

# Cheltenham Borough Council

## Cabinet – 13 October 2020

### Devolution and Recovery White Paper

<b>Accountable member</b>	<b>Leader of the Council, Councillor Steve Jordan</b>
<b>Accountable officer</b>	<b>Chief Executive, Gareth Edmundson</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>No</b>
<b>Executive summary</b>	To consider allocating £25,000 to explore potential devolution and local government reorganisation options for Gloucestershire, in the context of and in response to the expected publication of the 'Devolution and Recovery' Government White Paper in the coming months.
<b>Recommendations</b>	<p><b>That Cabinet:</b></p> <ul style="list-style-type: none"> <li>a) Agrees the allocation of £25,000 for the purpose of addressing Cheltenham Borough Council's response to the expected publication of the Government's Devolution and Recovery White Paper.</li> <li>b) To authorise the Chief Executive to enter in to appropriate legal or other documentation as necessary to implement a) above.</li> </ul>
<b>That Cabinet recommends to Council that:</b>	Cheltenham Borough Council explores, with other local authorities in Gloucestershire, options for devolution and reorganisation, including a two-unitary local government model for the county.

<b>Financial implications</b>	<p>The Council holds a number of earmarked reserves to meet known or predicted requirements. The Pension &amp; Restructuring earmarked reserve was established a number of years ago to meet the cost of future re-organisational changes. It is therefore appropriate that this reserve is used to fund the initial work, with a budgetary allocation of £25,000.</p> <p><b>Contact officer:</b> <a href="mailto:paul.jones@cheltenham.gov.uk">paul.jones@cheltenham.gov.uk</a></p>
<b>Legal implications</b>	<p>None directly arising from this report. There will be significant legal implications to be considered if Gloucestershire moves forward with devolution and reorganisation.</p> <p><b>Contact officer:</b> <a href="mailto:legalservices@teWKesbury.gov.uk">legalservices@teWKesbury.gov.uk</a>, 01684 272017</p>

<b>HR implications (including learning and organisational development)</b>	None at this stage. As this is an initial proposal to explore devolution no posts will be affected. However, exploring devolution may provide opportunities for officers to be involved in developing options and in the wider programme.
<b>Key risks</b>	See appendix 2
<b>Corporate and community plan Implications</b>	Cheltenham's Place Strategy has a clear outcome to ensure that everyone thrives. Exploring devolution is intended to secure investment and get the best deal for Gloucestershire and all those that live work and visit in Cheltenham.
<b>Environmental and climate change implications</b>	None at this stage, however, greater devolution may present a multitude of opportunities to meet environmental challenges and tackle climate change in a coordinated and impactful way.
<b>Property/Asset Implications</b>	<p>Devolution may have a future impact on Cheltenham's property and assets. However, this is, as yet, unknown.</p> <p><b>Contact officer: <a href="mailto:Dominic.Stead@cheltenham.gov.uk">Dominic.Stead@cheltenham.gov.uk</a></b></p>

## **1. Background**

- 1.1.** The Government has announced that it intends to publish the 'Devolution and Recovery White Paper' in the coming months. It is widely expected that this White Paper will contain proposals for changes to local government. While the specific details of the White paper will be made clear on publication, the government have provided a strong indication that they will include the offer of greater powers and investment being devolved, favouring the established model of establishing more combined authorities and elected mayors across large parts of England. Currently, Gloucestershire's seven councils cover a large and diverse county. District Councils are responsible for services such as housing, waste collection, leisure and culture as well as a range of regulatory and environmental services that help to maintain and enhance our high streets, open spaces and neighbourhoods. The County Council is responsible for services such as education, schools, adults and children's' social care, transport and highways, waste disposal, fire and public health. The Police and Crime Commissioner is an elected position responsible for the police in the county. The government have indicated that as part of the devolution white paper they may aim to simplify the current local government in England with two tier structures found in Gloucestershire being replaced with a unitary model – where all service delivery sits within one authority.

