

Dear Colleagues, Dear Chairman, Dear Clerk,

Where are we now?

On Unitary:

This is an opportunity for me to engage with yourselves once again and keep you in the loop of what is happening.

Most of you already know the situation with the NCC and have been following the news feed closely.

August has been busy with important meetings taking place throughout the month.

The Leadership and Backbenchers have been involved in numerous talks with officers and third parties setting out the plan for the future. Getting it right now is crucial to ensuring that the authority operates well and delivers on needs and expectations of residents. In my believe the residents of Northamptonshire are the stakeholders who suffer the most out of the financial adventure the County is trotting, followed by the staff the NCC employs. Therefore current administration is very aware of the challenges ahead and trying to mitigate the negative impact of each decision.

- So what is going to happen now?

The current projected savings which have to be found in order to submit balanced budget of this financial year is around £60-£70m. Due to these findings the second Section 114 notice has been emplaced by the County Council in July this year, as a real commitment to carry on controlling spending and aim to live within our own means.

On the 28th of August there was a meeting of the County Council during the day which is was than followed by various meetings of District and Boroughs in the afternoon (some met on the 30th August). Following an invitation by the Secretary of State's and subject to at least one other Northamptonshire council signing submits the 'Northamptonshire Local Government Reform Proposal'.

So back on the 28th August 2018 we had a Full Council meeting at Northamptonshire County Council where followed by the extensive debate where valuable comments were made and decent arguments submitted all members came to the vote on 4 recommendations in connection to the Reform.

The vote has been recorded and all 4 recommendations have been carried meaning that NCC has voted in favour of submitting the proposal. No credible alternative that meets the guidance has been identified so far.

The invitation is to form two councils across Northamptonshire: one in the north to cover the area of four district/borough councils (population: 343.6k) and one in the west to cover the area of the three borough/district councils (population: 402.0k).

All 8 Councils have voted on the Proposal and so far Northampton County Council, Northampton Borough, Wellingborough, East Northants, South Northamptonshire, Daventry and Kettering has voted in support, bringing the count to 7/8 voting in favour Corby voting AGAINST the submission. It was not quite a clean sweep in support across entire Northamptonshire but because more than 2 Councils have supported it so far, the Formal submission of the Letter took place on the 31st August 2018.

Subject to successful vote Councils will then agree for CEOs allocation of resources of up to a maximum of £500K from their budgets on the progress of the next step required.

- How did we get to this stage?

On 27th March 2018 the Secretary of State for Housing, Communities and Local Government invited all eight principal councils in Northamptonshire to “develop and submit locally led proposals for establishing new unitary authorities across the county”. With any proposal to be submitted by no later than Friday 31st August. With only 2 Principal Councils in Northamptonshire needed to vote in support.

After receipt of the invitation, and a series of county-wide weekly intense meetings between Leaders and Chief Executives, some principal Councils considered reports at their Council meetings in Spring 2018 and to return to Full Council for further debate to determine whether or not to submit a formal proposal to government. A draft submission has since been prepared and this report seeks to establish the Council’s formal position on reorganisation as prompted by the Secretary of State.

- So what are the Pros and Cons of going into Unitary?

Lets go with Positives:

- Unitarisation would create the opportunity to use restructuring to drive wider public-sector reform, for example by being part of an Integrated Care System pilot.
- Viability and affordability issues with supporting infrastructure are compromising delivery of housing and employment. NCC has for some time cut back on infrastructure investment and, post the s114 directions, projects have slipped. It will be vital for the continued contribution of both areas to the economy of this part of the Oxford to Cambridge corridor that mechanisms are developed to facilitate that expansion, such as the Growth Deals currently being prepared in West and North Northamptonshire, and discussed with Government.
- The Northamptonshire councils are committed to working with Government to ensure a successful future for the proposed North and West Northamptonshire Unitary Councils.

- The proposal recognises that reorganisation could be an enabler of a different way of working in pursuit of outcomes. Having a unitary local government structure should make cross-disciplinary working easier, especially where responsibility and expertise are currently spread between tiers and between districts/boroughs.
 - There will be a distinct drive to change working culture within.
 - In driving growth in the economy and delivering the necessary infrastructure, housing and environment, having the two new unitary areas could offer more coherent geographic units to engage with the economic growth agenda and thus maximise the potential of the target Housing and Growth Deals. A greater ability to join up infrastructure delivery with housing and commercial development.
 - The unitary authorities would provide a better scale for strategic planning for services that have an impact on demand for high cost provision and improved wellbeing.
 - Effective use of resources, it could also allow more strategic co-ordination of community investments based on a much wider evidence-based view of need.
- Now the negatives:
 - It is obvious that, whilst local government reorganisation can achieve a level of cost savings, it will not, in itself, lead to the creation of two new sustainable unitary local authorities. It potentially risks only redistributing the existing financial instability of NCC across two new organisations, unless steps are taken to address the existing cost and income challenges
 - There is currently a very significant imbalance between revenue income and expenditure at NCC, and this will have an impact on sustainability of the new unitaries if the current financial position is inherited by them in 2020/21. It is essential that NCC delivers a balanced revenue position and sustainable services that can be inherited from day one.
 - Funding the cost of transition, including redundancies, from one county council and seven borough/district councils to two unitary authorities will stress cashflow. The savings from that transition will take some years to repay the costs.
 - Unitarisation does not solve the issues faced by NCC: services need to be transformed at the same time. Again, the costs of such transformation will be significant and the benefits will only accrue in later years.
 - Plans could disrupt the delivery of Adults and Children's services or the Council duty to safeguard the vulnerable residents.

If you have got any questions or would like to make specific enquiries – please contact me on:

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you can also follow updates on my Cllr Blog:

<https://cllradilsadygov.wordpress.com/>

With regards,

Councillor Adil Sadygov