

CCN Response to the Consultation on Proposed Statutory Guidance to be issued to the Boundary committee for England by the Secretary of State

Introduction

The County Councils Network is a Special Interest Group within the Local Government Association (LGA), with all 35 English Shire Counties in membership. The Network exists to promote the voice of our members within the LGA and the values and interests of the English Counties. Together these authorities represent 47% of the population of England and provide services across 84% of its land area. We ensure that County members are enabled to meet and discuss issues of county business and that a network for the communication and development of policy is in place.

The Context of the Review

The CCN welcomes the Government emphasising the vital role played by local authorities in providing high quality services, especially in the key areas of education, health, social care, transport and environment.

With the notable and disappointing exception of planning, the CCN is pleased with the Government's assurance that powers currently held by county councils will not be assumed by any potential new regional assembly.

Community Identity and Interests

The CCN approves of the Government's direction to the Boundary Committee to give most weight to those aspects of community interests that have the greatest relevance for the role of local authorities. This is reflected in the Government emphasising the value of effective and convenient high quality public services. In conjunction with improved political management and community leadership we consider this to be an important and valuable inclusion in the guidance.

While 'communities of place' are indisputably important to people, the CCN recognises the Government's position that this is not necessarily an ideal basis upon which to judge the effectiveness of any alteration in the structure of local government.

However the CCN wishes to express its opposition to the formation of any new unitary authorities that cut across existing county boundaries. Any move to redraw county boundaries could undermine existing partnerships and joint working arrangements as well as affecting the relationships between adjoining authorities.

The CCN welcomes the Government inclusion of structure, size and geography as factors that the Boundary Committee should consider. Community engagement and understanding wider patterns of community, as well as the vital importance of economic links between different communities, are issues that can be affected by the three factors of structure, size and geography.

The CCN believes that when assessing the role of community leadership carried out by authorities, a strategic analysis will result in a more accurate reflection of how local authorities can best meet the varied needs of a large number of communities. The resolution of competing demands on services is vital if a fair and balanced distribution of those services is to be achieved.

Any authority must be able to respond to the needs of numerous 'communities of interest', many of which will have competing or varying concerns, and to do so in a fair and balanced way. With regard to education, the CCN would wish to support the Department for Education and Skills' position that proximity is "not an indicator of effectiveness".

Identifying issues of concern for local people and being able to respond to them by working with partners in both the public and private sectors is an area in which county councils have a proven track-record as well as being at the forefront of pioneering new working arrangements.

In this context, any local government review must take into account the effect upon partnership organisations of working with large numbers of small authorities. Increases in cost and the difficulty of co-ordinating a coherent set

of organisational arrangements mean that economies of scale, achieved through larger units of local government, will result in more efficient and effective public services.

The CCN's position with regard to maintaining stability of both service provision and partnership arrangements is that any alteration to existing boundaries must adhere strictly to the ODPM's own evaluation of effectiveness and convenience as defined in the draft guidance. The benefits of change must be able to outweigh additional costs and disruption to services.

Whilst the CCN accepts that there will inevitably be short-term transitional costs, close attention should be paid by the Boundary Committee to the potential of incurring long-term costs due to problems of capacity, size and structure. These points are vital when considering how to maintain coherent and focussed service provision that meets the public's demand for stable and consistent delivery.

Additionally, the CCN strongly believes that there is great value in establishing local authority boundaries that are closely aligned with those of their key partners. The Government's recognition of how effective and efficient working practices are best established is a crucial point for the Boundary Committee to evaluate.

County council provided services such as education and social services rely on stability and consistency of provision. Disruption of this balance has potentially serious social implications for communities that are supported by these services. This is also applicable in work with partnership agencies such as Police Authorities and their crucial relationship with county councils in addressing important law and order issues.

Effective and Convenient Local Government: Quality Public Services

The Boundary Committee will be assessing the track-records of two-tier local authorities and in this regard the CCN believes county councils are well placed. Although it is not the only measure of performance, the recent 'Comprehensive Performance Assessment' results point to continuing improvements in the performance and delivery of important public services.

The guidance points to the quality of political management, positive innovation, a sound corporate structure and the ability to increase capacity as the principal contributory factors in producing high performing councils. These are all aspects of improvement in local government that the CCN would wish to endorse and are consistent with the criteria and methodology used by the Audit Commission during the CPA process.

