



Report to Cabinet

Subject Local Government White Paper – Improved Two Tier Working in Nottinghamshire

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Members will be aware of the discussions taking place around the County about the future structure of local government in Nottinghamshire and the way in which Councils should respond to the recent White Paper. Nottinghamshire County Council is considering whether to submit a bid for unitary status and the County Council and the City Council have jointly approached the government to enquire whether the government would consider a proposal for an expanded City Council taking in most of the surrounding suburbs (including Arnold, Carlton, Gedling and Netherfield) and for a unitary County Council covering the rest of the County.

In the meantime work has continued on the consideration of ways in which two tier working in the County could be improved as an alternative to a move towards a unitary structure. Attached as an appendix to this report is a paper which has been prepared by the Nottinghamshire Chief Executives. All Councils are being asked to sign up to the commitment to enhanced two tier working as set out in this paper.

Members will note that in the section headed 'Value for Money' it is suggested that Nottinghamshire authorities should 'target to achieve a 3% cashable saving of local government spend in Nottinghamshire, a figure of £67million'. This is explained in the note to the paper as being based on proposed savings which the County Council has indicated its own emerging business case for a unitary proposal would offer up. We have not had the opportunity to see the County Council's detailed calculations in support of its estimate of potential savings at this level; nor have officers been able to subject this suggested saving figure to any kind of analysis or evaluation in the context of a proposed continuation of a two tier structure in Nottinghamshire. I would suggest, accordingly, that this should be approached with a degree of caution and seen as an aspiration rather than an absolute commitment with regard to achievable savings at this stage.

Recommendation

Members are asked to express support for the proposal for enhanced two tier working in Nottinghamshire as set out in this report and the attached paper.

SUCCESSFUL AND PROSPEROUS COMMUNITIES IN NOTTINGHAMSHIRE THROUGH IMPROVING LOCAL GOVERNMENT: A RESPONSE TO THE WHITE PAPER.

Introduction

This paper has been produced by all the Principal local authorities in Nottinghamshire as an agreed statement of our intentions to improve the way we work together to serve the people in the various communities in our area. (1)

Context

We face unprecedented challenges and opportunities, including

- Rising expectations for services which are of a high quality and tailored to individual needs
- Demographic changes, increasing numbers of elderly and disabled people, a greater degree of ethnic diversity, and wider differences in household wealth and life chances
- A need to actively work towards community cohesion, overcoming threats and barriers and seeking citizen engagement in effective place shaping
- Scarce resources, ensuring the need to achieve efficiency by releasing resources to front line service delivery, enabled by continued technological and global economic change
- National initiatives such as “Transforming government” which challenge existing patterns of service delivery
- Climate change and its consequences, including more extreme weather and growing environmental pressures ranging from land use to pollution
- An increasing need for leadership which influences the behaviour and choices of local people – for example in waste producing, car use, parenting, anti-social behaviour, and energy consumption. The need is to promote change in the interests of the quality of life of communities.

We recognise

- The interdependence of services and organisations and the need to invest in collaboration, and partnering arrangements to fulfil the aspirations of our communities
- The need for joint planning and mobilising of local resources to maximise effectiveness
- In a landscape of divergence and conflict, the need to work together to reconcile conflicts, build consensus and alliances and foster constructive change and the community spirit which can generate cohesion and cross cultural divides.
- Diversity in the needs and aspirations between our communities and the need to recognise these differences in developing improved local government and new approaches to the development and delivery of services.

The principles underpinning our approach

We agree that the following principles shall guide our improvement actions:

- We will deliver what the Community wants
- We will improve the performance of local services
- We will provide efficiency and value for money
- We will increase opportunity and choice
- We will maximise capacity to provide good governance
- We will promote local responsiveness and equity

The improvement themes

We have agreed to construct an improvement agenda for joint working around four main themes, which are:

1. **Improved service delivery** which is in line with customer demands and expectations and community need
2. **Community governance** which is transparent, encourages high profile leadership and accountability and which is relevant to secure engagement at a local community level
3. **Best value** through the best use of both pooled and targeted resources, whether they be people, finance or property
4. **Equity** within both our partnership working and within local communities

Improved service delivery

This workstream involves progressing initiatives for shared service delivery which can deliver consistent high quality good value service delivery for local people, and increase the capacity and resilience of local government in Nottinghamshire. We believe that we need to build on and accelerate some good joint working already going on (for example a county-wide concessionary travel scheme). Whilst we will for some services be able to agree a county-wide minimum standard, the activity of local place-shaping will mean community-led local variety above the minimum standard in some areas. We will work to harmonise key platforms such as human resource policies, process mapping and standardising, and software and hardware infrastructure, to enable joint working and minimise transition costs. We believe in a mixed economy of provision, and that local people will shape and influence our service delivery choices.