## **2. Devolution and Recovery White Paper**

- 2.1.** Local government reorganisation and devolution has been on central government's agenda several times since 1974, but this has often brought about piecemeal change and has resulted in a mixture of local government structures. Most recently, a relatively small number of combined authorities and elected mayors have been created in Manchester, Birmingham and the North East. Those areas which have embraced change have also been those which have benefitted most from devolution deals with central government often attracting substantial funding packages. In the majority of cases to date, reorganisation has taken place on the basis of consensus between the relevant councils, with the occasional imposition of unitary status in response to a failing council. For example, the recent failure of Northamptonshire County Council has resulted in the government authorising the creation of two unitary authorities.
- 2.2.** The anticipated White Paper appears to solidify the government's desire to encourage more combined authorities and elected mayors – which are perceived by current ministers as a strong model to drive economic growth. This is combined with a commitment to respond and recover to the Covid-19 emergency where substantial amounts of emergency funding has been provided to support councils to deliver enhanced services during the pandemic and to replace lost income which help to fund a range of essential services. The full content of the white paper is not yet known but there are strong indications that it will include a mandate for further devolution and potential local government reorganisation.
- 2.3.** In the Gloucestershire context, the publication of the white paper may prompt arguments for reorganisation of the current two tier authorities to secure a devolution deal and investment into the county. At present, most of the public sector organisations – police, fire, health and local enterprise partnership all have coterminous boundaries with the County Council. This in itself may create an assumption that a single council to serve all of Gloucestershire would deliver alignment. However, a single county-wide council would establish the third biggest unitary authority in the country, would need to cover a large geographic area and serve the needs of unique and extremely diverse rural and urban communities.
- 2.4.** As part of any review of the existing local government structure in Gloucestershire, it is important to consider a number of options to deliver the best solution for the county. This should include establishing two unitary authorities within Gloucestershire as a viable alternative that would still meet existing government criteria on population size. Exploring alternative options to

single-unitary council for Gloucestershire could offer a more proportionate and representative proposal that will keep existing public services closer to residents and ensure that investment in infrastructure, housing, the economy and climate change is directed to best effect.

**2.5.** Thus far, the Council's Administration has made clear representations that while local, regional and national government is working hard to respond to the ongoing challenge of Covid-19, it would be inappropriate to divert attention to respond to a devolution white paper. Unfortunately, the timing on publication of any white paper remains under the control of the Ministry of Housing, Communities and Local Government and if the eventual publication of the white paper contains proposals that could impact the structure and powers of local government for decades to come, then it is important that Cheltenham Borough Council are able to take a proactive part in an issue that will have wide ranging impacts for all those that live, work and visit Cheltenham in the future. The Council has set ambitious objectives for our Borough. We want to create a post Covid-19 new deal for our borough where we cement our position as the cyber capital of the UK and where future growth, prosperity and opportunity are available to all. We want our spaces, places and cultural offer to be welcoming, high quality and encourage everyone in Cheltenham to thrive.

**2.6.** Therefore, it is important that the Council takes appropriate preparatory measures to ensure that it can take a full part in shaping a progressive and effective devolution deal and a potential reorganisation of local government in Gloucestershire - if this is ultimately mandated whenever the expected white paper is published. The allocation of £25,000 will help to support this aim and enable the development of viable future options for the county that will help to deliver the best for both residents and businesses in Gloucestershire.

### **3. Options Proposal**

**3.1.** It is expected that the process to explore and implement any local government change can take many years.

**3.2.** To adequately prepare for the expected publication of the devolution white paper it is proposed that an initial £25,000 is allocated to explore devolution and local government reorganisation.

**3.3.** As the publication date of the white paper is, as yet, unknown it is proposed that the funding will not be committed until more certainty is provided on the expected publication date and contents of the government's proposals.

The council will also seek to work with other local authorities in an open and positive way to explore a range of options for both devolution and reorganisation where appropriate with the aim of securing the best outcome for businesses and residents in Cheltenham and Gloucestershire.

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<b>Appendices</b>	1. Risk Assessment
<b>Background information</b>	None

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	<b>Risk of local government reorganisation being imposed on Cheltenham</b>	GE	Sept 2020	5	3	15	Appropriate governance arrangements and funding in place  Senior Cabinet & Officer Sponsorship	Develop appropriate governance and secure suitable specialist advice to develop options	Jan 2021	GE	No
<b>Explanatory notes</b> <b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) <b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) <b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close											