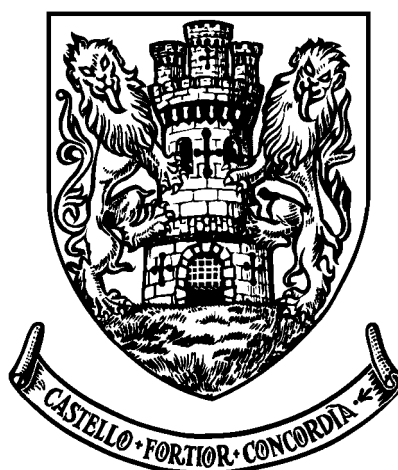


NORTHAMPTON BOROUGH COUNCIL



COUNCIL

Wednesday, 29 August 2018

YOU ARE SUMMONED TO ATTEND AN EXTRAORDINARY MEETING OF NORTHAMPTON BOROUGH COUNCIL, WHICH WILL BE HELD AT THE GUILDHALL NORTHAMPTON ON WEDNESDAY, 29 AUGUST 2018 AT 7:00 PM WHEN THE FOLLOWING BUSINESS IS PROPOSED TO BE TRANSACTED

- 1. DECLARATIONS OF INTEREST**
- 2. APOLOGIES.**
- 3. PUBLIC COMMENTS AND PETITIONS**
- 4. LOCAL GOVERNMENT REFORM IN NORTHAMPTONSHIRE - SECRETARY OF STATE INVITATION**

George Candler – Chief Executive
The Guildhall
Northampton

Public Participation

1. Comments and Petitions

1.1 A member of the public (or an accredited representative of a business ratepayer of the Borough) may make a comment or present a petition on any matter in relation to which the Council has powers. A comment or presentation of a petition shall be for no more than three minutes. No notice of the nature of the comment to be made or of the petition is required except for the need to register to speak by 12 noon on the day of the meeting.

(Public comments and petitions will not be taken and the Annual Council Meeting or other civic or ceremonial meetings.)

NOTES

- i. Comments may be on one or more subjects but each person has no longer than three minutes to have their say.*
- ii. The same person may make a comment and present a petition on different subjects. In such instances that person will have three minutes to make their comment and a separate three minutes to present a petition.*

2. General

A member of the public may make a comment, present a petition, ask a question or speak to a motion at the same meeting subject to the restrictions set out above.

3. Contacts

Democratic Services: e-mail democraticservices@northampton.gov.uk

Tel 01604 837722

Mail Democratic Services
Northampton Borough Council
The Guildhall
St Giles Square
Northampton NN1 1DE

Appendices: 5



COUNCIL

29th August 2018

Agenda Status: Public

Directorate: Chief Executive

Report Title	Local Government Reform in Northamptonshire – Secretary of State Invitation
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1. Purpose

- 1.1 For Council to determine whether to submit a proposal to the Secretary of State for the reorganisation of local government in Northamptonshire and to endorse next steps accordingly.

2. Recommendations

That it be RESOLVED:

- 2.1 That Council determines whether it wishes to respond to the Secretary of State's invitation.
- 2.2 That subject to Council having resolved to respond to the Secretary of State's invitation and subject to at least one other Northamptonshire principal council signing up to it, Council submits the 'Northamptonshire Local Government Reform Proposal'.
- 2.3 That subject to the submission of 'Northamptonshire Local Government Reform Proposal' by any council, Council endorses the Chief Executive's deployment of resources required to progress work on the next steps including those ahead of any decision by the Secretary of State, up to a maximum of £500k to be taken from existing budgets and/or reserves.
- 2.4 That subject to the submission of the 'Northamptonshire Local Government Reform Proposal' by any council, Council approves the interim governance structure of a Northamptonshire Central Programme Team overseeing a West Northamptonshire Project Board and a North Northamptonshire Project Board for the preparatory phase leading up to shadow authorities.

3. Issues and Choices

3.1 Report Background

- 3.1.1 On 27/3/18 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 which will be right for the communities and people they serve”.
- 3.1.2 The Secretary of State’s invitation stemmed primarily from the well-documented severe financial and operational plight that Northamptonshire County Council (NCC) faced, continues to face and is expected to otherwise face in future. This plight has most recently been evidenced by the issue in July 2018 of a second Section 114 Notice by its Chief Financial Officer. These statutory Section 114 Notices add to reports on NCC’s financial arrangements by a Secretary of State appointed inspector (‘the Caller Report’) and by its external auditors (KPMG). Following the Caller Report, the Secretary of State assigned commissioners in May 2018 to oversee the management and decisions of NCC.
- 3.1.3 After receipt of the invitation, and a series of county-wide meetings between Leaders and Chief Executives, some principal Councils considered reports at their Council meetings in Spring 2018 which asked them to agree to work up a high level draft submission that met the guidance set out in the invitation and to return to full Council for further debate to determine whether or not to submit a formal proposal to government.
- 3.1.4 A draft submission has since been prepared and this report invites consideration of the whole matter by Council. The report seeks to establish the Council’s formal position on reorganisation as prompted by the Secretary of State.
- 3.1.5 Any proposal has to be submitted to the Secretary of State by no later than Friday 31st August.

3.2 Decision details

- 3.2.1 In the invitation, the Secretary of State sets out guidance with the criteria that any proposal must meet and the matters that should be taken into account (Appendix 1). In particular, it highlights that any proposal should seek to achieve unitary structures which are likely to:
- Improve local government and service delivery across the area;
 - Command a good deal of local support; and
 - Be based on a credible geography.
- 3.2.2 The invitation requires a ‘combined proposal’ and states that a proposal for a single unitary authority covering the whole of Northamptonshire is not an option. In terms of credible geography, the guidance is that any new unitary authority is to be one “consisting of one or more existing local government areas and having a substantial population that at a minimum is substantially in excess of 300,000”.
- 3.2.3 Having received the Secretary of State’s invitation, and thus faced with the prospect of reorganisation, the Leaders and Chief Executives of the eight

councils in Northamptonshire have been keen to work together to achieve, if possible, a common proposal.

- 3.2.4 Within the limited prescribed timeframe, albeit having been extended by four weeks by the Secretary of State, there has been desire to make any proposal as informed as possible – necessarily directly addressing the Secretary of State’s guidance. The overriding ambition has been to seek sustainable local government for Northamptonshire.
- 3.2.5 Of course, the fundamental question for Members to answer is whether they wish to submit a proposal to the Secretary of State – as prompted in Recommendation 2.1. If the decision is to submit, then there is need to consider the proposed submission.
- 3.2.6 There has been much consideration of issues and options by senior Officers and senior Members of all of the councils, much in group sessions facilitated by commissioned external support. There have been bespoke formative seminars for other council Members too. The county’s MPs have been engaged. Advice has also been received from civil servants working to the Secretary of State.
- 3.2.7 Expert consultants have also been jointly commissioned by the Chief Executives of all councils to assist with evidence-gathering. In particular, PricewaterhouseCoopers (pwc) and Opinion Research Services (ORS) have utilised available data, conducted public consultation and engaged various agencies, authorities and groups in assessing future prospects. The outputs from their various activities have been interpreted with their expertise. ORS has confirmed that, on the basis of the Secretary of State’s invitation and timeline, its consultation has followed the requirements of a fair consultation.
- 3.2.8 The consequent reports of pwc, at Appendix 3, and of ORS, at Appendix 4, need to be fully taken into account by Members. These reports are key background papers. The reports have helped inform the ‘Northamptonshire Local Government Reform Proposal’ (‘the Proposed Submission’) at Appendix 2.
- 3.2.9 In the Proposed Submission, alternative unitary authority options have been considered against the Secretary of State’s guidance. During the public consultation, alternative unitary authority options were also able to be identified by participants though, in considering these, it has been assessed that the option identified in the Proposed Submission best meets the Secretary of State’s guidance and is one that is credible in terms of coordination with other public sector agencies.
- 3.2.10 In summary, the Proposed Submission is for a ‘West Northamptonshire’ unitary council and a ‘North Northamptonshire’ unitary council, thereby covering the whole county. The Proposed Submission assesses how this accords with the Secretary of State’s guidance.
- 3.2.11 Particular statutory officers (Monitoring Officers and Chief Financial Officers (CFOs)) have needed to review the implications of the decision to submit or not which, though narrowly focussed at this time, is nonetheless the start of a journey from which there could be no turning back and thus later would lead to replacement local authorities.

- 3.2.12 In particular, the financial data and base budgetary assumptions used by the consultants have needed CFOs' review. Members' attention is drawn to the CFOs' full assessment in the Implications section of this report.
- 3.2.13 In light of the Secretary of State's ability to modify any proposal, it has to be acknowledged that there is no guarantee that the key challenges affecting success of new unitary authorities, as set out in the Proposed Submission, will be met. However, it is deemed fundamental to identify these. The Proposed Submission, its evidence base and the CFOs' position make it clear that the financial sustainability of new councils will not be achievable by reorganisation alone.
- 3.2.14 In terms of Recommendation 2.2, the options for the Council are to either submit the Proposed Submission as is or not.
- 3.2.15 Theoretically, if Members decide to submit, there is an option of submitting an alternative proposal but no credible alternative that meets the guidance has been identified. Also, given the timeframe for submitting a proposal, there is no practical ability to assess the compliance and robustness of an additional alternative proposal and achieve all-council sign-up to it. Therefore, any desire to amend the Proposed Submission must be regarded as a rejection of its coherence such that any substantive amendments would in effect make up a separate proposal for whoever promoted it to separately submit. However, as earlier said, the Proposed Submission now being offered is judged by Leaders and Chief Executives to best fit the guidance and, hopefully with strength in numbers, the best that can be expected to have influence with government. It is highlighted though that, legally, only one principal council need submit a proposal for it to be considered by the Secretary of State.
- 3.2.16 If a proposal is submitted, the Secretary of State must determine whether or not to accept a proposal. If he accepts such a proposal, with or without his modification, he can be expected to issue a decision that he is "minded to" implement the proposed reorganisation, and at this stage set out a timetable for implementation. At this point a further period will be given (expected to be around two months), during which he will consider any further representations made, before making a final decision. This will include formal consultation with any council not supporting the proposal. Once a final decision is made, a Structural Change Order will be laid before Parliament (expected to be by March 2019), and once that is made, other consequential orders will follow, that will achieve the demise of this Council and establishment of successor authorities.
- 3.2.17 Considerable further work and resource deployment will be required to progress the next steps, if a proposal is submitted. There will be a need for a mix of external commissioning and use of existing staff. A key lesson from another area currently undergoing unitary reorganisation is not to underestimate the aggregation and disaggregation work required; indications from that area are that it is appropriate to budget for up to £500k for the next steps. It is considered essential to deploy resource on this work - including ahead of a 'minded-to' decision so as not to lose time waiting. There is already no doubt that the reorganisation debate is taking up significant time for senior Officers and Members in all councils. That will be exacerbated if this Council, or any other council, submits a proposal. Recommendations 2.3 and 2.4 have particularly responded to the assessment of the next steps.

- 3.2.18 Recommendation 2.3 particularly relates to resourcing those next steps, should any proposal for reorganisation be submitted. Much preparatory work is required to set up new authorities, including shadow authorities and any other shadow local arrangements that might be appropriate. At subsequent stages, if the Secretary of State progresses matters, there will be need for more focused assessments of implications depending on the topic - including some presumed to be required of the Secretary of State.
- 3.2.19 Recommendation 2.4 relates to interim governance structures for initial next steps. It has been advised that it is wise to be working in shadow to the shadow, as it were, for good programme management. To that end, if a proposal is submitted, it is recommended that informal shadow arrangements are established by councils ahead of any formal shadow authorities; namely an overall central programme team supported by separate project boards for the West and North of the county. This structure will help oversee the numerous work streams in the preparatory phase for shadow authorities.
- 3.2.20 For clarity, Members should be aware that should the Council decide not to be part of the joint submission but does decide to approve the subsequent Recommendation 2.3 and Recommendation 2.4 - regarding funding and governance - this would not give the Council an automatic entitlement to be involved in discussions that would follow about the detailed workings of the new authorities. It is however anticipated that the councils that vote in favour of submitting the proposal will invite those authorities to fully participate in the detailed discussions - at an appropriate point (after the 31 August). Councils that decide not to be part of the joint submission and decide not to approve Recommendations 2.3 and 2.4 regarding funding and governance are unlikely to be involved in any of the discussions that follow until such time as a parliamentary Order is made - likely to be in early 2019.
- 3.2.21 If a proposal is not submitted by any of the councils, there are no such next steps as the Secretary of State will not be able to implement reorganisation under the chosen legislation without a proposal.
- 3.2.22 To emphasise, first and foremost is for the Council to decide if it wishes to make a proposal in response to the Secretary of State's invitation.

3.3 Conclusions

- 3.3.1 In response to the funding difficulties of Northamptonshire County Council, the Secretary of State has invited proposals for new unitary authorities in the county to replace all existing councils. There are various political, financial and technical considerations which the Council will wish to carefully assess in deciding, firstly, whether to respond to the invitation.
- 3.3.2 Should the Council decide to respond to the invitation, a proposal has been drafted that is considered to fit the criteria set by the Secretary of State after evaluating options and considering public consultation results. The financial position of Northamptonshire County Council in particular is clearly a major problem now, but it has been identified that reorganisation alone will not lead to the sustainability of new unitary authorities. The proposal (and technical assessments) identifies the challenges that need to be addressed to achieve sustainability of new authorities. The Council is invited to judge the acceptability of the proposal if it has first decided to respond to the invitation.

- 3.3.3 If the Secretary of State decides to accept a proposal, after his modification or not, there is considerable work and resource required to prepare for transition to new unitary authorities.

4. Implications (including financial implications)

4.1 Policy

- 4.1 Whilst the Recommendations do not directly impact on current policy, ultimately the submission of a proposal could lead to the creation of new authorities that will affect and determine policy for the Council's area as they see fit.

4.2 Resources and Risk

Resources (Financial)

- 4.2.1 The financial impact of a proposal for local government reorganisation in Northamptonshire is likely to be substantial and the associated risks significant. To assess the financial implications pwc were commissioned to provide an independent report on the proposal. pwc have worked closely with all eight CFOs in the councils across Northamptonshire who have jointly written and signed off the financial implications section of this report.
- 4.2.2 The main conclusions from a financial perspective in pwc's report are set out on pages 11-17. The financial modelling in the report shows potential transition and transformation savings of up to £12.1m and £51.6m per annum, respectively. The likely one-off costs to achieve these savings would be £29.9m for transition and £41.9m for transformation. Whilst these savings are projected to improve the financial position in Northamptonshire there is still a funding gap over the medium term. The CFOs from all councils in Northamptonshire have reviewed and challenged the figures, their timing and the underlying assumptions contained in the report.
- 4.2.3 There are a number of financial implications arising from the submission of the proposal to government. The key ones are set out below:
- 4.2.4 The primary implication is that the model assumes all councils balance their budgets on a sustainable basis prior to the new unitary authorities becoming operational in April 2020. At the time of writing NCC is forecasting a potential shortfall of £60-70m in 2018/19 and has issued a section 114 notice. In 2019/20 NCC has a further savings target of around £52m. The total NCC financial deficit could be £122m over the next 18 months against an annual net budget of £441m. The delivery of these savings through on-going means is essential to provide the new authorities with a sustainable financial position to start from and it is likely that the savings required to deliver this balanced position will overlap with the transformation activity proposed for delivering further savings in future years. There is almost certainly likely to continue to be a funding gap once savings programmes have been delivered.

- 4.2.5 The cost of transition and transformation will need to be funded. The Proposed Submission recognises this as a challenge and councils will work with government to find a solution. If a solution to this isn't found then the costs would need to be funded locally from any existing reserves, in-year savings or through Flexible Use of Capital Receipt. There is no certainty that local funds will be available to meet these one-off costs.
- 4.2.6 On the assumption the proposed move to two unitary authorities delivers the transition and transformation savings estimated there is still a funding gap in each year. It should be recognised the figures are at a point in time and will change. Further proposals will need to be implemented to deliver a balanced financial position.
- 4.2.7 The transition from eight to two new authorities will require the amalgamation, and in NCC's case the apportionment, of revenue budgets, capital programmes and the balance sheet (assets and liabilities) into those for the two new authorities. At this stage there is insufficient information available to fully assess the apportionment and amalgamation of costs, income, assets and liabilities.
- 4.2.8 The different levels of council tax in each of the seven Northamptonshire district and borough councils will need to be harmonised to one level, in each new unitary authority. The harmonisation of council tax will also need to include harmonisation of Council Tax Support. pwc have undertaken some initial modelling which is contained in their report.
- 4.2.9 Northamptonshire is part of the SEMLEP Growth Area. The Proposed Submission recognises the funding challenges faced in growing areas, both the initial infrastructure costs and the on-going costs.
- 4.2.10 The Proposed Submission is being made at a time when there is uncertainty in the wider local government finance environment with the outcome of EU Exit, a Spending Review anticipated in 2019, the outcome of the Fair Funding Review expected in 2020, further changes to New Homes Bonus and the implementation of further reforms to Business Rates Retention from April 2020. Whilst all of these will impact on councils in Northamptonshire whether or not a proposal is made to government, it should not be underestimated the uncertainty this brings.
- 4.2.11 Further significant work to assess the detailed financial implications will be required if the Proposed Submission is submitted and accepted by government. CFOs will continue to work together on the financial implications as part of any transition process to new authorities.
- 4.2.12 To summarise, it is clear from the pwc report that a unitary proposal does not solve the financial sustainability of local government in Northamptonshire on its own.
- 4.2.13 The report from pwc demonstrates the Proposed Submission contributes to reducing, but not eliminating, the funding gap. CFOs in all councils are broadly comfortable with the financial assumptions made by pwc in their report, which underpins the Proposed Submission. It must be stressed that these numbers are likely to be refined over time.

- 4.2.14 CFOs recognise the number and level of significant financial risks set out elsewhere in this report. CFOs advise that specific attention is given to these financial risks, including the importance of developing and implementing mitigating actions to these and any further financial risks that emerge.
- 4.2.15 CFOs believe it is essential government work with the councils to find a solution to the funding challenges and all councils, particularly NCC, deliver sustainably balanced budgets prior to 2020 to ensure the future financial stability of the new councils.
- 4.2.16 Aside from the assessment of pwc's modelling, as noted elsewhere, indications from an area undergoing reorganisation from two tier to unitary authorities suggest that it is wise for the Council to budget for up to £500k for the next steps. This is a best estimate at this time. This amount is based on equal sharing between councils of the overall costs (indicative £4m). It is proposed that these costs be met from existing budgets and/or reserves.

Resources (non-financial) / Human Resources

- 4.2.17 In terms of the Recommendations, there would be a direct requirement for staff resource (supplemented by commissioned support). This is difficult to quantify at this time, depending in part on the nature of any proposal and the Secretary of State's decision. Some senior staff would need to be deflected from other work which could require compensatory backfilling. Commissioning may need to be subject to separate decisions in due course.
- 4.2.18 An inevitable general consequence of a proposal being submitted is continuing uncertainty for staff in the Council. This is not to be underestimated and will need to be carefully managed so as to avoid the risk of loss and/or inability to recruit and consequent further disruption of normal service.

Risk Management

- 4.2.19 The Council's decision is of significant consequence and, as with all decisions, open to challenge. If this Council agrees to submit a proposal, it will potentially lead to a profound change in service delivery arrangements in the Council's area. If the Council doesn't agree to submit, but another Northamptonshire principal council does, the same impact applies. The Recommendations only propose sign-up to the Proposed Submission if at least one other principal council signs up; this is to mitigate both undue risk to service uncertainty and to reputational damage for inviting change unilaterally when it needn't have done so.
- 4.2.20 As the Council's decision – whatever it is - involves taking full account of the business case in the Proposed Submission and the evidence upon which it is based, there is risk of challenge on the grounds of failing to properly take the business case/evidence base into account or a failure of the business case/evidence base to be properly formed; or that some other consideration was wrongly taken into account. The engagement of expert consultants has assisted in mitigating the risk of challenge of the business case or evidence base - given that wholesale reorganisation has not been a workstream in Northamptonshire since the last local government reorganisation across England and Wales.