Governance

We will work together to identify values and behaviours characteristic of good governance and we will work to develop and embody these competencies at political and managerial levels across our authorities. The new arrangements will involve setting up a joint strategic board of the key agencies to oversee the delivery of our

objectives. In addition, mechanisms to enable a greater degree of local accountability and influence over local delivery priorities and strategic services, will require appropriate local arrangements, the form of which will be for local determination. Efforts to address climate change and community cohesion, including countering extremism and community tensions through transparent and locally accountable arrangements, will flow across boundaries in a better and more joined up way. In addition we will work to establish a multi-agency agreement for the conurbation initially focusing on the economy, in order to progress the economic success of the City, which depends on co-operation across existing boundaries. Parish and Town Councils, local neighbourhood management arrangements and the third sector will be active place shapers whose role will be recognised, and encouraged, as they both lead and contribute to this improvement agenda. Some of this agenda will require investment of both human and financial resources.

Value for money

In addition to efficiencies from shared service delivery, we will work together to improve our approach to asset management. This will involve sharing assets and expertise, maximising utilisation, pursuing co-location initiatives, releasing surplus assets and converging plans. We will maximise economies of scale by standardising wherever possible, and we will share learning and good practice. We will address barriers to change and foster a culture of partnership working which can overcome obstacles and make faster progress to release resources for reinvestment. Whilst we recognise there may be differential gains and investment requirements between partners, we agree to work together to achieve consensus solutions on cost reductions, in the interests of the taxpayers of Nottinghamshire. We acknowledge that there will be a need to create a budget for the costs of transition, and a need to develop financial models to accurately account for costs and savings. We will also learn from the experience of other authorities. In the spirit of the challenge of the anticipated next comprehensive spending review, we will target to achieve a 3% cashable saving of local government spend in Nottinghamshire, a figure of £67m. (2)

Equity

Principles of fairness and equality will be reflected in our approach to improvement, both in our relationships with each other; with other partners, and the communities we serve. We will look particularly to the needs of those who have disabilities, face disadvantages or lack resources, and we will work actively to eliminate discrimination of all kinds whether direct or indirect. We will aim to promote community cohesion, ensuring that our communities are well integrated and equipped to take advantage of opportunities and address challenges. We will promote active citizenship in pursuing these aims.

Implementation

We will work to put together a development plan setting out our detailed work programmes to implement our vision for improvement. We anticipate this will have four phases:

Phase 1 (3-6 months)

Carrying out an audit of current status
Policy preparation and financial modelling
Stakeholder and community engagement
Exploring governance options

Phase 2 (3-18 months)

Preparing a convergence strategy
Preparing a shared services programme of work
Developing a number of joint strategies, for example , asset management , access

Phase 3 (18 months-24 months)

Development of new and enhanced services and products
Commissioning products and services
Delivering strategy objectives

Phase 4 (24 months)

Continuation of delivery phase
Asset rationalisation
Review and evaluation of governance models and new service delivery

Notes

1. Background papers: This document is a summary of a slide presentation produced to the Nottinghamshire Local Government Association on 15th December 2006.
2. This figure is net of specific grants (including direct schools grant) and does not include Nottingham City Council's spend. The figure is calculated as a 5 year Net Present Value figure, so it is brought onto the same basis as possible Pathfinder & Unitary proposals which involve a balance of investment/transitional costs and savings. £67m is the savings across all local government costs - direct & indirect. Two of the three areas of potential savings from joint working - overheads/central support costs and shared transactional services - are indirect costs (around 10% of costs broadly speaking). The third area - aligned or pooled service delivery – are direct costs.