Whilst the measurement of local authorities' performance against the Audit Commission's independent methodology provides the Boundary Committee with an impartial assessment. It should be noted that both the services being evaluated, and the methodology being implemented, are different in the case of county and district councils. This may invalidate attempts at any direct comparison.

The CCN believes that the Government understands how structure and size can relate to delivering improvements in the quality and quantity of services and this acceptance is an important incorporation within the guidance. The CCN also notes the stipulation that size is a contributory factor particularly in relation to building on long term and sustainable developments in service delivery.

The CCN supports the instruction to the Boundary Committee to consider an authority's organisational and managerial capacity. The CCN believes these two factors are of great importance when evaluating how well district councils would cope with providing the full range of county services. Similarly this would require an assessment of how easily county councils could assume those responsibilities currently held by smaller units of local government.

The CCN accepts the Government's reasoning on capacity and size when insisting that any smaller local government unit must, on past experience, have the potential capacity to deliver the full range of public services as a unitary authority.

The service delivery problems faced by a number of unitary authorities are reflected in last May's publication by the Department of Health of the social services 'star' ratings. These indicated that problems can arise if an authority's size means it does not have the capacity, staff, or resources to meet the demands placed upon it.

These problems can lead to authorities putting in place a wider range of partnerships than would otherwise be the case. An increase in joint working arrangements can have a detrimental affect on partner organisations and this must be considered as highly significant in any final evaluation.

Effective and Convenient Local Government: Economy, Efficiency and Effectiveness

The CCN supports the points put forward by the Government as to the possible advantages presented by larger units of local government. The CCN believes that greater integration of services would allow for more streamlined decision making; more effective spending allocation; simpler and more effective service provision; larger purchasing power; and better co-ordination of resources.

Regarding education the Department for Education and Skills has pointed to "increasing evidence of the inherent instability of smaller LEAs". Consideration of the capacity of authorities to sustain improvements in school performance is an inclusion the CCN accepts as appropriate. The CCN considers that increases in the purchasing power and capacity of larger unitary authorities can result in better and more efficiently delivered services to the public.

These factors are endorsed by both the Department for Environment, Food and Rural Affairs and the Department for Health. DEFRA has raised concerns over the problem of implementing service planning and commissioning work with smaller budgets and capacity. In addition the DoH has pointed to potential staff problems at senior level and excessive demand on the capacity of district councils if they take on the additional responsibility for social services.

The 2003/2004 provisional local government settlement introduced a separate sub-block to fund certain 'fixed costs' faced by authorities. The Government stated that "this adjustment recognises the fact that small authorities are unable to take advantage of economies of scale and so the fixed costs of 'being in business' fall disproportionately on small authorities."

Typical 'fixed costs' include the production of best value performance plans, audits, holding elections and so forth. The Government decided upon £300,000 per authority as an appropriate amount of funding to recognise these costs. The CCN therefore believes that similar additional and unwarranted costs will be incurred if small unitary authorities are created and that prudence dictates larger unitary authorities yield inherent economies of scale.

The CCN has worked closely with a number of partners to create a finance model that accurately and fairly reflects the costs that would be incurred during any local government reorganisation. This model has been constructed following comprehensive work during and after the most recent Local Government Review.

The model has been independently verified and will be made available to the ODPM and the Boundary Committee. The CCN would wish to discuss this issue further in conjunction with the Government's own model.

Effective and Convenient Local Government: Democratic Accountability

The CCN understands that the guidance must fairly reflect the strategic nature of any decision made by a local authority even if it only directly affects one local community. Decisions about the allocation of resources mean that all communities have a common interest in securing the most effective means of delivering those services, regardless of local concerns.

The acknowledgement by the Government of larger authorities' ability to provide successful democratic scrutiny of elected representatives and officials via new political management structures and the use of devolved structures is a welcome incorporation into the guidance.

The CCN endorses the Government's position that local authorities' democratic accountability to their electorate is best served by transparency. The CCN supports the Government's point that multiple lines of accountability arise when smaller authorities put in place a large number of joint working arrangements. This may lead to confusion and misunderstanding on the part of the electorate as to where responsibility ultimately lies. Whilst these arrangements do not necessarily affect the quality of provision, they may reflect a lack of capacity in some local authorities.

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