- 4.2.21 There are a number of high risks from a financial perspective. These include: NCC and other councils not delivering a financially sustainable position prior to the new councils being created; historical liabilities and assets inherited by the new authorities not being sustainable; insufficient cash to fund transition/transformation programmes; inadequate level of reserves for the new authorities; loss of revenue from council tax harmonisation and council tax support; making short-term financial decisions which have long-term financial consequences; the assumptions underpinning the level and timing of savings/costs are proved to be unrealistic and the funding challenges are not recognised by government.
- 4.2.22 There is uncertainty for communities and it is arguable that there is risk to communities in the Council's area in not presenting a proposal to the Secretary of State, given NCC's plight. The Secretary of State is clearly keen to see what could otherwise be introduced to improve the management of council finances in Northamptonshire. Consequently, the desire of Chief Executives and Leaders has been to influence what alternative construct might be introduced by the Secretary of State should at least one council decide to submit a proposal.

4.3 Legal

- 4.3.1 The invitation is made by the Secretary of State for Housing, Communities and Local Government using his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007, supplemented by the Cities and Local Government Devolution Act 2016. Under the same legislation the Council is legally able to make a proposal. The Council needs to determine either to submit a response to the invitation, or not; these choices have their merits and demerits and Members need to identify these in making that determination. The Council must have regard to the Secretary of State's guidance. (Practically, it would likely be futile to submit a proposal that does not meet the Secretary of State's guidance as presumably that is how any proposal will be evaluated).
- 4.3.2 Public authorities are under a public law duty to consult, to show fairness in the exercise of their functions. Where there is no statutory process for consultation, it is for the authority to determine what amounts to fair consultation. There is no statutory consultation process in relation to this decision, but the Secretary of State's invitation made it clear that he expected to see "extensive local consultation" prior to any local submission being made.
- 4.3.3 In taking the decision whether to submit a proposal to the Secretary of State, the Council must show that it has considered the consultation responses – as fully set out in the appended ORS report - before making its decision.
- 4.3.4 It is important to note that the legislation provides that the Secretary of State has the power only to invite proposals, and cannot order reorganisation if a proposal is not received. However, the Secretary of State may accept proposals made, or an amended version of them, "if at least one relevant local authority consents". Therefore if any one of the eight principal Northamptonshire councils decides to submit a proposal to the Secretary of State, the Secretary of State may accept the proposals made, or an amended version of them, without the consent of the remaining councils in the county.

4.3.5 In terms of elections, Members are advised that the current election arrangements remain in place unless and until the Secretary of State decrees otherwise by statutory Order. However it is anticipated that at the same time any Orders are laid to create new authorities (if a proposal is made and the Secretary of State wishes to implement a proposal) then parallel Orders will be laid to replace the elections due in 2019 with elections to the new authorities in 2020. This would also provide the opportunity for the Secretary of State to delay the Town and Parish Elections by a year if he decides to do so.

4.4 Equality

4.4.1 The Proposed Submission itself addresses the impact of reorganisation on all communities of Northamptonshire and is supported by a bespoke Equality Impact Assessment (EIA). This is an important, publicly available, background paper to Members' consideration of the Proposed Submission and is attached at Appendix 5. This EIA is a live document and will be continuously reviewed and updated to reflect the impacts on residents as more information is gathered about the proposal and the future of service delivery across Northamptonshire.

4.4.2 The current EIA identifies an impact on some protected characteristics as a result of a change to two unitary authorities - as regards age; disability; pregnancy/maternity. The anticipated impact is for current residents of one new unitary authority that access services at a location that will be within the remit of the other unitary authority. One authority may not be under any obligation to provide services to a resident outside of it. Additionally, arrangements or funding of travel to locations outside the authority may be affected. Thus a resident may have to access the service at a different location inside their own unitary authority, which may be further away. This will primarily impact those living near the proposed border between the two authorities; and is of particular concern in cases where the resident has difficulty with mobility/travel. This impact is likely to be more prevalent amongst older age groups. The current mitigation for this impact is that dialogue between any new unitary authorities should be maintained after any reorganisation to ensure appropriate transition arrangements in service provision and access for those affected, before appropriate alternative arrangements are established.

4.4.3 Other characteristics not covered under the Equality Act that have been identified as having an impact include: council staff; rurality; deprivation; resident representation. Some mitigating actions for these have also been identified, such as dialogue between any new unitary authorities, support for those on a low income in the most deprived areas and ensuring residents are appropriately represented regardless of location.

4.4.4 In generating their reports, the approach of pwc and ORS has been to engage all groups and individuals openly and fairly. The public consultation particularly invited responses from all.

4.5 Other Implications

4.5.1 None.

5. Background Papers

5.1 Northamptonshire County Council Best Value Inspection: January – March 2018 (the Caller Report)

Appendices

- Appendix 1 - Invitation from Secretary of State dated 27/03/18 (and supplemented 18/05/18)
- Appendix 2 - Proposed Submission “Northamptonshire Local Government Reform Proposal”
- Appendix 3 – PricewaterhouseCoopers report “Northamptonshire area local government reform – outline approach”
- Appendix 4 – Opinion Research Services report “Future Northants Report of Local Government Reform Consultation”
- Appendix 5 – Opinion Research Services report, Local Government Reorganisation Proposal - Equalities Impact Assessment, August 2018

**George Candler
Chief Executive
0300 330 7000**



27 March 2018

The Chief Executive of:
Corby Borough Council
Daventry District Council
East Northamptonshire Council
Kettering Borough Council
Northampton Borough Council
Northamptonshire County Council
South Northamptonshire Council
Borough Council of Wellingborough

Dear Chief Executive,

Invitation to submit a proposal for a single tier of local government in Northamptonshire

The Secretary of State today has announced in a statement to Parliament how he proposes to proceed following receipt on 15 March 2018 of the Northamptonshire County Council Best Value Inspection report. In his statement he also announced that he is inviting the principal councils in Northamptonshire to develop and submit locally led proposals for establishing unitary authorities across the county which will be right for the communities and people they serve. Accordingly, he is exercising his powers under the Local Government and Public Involvement in Health Act 2007 (“2007 Act”) to invite Northamptonshire councils to make proposals for restructuring local government, and I enclose the statutory Invitation to your council along with statutory guidance from the Secretary of State.

As you will see, a proposal in response to the Invitation can be submitted by an individual council or jointly with some or all of the other councils in Northamptonshire. Proposals should be received no later than Friday 27 July 2018.

The Invitation is to submit what the 2007 Act refers to as a ‘combined proposal’. A combined proposal may be, for example, a proposal for two or more Type B proposals under the Act (a Type B proposal being a proposal for a unitary authority for the area of one or more districts which form part of a county area), or a proposal consisting of one or more Type B and Type C proposals (a Type C proposal being a proposal for a unitary authority for an area which is part of a county and one or more adjoining districts in an adjacent county). It should be noted therefore that a proposal for a single unitary authority covering the entirety of Northamptonshire is not an option under the Invitation.

Paul Rowsell CBE
Head of the Governance Reform and Democracy Unit
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London SW1P 4DF

Email paul.rowsell@communities.gsi.gov.uk
Telephone 0303 444 2568

The guidance, to which any authority making a proposal must have regard, sets out what any proposal should seek to achieve, and the matters to be taken into account in formulating a proposal. In particular, any proposal should seek to achieve unitary structures which are likely to:

- Improve local government and service delivery across the area;
- Be based on a credible geography; and
- Command a good deal of local support.

These are therefore the criteria against which any proposal will be assessed.

Other factors that should be taken into account in formulating any proposal include the findings and recommendations of the Northamptonshire County Council Best Value Inspection report, and wider regional issues such as how a new authority might be able to boost housing delivery and contribute to the Cambridge-Milton Keynes-Oxford growth corridor.

If you have any questions please do not hesitate to get in touch, and if it would be helpful, I would of course be happy to meet you and your colleagues.

Yours sincerely,



P ROWSELL

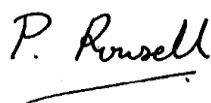
LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007

INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under Part 1 of the Local Government and Public Involvement in Health Act 2007, hereby invites any principal authority for an area that is the whole or part of the county of Northamptonshire to make, in accordance with paragraphs 1 to 3 below, a combined proposal that there should be a single tier of local government for areas which together comprise an area of which that county is the whole or part.

1. Any proposal must be made by 27 July 2018.
2. In responding to this invitation an authority must have regard to the guidance from the Secretary of State set out in the Schedule to this invitation, and to any further guidance on responding to this invitation received from the Secretary of State.
3. An authority responding to this invitation may either make its own proposal or make a proposal jointly with any of the other authorities invited to respond.

Signed by authority of the Secretary of State for Housing, Communities and Local Government.



P Rowsell

A senior civil servant in the Ministry of Housing, Communities and Local Government

27 March 2018

SCHEDULE

Paragraphs 1 to 2 below set out guidance from the Secretary of State.

1. A proposal should seek to achieve for the area concerned the establishment of a single tier of local government, that is the establishment of unitary authorities:
 - a. which are likely to improve local government and service delivery across the area of the proposal, giving greater value for money, generating savings, providing stronger strategic and local leadership, and which are more sustainable structures;
 - b. which command a good deal of local support as assessed in the round overall across the whole area of the proposal; and
 - c. where the area of each unitary authority is a credible geography consisting of one or more existing local government areas and having a substantial population that at a minimum is substantially in excess of 300,000.

2. The following matters should be taken into account in formulating a proposal:
 - a. A proposal should describe clearly the single tier local government structures it is putting forward, and explain how, if implemented, these are expected to achieve the outcomes described in paragraph 1 above.
 - b. The need for evidence and analysis to support a proposal and any explanation of the outcomes it is expected to achieve, including evidence of a good deal of local support.
 - c. The report “Northamptonshire County Council Best Value Inspection: January – March 2018”, in particular the inspection team’s recommendation on the preferred way forward involving “the 2 unitary (West and North) model”.
 - d. The wider context for any unitary authorities in Northamptonshire around plans for growth. This includes authorities’ potential contributions to the Cambridge-Milton Keynes-Oxford corridor; and the potential for agreement between authorities and the Government to unlock ambitious housing delivery, above the level proposed in the Government's Local Housing Need assessment.

- e. That there should be extensive local consultation about any proposal before it is made, seeking the views by appropriate means of residents, stakeholders and partners including local enterprise partnerships, health bodies, businesses, and other organisations including voluntary organisations. The means of seeking views may include professionally led open consultation questionnaires, representative household surveys, surveys of parish and town councils, workshops, telephone interviews with other major stakeholders, and inviting written submissions.



Ministry of Housing,
Communities &
Local Government

18 May 2018

Chief executives,
Principal councils in Northamptonshire

Dear chief executive,

Variation of Invitation to submit a proposal for a single tier of local government in Northamptonshire

Thank you for your joint letter of 3 May 2018 in which you provided an update on the work you are undertaking together to formulate a proposal for unitary structures in Northamptonshire, and requested that the date for submitting any proposal to the Secretary of State is changed to the end of August, in particular to allow time for proper public consultation.

As you know, in his Written Ministerial Statement on 10 May 2018 the Secretary of State announced that he was happy to grant your request and that accordingly any proposal in response to his Invitation of 27 March to your councils is to be submitted by the end of August 2018.

I now enclose a formal Variation of Invitation, which gives effect to the revised deadline. Except for the change of date by which proposals must be made, the Invitation and Guidance issued on 27 March 2018 are unchanged.

As ever, if I or my team are able to assist you in developing any proposal, do not hesitate to get in touch.

Yours sincerely,

P ROWSELL

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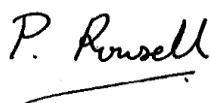
LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007

VARIATION OF INVITATION FOR PROPOSALS FOR A SINGLE TIER OF LOCAL GOVERNMENT

The Secretary of State for Housing, Communities and Local Government, in exercise of his powers under section 3(7) of the Local Government and Public Involvement in Health Act 2007, hereby varies his Invitation of 27 March 2018 to any principal local authority for an area that is the whole or part of the county of Northamptonshire (“the Invitation”) as follows.

In paragraph 1 of the Invitation, the date of 27 July 2018 is changed to 31 August 2018.

Signed by authority of the Secretary of State for Housing, Communities and Local Government.

A handwritten signature in black ink that reads "P. Rowsell". The signature is written in a cursive style and is underlined with a single horizontal stroke.

P Rowsell

A senior civil servant in the Ministry of Housing, Communities and Local Government

18 May 2018

Northamptonshire Local Government

Reform Proposal

31 August 2018

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1. Executive Summary

- 1.1. The situation in Northamptonshire that has prompted local government reform considerations at this time is set out in the Best Value Inspection report on Northamptonshire County Council (NCC) January - March 2018.
- 1.2. This concluded that: *'The problems faced by NCC are now so deep and ingrained that it is not possible to promote a recovery plan that could bring the council back to stability and safety in a reasonable timescale'*, that: *'a way forward with a clean sheet, leaving all the history behind, is required'* and that: *'the two unitary (West and North) model is the preferred way forward'*.
- 1.3. It is in this context that the county, borough and district councils are making this proposal – not out of a positive ambition for this radical structural change, but instead out of a pragmatic and responsible approach to the Government's clearly-signalled direction of travel.
- 1.4. We believe that the option that best meets the criteria set out in the then Secretary of State's invitation on 27 March 2018 is for 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).

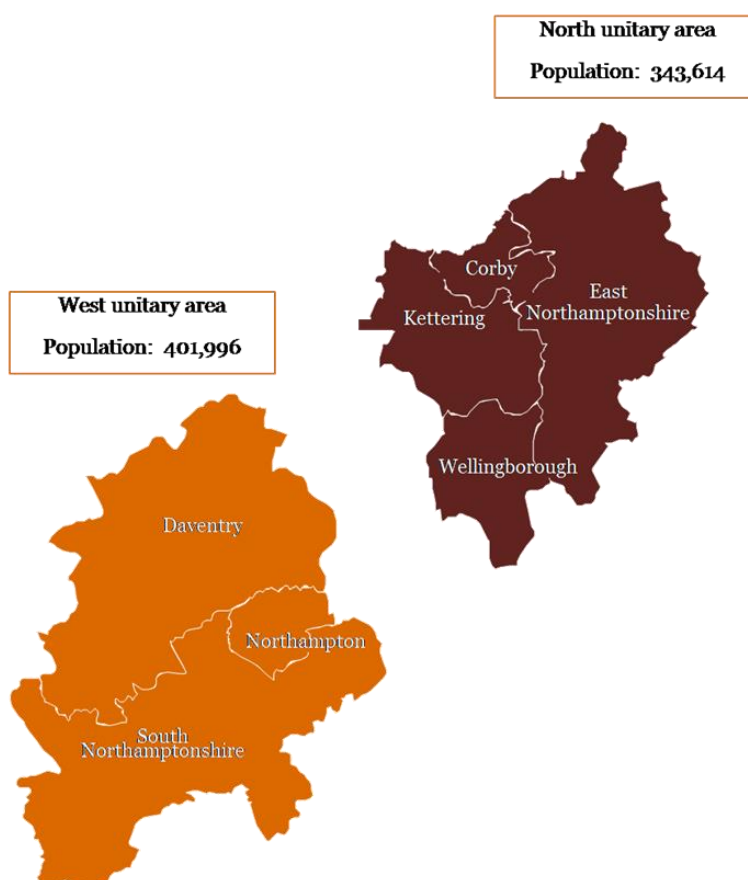


Figure 1: Proposed unitary areas

- 1.5. The submission adheres to the criteria set out in the Secretary of State's invitation and therefore only proposes the one option for Northamptonshire of two unitaries, North and West.
- 1.6. The consultation commissioned by the councils has demonstrated widespread public support for the restructuring of local government in Northamptonshire, although the specific proposal for two unitaries received varying degrees of support. The quantitative consultation showed overwhelming support for reducing the number of councils and for unitary authorities in principle. The representative residents' survey found majority support for two unitary councils, both across the county and in the proposed West and North Northants areas. The open questionnaire supported the principle of unitary councils and showed widespread support for two unitary councils in North Northants (except in Corby); but there was majority opposition to two unitary councils by respondents in West Northants (who preferred three unitaries). Six of seven focus groups and two business forums supported the proposal for two unitary councils. The two parish and town council forums supported unitary authorities in principle, with one supporting two unitary councils while the other strongly supported three. The submissions supported unitary councils, but they were divided on the appropriate number.
- 1.7. In drawing together our proposal to the Secretary of State, it has become 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. Indeed, 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.
- 1.8. The challenges below outline some of the key pressures the new unitaries are keen to manage and work with Government on to ensure a sustainable and successful future for the new unitary councils.
 - 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. Similarly, the proposed new unitaries are keen to explore with Government, how to achieve the promised aim to leave the history behind whilst recognising that what was made in Northamptonshire, stays in Northamptonshire. For example setting up a residual body, with precepting powers, may be a route to ensuring that the new authorities are able to set budgets for their own activities and do not have to carry the historic legacy of both NCC and the districts and boroughs.
 - Funding the cost of transition, including redundancies, from one county council and seven borough/district councils to two unitary authorities will stress cashflow for

the new unitaries. 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. 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. Again, the costs of such transformation will be significant and the benefits will only accrue in later years.
- Viability and affordability issues with supporting infrastructure are compromising delivery of housing and employment. This is exacerbated by the fact that 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.

1.9. The Northamptonshire councils are committed to working with Government to ensure a successful future for the proposed North and West Northamptonshire Unitary Councils.

2. Summary of Secretary of State's Invitation and Submission Criteria

2.1. In response to receiving the Northamptonshire County Council Best Value Inspection Report, the Secretary of State invited the principal councils in Northamptonshire to develop and submit locally-led proposals for establishing unitary authorities across the county which would be right for the communities and people they serve.

2.2. The Secretary of State set out guidance, shown below, against which any proposal will be assessed. The proposal should seek to achieve the establishment of a single tier of local government for the area concerned, that is the establishment of unitary authorities:

- which are likely to improve local government and service delivery across the area of the proposal, giving greater value for money, generating savings, providing stronger strategic and local leadership, and which are more sustainable structures;
- which command a good deal of local support as assessed in the round overall across the whole area of the proposal; and
- where the area of each unitary authority is a credible geography consisting of one or more existing local government areas and having a substantial population that, at a minimum, is substantially in excess of 300,000.

2.3. The following matters should be considered in formulating the proposal:

- i. The proposal should describe clearly the single tier local government structures it is putting forward, and explain how, if implemented, these are expected to achieve the outcomes described in paragraph 2.1 above.
- ii. The need for evidence and analysis to support the proposal and any explanation of the outcomes it is expected to achieve, including evidence of a good deal of local support.
- iii. The report 'Northamptonshire County Council Best Value Inspection: January–March 2018': in particular the inspection team's recommendation on the preferred way forward involving 'the two unitary (West and North) model'.
- iv. The wider context for any unitary authorities in Northamptonshire around plans for growth. This includes the authorities' potential contributions to the Cambridge-Milton Keynes-Oxford corridor and the potential for agreement between the authorities and the Government to unlock ambitious housing delivery, above the level proposed in the Government's Local Housing Need assessment.
- v. That there should be extensive local consultation about any proposal before it is made, seeking the views by appropriate means of residents, stakeholders and partners including local enterprise partnerships, health bodies, businesses, and other organisations including voluntary organisations. The means of seeking views may include professionally led open consultation questionnaires, representative household surveys, surveys of parish and town councils, workshops, telephone interviews with other major stakeholders and inviting written submissions.

