on recommendations it should make to the Secretary of State and / or Local Government Boundary Commission for England on the technical requirements for new future governance arrangements, for example, the number of councillors, ward boundaries, the name of the new council and transition arrangements;
 - To oversee the development of a programme plan to implement the future governance arrangements, and monitor the delivery of the programme plan; and
 - To make recommendations to the Leaders of the Councils accordingly.
2. The detailed work programme will be clarified at the first meeting of the Group, and agreed by the Chair and Vice-Chair in consultation with the Leaders.

Powers

3. The Technical Steering Group's role is advisory and thus will not have any delegated decision making responsibility.

Membership

4. Membership shall be comprised of 6 members, three to be nominated by the Leader of each Council. The following members (unless otherwise appointed to the Group) shall be invited to each meeting as observers, and whilst they shall not take part in any formal voting at the group, they will be provided copies of papers presented to each meeting and be allowed to participate in group debates at the discretion of the Chairman:

- The Chairmen of the Overview and Scrutiny Committees of each Council (or their Vice-Chairmen where they are unable to attend);
- The Leaders of each recognised minority group (or their notified Deputies where they are unable to attend);
- Members of each Cabinet.

5. The Leader of each Council may also appoint one named substitute member of the Committee.

Chairman and Vice-Chairman

6. The Chairman and Vice-Chairman shall be elected at the first meeting of the Group by a majority vote of the group members. Where the Chairman is a member of one Council, the Vice-Chairman shall be a member of the other Council. They shall hold office for a period of 6 months, and except where the members of the Group agree, the Vice-Chairman shall usually be expected to become the Chairman of the Group 6 months after his nomination as Vice-Chairman, the purpose being that each Council shall take it in turn to Chair the Group.

Quorum

7. Members selected for the Group should be available during the key period of July – September 2017 and as such, the Group should never be inquorate. For clarity, the quorum level for the Group shall be 3, to include at least 1 member from each Council.

Access to Information

8. As a non-decision making body, the normal Access to Information Rules do not apply to the working group.

9. Officers should endeavour to make clear to members of the Group where matters under discussion are confidential, and should be treated by members privy to the information as such.

Frequency

10. Meetings will be scheduled according to the demands of the work programme and decision making framework. It should be expected that this will require meetings on at least a monthly basis.