

**Report of: Chief Executive**

**To: Executive Board**

**Date: 3 April 2006**

**Item No:**

**Title of Report : Local Government Review**



### **Summary and Recommendations**



**Purpose of report:** To inform the Executive Board about the debate which Minister for Local Government and Communities has opened in relation to the future of local governance and Oxford City Council's contribution to this debate



**Key decision:** No

**Portfolio Holder:** Councillor Alex Hollingsworth

**Unitary Responsibility:** Finance

**Ward(s) affected:** All

**Report Approved by:**

Councillor Alex Hollingsworth - Portfolio Holder

Jeremy Thomas - Legal Services

Andy Gardner - Financial Services

**Policy Framework:**

The issue of unitary status has positive implications for the delivery of most services within the Framework.

**Recommendation(s):**

1. To endorse the approach set out in this report.



## **Background**

1. The last restructure of local government took place in the mid 1990s. This resulted in unitary government in Scotland and Wales but left a mixture of two tier and unitary councils across England. This mixed situation in England was not the result of careful analysis by the then Government of the needs of different communities across England. Nor was it related to the size of councils. (Unitaries created so far in that process had populations of between 30,000 and 250,000). It was simply unfinished business.

2. There is no rationale as to why places such as York, Blackburn, Darlington, Reading, Wokingham, Swindon, Southend are unitary but Oxford, Norwich, Exeter, and Ipswich are not.

## **The Current Debate**

3. David Miliband has re-opened the debate about local governance. He has identified three key areas in which he wants to see further improvement in local government. These are:

- strategic leadership/vision for the future (provision of strong, visible and accountable leadership)
- community engagement (empowering people as individuals, communities of place, and communities of interest)
- efficiency/value for money (delivery of efficiently integrated and co-ordinated high quality public services – no matter who provides the service)

4. He is now “actively considering the case for reorganisation” (Local Government Chronicle, December 2005) as a way of making improvements in these areas. ODPM has arranged seminars to debate the issue of local governance. Officials stress that the debate is about governance rather than local government structure specifically. The Minister has personally initiated dialogue with local government and other key stakeholders about how improvement can best be delivered.

5. ODPM is simultaneously exploring whether city regions offer a better spatial scale than either the large English regions or smaller local authority areas for strategic functions like economic development, transport, planning, and housing. The documents are available on the ODPM's website.

## **The Process**

6. Sir Michael Lyons is producing a white paper on various aspects of local governance, including structure, and has invited local authorities to contribute their views. The white paper is due in June 2006. It is expected to contain an invitation to local authorities to propose new governance arrangements.

7. ODPM are stressing that it is by no means certain that the white paper will be translated into legislation. If it is, however, the tentative timetable is as follows:

- local authorities to submit detailed and costed proposals by September 2006

- legislation laid before Parliament in December 06/January 07 will propose new Councils, where applicable
- Royal Assent received in October 2007
- shadow authority elections in May 2008
- new unitary councils underway in April 2009.

### **Oxford City Council's Response**

8. We welcome this initiative. Oxford City Council has worked hard to make the two-tier system work in the interests of the city and the people who live in and visit it. It is, however, the long-standing view of this Council that the two tier system fails to deliver against any of the three criteria set out by the Minister. It distorts the planning and transport infrastructure. It also works against efficient and effective delivery of three linked areas of Government policy that are particularly important for Oxford:

- affordable housing
- community safety
- economic development.

9. The achievement of unitary status will enable Oxford to fulfil its potential as a key regional city, leading and empowering its communities, and working with partners to deliver high quality services.

10. We are currently working with colleagues at Ipswich, Exeter, and Norwich City Councils to influence the outcome of the white paper. We aim to do this by developing a generic case for unitary status, supported by individual submissions from the four Councils. Inlogov, at the University of Birmingham, are helping us with this work.

### **Costs**

11. The Council's contribution to the cost of the Inlogov work will be around £5,000.

### **Next Steps**

12. If the White paper invites local authorities to submit proposals for unitary government a further report setting out a project plan, a project team, and identifying necessary resources will be brought back to Executive Board.

That report would also need to consider the financial implications of a unitary council for Oxford.

### **Recommendations**

1. Executive Board is recommended to endorse the approach set out in this report.

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### **Background papers:**

None.