3. Analysis of Options against Criteria

3.1. There are several unitary options in theory; figure 2 below outlines the options considered under the Northamptonshire local government review.

Option	Consideration
No change	Maintaining the existing two-tier system would not solve the current problems
Establish a single unitary authority based on the whole Northamptonshire county boundary	Establishing a single unitary authority based on the existing county boundary would not deliver a recognisably “new start”. Furthermore, the option of a single unitary council is expressly ruled out in the Government’s invitation letter.
Create three unitary authorities	Establishing three unitary authorities would not meet the population requirement. Northamptonshire has a total population of around 740,000 (without taking into account growth from current houses under construction) and under a three unitary council structure, at least one authority would have a population level of less than 300,000.
Create two unitary authorities based on a single authority for Northampton Borough, and a single authority for the other areas around it.	This would also not meet the Government’s population test – the population of Northampton Borough is only 228,700.
Create two unitary authorities based on groupings of existing West and North districts or boroughs	The option for two unitary authorities covering West and North would deliver two credible geographic units, both with populations in excess of 300,000.
Mergers with some neighbouring councils (outside Northamptonshire)	Current legislation dictates that unitary authorities cannot span more than one Police Authority. In Northamptonshire, the County has a Police Authority co-terminus with its boundaries. Hence, without a change to primary legislation, a unitary council covering part of Northamptonshire cannot merge with another authority outside the county. It would not be possible to effect a change to primary legislation within the timescales for submission of our proposals. This has also necessitated the dissolution of a very successful and longstanding partnership between Cherwell District Council and South Northants Council. The diseconomies accruing from this split for CDC alone have been calculated at £2-4m from 2019/20 onwards.

Figure 2: Options considered against the criteria by Northamptonshire councils

4. Northamptonshire Councils' Proposal

- 4.1. The only one of the options set out above that meets the Government's criteria is two unitary authorities, based on groupings of existing West and North districts and boroughs.
- 4.2. The eight councils, therefore, jointly commissioned Opinion Research Services (ORS) to carry out a thorough consultation exercise in line with the Secretary of State's guidance. The results of that exercise are set out in the attached report and the conclusion reached by ORS (paragraph 1.50 of that report) is that the government requirement for the proposal for two unitary councils to command 'a good deal of local support as assessed in the round across the whole area of the proposal' has been satisfied.
- 4.3. The councils also commissioned Pricewaterhouse Coopers (PwC) to carry out an analysis of the current position and make an assessment of the extent to which the proposal would meet the Government's criteria. Their report is also attached to this document.
- 4.4. The Northamptonshire councils who have signed the covering letter to this proposal are, therefore, jointly proposing that the current two-tier system of eight principal councils be replaced by two new single-tier or unitary councils which would have responsibility for all council services in their respective areas.
- 4.5. The two new unitary authorities would be formed of a West and a North Northamptonshire council, as follows:

West unitary authority		North unitary authority	
Existing district/borough	Population	Existing district/borough	Population
Daventry	82,008	Corby	70,706
Northampton	228,687	East Northamptonshire	92,766
South Northamptonshire	91,301	Kettering	100,753
		Wellingborough	79,389
Total population	401,996	Total population	343,614

Figure 3: 2018 population statistics for new unitary areas

- 4.6. The guidance set out in Section 2 above requires the proposal to achieve certain outcomes. The ways in which it will do so are set out below.

4.7. Improving local government and service delivery

4.7.1. 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. Having this single focus should, in turn, make it clearer to partners or businesses who they should speak to.

4.7.2. The councils of Northamptonshire recognise the need to change culture as they transition into unitaries. During the next phase the councils will work with staff to identify and implement a culture that meets the needs of a 21st century council.

4.7.3. Anticipated service delivery benefits have been identified in the areas set out below. Achievement of these benefits assumes that transition takes place successfully and that financially stable new organisations are created that can develop the capacity to work in the new ways envisaged.

- 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 is a key advantage for the new unitary authorities, which should also bring together functions in a way that allows resources to be focused, enabling a more strategic direction of effort, for example in assisting businesses to find suitable locations. It should give a stronger voice to the existing West and North groupings in the county and help them to benefit from the Cambridge-Milton Keynes-Oxford Corridor, a centrepiece of national strategic infrastructure planning for the next 30 years.
- For **health and wellbeing**, it could tighten and strengthen the links between services that together have a major impact on outcomes, but where responsibilities are currently split between tiers. This would allow the pathway experienced by local residents to be more co-ordinated without multiple hand-offs to other organisations. This, in turn, will result in better quality co-ordinated support, centred around people not organisations. 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. For instance, by connecting planning and housing services more closely to public health and social care services there will be opportunities to develop better, locally evidenced longer term solutions for community support, building community resilience and focusing on prevention. This would allow a much more holistic approach to dealing with social factors that affect individuals' wellbeing to improve the ability of people to manage their own issues and live independently for longer. In terms of 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. In terms of wider public sector reform,

it could provide a catalyst to use the local government redesign to look at the whole system from a governance, finance, commissioning and asset basis.

- However it should be noted that the Northamptonshire councils have a clear understanding of the risk that the change proposals and plans could disrupt the delivery of **Adults and Children’s** services or our duty to safeguard the counties vulnerable residents. We are committed to creating a “safe landing” for day one and to ensuring that no-one currently getting or needing support falls through the gap during this period of change. To that end partners will jointly engage through dedicated Adults and Children Portfolio boards to ensure current services are maintained, there is a safe transition and that we resolve any essential/critical issues as we move from the current county-wide services into the new unitary authorities.
- In **education and skills**, having two new unitary authorities will provide an opportunity to directly address the need for improvement in education and skills outcomes in Northamptonshire. It will also enable effective operational links between needs planning and economic growth, which is more challenging with dispersed district and borough-based economic development functions, and ensure that academy specialisms and further education provision and locations reflect growth requirements.
- For **community safety**, bringing resources together in two unitary authorities could provide economy of scale to arrangements that are currently dispersed in the districts/boroughs as well as the county. Combining resources could give a better scale to deployment of expertise across the new unitary areas, reduce the overall number of partnerships and make it easier to engage with strategic thinking affecting the whole area. Careful design will be needed to ensure that moving community safety partnerships on to larger unitary boundaries does not dilute the ability of existing work to respond to local circumstances based on local needs, and existing practical delivery mechanisms, (such as geographic or thematic sub-groups and delivery groups), will need to be adopted in the new arrangements.

4.8. Greater value for money and generation of savings

4.8.1. The change from a two-tier to a unitary local government structure would not solve the financial problems detailed in the attached PwC report. It would, however, present the opportunity for some savings. Initial modelling suggests that this could deliver an annual saving of £5.8 million for the West unitary area, and £6.3 million for the North area, totalling £12.1 million of annual savings arising through reorganisation from the year 2020/21 onwards.

4.8.2. Delivering greater value for money and deeper savings will require transformational activities to be delivered by the new authorities. Creating the new organisations is an opportunity to use the overall reorganisation to design ways of working that place the authorities’ residents at the heart of everything they do.

4.8.3. A major gain in terms of outcomes for residents, and value for money to the public purse as a whole, stands to be made from exploiting the unitary local government concept as a basis on which to plan services together with other partner organisations.

4.8.4. Transformation programmes will be designed, (with further analysis needed to confirm the scale of the opportunities), to balance short-term affordability and implementation capability with medium-term benefit. The potential will also need to be assessed against action to reduce the deficit at the county council, to ensure there is no double-counting. However, taking all these factors into account, if it can be successfully implemented, transformation and public sector reform could provide a route to medium-term financial sustainability which reorganisation alone will not deliver.

4.9. Stronger and strategic leadership

4.9.1. The structure of unitary local government creates the potential for more strategic leadership in the areas where it brings services together that need to connect to deliver outcomes. Leaders will be able to take decisions with more understanding and influence over the full range of contributory factors, and over a larger geography. This would be particularly significant, for example, in relation to planning, housing and highways decisions. They will also be able to take strategic decisions across service boundaries, better recognising the connections between, for example, leisure and youth provision, or housing and social care.

4.9.2. The establishment of two new unitary authorities will also make it simpler for local people to understand the line of accountability for local government services. With only one tier of local government and one cycle of elections, this is more transparent.

4.9.3. It will be important to get the balance right between creating councils with a manageable number of councillors and ensuring that those councillors can adequately represent their residents. We consider that the number of councillors for each area suggested in the Best Value Review is far too low to enable councillors to represent their constituents adequately and that each ward/division should consist of an average of around 3,200 electors. This would result in approximately 90 councillors in the West and 80 in the North. The shadow authorities will need to consider this issue in more detail.

4.9.4. Alongside this, they will also need to consider how best to empower local communities and strengthen local leadership. It is likely that new town and parish councils will be created in areas that are not already parished, and the extent to which powers are devolved will also need to be considered. A balance will need to be struck between local decision-making and the overall efficiency, effectiveness and economy of service delivery, taking into account the varying levels of capacity, capability and enthusiasm of town and parish councils to take on additional responsibilities.

4.10. Sustainable structures

- 4.10.1. The vision of reorganisation as a building block from which to launch transformed local government services and wider local public service reform is rooted in a desire to deliver sustainability. This recognises that simply reorganising the existing two-tier system of local government in Northamptonshire to a unitary form will not be sustainable.
- 4.10.2. But driving the necessary transformation and public service reform will also be difficult because the gap between costs and income is too great to build the basic platform of stable new authorities.
- 4.10.3. Delivering reorganisation successfully requires action to address the county's financial position. The work of the Commissioners is aiming to produce a stable position in terms of deficit and will involve actions to reduce costs. This must be seen as a pre-requisite for successful reorganisation but needs to be done in a way that still leaves the new authorities with a legacy of sustainable services.

4.11. Delivering re-organisation successfully

- 4.11.1. To allow stable reorganisation to take place and give the establishment of the two unitary authorities any chance of success, there are several areas where the councils will need to work with the Government to address some significant implementation challenges. It is essential that these challenges are met head on and that Government commits to meeting the challenges and ensures that we are collectively equipped to deliver success; this is the basis of the councils' sign-up to this proposal. The challenges are divided into four themes:

4.11.2. *Beginning with a clean sheet, leaving all the history behind*

The situation in Northamptonshire that has prompted local government reform considerations at this time is set out in the Best Value Inspection report on Northamptonshire County Council (NCC) January - March 2018. This concluded that: *'The problems faced by NCC are now so deep and ingrained that it is not possible to promote a recovery plan that could bring the council back to stability and safety in a reasonable timescale'*; that: *'a way forward with a clean sheet, leaving all the history behind, is required'*; and that: *'the two unitary (West and North) model is the preferred way forward'*.

The projection of future revenue and income from the published early 2018 MTFPs has highlighted persistent and significant deficit forecasts. This position has now worsened with the July 2018 NCC section 114 notice highlighting a potential £60-£70m deficit in the context of a lack of resilience due to depleted reserves with a further identified gap of over £50m in 2019/20. Unless addressed, this position will transfer to the new authorities in 2020/21 and prevent them from setting balanced budgets. It is, therefore, crucial that a balanced revenue income and revenue expenditure position is achieved that can be inherited from day one. This needs to be achieved constructively – savings need to be achieved in a way that does not simply store up further sustainability problems for the new councils. The Government will need to consider providing The County Council (and the commissioners) with the necessary

tools and levers to be able to deliver a sustainable financial position by April 2020. The proposed new unitaries wish to seek to explore with Government how to achieve the promised aim to leave the history behind whilst recognising that what was made in Northamptonshire, stays in Northamptonshire. For example setting up a residual body, with precepting powers, to manage historical liabilities, may be a route to ensuring that the new authorities are able to set budgets for their own activities and do not have to carry the dead weight of the historic legacy of both NCC and the districts and boroughs.

4.11.3. Transition

Funding the cost of making the transition to two unitary authorities, including costs for redundancies, property reconfiguration and programme management, will constitute a major cashflow stress at a time when large revenue deficits are anticipated. We will welcome working with the Government to identify tools that will ease cashflow stress such as implementing a business rate pilot.

4.11.4. Transformation and Public Sector Reform

The attached PwC report emphasises that reorganising to unitary authorities alone will not create sustainable services. The future unitaries will need to use restructuring as a springboard to drive transformation in their own services and in pursuing wider public service reform, for example by being part of an Integrated Care System pilot. This would generate further significant savings but would also incur substantial up-front costs.

4.11.5. Infrastructure

The County Council's financial problems have resulted in cut backs on infrastructure investment and it has been reported that, following the February 2018 s114 direction, projects have slipped. It will be vital for the continued contribution of both areas to the growth of this part of the Oxford to Cambridge corridor that mechanisms are developed to facilitate that growth.

5. Next Steps

- 5.1. The Best Value report's reference to a 'new start' for the residents of Northamptonshire is couched in terms of needing to deliver 'confidence and quality in the full range of local government services'. The Northamptonshire councils are developing a vision for the future of local government in the county, with emerging emphases for the West and North areas, as shown in the diagram below:



Figure 4: Emerging vision and priorities for the new unitary authorities in Northamptonshire

- 5.2. The next steps for the Northamptonshire councils will be to create a programme of work based on the roadmap below to start to prepare for the implementation of shadow councils and put in place structures to include key stakeholders and communities in the design and development of the new unitary councils.

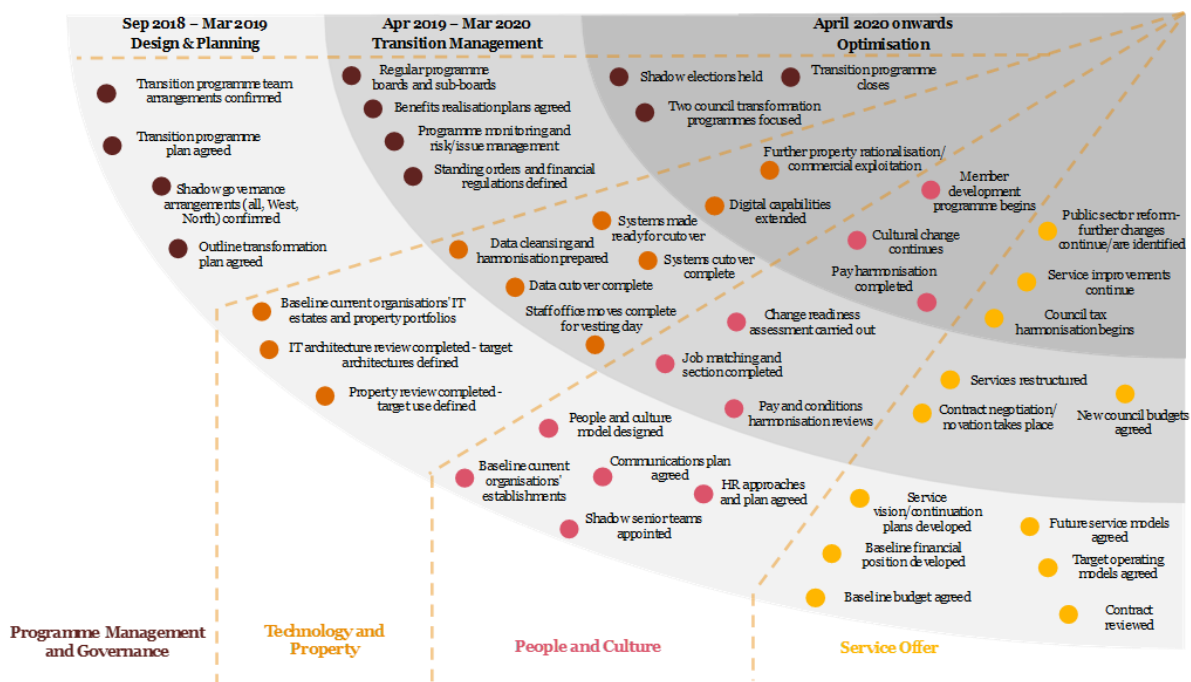


Figure 5: Proposed Programme of Work and Timeline

5.3. Whilst the Secretary of State will clearly need time to consider this proposal, the timeline for implementing the two new unitary councils on 1st April 2020 is very tight, so the Northamptonshire councils propose to commence the Design and Planning stage immediately. We would welcome early discussions with Government to agree how the challenges identified in this proposal can best be met to ensure that we create two sustainable organisations in 2020 that are able to meet the needs of our residents and communities.

Northamptonshire area local government reform – outline approach

August 2018

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1. Executive summary

1.1 Introduction

The analysis in this report has been prepared in response to the invitation from the Secretary of State to the local authorities in Northamptonshire to submit a proposal to move to a single tier of local government. **The districts and boroughs have been clear that they would not be making a collective proposal for unitary local government without the Secretary of State's intervention.**

It is financial problems at Northamptonshire County Council, and the government Best Value inspectors' findings about poor governance arrangements, which have led to the Secretary of State's intervention and in turn to the councils' proposal. The county's financial problems are deep-seated, and sit within an ongoing context of austerity for all councils as well as other local public services. The financial challenges are heightened by projected demand pressures, especially from the growing number of older people and the cost of providing children's services.

The analysis in this report has identified that whilst local government reorganisation can achieve a level of cost savings, in itself, it will not lead to the creation of two new sustainable unitary local authorities. Indeed, it potentially risks only redistributing the existing financial instability across two new organisations, unless steps are taken to address the existing cost and income challenges.

It is recognised, however, that reorganisation does offer the chance of a "new start" and could be used as an opportunity to drive transformation in the way that local government services are delivered to residents across Northamptonshire. For a more significant investment than the transition costs of reorganisation, this could reduce cost and complexity and maximise the effort devoted to frontline services. If properly resourced, it could also be **a platform from which to build a programme of local public service reform in which there is a drive to much more integrated service provision between local public sector bodies,** and could create a renewed cross-agency focus on reducing demand.

Viewed in this context, reorganisation represents the start of a process, but it will be difficult. First **the depth of the existing financial problems at the county creates a very challenging starting point for new authorities, made more challenging by the continually evolving financial situation at the council.** This has most recently involved issuing a second section 114 notice, in July 2018, highlighting the risk of a £60m - £70m deficit in the 2018/19 budget. With urgent action needed to address this deficit, there is not yet a clear picture of exactly what the implications for successor organisations will be.

Secondly, transformation will be a major challenge for two new organisations emerging from a culture where the largest legacy organisation, the county council, was found not to deliver Best Value, and where all the councils in the area will expect to lose experienced senior leadership capacity during the transition process.

However, the councils recognise the urgent need to restore financial sustainability and residents' confidence in local government. This document sets out an approach to building unitary local government in Northamptonshire that aims to do that, and to make improvements to outcomes in the process. But unless the significant financial problems can be addressed, there is a risk of creating two new organisations that are significantly challenged financially from the outset and cannot build the capacity and culture to capitalise on the opportunity to make a change in local public service delivery. **This is one of several challenges where the councils will need to work with central government in order to ensure a stable platform from which to push into wider local government and local public service reform.**

1.2 The form of unitary local government

The councils in the Northamptonshire area have identified a future structure *for two new unitary authorities*. They would be formed of a West and a North Northamptonshire council, as follows:

Figure 1: 2018 population projections for new unitary areas¹

West unitary authority		North unitary authority	
Existing district/borough	Population	Existing district/borough	Population
Daventry	82,008	Corby	70,706
Northampton	228,687	East Northamptonshire	92,766
South Northamptonshire	91,301	Kettering	100,753
		Wellingborough	79,389
Total population	401,996	Total population	343,614

The rationale for this structure reflects the government's guidance, which includes reference to the need for the population to be substantially in excess of 300,000. While there are several unitary options for Northamptonshire in theory, only one meets this guidance. This report therefore assesses the two unitary West and North area option, and this option has also been the focus of the parallel consultation exercise.

1.3 Purpose of this document and approach

The analysis in this document has been commissioned by the seven district and borough councils and the county council in Northamptonshire. It examines how the councils' proposal for two unitary authorities responds to the requirements in the guidance issued by the Secretary of State on 27th March 2018.

The guidance highlights five key themes in the context of the expectation that the new authorities will deliver **improvement**. The reorganisation should:

1. Improve local government and service delivery.
2. Give greater value for money.
3. Generate savings.
4. Provide stronger strategic and local leadership.
5. Provide more sustainable structures.

The guidance specifically adds that the proposal should take into account the **wider growth context** for Northamptonshire, specifically the area's contribution to the Cambridge - Milton Keynes - Oxford Corridor and the potential for agreements with government for ambitious housing delivery.

¹ NOMIS 2016-based subnational population projections, May 2018

Finally, the guidance also stresses the requirement for the proposal to command a **good deal of local support**. In parallel with preparation of this proposal, the councils have consulted the public. They are submitting a separate report of the findings of the consultation.

PwC has prepared this analysis for the councils in order to support the proposal they will submit in response to the Secretary of State's invitation. The main inputs to this work have been:

- Desk research and analysis, involving a mix of public documents and data provided by the councils.
- Workshops with the council Leaders and Chief Executives and a session with representatives from a range of local partner organisations (health, police, voluntary and community sector).
- Interviews with a range of senior council officers. These included the section 151 officers from each council, the Director of Adult Social Care and the Director of Children's Services.
- Thematic workshops with a range of service representatives.
- Application of data and insight from other authorities.
- Validation sessions with the councils' chief finance officers.

1.4 Vision and overview

The Best Value report's reference to a "new start" for the residents of Northamptonshire is couched in terms of needing to deliver "confidence and quality in the full range of local government services". The Northamptonshire councils are developing a vision for the future of local government in the county, with emerging emphases for the West and North areas, as shown in the diagram below:

Figure 2: emerging vision and priorities for the new unitary authorities in Northamptonshire

Vision	<p><i>A vision for local government in Northamptonshire</i></p> <p><i>“Deliver high performing, sustainable public services, focussed on improving the lives of the communities they serve, while encouraging independence, ambition and wellbeing”.</i></p>	
	<p><i>West Northamptonshire</i></p> <ul style="list-style-type: none"> • Prioritise the growth agenda, with a particular focus on building links with the Oxford - Milton Keynes - Cambridge Corridor. • Improve the provision of housing, especially affordable housing. • Improve educational attainment and the employability of young people. • Help people and communities to address their own health and wellbeing, at the same time as supporting those with more complex needs. • Ensure that the distinct characters of urban and rural areas are taken into account, while striving to reduce inequalities across the area. 	<p><i>North Northamptonshire</i></p> <ul style="list-style-type: none"> • Prioritise the improvement of health and wellbeing and encourage the development of “stable homes” as a key foundation, strengthening families and improving community cohesion. • Develop opportunities for growth, with a particular focus on infrastructure, skills and a stronger voice. • Push for inclusion of the whole area in the Oxford - Milton Keynes - Cambridge Corridor and encouraging more extensive housing supply. • Ensure that the distinct characters of the urban and rural areas are taken into account.
Priorities	<p>Two new unitary authorities supporting local public service reform:</p> <ul style="list-style-type: none"> • Provide a place-based solution to complex problems. • Cross organisation focus on innovation. • Share data and insight. • Share capacity and assets. • 21st century workforce. • Shifting resources to preventative services and interventions. 	
Public sector reform		

Reorganisation to two unitary authorities would not have been proposed by the Northamptonshire councils without the intervention of the Secretary of State. Nevertheless, the councils would like to use the opportunity reorganisation presents as a catalyst to deliver a wider programme of public service reform, which they believe is needed to secure sustainable local public services in a context of the widening gap between demand and resources.

Simply reorganising to two unitary local authorities cannot deliver the “new start” referred to by the inspectors. It can only be a building block which, if it is to be successful, requires three levels of change:

- **Reorganise:** this refers to the basic change to the structure of local government. This is a big change in terms of the institutional and democratic structures of local government. However, in terms of delivering outcomes, it is an enabling change.
- **Transform:** this means using the opportunity of merging local government services into two unitary authorities as the springboard to deliver a 21st century model of local government. Between the existing councils, much has been achieved in terms of modernising their ways of working, but reorganisation gives a basis from which to drive the very best practice consistently across the whole area.

- **Public service reform:** people's needs span organisational boundaries. Whether it is dealing with anti-social behaviour or ensuring a managed transfer of care from hospital to home, it is the outcome that matters to people, not which organisation delivers the solution. Although partnership is an established way of working, public service reform now requires a focus on the aspects of cross agency links which are the hardest to achieve: shifting resources to preventative services and interventions; bringing operational activity together to manage demand in a more holistic way; and consistently linking the ambitions of public service providers to the ambitions for Northamptonshire's people and communities.

Achieving change at these three levels will present a major implementation challenge for two new authorities borne out of adverse circumstance. The future councils will want to determine their own priorities, shape and ways of working, but to enable some design work to be carried out before vesting day, they have proposed a set of design principles. These should provide a guideline to decisions during transition and into the early stages of the new councils so accelerating the delivery of a transformed model of local government in Northamptonshire.

The new councils will be able to:

- **Design their processes around the needs and experience of their customers** – customers will be at the heart of everything the new councils do.
- Address the need for **culture change** – they will be learning organisations, in which openness and challenge are encouraged.
- Tailor services to **reflect local need**, reflecting the distinct needs of the urban and rural localities they serve, while ensuring consistent minimum standards are applied.
- Place the utmost importance on ensuring **financial sustainability**.
- **Focus on efficiency**, standardising processes, reducing waste and consolidating common functions.
- Maximise the use of **digital technology**, embracing opportunities to encourage self-service and resolving as many requests as possible at the first point of contact.
- Maximise their use of **technology**, improving efficiency and enabling the workforce to adopt more agile ways of working.
- Build their capacity around **analytics**, to anticipate and manage demand and understand the impact of service interventions more accurately.
- Pursue an **ambitious integration and public service reform agenda**, sharing functions and responsibilities and developing positive partnering relationships with other organisations where appropriate.
- Encourage **innovation, entrepreneurship** and help staff to develop a commercial mindset, but not at the expense of stable service delivery and sound financial management and sustainability.
- Encourage **openness and transparency**, by supporting robust scrutiny, corporate governance and performance management arrangements.
- Pursue **community engagement** and consider the **devolution of responsibilities** to town and parish councils and other community groups.

1.5 Assessing the impact of reorganising to two unitary authorities

This document looks at the requirement for the reorganisation proposal to improve local government and service delivery from the point of view of the outcome related criteria in the Secretary of State's guidance.

1.5.1 Improving local government and service delivery

The vision 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 is currently spread between tiers and between districts/boroughs. Having this single focus should in turn make it clearer to partners or businesses who they should speak to.

Potential outcome benefits have been identified in the areas set out below. Achievement of these benefits assumes that transition takes place successfully and that financially stable new organisations are created that can develop the capacity to work in the new ways envisaged.

- In the **economy and 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. Unitary authorities should also bring together functions in a way that allows resources to be focused, enabling a more strategic direction of effort, for example in assisting businesses to find suitable locations. It could give a stronger voice to the existing West and North groupings in the county, and help them to benefit from the Cambridge - Milton Keynes - Oxford Corridor, a centrepiece of national strategic infrastructure planning for the next 30 years.
- For **health and wellbeing**, it could build more collaborative relationships between services that together have a major impact on outcomes, but where responsibilities are split between tiers (for example between housing and children's services). It could also allow more strategic co-ordination over community investments. In terms of wider public sector reform, it could provide a catalyst to use the local government redesign to look at the whole system from governance, through finance and commissioning, to the use of buildings and to support the whole system in work on early intervention and prevention.
- In **education and skills**, having two new unitary authorities could provide an opportunity to make effective operational links between needs and skills planning and economic growth, which is more challenging with dispersed district and borough based economic development functions, and ensure that academy specialisms and further education provision and locations reflect growth requirements.
- For **community safety**, bringing resources together in two unitary authorities could provide economy of scale to arrangements that are currently dispersed in the districts/boroughs as well as the county. This can isolate expertise into the area where a particular individual works. Combining resources could give a better scale to deployment of expertise across the whole new unitary areas, reduce the overall number of partnerships and make it easier to engage with strategic thinking affecting the whole area.

In areas such as social care and health integration, and community safety, very careful design will be needed to ensure that a range of potentially competing considerations is balanced. Many of the current partnership structures are county-wide. This creates risks that the move to two unitary authorities increases the operational layers beneath county wide partnerships, creating a burden on partners in health, police and the voluntary sector. Balancing this, with the concern expressed in the consultation exercise by some Health and Wellbeing Board members about splitting some current county-wide functions, and the need to continue to respond to local circumstances based on local needs, will be a key consideration in the detailed design phase.

1.5.2 Greater value for money and generation of savings

The current position

The financial position of the county council and the history of budgetary failure described in the Best Value report makes robust planning of successor organisations extremely difficult.

The history of financial problems has led the council to cover its liabilities by drawing on reserves, which as a result are depleted. It also has high levels of debt and resultant revenue requirements for interest payments.

A factor influencing the financial context is the county's council tax level, measured using the Band D rate, which is lower than the average for county councils².

The county council has overspent on its budget since 2016/17³; there are substantial savings requirements in its current budget and new pressures continue to be identified.

The county's section 151 officer has recently issued a further section 114 notice, which identifies a need to find in the region of £60 million to £70 million of in-year savings in 2018/19. The exact amount will depend on the outcome of the 2017/18 audit, as this amount takes into account a 2017/18 unfunded deficit. It is clear that without strong mitigating measures, this financial position is not sustainable either for the existing county council or its potential successors.

The table below illustrates the pressures that new unitary authorities would face, extrapolated from published material from early in 2018 and discussed with the s151 officers. This is the most recent data available which allows consistent aggregation across the different authorities for this time period. We have assumed for this illustration that the Commissioners are able to deliver a balanced county budget at the end of the financial year 2019/20, and that districts/boroughs will do the same. This is a significant assumption, especially given the £60 - £70m deficit risk highlighted in the 24th July 2018 county council section 114 notice. There is a risk that some of the existing deficit will carry over and increase the pressure shown here. The table must also be understood in the context of the notes below it.

Figure 3: projection of financial gap if current structure and spend/income patterns continue

Year	20/21	21/22	22/23	23/24	24/25	25/26	26/27
	Net expenditure*	536.4	561.8***	584.4	607.5	631.7	657.2
Income	523.5	536.7	543.1	553.5	563.9	574.3	584.7
Cumulative gap - status quo**	(12.9)	(25.0)	(41.2)	(54.0)	(67.8)	(82.9)	(99.2)

Notes on figure 3:

*Net expenditure is used here to refer to service expenditure which is not funded by ring-fenced grants.

** Some MTFPs, including the county council, show deficits as in year; reduce spend in the following year to reflect savings; and then show only new pressures in the next year. Others show a position that accumulates each year. In order to show an aggregated position, we have agreed with the s151 officers that this table represents a position assuming all deficits are cumulative from 2020/21.

***Forecast deficits are treated differently between the county and district/borough MTFPs. Districts/boroughs show a forecast deficit, whereas the county shows "savings to be found", and

² Internal Northamptonshire County Council Business Intelligence & Project Management analysis, May 2018

³ Northamptonshire County Council Best Value Inspection, table on page 9, January – March 2018

expenditure reduced to match this. In order to show comparable data, we have added the county “savings to be found” back to the expenditure.

This table projects a position beyond that shown in the MTFPs for all authorities, so from 2023/24 for all, and for some from 2021/22, figures have been derived by extrapolating from MTFP data.

Impact of reorganisation on cost base

The change from a two-tier to a unitary local government structure will not solve these financial problems. It does, however, present the opportunity for some savings. Our analysis assumes savings from the following:

- A reduction in senior and middle management posts.
- An overall streamlining in corporate functions and a limited number of services; a reduction in IT licence costs, based on the level of staff reduction; and reduced running and maintenance costs for property.
- Democratic savings, based on a reduction in the overall number of councillors and the ending of county elections.

Initial modelling suggests that this could deliver an annual saving of £6 million for the West unitary area, and £6.1 million for the North area, totalling £12.1 million of annual savings arising through reorganisation, fully realised from the year 2021/22 onwards. These estimates have been based on the assumptions set out in the appendix. More detailed assessment may be required to confirm these figures prior to implementation, especially as the county’s baseline position is likely to change in response to its immediate deficit pressures.

There will also be costs in making the transition to a unitary structure. These have been modelled as one off costs, occurring in 2019/20 and cover the following areas:

- People related: redundancy and pension/retirement costs from staff reductions.
- ICT costs: for data cleansing and migration; changes to storage capacity; new licences; and changes to reports.
- Property refurbishment costs.
- Costs for shadow member roles and Chief Executives.
- Other costs, including public consultation; executive appointment costs; costs of closing the existing councils; contingency planning; rebranding; internal programme management; external support.

Initial modelling suggests that £14.9 million of transition costs will be incurred in the proposed West unitary area, and £15.0 million in the North area, totalling £29.9 million of transition costs occurring in 2019/20. These estimates have been based on the assumptions set out in the appendix. More detailed assessment may be required to confirm these figures prior to implementation.

Figure 4: impact of reorganisation on cost base

Recurring savings (£m)	One off costs (£m)
12.1	29.9

Impact of reorganisation on income

The impact of harmonising council tax is a key factor which will affect the income available to the new authorities. There are variables here including the period of harmonisation and the level to which harmonisation takes place. Government advice is that a precise equalisation scheme will be set out in a Statutory Instrument and will have regard to local preference, impact on the new councils' finances and the impact on council tax payers.⁴

The shadow authorities will wish to determine and then suggest their preferred approach. At this stage, it is important to note that arrangements for council tax harmonisation will create a sensitivity to the reorganisation financial analysis which brings further uncertainty to financial projections and can lead to income foregone. For this reason, the councils will need to work closely with government to find the optimum approach that balances impact on the taxpayer with sustainability of the new councils.

Impact of transformation and public service reform

Delivering greater value for money and deeper savings will require transformational activities to be delivered by the new authorities. Creating the new organisations is an opportunity to use the overall reorganisation to design ways of working that place the authorities' residents at the heart of everything they do. In creating new management structures, processes, policies and information sharing protocols, the opportunity is to make digital technology, data analytics, common processes and an agile and mobile workforce an integral part of the design of the new organisations, so maximising resources to work in value adding services on the frontline.

A major gain in terms of outcomes for residents and value for money to the public purse as a whole stands to be made from exploiting the unitary local government concept as a basis on which to plan services together with other partner organisations. Much more analysis is needed but the councils and their partners, especially in health and policing, recognise the change created by unitary local government as a spur to open up discussion on deep public service reform aiming to provide a place rather than organisation-based solution to complex problems. There will be many issues to address, including how partners operating on different boundaries work with the new West and North authorities, but there is the potential to improve outcomes by taking a cross agency approach to promoting innovation; sharing data and insight; and sharing capacity and assets between agencies in the area.

Making savings would require a much larger investment than reorganisation and modelling savings from public sector reform is complex as benefits should be realised across agencies. At this stage, we have identified a range of features of initial local authority led transformation, which offers the potential to bring value for money improvements:

- Designing customer service processes around new technology and exploiting automation; standardising and simplifying processes; reducing duplication in back office functions and increasing the use of data and analytics to predict need all offer the chance to release capacity.
- Further property savings: a transformation involving new technology and initiatives to promote flexible, mobile and, where possible, home working also is an opportunity to reduce the area of required office space.
- Further IT savings: IT will be an area of investment in a transformation, as the new councils build their digital capabilities. However, rationalisation of processes involving new IT should allow for some balancing of the investment by reduction of current licensing and maintenance costs.

⁴ The detail of the harmonisation process is described in an Explanatory Memorandum (2008 No: 3022) to the Local Government (Structural Changes) (Finance) Regulations 2008

- Demand management: use of the big data and predictive analytics capabilities in modern data systems could provide a way to develop a much stronger capability to anticipate users' needs and reduce later, more expensive and urgent interventions.
- Third party spend: reorganisation offers the opportunity to undertake a large-scale review of third party spending. This means reviewing purchasing models, ensuring as much purchasing as possible is through frameworks and contracts; using the larger buying scale of the new councils to negotiate contracts; and reviewing the nature of what is purchased, ensuring a consistent process and level of control.
- Income: reorganisation gives an opportunity to review the approach to fees and charges. There will be a need to harmonise currently varied levels of fees and charges, but there is also an opportunity to look for new opportunities to generate income.

It is important to stress that the potential for saving will need to be assessed against the impact of work at the county council to reduce the present deficit. This is likely to involve significant cuts that affect the starting point in terms of third party expenditure and establishment size. Anticipating this, we have made adjustments to the baseline in terms of third party spend and establishment size (described in the appendix). If deeper measures are taken, the transformation range may reduce, or if savings are not achieved, the transformation potential may be higher than shown. With this caveat, we estimate that transformation factors could produce a range of savings, and associated investment costs, as shown below:

Figure 5: indicative range of potential transformation related savings and investment costs

	(£m)			
	Recurring savings		One off costs	
	Low	High	Low	High
Total	33.7	69.4	33.7	50.2

Transformational savings would take longer to be realised. The table below shows a highly indicative profile of potential savings, based on the mid-point of the savings range and an assumption that savings take four years to realise.

Figure 6: indicative profile of transformation savings and investment costs, based on mid-point of the range

	(£m)									
	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	
Recurring savings	0.0	0.0	0.0	12.9	25.8	38.7	51.6	51.6	51.6	
Investment costs	0.0	0.0	10.5	10.5	10.5	10.5	0.0	0.0	0.0	

Transformation programme design and further analysis will be needed to confirm the scale of the opportunities, and to balance short-term affordability and implementation capability with medium-term benefit. The potential will also need to be assessed against action to reduce the deficit at the county council, to ensure there is no double-counting. However, taking all these factors into account, if it can be successfully implemented, transformation across the public sector could provide a significant contribution to medium-term financial sustainability which reorganisation alone will not deliver.

1.5.3 Stronger and strategic leadership

The structure of unitary local government creates the potential for more strategic leadership in the areas where it brings services together that need to connect in order to deliver outcomes. Leaders will be able to take decisions with more understanding and influence over the full range of contributory factors, and over a larger geography. This would be particularly significant, for example, in relation to planning, housing and highways decisions. They will also be able to take strategic decisions across service boundaries, better recognising the connections between for example leisure and youth provision, or housing and social care.

The establishment of two new unitary authorities will also make it simpler for local people to understand the line of accountability for local government services. With only one tier of local government, in partnership with local town and parish councils, and one cycle of elections, this is more transparent whilst staying locally accountable.

However, the current district/borough councils are concerned about the potential loss of the voice of particular towns or communities, especially of rural communities. There is active discussion about finding new means to create area involvement. There is an opportunity to introduce arrangements that design in local organisation and resident oversight of decisions and spending. This may involve more delegation to parish councils, building on the examples of significant delegation of responsibility to this local council level that exist in the county currently. Alternatively, arrangements could follow the example of a number of the unitary authorities established in 2009 who created area governance arrangements to support councillors in their community leadership roles and to help them engage more effectively at a local level. These structural considerations will require discussion during transition on a future authority basis so they can be tailored to the needs of the area and the different starting points they have (three councils (the boroughs) in the North are not fully “parished”, but only one council (Northampton Borough) in the West).

In terms of practical means to engage the views of local people, the councils also recognise the potential of digital tools to allow members to listen closely to the voice of communities and to engage people at a time that suits them.

The existing councils have recognised that unitary local government will require a material reduction in the number of elected members, but also recognise the need (in response to the Best Value report) to ensure arrangements allow for sufficient scrutiny.

One option is to consider member numbers in relation to the number of existing county division areas (57). Having three members per division would make for an aggregate of 171 members (93 in the West and 78 in the North); having two members per division would make for an aggregate of 114 members (62 in the West and 52 in the North). Both options are higher than the recommendation of 45 members per authority in the Best Value report. However, the two member per division option produces a ratio of one member per 4,790 electors, which is considerably in excess of the English unitary district average of 2,849. The three member option gives a ratio of one member per 3,186 electors. The shadow authorities will need to consider their views on how to balance agile decision-making with allowing for effective local representation particularly while area governance arrangements evolve.

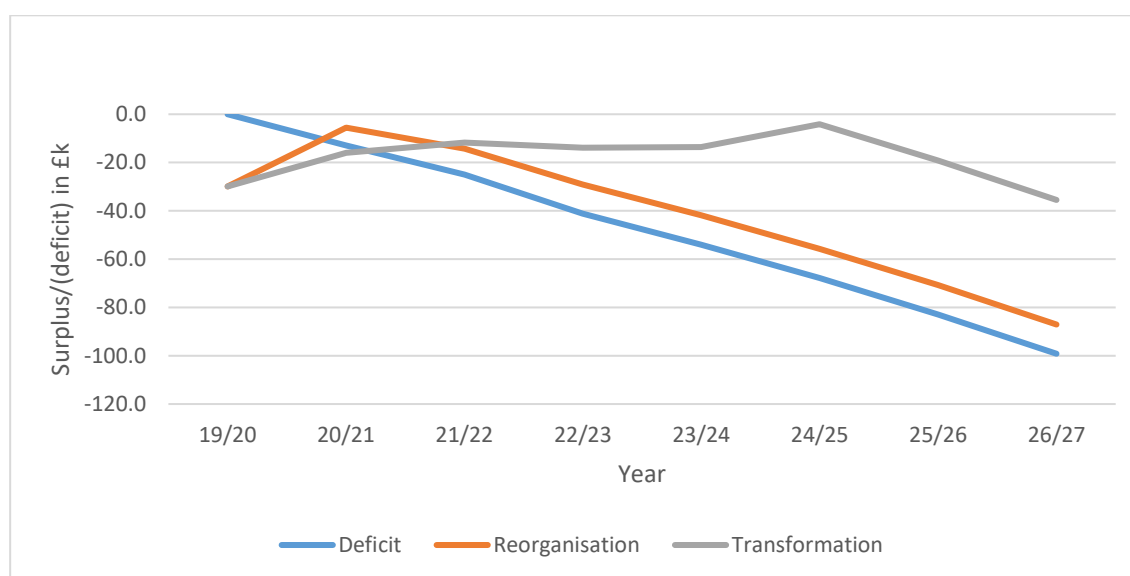
In parallel with this, the new councils will need to use the signalling of a new start to throw the importance of scrutiny into relief. The economy of scale achieved through creation of one core of elected members in each authority, in a single electoral cycle, will make it easier to create a systematic approach to member training and development, including about scrutiny. It could complement training in digital skills - helping members to understand how to engage with the views of residents and represent their concerns through effective scrutiny.

1.5.4 Sustainable structures

The vision of reorganisation as a building block from which to launch transformed local government services and wider local public service reform is rooted in a desire to deliver sustainability. This recognises that simply reorganising the existing two-tier system of local government in Northamptonshire to a unitary form will not be sustainable.

The graph below shows that moving towards a sustainable position relies on achieving transformational savings. From an assumption that the unitary authorities inherit a balanced budget position, this shows the projected deficit from figure 3 (derived from early 2018 published MTFPs) and plots this alongside impact of reorganisation alone and reorganisation and transformation (assuming the mid-point of the range is achieved). With successful public sector reform, there is potential to move further towards sustainability.

Figure 7: indicative impact on projected deficit of reorganisation and transformation



The assumption that the unitary authorities inherit a balanced budget position is very important. Without it, the gap between costs and income is too great to build the basic platform of stable new authorities from which transformation and public sector reform can be developed.

The work of the Commissioners is aiming to produce a stable position in terms of deficit, and will involve actions to reduce costs. This must be seen as a pre-requisite for successful reorganisation, but needs to be done in a way that still leaves the new authorities with a legacy of sustainable services.

The next section describes a range of challenges which will need to be addressed to help to maximise the potential for the new councils to set sustainable platforms from which they can undertake transformation and public service reform.

1.6 Delivering reorganisation successfully

To allow stable reorganisation to take place, there are a number of challenges that will need to be discussed with central government to give the establishment of the two unitary authorities any chance of success.

These are divided into four themes:

Beginning with a clean sheet

The projection of future revenue and income from the published early 2018 MTFPs has highlighted persistent and significant deficit forecasts. This position has now worsened with the July 2018 county council section 114 notice highlighting a potential £60 - £70m deficit in the context of a lack of resilience due to depleted reserves. Unless addressed, this position will transfer to the new authorities in 2020/21 and prevent them from setting balanced budgets. It is therefore a requirement that the county council, working with its government-appointed commissioners, ensures a balanced revenue income and revenue expenditure position that can be inherited from day one. This needs to be achieved constructively – cuts need to be applied in a way that does not simply store up further sustainability problems for the new councils.

Transition

Funding the cost of making the transition to two unitary authorities, including costs for redundancies, property reconfiguration and programme management, will constitute a major cashflow stress at a time when large revenue deficits are anticipated. It is understood that government policy is not to provide funds for transition costs. However, in this case some financial flexibility will be needed to ensure a comprehensive transition to unitary platforms, from which further savings and reform can be made.

Transformation

This report emphasises reorganising to unitary authorities alone will not create sustainable services. The future unitaries will need to use restructuring as a springboard to drive transformation in their own services and in pursuing wider public service reform. To do this the new authorities will need investment and the policy and financial support that can come with involvement in national piloting, for example for Integrated Care Systems.

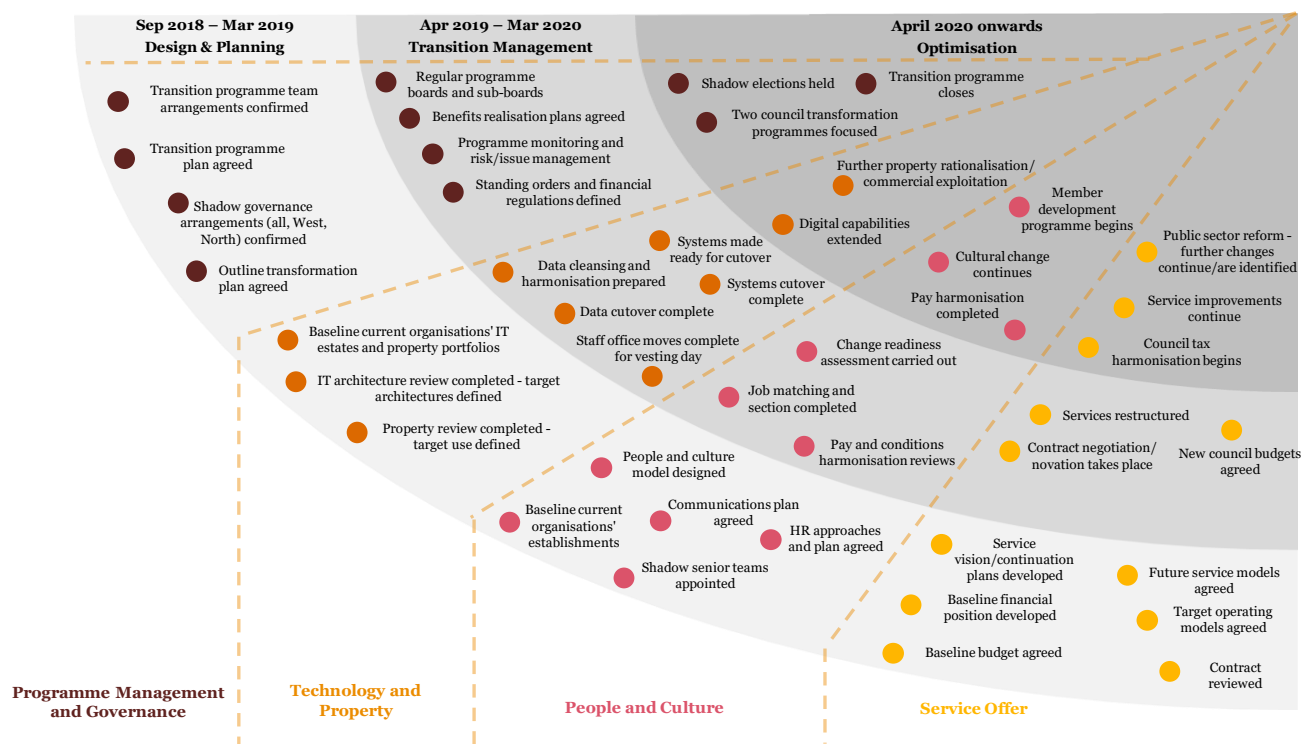
Infrastructure

The county council's financial problems have resulted in cut backs on infrastructure investment and, it has been reported that following the February 2018 s114 direction, projects have slipped. In this context, the Northamptonshire councils are committed to working with government to secure Housing and Growth deals in order to secure infrastructure capacity and to push forward stretching targets.

1.7 Next steps

There will be a significant implementation challenge to a Northamptonshire reorganisation which will need to be planned on an 18 month timescale, against the background of very significant financial pressure. The diagram below shows a high level roadmap for local government reorganisation. Planning work will continue directly after submission of the councils' proposals. The principal workstreams and milestones are indicated on the diagram on the following page:

Figure 8: A roadmap detailing the principal workstreams and milestones of transformation



Given the uncertain starting position and compressed timescale, there are significant risks associated with transition. Key risks include:

Figure 9: major transition risks

Ref	Description	Mitigation
1.	The focus is put on reorganisation alone, when its real value is in being a catalyst for transformation and public service reform which are the only real solutions that can lead to sustainable services for Northamptonshire.	Ensuring in design and during transition that a focus is retained on transformation as being the only way to bring about sustainable services for Northamptonshire.
2.	New unitary authorities inherit existing deficit and cannot begin with a revenue neutral position.	As part of unitary submission to government, emphasise importance of Commissioners establishing a revenue neutral position at the county.

3.	Existing deficit exceeds savings achievable in the short to medium term through establishing unitary authorities.	<p>Leaders' and Chief Executives' LGR Executive Group to be kept closely informed of financial position and of Commissioners' findings.</p> <p>Early engagement with partners to reset partnership delivery requirements, especially to support sustainability of social care.</p>
4.	County council action to address severe deficit prior to launch of new unitary leads to service cuts of such severity that unsustainable services will be passed on to the new unitaries, and a loss of prevention work now will store up major problems over the medium term.	Districts and borough to consider what practical support they can give.
5.	Loss of experienced staff during transition.	Clear communication to staff about plans and progress, emphasising the opportunities for capable, committed and ambitious staff.

2. Introduction

The analysis in this document has been commissioned by the seven district and borough councils and the county council in Northamptonshire. It is an analysis which responds to unprecedented loss of budgetary control at the county council, which has led the Secretary of State to invite the local authorities in the county to submit a proposal to restructure to a single local government tier. The districts and boroughs have been clear that they would not be making a collective proposal for unitary local government without the Secretary of State's intervention.

The county council has overspent on its budget since 2016/17 and faces a significant deficit in its future budgeting. In February 2018, the council's section 151 officer issued a notice under section 114 of the Local Government Finance Act 1988 imposing spending controls because of the risk of not balancing the budget. Later in February, the council's external auditors, KPMG, issued an advisory notice of the risk of an unlawful budget. At the end of March 2018, government appointed inspectors produced a report which found that the county council had failed in its duty to provide "Best Value" in the delivery of its services.

This was a significant and adverse finding and the inspectors advised that a "new start" would be needed to re-establish credible and financially sustainable local government in the Northamptonshire area. The inspectors recommended a move to a unitary form of local government for the Northamptonshire area and argued that this should be on the basis of two new unitary authorities, one for the West and one for the North of the county area. In parallel, the government has also appointed commissioners to oversee the operations and finances of the council. Further work on the financial situation of the county council has led to the issuing of a further section 114 notice, identifying the likelihood that the council will need to find between £60m and £70m savings in the 2018/19 budget.

PwC has prepared this analysis for the councils in order to support the proposal they will submit in response to the Secretary of State's invitation. It has been developed with the seven district/borough councils and the county council, and is based on restructuring to the two unitary, West and North Northamptonshire, model as recommended in the Best Value inspection report.

This is much more than an assessment of local government reorganisation. Northamptonshire has a range of demographic and attainment challenges, as well as excellent prospects of economic growth. In addition to the county's major financial challenges, there is an enduring context of tight funding for other public services, and for the district and borough councils. Simply reorganising to two unitary local authorities cannot deliver the "new start" referred to by the inspectors and whilst it can achieve a level of cost savings, in itself, it will not lead to the creation of two new sustainable unitary local authorities. However, reorganisation does offer the chance to drive transformation in the way that local government services are delivered to residents across Northamptonshire. For a more significant investment than the transition costs of reorganisation, this could reduce cost and complexity and maximise the effort devoted to frontline services. If properly resourced, it could also be a platform from which to build a programme of local public service reform in which there is a drive to much more integrated service provision between local public sector bodies, and could create a renewed cross-agency focus on reducing demand.

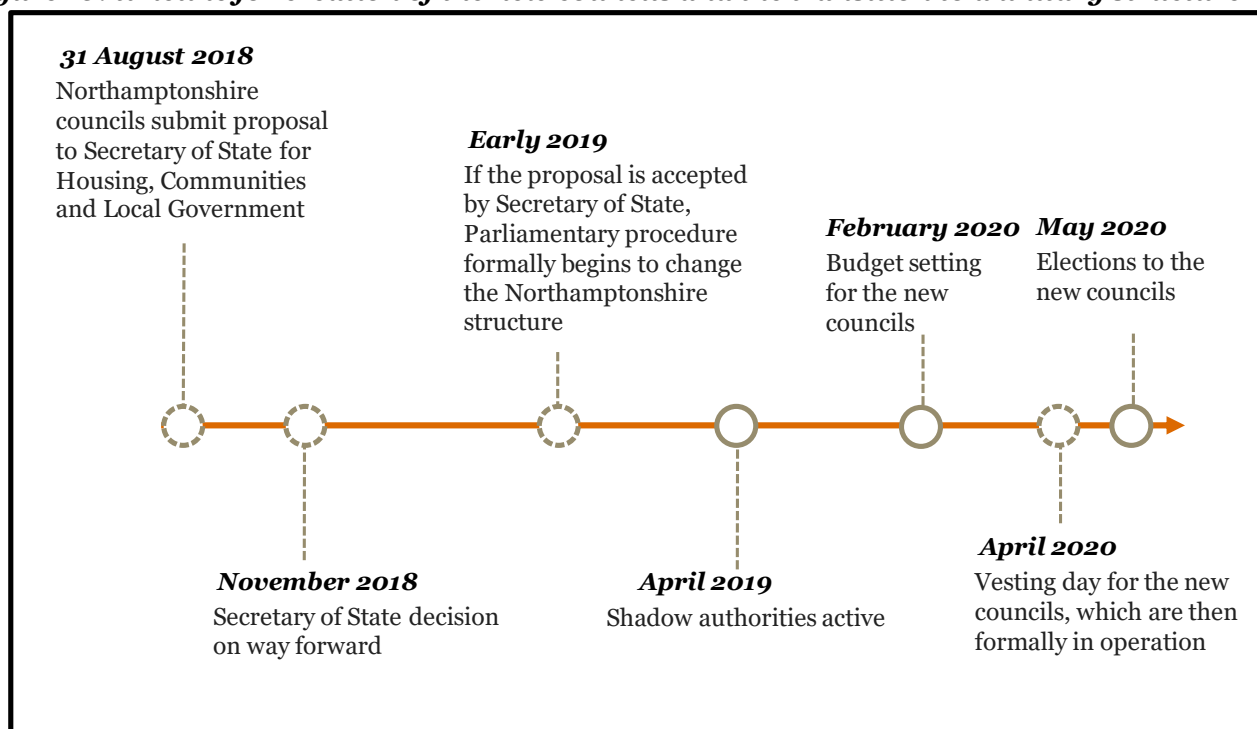
This document analyses the opportunity reorganisation creates for local government reform in Northamptonshire, which is needed to secure sustainable local public services in a context of the widening gap between demand and resources. It is also clear that, unless the significant financial problems can be addressed, there is a risk of creating two new organisations that are significantly challenged financially from the outset and cannot build the capacity and culture to capitalise on the opportunity to make a change in local public service delivery. This is one of several challenges where the councils will need to work with central government in

order to ensure a stable platform from which operate successfully and to push into wider local government and local public service reform.

Timetable

The assumption in this analysis is that the new unitary authorities would come into being in April 2020. The graphic below shows the key events and activities to the first elections, which it is assumed would take place in May 2020.

Figure 10: timeline for creation of the new councils and the transition to a unitary structure



2.1 Purpose of this analysis

The document is structured to show how it responds to the requirements in the guidance issued by the Secretary of State⁵ on 27th March 2018.

The guidance highlights five key themes in the context of the expectation that the new authorities will deliver **improvement**. The reorganisation should:

1. Improve local government and service delivery.
2. Give greater value for money.
3. Generate savings.
4. Provide stronger strategic and local leadership.
5. Provide more sustainable structures.

Three other considerations are described in the guidance.

⁵ <https://www.gov.uk/government/publications/northamptonshire-councils-invitation-to-restructure>

Structure and size. Reorganisation should be based on credible geography where each proposed unitary authority has a population substantially in excess of 300,000. The proposal should also take into account the March 2018 Best Value inspection report and its recommendation of the two unitary (West and North) model.

Local support. The reorganisation should command a good deal of local support. In parallel with preparation of this proposal, the councils have consulted the public. They are submitting a separate report of the findings of the consultation.

Growth. The proposal should take into account the wider growth context for Northamptonshire, specifically the authorities' potential contributions to the Cambridge - Milton Keynes - Oxford Corridor and the potential for agreements with government for ambitious housing delivery, above the level proposed in the government's Local Housing Need assessment.

2.2 Approach

The Northamptonshire councils have commissioned and supported the development of this analysis, and the separate consultation exercise, through an Executive Group comprising the council Leaders and Chief Executives, meeting approximately every two weeks. In addition, the Chief Executives met together fortnightly as a senior officer steering group. These structures remain in place to steer the next phases of preparatory activity.

The councils commissioned PwC to produce this analysis. The approach to developing it was in three main stages:

- Building a shared understanding of the context, priorities and appetite for change/transformation.
- Analysis and evaluation of strategic benefits.
- Report development and implementation planning.

Key inputs to this work have been:

- Desk research and analysis. All local authorities were asked to provide data covering budgets and medium financial plans; establishments; third party spend; income; information technology in use; assets; and a range of qualitative material covering performance and strategy.
- Workshops with the council Leaders and Chief Executives and a session with representatives from a range of local partner organisations (health, police, voluntary and community sector).
- Additional sessions with service representatives and local partner organisations.
- Interviews with a range of senior council officers. These included the section 151 officers from each council, the Director of Adult Social Care and the Director of Children's Services.
- Thematic workshops with a range of service representatives.
- Application of data and insight from other authorities.
- Validation sessions with the councils' chief finance officers.

This document has been reviewed and noted by each submitting local authority's full council as part of their approval process for the proposal to the Secretary of State.

2.3 Structure of this document

Figure 11: an overview of the key sections contained within this document



3. The approach to local government reform

Reorganisation to two unitary authorities would not have been proposed by the Northamptonshire councils without the intervention of the Secretary of State. However, there has been previous consideration of reorganisation. Previous county council leadership expressed support for a unitary county in late 2016. Northampton Borough Council held an Extraordinary Council meeting in May 2018 in which it reversed a previous resolution from January 2017 in favour of a unitary Northampton Borough on slightly expanded boundaries. All seven districts/boroughs commissioned Deloitte in 2017 to carry out a study of strategic options for the future of public services in the area.

However, all the authorities recognise the extreme circumstances and urgent need to restore financial sustainability and residents' confidence in local government. They are responding to the Secretary of State's invitation by creating a constructive proposal for the improvement of public service delivery in Northamptonshire. Accepting that that is the origin of the proposal, the councils intend to ensure that reorganisation is used as a real opportunity to mark a change in the way that local government is delivered and the way that public service organisations work together in the county.

The section describes:

- The current and future challenges facing the county area.
- The current structure and challenges for local government in Northamptonshire.
- An overall approach and vision for local government reform and how it can work other local public services.

3.1 What are the Northamptonshire area's opportunities and challenges?

Northamptonshire stands to benefit from its considerable economic potential. It is part of the East Midlands region yet it is also close and well connected to London and the South East. This offers an attractive environment to business and gives a wide employment catchment to residents. It is truly an area of growth and significant parts of Northamptonshire were identified by the National Infrastructure Commission as sitting in its Cambridge – Milton Keynes – Oxford Corridor.

However, this picture of growth sits alongside significant challenges:

- **Deprivation:** overall 16.1% of the Northamptonshire population live in the 20% most deprived areas of England, with highest concentrations in Corby, Northampton and Wellingborough.
- **An increasing number of older people:** a projected 62% growth in those aged 75 and above by 2030 compared to a rate of 42% for England as a whole.
- **Educational attainment:** fewer children in secondary schools rated as “outstanding” or “good” than the English average and more pupils in secondary schools rated as “requires improvement” or “inadequate” than the English average.

This must also be placed in a context of a diverse area with a large county town (Northampton); an industrial town that has undergone significant recent economic regeneration (Corby); several market towns with a large rural hinterland of small towns and villages. Both new unitary authorities will contain a mix of urban and rural settings which will inevitably create challenges about ensuring fair access to services for residents living in the different settings.

In order to set the context for assessment of the opportunity the unitary proposal creates to improve outcomes, this section gives more detail about the county's opportunities and challenges under five headings:

- Economy.
- Infrastructure, housing and environment.
- Health and wellbeing (including adult and children's social care).
- Education and skills.
- Community safety.

3.1.1 Economy

The Northamptonshire economy has significant advantages, and is capable of performing strongly in comparison with neighbouring areas. A study showed that the area had the joint highest number of new business start-ups per 10,000 residents in the UK in 2014, on a par with London⁶. There are sectoral strengths in engineering, logistics and storage and food and drink. The West area has a particular strength in high-performance engineering, with a major centre at Silverstone. There is a higher proportion of manufacturing employment in the North area, notably in Corby. Both West and North areas have large rural areas, where agriculture and tourism are important. Northampton is a hub for business services. SEMLEP's Northamptonshire Growth Hub⁷ has funding to March 2019 to promote research and innovation among small and medium sized enterprises in several key sectors, notably high performance technologies; agri-tech including food and drink; creative; and cultural industries and logistics. Economic growth is shown through growth in business rate income in both West and North Northamptonshire since 2013/14. Average household income has also increased at a higher rate than the national average since 2008⁸.

However, the economy does face challenges in maintaining growth and building on its potential. The proportion of Local Super Output Areas (LSOAs) across Northamptonshire classified in the 20% most deprived in England is below average. But there are disparities between districts: in the West area, while more than 50% of the population of South Northamptonshire lives in the 20% least deprived LSOAs, Northampton has 27.7% of its population in the most deprived 20% of English LSOAs. In the North area, East Northamptonshire has one LSOA in the most deprived 20% but Corby, and Wellingborough have over 20% (see Figure 12 below). Northamptonshire as a whole has a lower level of unemployment than the average across the UK, with 2018 claimant count statistics showing a figure of 1.8% in Northamptonshire compared with 2.1% across England, although these rates do vary significantly between districts (see Figure 12).

⁶ 'Northampton now UK's number one town for new business creation', August 2017

<https://www.northamptonshiregrowthhub.co.uk/2017/08/northampton-now-uks-number-one-town-new-business-creation-beats-london/>

⁷ <https://www.northamptonshiregrowthhub.co.uk/support/innovate-northamptonshire/>

⁸ ONS Regional gross disposable household income by local authority, May 2018

Figure 12: % population living in LSOAs⁹ classified in the most deprived 20% of LSOAs nationwide¹⁰ and the claimant count

Council Area	% population in most deprived 20% of country	Claimant Count (%)¹¹
Corby	27.1	3.1
Daventry	4.8	1.9
East Northamptonshire	1.9	1.2
Kettering	13.9	1.9
Northampton	27.7	2.0
South Northamptonshire	0.0	0.7
Wellingborough	22.8	2.1
Northamptonshire	16.1	1.8
Future West unitary area	16.7	1.7
Future North unitary area	15.3	2.0

The large amount of rural areas present their own economic challenges: the 2016 SEMLEP Plan for Rural Northamptonshire identified areas of rural deprivation across the county, as a result of low wages and a lack of business growth in these areas. While the plan presents priorities for rural areas including ensuring business support for rural businesses, and attracting a younger workforce back into rural areas¹², supporting rural employment and need for associated infrastructure and affordable housing remains an important challenge for the local authorities and their partners.

The North Northamptonshire Joint Core Strategy lists priorities for promoting economic prosperity as facilitating the right mix of employment opportunities, creating sustainable employment sites, and safeguarding the tourism industry and cultural assets¹³. The West Northamptonshire Joint Core Strategy emphasises town centre regeneration and the need to diversity employment opportunities, especially in rural areas¹⁴. Both areas have clear plans for ensuring sufficient provision of employment land, with West Northamptonshire looking to the SEMLEP Northampton Waterside Enterprise Zone and twelve Sustainable Urban Extensions combining living space and employment land¹⁵, whilst the North Northamptonshire Joint Core Strategy acknowledges an over-supply of employment land, presenting opportunities to focus on regenerating older sites¹⁶.

The fact that Corby, East Northants, and Kettering all experienced fluctuations in in Gross Value Added (GVA) per head between 2008-2015 (see Figure 13) points to the challenges of sustaining economic growth.

⁹ Geographical areas across England with a minimum population of 1,000 and an average of 1,500

¹⁰ MHCLG English indices of deprivation 2015 (file 7, All ranks, deciles and scores for the indices of deprivation, and population denominators)

¹¹ Regional labour market: Claimant Count by unitary and local authority, June 2018

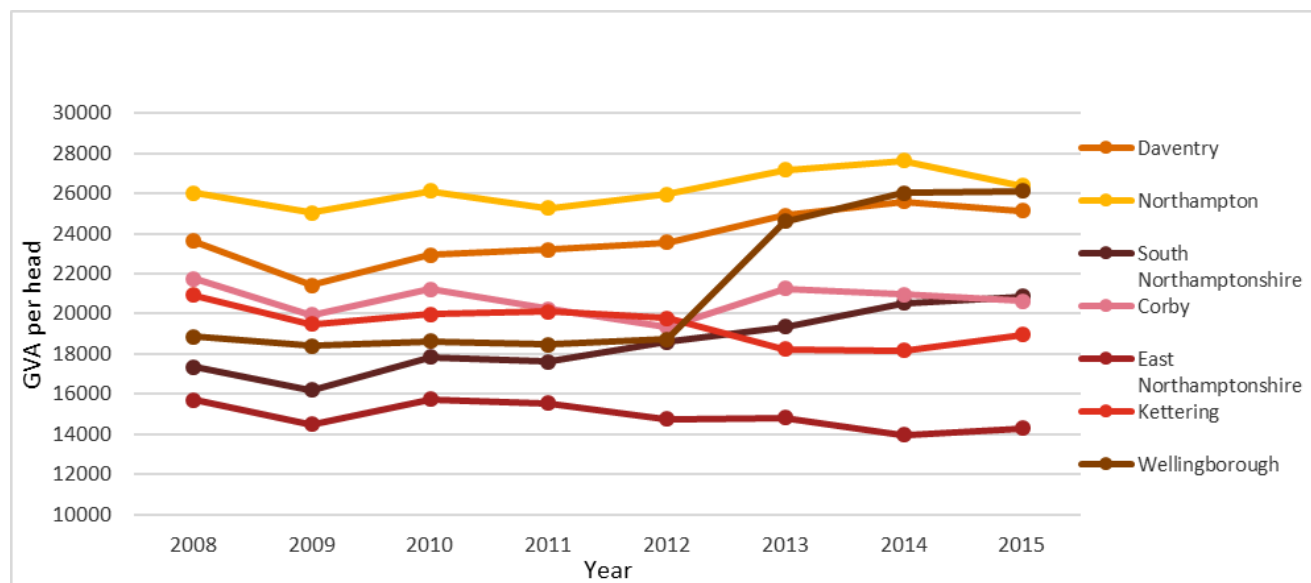
¹² Rural Northamptonshire: A Plan, September 2016

¹³ North Northamptonshire Joint Core Strategy 2011-2031, July 2016

¹⁴ West Northamptonshire Joint Core Strategy Local Plan, Dec 2014

¹⁵ West Northamptonshire Joint Core Strategy Local Plan, Dec 2014

¹⁶ North Northamptonshire Joint Core Strategy 2011-2031

Figure 13: growth of GVA per head¹⁷ for districts and boroughs (2008 - 2015)

3.1.2 Infrastructure, housing and environment

Northamptonshire possesses relatively good connectivity with London and areas to the north, with rail connectivity to the north and south on the West Coast mainline, and in the east of the county with East Midland Trains. It also has major links by road. There are weaknesses in that the north – south rail link is less frequent than for other nearby centres on the West Coast mainline and there is limited East-West public transport. Limited road access to Northampton town centre has been cited as a driver of businesses to locate themselves in business parks outside of town¹⁸. The amount of daily commuting in and out of Northampton has also been cited as a significant driver of high congestion in the area¹⁹. Addressing these infrastructure weaknesses is important for enabling effective links with neighbouring areas and make Northamptonshire a more appealing destination for businesses and investment and thus to underpin the growth agenda.

There is also a need to link rural and urban areas more effectively. The SEMLEP Strategic Economic Plan refers to a DEFRA report which states that the two key enablers for high economic performance in rural areas are the proximity to local population centres, and the quality of local broadband²⁰. More effective physical infrastructure decreasing travel times between urban and rural areas in the county could bring more business to rural areas, and encourage rural firms to increase exports of goods produced. In terms of digital connectivity, the Northamptonshire Local Economic Assessment (2015)²¹ rates Northamptonshire's superfast broadband availability, and median download and upload speeds of fixed broadband as broadly similar to the national average. In order to build on this, and support its rural areas, an ambition in the West area draft Housing and Growth deal is to engage with DCMS on the deployment of the Local Full Fibre Networks project and becoming a test bed for 5G coverage²².

¹⁷ ONS Regional GVA by local authority in the UK, 2015

¹⁸ Oxford, Milton Keynes, Cambridge, Northampton Growth Corridor: National Infrastructure Commission Strategy Assessment Report, November 2017

¹⁹ Oxford, Milton Keynes, Cambridge, Northampton Growth Corridor: National Infrastructure Commission Strategy Assessment Report, November 2017

²⁰ South East Midlands: Where Innovation Fuels Growth - Strategic Economic Plan, 2017

²¹ The Northamptonshire Local Economic Assessment, March 2015

²² Towards a Growth Deal for West Northants, April 2018

A further but very important context for consideration of infrastructure is that the county council's financial problems have resulted in cut backs on infrastructure investment with resultant impact for example of roads maintenance.

Since 2002, there has been a sharp increase in house price to earnings ratios across Northamptonshire, with a county-wide average increase in these ratios of 70.1% compared with the national average of 54.8% (see Figure 14). As an illustration of this, the median house price in Northamptonshire has risen from £85,000 in 2002 to £200,000 in 2017. This shift has primarily been driven by house prices in Corby (£48,000 to £157,250), Wellingborough (£74,000 to £175,000), and Northampton (£82,000 to £185,000)²³. Combined with a projected increase in population to 2030 (and therefore housing need) which is substantially higher than the national average²⁴, this clearly sets out the increasing need for affordable housing across Northamptonshire.

Figure 14: ratio of median house price to median gross annual residence-based earnings²⁵

Area	2002	2017	% increase
Corby	2.85	6.83	139.6
Daventry	5.56	9.14	64.4
East Northamptonshire	4.49	6.71	49.4
Kettering	4.22	7.11	68.5
Northampton	4.38	7.52	71.7
South Northamptonshire	5.98	8.24	37.8
Wellingborough	4.17	7.96	90.9
Northamptonshire	4.52	7.69	70.1
Future West unitary area	4.98	8.01	60.7
Future North unitary area	4.00	7.14	78.5
England	5.11	7.91	54.8

This must be viewed alongside the wider context of pressures on local services. The Northamptonshire School Organisation Plan 2016-21 outlined the need for 34 new schools with a combined capacity of 17,765 to be built across the county by 2021²⁶, with the potential to put further pressure on infrastructure funding, land availability, and house prices. The increasing population and needs discussed in Section 3.1.3, when combined with growth plans including Sustainable Urban Extensions (SUEs), will also contribute to a need to develop new health infrastructure (new GPs, health hubs and hospital capacity to meet demand²⁷).

The type of housing, as well as the location and the sustainability, must also be taken into account. Changing demographics and concerns over health and wellbeing across Northamptonshire mean that it is more important than ever for the housing supply to cater for all needs, in alignment with the surrounding place, ensuring sustainability and promoting a healthy lifestyle. Elements of support required from government in working towards a Housing and Growth Deal for West Northamptonshire, for example, include a request for support in using housing to generate renewable energy, provide extra support as people age, and the development of a garden settlement²⁸.

²³ ONS Median house prices for administrative geographies, June 2018

²⁴ NOMIS Population Projections, May 2018

²⁵ ONS House price to residence-based earnings ratio, April 2018

²⁶ Northamptonshire School Organisation Plan 2016-21, Sep 2016

²⁷ See for example analysis in: Quod North Northamptonshire Health Study, Jan 2018

²⁸ Towards a Growth Deal for West Northants, April 2018

Northamptonshire's environment is characterised by sites of biological, geological, and man-made interest. There are currently 57 'Sites of Special Scientific Interest' across the county²⁹, and seven Special Landscape Areas³⁰. This natural capital can exert significant positive effects on health, and attract investment to Northamptonshire through tourism and a study³¹ has given a value to the natural capital of the Nene Valley Improvement Area (NIA). In light of the significant increases in population and therefore housing projected for the near future, it will be increasingly important that this natural capital is taken into account, in order to support sustainable economic growth and prosperity, ensuring growth fits into a wider context that provides attractive and healthy locations for people to live.

3.1.3 Health and wellbeing

The evidence relating to the benefits of improved health and wellbeing is clear and nationally accepted. The health and wellbeing of the population can have significant impacts on delivery partners across all sectors in terms of their finances, operational performance and most importantly in terms of outcomes for people. Within Northamptonshire, there has been a sustained and rapidly increasing pressure felt by local health and social care services.

By 2030, Northamptonshire faces projected increases of 62% in the population aged over 75 and a 59% increase in those aged over 85 - larger than the projected whole of England increases. The proportion of the working age population is also forecast to decrease to only 58.9% by 2030³². In recent years there has also been an increase in the number of younger adults (26-35 year old specifically) receiving adult social care services as people with learning and physical disabilities are now living longer and with more complex conditions.

The age profile and trajectory is a challenging one for the County given that 95% of all hospital admissions are now for the over 65s (and mainly over 75s) and 50% of all over 75s live alone. The county also faces a shortage of care in rural areas, a shortage in nursing care and needs to develop more options to support people in accommodation that can meet changing and escalating needs. The county council has estimated near 100% increases in requirements for supported accommodation facilities for older people over the next 20 years to match this level of population growth³³.

These projections of significant demand pressures sit alongside the need to reduce spend year on year. In Northamptonshire, spending on adult social care as a proportion of the council's net budget has reduced from 49.0% in 2011/12 to 36.9% in 2017/18³⁴ with the council spend in 2017/18 being the 24th lowest of the 27 shire counties. Proportionately, spending on older people is high: spend per head on adults aged 65+ ranked 5th out of 27 counties, and in 2016/17, the county council spent £529,000 per 1,000 people over 65 compared to an average of £381,000 across the East Midlands³⁵.

Spend on children in care was the highest per head of 0 – 19 population of English counties in 2017/18, and third highest per child in care³⁶. The referral rate per 10,000 children was 86% higher than the average county council in 2016/17³⁷, but performance monitoring shows it has reduced substantially in 2017/18, although the

²⁹ <https://designatedsites.naturalengland.org.uk/>

³⁰ A Review of Special Landscape Areas in South Northamptonshire

³¹ Mapping Natural Capital and Ecosystem Services in the Nene Valley, Natural Capital Solutions, October 2016

³² NOMIS Population Projections, May 2018

³³ NCC Older People's Needs Assessment, September 2015

³⁴ Internal Northamptonshire County Council Business Intelligence & Project Management analysis, May 2018

³⁵ Internal Northamptonshire County Council Business Intelligence & Project Management analysis, May 2018

³⁶ Internal Northamptonshire County Council document, using DCLG 2017/18 revenue account data and 2016 population estimates

³⁷ LGInform, using DfE statistics

rate of re-referrals within 12 months remains high³⁸. The rate for children looked after was also above the English county council average in 2016/17 and just above the East Midlands average. For children in need, Northamptonshire was above the 2016/17 English county average, but below the East Midlands average³⁹. Northamptonshire ranks 9th worst out of the 27 English counties in the Income Deprivation Affecting Children Index (IDACI)⁴⁰. It also has a particular problem with high numbers of unaccompanied asylum seeking children.

The situation with regard to health services is similarly challenging. The Northamptonshire Sustainability and Transformation Plan (STP)⁴¹ estimates the system deficit across all health and social care partners is currently £41 million (as of 2016), rising to £230 million by 2021. This is partially due to increases in demand for urgent care by between 4 and 5% a year (but 13% higher in the over 65s), and lifestyle factors, notably a 19% rate of smoking and the fact that two out of three people are overweight. Both factors are higher than the national average.

A recent Care Quality Commission system review report⁴² has assessed interfaces between health and social care in the county following a request by the secretary of state and concerns over delays in getting people out of hospital (so called delayed transfers of care - DTocS). This has identified several weaknesses in the system and the ways partners worked together which lead to twice as many older people being admitted to hospital in the county and care homes being three times more likely to admit older people. The report highlighted the need to undertake more community and prevention work and to grow the existing successful schemes to support people in their own homes or to recover outside a hospital setting. The report noted a new optimism in the system associated with recent resetting of the STP, through the Northamptonshire Health and Care Partnership. Overall, however, it points towards a need for a greater and more integrated commissioning focus; more collaboration including through systems; and cultural change to encourage a whole system workforce approach.

The Joint Health and Wellbeing Strategy for health and care services across Northamptonshire highlights that rural areas have better health and wellbeing outcomes, despite limited access to support services, whilst urban areas have higher concentrations of poor health, wellbeing and deprivation. As both new unitary areas will have a mix of urban and rural areas, this is an important context point.

3.1.4 Education and skills

The education system across Northamptonshire has been the subject of significant scrutiny. In June 2016, Ofsted wrote to key stakeholders across Northamptonshire, expressing concern about the quality of education in the area. This letter stated that there were “too many early years providers and schools of all types and phases that are not good enough”, with this displaying a negative effect on disadvantaged children in particular. This was highlighted as a “systemic underperformance” given that many primary and almost all the secondary schools in the county are academies⁴³.

The last publicly available data shows the proportion of children in outstanding schools across the county is below the national average, whilst the proportion in schools rated as “requires improvement” or “inadequate” is

³⁸ NCC Corporate Performance Report, January to March 2018,

³⁹ LGInform, based on DfE statistics

⁴⁰ LGInform, based on MHCLG data

⁴¹ Northamptonshire’s Sustainability and Transformation Plan (STP): How We Will Support Local People To Flourish?

⁴² CQC Northamptonshire Local System Review Report, published July 2018

⁴³ ‘Concerns about the quality of education in Northamptonshire’, June 2016,

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/527715/Chris_Russell_s_letter_to_Northamptonshire_June_2016.pdf

more than double the national average⁴⁴. The proportion of the population living in LSOAs classified as being located in the 10 and 20% most deprived for education, skills and training is above the national average in Corby, Northampton and Wellingborough⁴⁵. The most recent national figures (for the year 2015/16) show the percentage of pupils achieving the English Baccalaureate is slightly lower than the national average, and the percentage of pupils achieving A*-C in English and Maths GCSEs was at 59.7% compared to a nationwide average of 63.3%⁴⁶. However, the most recent county council annual performance report (published in March 2018) indicated improvement, with the percentage of pupils attaining the English baccalaureate comparable to the national average and the number of pupils achieving grade 9 – 4 in English and maths as above national average, though lower than the comparator group.

Figure 15: the proportion of pupils attending secondary schools as categorised by most recent Ofsted rating⁴⁷

Area	'Outstanding' (%)	'Good' (%)	'Requires improvement' (%)	'Inadequate' (%)
Corby	31.6	0.0	68.4	0.0
Daventry	0.0	57.3	16.6	26.1
East Northamptonshire	0.0	76.3	0.0	23.7
Kettering	17.3	43.2	39.5	0.0
Northampton	24.8	33.5	29.9	11.7
South Northamptonshire	18.4	63.4	18.3	0.0
Wellingborough	25.4	29.0	22.3	23.4
Northamptonshire	18.7	41.8	29.1	10.4
Future West unitary area	17.9	47.1	23.8	11.1
Future North unitary area	19.5	35.6	35.3	9.6
England	25.4	56.2	14.3	4.1

In addition to challenges in education, the working age population across Northamptonshire also tends to be less skilled. The 2015 UK Commission on Employment and Skills employer skills survey for 2015 shows that Northamptonshire area has a lower representation of employment in higher skilled occupations (30%) compared with the national average UK (36%).⁴⁸ The same survey identifies that the percentage of job vacancies that are hard to fill is above the national average, and that 28.3% of job vacancies were skills shortage related (compared with 22.6% for England). 91.6% of employers affected by skills shortage vacancies reported that this was having an impact on the business. Nevertheless there has been growth in the last 10 years in the percentage of the population in the county qualified to NVQ level 4 or equivalent (which includes first degree level). In 2017 this was at 35%, above the East Midlands and just below the English average⁴⁹.

⁴⁴ DfE Education statistics by LA district and pupil disadvantage, Oct 2017

⁴⁵ MHCLG: All ranks, deciles and scores for the indices of deprivation, and population denominators, May 2018

⁴⁶ DfE Education statistics by LA district and pupil disadvantage, Oct 2017 (Secondary school attainment data tables).

⁴⁷ DfE Education statistics by LA district and pupil disadvantage, Oct 2017 (School quality data tables)

⁴⁸ NCC Place Statistical Bulletin 2016/03, based on the UK Commission for Employment and Skills Survey 2015

⁴⁹ Data from LGInform, based on NOMIS.

These figures underline the link between education and skills and the growth agenda. While the growth potential in the area is high, there remains a need to invest and influence the skills agenda to ensure businesses are attracted to the area to complement expected housing increases.

3.1.5 Community safety

Community safety is a very important outcome area which is closely linked to the other themes described in this document. Crime rates affect the level of confidence in the area, with knock on impacts on investment and prosperity. The negative effects of crime and disorder have direct impact on the victims of crime, but also affect the overall wellbeing of communities, for example by discouraging older and vulnerable people from going out and connecting with their communities. A vicious cycle of impacts can also reduce community capacity to build skills and employment in the areas affected.

The English Index of Multiple Deprivation provides one view of the current state of crime related deprivation. 21.3% of the population live in neighbourhoods classified in the 20% most nationally crime-deprived areas, with Northampton, Wellingborough, Corby and Kettering having the highest proportions (see Figure 16). Overall, a slightly higher proportion of the population of Northamptonshire as a whole lives in the most crime deprived 20% of LSOAs than the rate for England. Equally, a slightly higher proportion of the Northamptonshire population lives in the 20% least crime deprived LSOAs than in England as a whole. These statistics take into account violence, theft, burglary, and criminal damage.

Figure 16: % population living in LSOAs classified in the most crime-deprived 10% and 20% of LSOAs nationwide⁵⁰

Area	% population in most crime-deprived 10% of country	% population in most crime-deprived 20% of country	% population in least crime-deprived 20% of country
Corby	10.9	25.0	7.1
Daventry	4.5	6.9	31.2
East Northamptonshire	2.1	6.5	17.3
Kettering	15.3	24.1	19.7
Northampton	21.9	35.9	12.8
South Northamptonshire	0.0	0.0	57.7
Wellingborough	14.8	29.4	16.6
Northamptonshire	12.1	21.3	21.8
Future West unitary area	13.3	21.8	26.8
Future North unitary area	10.7	20.7	15.8
England	10.3	20.5	19.5

One of the key problems currently in Northamptonshire is serious organised crime (SOC) and organised crime groups (OCG), with increases particularly in Northampton, East Northamptonshire and Wellingborough both

⁵⁰ MHCLG English indices of deprivation 2015 (file 7, All ranks, deciles and scores for the indices of deprivation, and population denominators).

from historical gangs based in the areas and infiltration by other gangs from outside the area. A significant proportion of this increase in outside gang activity is based on what is known as “County Lines” and predominantly look to set up drug distribution networks using children and vulnerable people. This in turn is increasing cases of child sexual exploitation, modern slavery and servitude and extreme violence against those involved and the families of those involved in gangs.

There is also a growing problem of “cuckooing”, whereby a drug network uses coercive behaviours to take over the dwelling of a vulnerable person. This is a problem in Northampton and Kettering but progressively emerging in East Northamptonshire and Wellingborough. The Northampton Community Safety Partnership (CSP) has developed based on a specific tasking group, in which relevant partners work together to target specific locations, properties and known organised crime groups. Under the auspices of Operation Viper, the partnership initiative tackling SOC and OCGs, there is potential to replicate Northampton’s model elsewhere in the county.

The joint Northamptonshire Health and Wellbeing strategy identifies a particular concern with a higher than average rate of violent offences and cites that 38% of violent crime in the county is domestic abuse. The priority of tackling violent crime, including domestic abuse is reflected in the local CSP strategies. Other key themes identified by CSPs in the district/borough areas include:

- Reducing crime in targeted areas, creating a healthier and safer environment.
- Reducing anti-social behaviour and hate crime.
- Re-offending, particularly around crimes involving drugs, alcohol and serious acquisitive crime.
- Building stronger and resilient communities that can anticipate and minimise risk and engage with voluntary organisations in priority areas.
- A reduction in violence in the night-time economy.

3.2 The current structure of local government in Northamptonshire

3.2.1 Current structures and delivery models

Northamptonshire is a fully two-tier local government area. Unlike many county areas, previous waves of creation of unitary authorities in the last twenty years has not affected it. However, the reality of day to day organisation of local services follows a much more complex pattern. This has developed as the authorities have sought to work together, with local partners, and as a necessary response to funding pressures that have become acute since 2010.

A key example of authorities working together is in planning and economic development. The districts and boroughs also work closely together, and with business, skills and infrastructure providers on a North and West Northamptonshire basis on joint strategic planning, and increasingly in terms of linkage to the Cambridge - Milton Keynes - Oxford Corridor concept, promoted by the National Infrastructure Commission (NIC). In the north, this is formalised through the North Northants Joint Planning Unit, and both North and West areas have joint core strategies agreed by all the local planning authorities and the county council. The councils also work closely with the business-led Local Enterprise Partnership, SEMLEP, which covers the South East Midlands area.

The councils also have a wide range of alternative delivery models. These include:

- Joint ventures - for example, Daventry and Wellingborough have joint ventures with a private sector partner for waste management and cleansing.
- Arm's length delivery - for example Northampton Borough's housing management is with an Arm's Length Management Organisation (ALMO) called Northampton Partnership Homes.
- A range of outsourcing contracts; in the districts and boroughs this includes for procurement advice and internal audit.
- The county council has operated a wide range of alternative delivery models. These are discussed in section 3.2.2 below.
- Shared services. There is a wide range of shared service arrangements in place:
 - The county council is a partner in LGSS (a public sector shared services provider), along with Cambridgeshire County Council and Milton Keynes Council, and uses the organisation to provide the majority of its back office services, such as HR/payroll, finance, IT, democratic services.
 - Northampton Borough also has a contract with LGSS, but this year is bringing some roles, such as the Director of Finance back in house.
 - There are many examples of shared services in the district/borough councils, including shared IT services, such as between East Northamptonshire and Wellingborough; shared licensing between Wellingborough, East Northamptonshire, Kettering and Daventry; shared legal services (Daventry, Kettering and Wellingborough); and shared streetscene and grounds maintenance between Corby and Kettering.
 - The most far reaching arrangement involves South Northamptonshire District Council which has a staffing structure, estates and infrastructure which is almost entirely shared with the neighbouring Cherwell district in Oxfordshire. This has given the two districts the economy of scale to operate efficiently.

Partnership working with other local public service organisations covers many areas of delivery, in areas such as:

- Health and Wellbeing: the Northamptonshire Health and Wellbeing Board brings together three of the large county responsibilities (adult social care, children's services and public health) in a forum with partners from the NHS, police and voluntary sector, as well as district and borough representatives to set the strategic direction for health and wellbeing improvement.
- Community safety: as required under the Crime and Disorder Act 1998, district and borough councils work with partners to reduce crime and disorder in their areas. Partnerships involve the county council, police, the Police and Crime Commissioner, Fire and Rescue Authority, Probation Service, health representatives and, depending on the locality, the voluntary sector. Daventry and South Northamptonshire have a joint partnership and plan.
- Housing: four of the districts/boroughs no longer own their own housing stock but work in partnership with registered social landlords to meet their statutory obligations. Together, and through their economic and infrastructure partnerships, the councils work with developers, and their own planning teams, to secure delivery of ambitious housing build targets.

Partnership working has been an imperative for local authorities for many years, particularly since the power to promote economic, social and environmental wellbeing was introduced in 2000⁵¹. Joint commissioning and pooled budgets between health and social care has been permissible since the Health Act 1999 and since then the national policy ambition has grown. Since the establishment of Sustainability and Transformation Partnerships in 2016, the aspiration is now for Integrated Care Systems where “NHS organisations, in partnership with local councils and others, take collective responsibility for managing resources, delivering NHS standards, and improving the health of the population they serve”⁵². However, the reality of making deep partnership and mainstream integration happen is very complex. The level of assertion of aspiration to partnerships in strategy documents such as the Northamptonshire Health and Wellbeing Strategy⁵³ testifies to the practical difficulties. Different lines of accountabilities, organisational boundaries, performance frameworks and the need to deal with urgent business as usual make the practicalities of partnership working challenging. The creation of unitary structures offers a route to some degree of simplification of partnership working arrangements. But the fact of reorganising and marking a new start creates a context of change and aspiration which could be exploited to create a new focus on cross agency links, joint use of resources, and planning and commissioning of operational activity.

There is a mixed picture of local council governance and differing extents to which parish and town councils have been established. In the West, there is complete coverage by parish and town councils of the districts of Daventry and South Northamptonshire, but not of Northampton Borough. In the North area, East Northamptonshire is completely parished, but the borough councils in Corby, Kettering, and Wellingborough are not. There are also significant differences between parish councils’ size, capability and appetite to take on responsibilities within districts and boroughs.

3.2.2 The financial position

The origin of this document lies primarily in the financial problems faced by the county council and, at the time of writing, there are uncertainties about this position and the financial starting point it will create for the new councils.

The central points understood at the time of writing that set the context for this document include that:

- The history of financial problems has led the council to cover its liabilities by drawing on reserves and other one off financial sources, which as a result are depleted and need some replenishment. It also has high levels of debt and resultant revenue requirements for interest payments.
- A factor influencing the financial context is the county’s council tax level, measured using the Band D rate, which is lower than the average for county councils⁵⁴.
- The county council has overspent on its budget since 2016/17⁵⁵; there are substantial savings requirements in its current budget and new pressures continue to be identified. The county’s section 151 officer has recently issued a further section 114 notice. This identifies a need to find in the region of £60 million to £70 million of in-year savings in 2018/19. The exact amount will depend on the outcome of the 2017/18 audit as this amount takes into account a 2017/18 unfunded deficit.

⁵¹ Local Government Act 2000 subsequently replaced by the power of general competence in the Localism Act 2011.

⁵² <https://www.england.nhs.uk/integratedcare/integrated-care-systems/>

⁵³ Supporting Northamptonshire to Flourish: Northamptonshire’s Joint Health and Wellbeing Strategy 2016-2020, Northamptonshire Health and Wellbeing Board

⁵⁴ Internal Northamptonshire County Council Business Intelligence & Project Management analysis, May 2018

⁵⁵ Northamptonshire County Council Best Value Inspection, January – March 2018 - table on page 9

- The county's medium term financial plan⁵⁶ also projects a savings requirement of £52.2m for 2019/20 and the section 114 notice refers to the potential for £54m of savings in 2019/20, on top of those required in the current year.

This continually evolving financial situation is not a robust basis on which to plan successor organisations.

The districts and boroughs have their own financial challenges associated with the general financial pressures on local government and uncertainties about future funding. The projections from their medium term financial plans show an aggregate savings requirement for 2019/20 of £1.3m and then £8.3m and £8.7m for the following two years. It is important to note here also that the unitary concept has led South Northamptonshire Council to decide to break its current joint arrangements with Cherwell District Council – this is likely to lead to additional financial pressures, which are at this stage unquantified.

But the scale of district and borough finance, even in aggregate, is much smaller than that of the county. Their total collective annual net expenditure⁵⁷ projected for 2019/20 is £94.6m compared with the county's projection of £475.3m⁵⁸. The county's position is strongly affected by the size of social care spending - whilst spending on children and older people is significantly higher than the national average due to rising need and changing demographics, pressures on funding mean that there is a widening gap between budgets and funding required.

The table below illustrates the collective financial pressures that new unitary authorities would face, extrapolated from published material from early in 2018 and discussed with the s151 officers. This is the most recent data available which allows consistent aggregation across the different authorities for this time period. We have assumed for this illustration that the Commissioners are able to deliver a balanced county budget at the end of the financial year 2019/20, and that districts/boroughs will do the same. This is a significant assumption, especially given the £60 - £70m deficit risk highlighted in the 24th July 2018 county council section 114 notice. There is a risk that some of the existing deficit will carry over and increase the pressure shown here – the associated risks to the unitary authorities are discussed in sections 8.2 and 8.3. The table must also be understood in the context of the notes below it.

Figure 17: projection of financial gap if current structure and spend/income patterns continue

Year	Financial Gap Projections						
	20/21	21/22	22/23	23/24	24/25	25/26	26/27
Net expenditure*	536.4	561.8***	584.4	607.5	631.7	657.2	683.9
Income	523.5	536.7	543.1	553.5	563.9	574.3	584.7
Cumulative gap - status quo**	(12.9)	(25.0)	(41.2)	(54.0)	(67.8)	(82.9)	(99.2)

Notes on figure 17:

*Net expenditure is used here to refer to service expenditure which is not funded by ring-fenced grants.

** Some MTFPs, including the county council, show deficits as in year, and then reduce spend in the following year to reflect necessary savings; and then show only new pressures in the next year. Others show a position that accumulates each year, without savings. In order to show an aggregated position,

⁵⁶ See “Final Revenue Budget Totals 2018-19 to 2021-22”, approved by full council on 28th February 2018: <https://cmis.northamptonshire.gov.uk/cmis5live/MeetingsCalendar/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/3155/Committee/398/SelectedTab/Documents/Default.aspx>

⁵⁷ The term “net expenditure” is used here to refer to service expenditure which is not funded by ring-fenced grants. The projections shown here are from the Medium Term Financial Plans.

⁵⁸ The county amount is the aggregate of the “total budget funding” shown in the MTFP and the “savings to be found” figure, in order to create comparable figures with those for districts and boroughs.

we have agreed with the s151 officers that this table represents a position assuming all deficits are cumulative from 2020/21 (and where necessary, expenditure has been raised to correct for MTFP savings that have therefore been lost from the picture).

***Forecast deficits are treated differently between the county and district/borough MTFPs. Districts/boroughs show a forecast deficit, whereas the county shows “savings to be found”, and expenditure reduced to match this. In order to show comparable data, we have added the county “savings to be found” back to the expenditure.

This table projects a position beyond that shown in the MTFPs for all authorities, so from 2023/24 for all, and for some from 2021/22, figures have been derived by extrapolating from MTFP data.

- The range of alternative delivery arrangements operated by the county council, and referred to in 3.2.1 above, was described as a “Next Generation” approach. Examples include:
 - First for Wellbeing, established in 2016 as a social enterprise, jointly owned with Northamptonshire Healthcare NHS Foundation Trust and the University of Northampton bring joint working and innovation into the health and wellbeing service.
 - Olympus Care Services, a company owned by the county council to provide care and support services adults with disabilities and older people.
 - Children’s First Northamptonshire - currently a limited company exists for putting children’s services into an arm’s length vehicle. However, the original intention to use it as a vehicle for provision on an outsourced basis are on hold.

The model was for a small commissioning and democratic core of the council to work with four arm’s length delivery vehicles, which would have the flexibility to generate additional revenue to support mainstream services. Two of these arrangements – Olympus Care Services and First for Wellbeing - are in the process of being liquidated and returned in house in the 2018/19 financial year.

The Best Value report strongly criticised the level of financial scrutiny given to the setting up of these arrangements they received. There is reference to a culture of overspend and where scrutiny was at times discouraged. These are highlighted as a major contributory factor to the council’s non-compliance with Best Value. Making reference to this background in this document is not intended to add further criticism to the county council. However, it sets a very important backdrop and led to the reference to the need for a “new start” for local government services in Northamptonshire.

This overview of the financial position sets an important context point for this report: reorganising structures alone cannot realistically address the financial challenges. Indeed, it potentially risks only redistributing the existing financial instability across two new organisations. Steps will be needed to address the existing cost and income challenges. Beyond that, deeper change and reform in the way in which local government and the public sector works in the Northamptonshire area will be needed to address overall sustainability.

3.3 What would reorganisation achieve?

The Best Value report’s reference to a “new start” for the residents of Northamptonshire is couched in terms of delivering “confidence and quality in the full range of local government services”.

Simply reorganising to two unitary local authorities cannot on its own deliver the “new start” referred to by the inspectors. It can only be a building block. As a building block, reorganisation could create circumstances that are conducive to resetting the relationship between local government organisations, their residents and other

part of the public sector. By reducing the number of councils, there is the potential to benefit from economies of scale, reduce duplication and to clarify responsibilities to local people. Following the last wave of reorganisation in 2009, Cornwall Council has been able to assert itself as a more strategic voice for the county; Cheshire East has taken a lead in creating a place-based approach to local public service delivery, with a design centred on the needs of the customer; and Shropshire has used reorganisation to drive a commercial approach.

The opportunity can be seen as involving three levels of change. All are linked but the difference between the outcomes they could achieve needs to be understood as background to the analysis of the potential to improve outcomes and services in section 4.

The three levels are described below:

- **Reorganise:** this refers to the basic change to the structure of local government. This is a big change in terms of the institutional and democratic structures of local government. However, in terms of delivering outcomes, it is an enabling change. Bringing together services that are currently split between county and districts/boroughs into two new all-purpose councils provides potential for greater economy of scale and a basis for tighter working between services and a more strategic view across a larger geographic area. However, it is likely reorganisation in itself would not significantly change the way in which councils operate.
- **Transform:** this means using the opportunity of merging local government services into two unitary authorities as the springboard to deliver a 21st century model of local government. Between the existing councils, much has been achieved in terms of modernising their ways of working, but reorganisation gives a basis to drive the very best practice consistently across the whole area and to deliver a genuine transformation of the way in which local government in Northamptonshire operates. If properly resourced, the new councils will have the opportunity to be more efficient by reducing duplication and simplifying and standardising their processes. Digital technology and exploitation of data assets through analytics would offer faster ways for people to connect with the councils and for the councils to sense and respond to their needs. New agile ways of working would give flexibility to employees to spend more time delivering front line services and make the new councils an attractive place to work.
- **Public service reform:** people's needs span organisational boundaries. Whether it is dealing with anti-social behaviour or ensuring a managed transfer of care from hospital to home, it is the outcome that matters to people, not which organisation delivers the solution. Although partnership is an established way of working, public service reform now requires a focus on the aspects of cross agency links which are the hardest to achieve: shifting resources to preventative services and interventions; bringing operational activity together to manage demand in a more holistic way; and consistently linking the ambitions of public service providers to the ambitions for Northamptonshire's people and communities. A major change like local government reorganisation could offer the opportunity to review and reset the relationships and to build a programme of public service reform.

3.4 The proposed future local government structure

The councils in the Northamptonshire area have identified a future structure *for two new unitary authorities*. They would be formed as follows:

Figure 18: 2018 population projections for new unitary areas⁵⁹

West unitary authority		North unitary authority	
Existing district/borough	Population	Existing district/borough	Population
Daventry	82,008	Corby	70,706
Northampton	228,687	East Northamptonshire	92,766
South Northamptonshire	91,301	Kettering	100,753
		Wellingborough	79,389
Total population	401,996	Total population	343,614

The rationale for this structure reflects the government’s guidance, which includes reference to the need for the population to be substantially in excess of 300,000. While there are several unitary options for Northamptonshire in theory, only one meets the guidance. This report therefore assesses the two unitary West and North area option, and this option has also been the focus of the parallel consultation exercise.

Figure 19: a summary of the range of options for a unitary structure in Northamptonshire

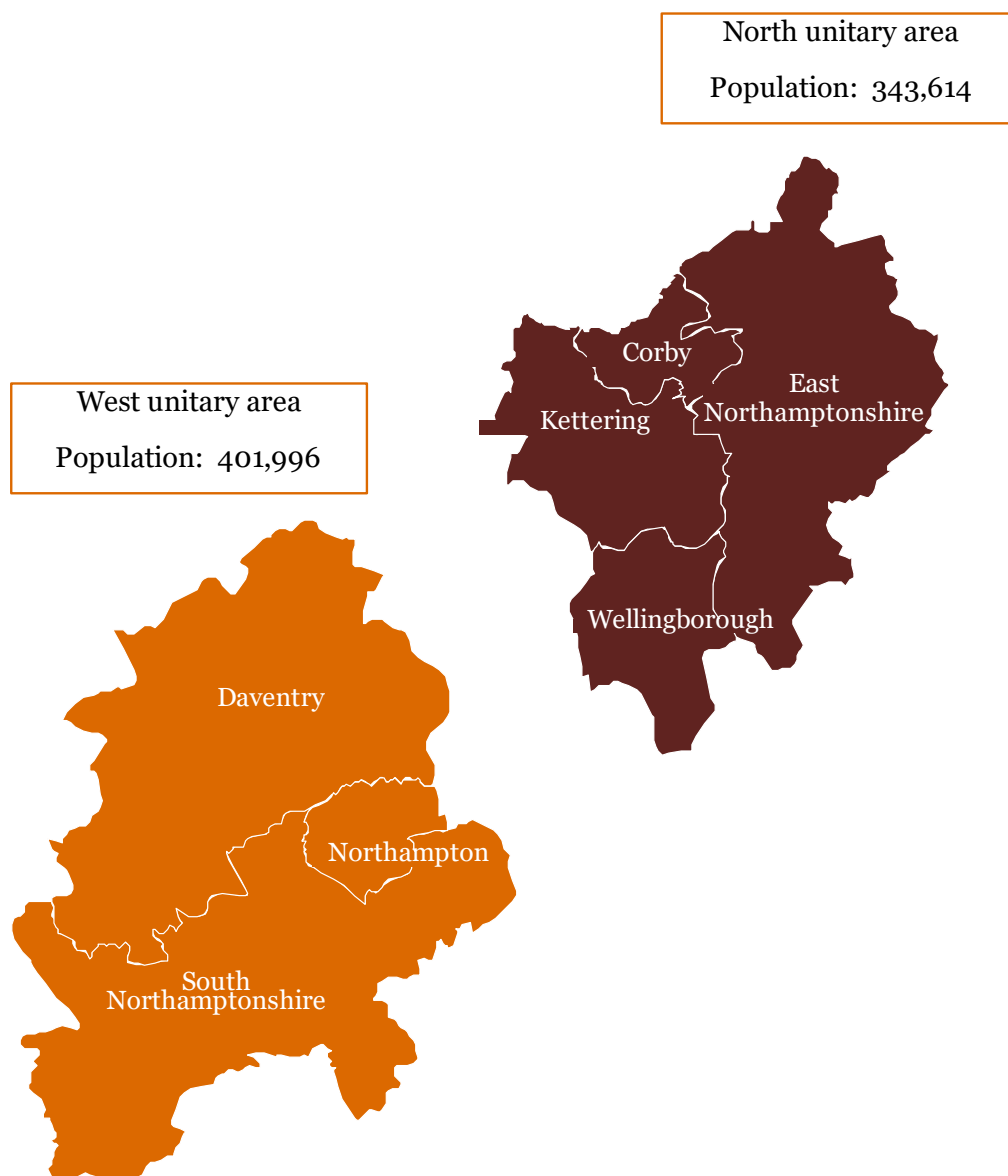
Option	Comments
Establish a unitary authority on the whole Northamptonshire county boundary	Establishing a single unitary authority on a whole county boundary would not deliver a recognisably “new start” and a single unitary option is expressly ruled out in the government’s invitation letter.
Create three unitary authorities	Establishing three unitary authorities would not meet the population requirement. Northamptonshire has a total population of around 740,000 and no authority under a three unitary structure would have a population level in excess of 300,000.
Create two unitary authorities based on a single authority for Northampton and a single authority for the areas around it	This would also not meet the government’s population test – the population of Northampton Borough is only 228,687.
Create two unitary authorities based on	The option for two unitary authorities covering West and North would deliver two credible geographic units, both with populations in excess of 300,000. This

⁵⁹ NOMIS 2016-based subnational population projections, May 2018

groupings of existing west and north districts or boroughs	is the proposal that is being made.
Mergers with some neighbouring councils outside Northamptonshire	Current legislation dictates that unitary authorities cannot span more than one Police Authority. In Northamptonshire, the County has a police Authority co-terminous with its boundaries. Hence, without a change to the law, a unitary council covering part of Northamptonshire cannot merge with another authority outside the county. It would not be possible to effect a change in the law within the timescales for submission of this proposal.

The two new authorities will follow the existing boundaries between Kettering and Daventry, as well as between Wellingborough and Northampton and South Northamptonshire. The boundaries between existing boroughs and neighbouring areas will also be unchanged.

Figure 20: map showing how existing district/borough areas would be aggregated to form the future unitary areas



However, at an operational level there will be a significant change in the South Northamptonshire area. The present district council has a staffing structure, estates and infrastructure which is almost entirely shared with the neighbouring Cherwell district in Oxfordshire. This has given the two districts the economy of scale to operate efficiently. This arrangement will be dissolved in the transition to the new unitary authorities. Cherwell District Council will pursue joint working with Oxfordshire County and the South Northamptonshire area will be served by the new West area unitary authority in Northamptonshire.

3.5 A vision for local public service reform in Northamptonshire

Although they would not have proposed reorganisation to two unitary authorities without the intervention of the Secretary of State, they recognise the opportunity reorganisation presents as a catalyst to deliver a wider programme of public service reform, which they believe is needed to secure sustainable local public services in a context of the widening gap between demand and resources.

The Northamptonshire councils are developing a vision for the future of local government in the county, with emerging emphases for the West and North areas, as shown in the diagram below:

Figure 21: emerging vision for the new unitary authorities in Northamptonshire



The councils know they will need to focus on the design of the new unitary authorities to refine their views. They also understand that they have a once in a generation opportunity to deliver something that is genuinely ambitious. However, they are also mindful of the need to focus on the core components of a local authority and ensuring any risks relating to the statutory duties of the future organisations are mitigated.

Achieving these changes will present a major implementation challenge for two new authorities borne out of adverse circumstance. The future councils will want to determine their own priorities, shape and ways of working, but to enable some design work to be carried out before vesting day, they have proposed a set of design principles. The new councils will be able to:

- **Design their processes around the needs and experience of their customers** – customers will be at the heart of everything the new councils do.
- Address the need for **culture change** – they will be learning organisations, in which openness and challenge are encouraged.
- Tailor services to **reflect local need**, reflecting the distinct needs of the urban and rural localities they serve, while ensuring consistent minimum standards are applied.
- Place the utmost importance on ensuring **financial sustainability**.
- **Focus on efficiency**, standardising processes, reducing waste and consolidating common functions.
- Maximise the use of **digital technology**, embracing opportunities to encourage self-service and resolving as many requests as possible at the first point of contact.
- Maximise their use of **technology**, improving efficiency and enabling the workforce to adopt more agile ways of working.
- Build their capacity around **analytics**, to anticipate and manage demand and understand the impact of service interventions more accurately.
- Pursue an **ambitions integration and public service reform agenda**, sharing functions and responsibilities and developing positive partnering relationships with other organisations where appropriate.
- Encourage **innovation, entrepreneurship** and help staff to develop a commercial mindset, but not at the expense of stable service delivery and sound financial management and sustainability.
- Encourage **openness and transparency**, by supporting robust scrutiny, corporate governance and performance management arrangements.
- Pursue **community engagement** and consider the **devolution of responsibilities** to town and parish councils and other community groups.

The councils will use the principles above to guide the design of the new organisations. These should provide a guideline to decisions during transition and into the early stages of the new councils so accelerating the delivery of a transformed model of local government in Northamptonshire.

4. Improved outcomes and services

As we have described in section 3.3, the move to two unitary authorities can create a platform from which to make changes to how the business of local government and its relationships work. This section analyses the opportunities from the point of view of the five thematic areas described in section 3.1:

- Economy.
- Infrastructure, housing and environment.
- Health and wellbeing (including adult and children’s social care).
- Education and skills.
- Community safety.

In addition, in section 4.6, we describe the general opportunity to build new and more innovative service delivery models. Section 4.7 assesses how these opportunity can be developed into wider public service reform.

4.1 Improving the economy

Economic growth is an important priority for all the councils in the Northamptonshire area and there has been considerable success in recent years: Northampton has the second highest number of new business start-ups per 10,000 residents in the UK outside London and the west of the county is host to Silverstone, with its associated high performance engineering centre. There has also been growth in logistics hubs on major arteries, such as the A14. The councils work closely with the South East Midlands Local Enterprise Partnership (SEMLEP) and its Strategic Economic Plan⁶⁰ sets out ambitions which reflect local economic development objectives.

4.1.1 Current aims and ambitions

At the core of current economic growth planning is the National Infrastructure Commission’s (NIC)⁶¹ Cambridge – Milton Keynes – Oxford Corridor concept. This identifies the potential for a growth Corridor to connect more closely and strategically the economic hubs and centres of excellence which operate in these locations. By promoting its development, the NIC aims to develop a platform from which to compete on the global stage in areas such as medicine, life sciences, autonomous vehicles, biotech and artificial intelligence, bringing benefits to both the Corridor area and wider regions through growth in industry and trade.

The North and West parts of the county already have their own Joint Core Strategies for their areas, which match the proposed unitary geography. These reflect their shared economic and social interests and the fact that they form single housing market areas. The North grouping works through the North Northamptonshire Joint Planning Unit (NNJPU). This was constituted as a formal joint planning committee in 2005, and took on the growth delivery role five years ago from the former North Northamptonshire Development Company. In the West, there is also a history of many years of joint working on strategic planning.

A central focus for both the West and North groups of authorities currently is the development of Housing and Growth Deals with government. These intend to build on the history and political commitment to joint working

⁶⁰ South East Midlands: Where innovation fuels growth

⁶¹ Partnering for Prosperity: a new deal for the Cambridge-Milton Keynes-Oxford Arc, National Infrastructure Commission, November 2017

and growth and build on successes. They will be a central means of bringing additional capacity to the growth agenda and ensuring provision of key infrastructure. If successful, these will help to promote innovation and productivity and support long-term sustainability as a driver of economic development, housing provision and benefits for local communities.

Local authorities have their own economic development plans and priorities, but these are consistent with the larger spatial area strategies, including the Corridor. Examples of local priorities include:

County council⁶²:

- **Business and Innovation** - developing the supply chain, exporting more, and attracting new investment.
- **Employment and Skills** - meeting current demands of business and developing the delivery infrastructure.
- **Infrastructure and connectivity** - increasing superfast broadband availability, and using transport to enable growth.

District and borough councils:

- Corby - building new houses, seeking inward investment to attract new jobs and infrastructure⁶³, and securing a reputation as a major distribution centre⁶⁴.
- Daventry – four interlinked themes where the council can shape opportunities for businesses and residents: thriving town centre, sustainable rural economy, employment, skills and business growth and visitor economy⁶⁵.
- East Northamptonshire - tackling out-commuting, supporting tourism, and aligning job growth to SEMLEP and the Cambridge – Milton Keynes - Oxford Corridor⁶⁶.
- Kettering – working with local economic sectors to maximise the contribution they make to the local economy, in the context of a long-term agenda to delivering 8,100 new jobs and infrastructure between 2011 and 2031⁶⁷.
- Northampton - developing the Enterprise Zone, and bringing business into the town centre⁶⁸.
- South Northamptonshire - strengthening its growth sites (such as Silverstone), town/village economies, and the visitor economy⁶⁹.
- Wellingborough - focusing on infrastructure connections and locally based education and skills, and a supply of jobs in a wide variety of sectors, in order to be a well-connected, thriving, urban centre, seeking sustainable growth but at the same time, preserving a traditional village way of life both in its four "large villages" and many rural locations⁷⁰.

⁶² Northamptonshire's Strategic Economic Plan 2014

⁶³ Corby Economic Development Strategy 2015-2020

⁶⁴ Northamptonshire's Strategic Economic Plan 2014

⁶⁵ Daventry District Economic Development Strategy (draft), 2018 - 2012

⁶⁶ ENC Economic Growth, Tourism and Regeneration Strategy, 2017 - 2020

⁶⁷ Kettering Economic Development Plan, 2017 – 2025.

⁶⁸ NBC Corporate Plan 2017-2022

⁶⁹ SNC Economic Growth Strategy 2016-2019

⁷⁰ An Economic Development Strategy for Wellingborough, 2016 - 2021

4.1.2 How could reorganisation help?

The proposal for two new unitary authorities would build on arrangements that are already established. In both the West and North areas, the local planning authorities and Northamptonshire County Council have well-established joint planning and delivery arrangements to support an ambitious growth agenda, which can easily be translated into a new organisation with the minimum of disruption. The two new unitary areas could offer two coherent geographic units to engage with the economic growth agenda and thus maximise the potential of the target Housing and Growth Deals.

New unitary structures would reflect geographic synergies that are already acknowledged. The West Northants unitary would represent a coherent central urban and surrounding rural and market town area, whereas North Northants would be a logical cluster of interdependent towns and villages set close together in a shared green infrastructure (the Nene Valley and Rockingham Forest). The two areas could thus each focus on their specific issues. For example, in West Northants this would mean tightening links between Silverstone and the supply chain that exists in its hinterland. While the areas are already recognised for their West and North level strategic thinking, replacing eight authorities with two could facilitate this further, which will be helpful in making a success of the Housing and Growth Deals and the Corridor.

It would create a stronger focus for place-shaping. The advantage of a unitary authority is that it can align the full range of local government services, from planning and economic development, to highways, behind agreed priorities. At a practical level, this can make for much easier linkage between interdependent economic, infrastructure and skills policies for example. But it can also help to create a focused and ambitious culture, supported by more operational scale. This could bring more resilience to keep projects on track as well as bringing more impact to activities such as marketing to business or bids for funding which are either carried out at an individual authority level or require careful co-ordination between councils. It could also give a clearer focus to links with neighbouring areas - West Northants would be able to focus on relationships with Milton Keynes, Oxfordshire and the West Midlands, whereas North Northants would be able to relate to Cambridgeshire and Central Bedfordshire.

It would give a stronger voice to the West and North areas and support stronger working with key partners. While the authorities work together effectively in strategic negotiation, such as for the Housing and Growth Deals the change to two larger, unitary, authorities could make it easier for the West and North areas to engage on an equal footing with other unitary authorities in the area. Working with partners, such as SEMLEP, chambers of commerce and economic sector representatives could become more impactful. From the partner point of view, they will be able to work with less dispersed local government functions, thus creating clearer lines of communication and strengthening the exchange of key messages. This should give a stronger voice to attract the investment and skilled workers that are needed to support the strategies.

Opportunity to streamline decision making. Even with the commitment to West and North level working that currently exists, effort is needed to make decisions involving three and four different councils as well as county services. While unitary authorities would still have to prioritise, bringing activity together could simplify the process of making decisions where a range of current county and district/borough services are involved, supporting the delivery of priority outcomes or entrepreneurial activity.

More attractive climate for economic growth. Unitary authorities would be able to bring together functions in a way that could enable the launch of one-stop shop services to businesses, giving ready access to advice on business rates, licences, planning, building control and other local regulatory functions. It could also allow resources to be focused, reducing competition between towns and enabling a more strategic focus of effort, for example in assisting businesses to finding suitable locations.

4.2 Improving infrastructure, housing and the environment

Infrastructure improvement is closely linked to economic growth, but is treated separately here because of the central importance of housing growth in the area and the need for infrastructure development to support economic ambitions. Maintaining natural diversity and environmental sustainability are important intrinsically, for overall wellbeing, and to provide an attractive setting to encourage skilled people to live and work in the area. This is important in an area that has no green belt or Area of Outstanding Natural Beauty designations that protect natural assets.

Population growth is a critical context factor for this theme: Northamptonshire experienced higher population growth than the average in England and the East Midlands between 2011 and 2016. Office of National Statistics (ONS) projections show a similar rate of increase expected to continue to 2031.

4.2.1 Current aims and ambitions

The Joint Core Strategies for the West and North of Northamptonshire respectively set out policies and aims, including:

- A requirement for 35,000 additional homes in North Northamptonshire in the period 2011 - 2031 and 42,620 in the period 2011 - 2029 for West Northamptonshire.
- A range of transport infrastructure improvements, to promote connectivity, notably between urban areas and planned growth areas, while improving road infrastructure to relieve congestion, but also encouraging modal shift to reduce car dependency.
- Promotion of Green Infrastructure assets and corridors as assets to be conserved and enhanced in face of the inevitable pressure created by economic growth.

The Housing and Growth Deals in prospect for both the West and the North areas would deepen the commitments in these areas. For example:

- In West Northamptonshire, a proposal to develop a comprehensive, shared infrastructure investment plan, as part of the Central Area of the Corridor, which will prioritise key strategic infrastructure and growth enabling projects and programmes.
- For North Northamptonshire, the NNJPU has committed to being fully involved with the Corridor. Not all of its area fell within the initial NIC defined geography, but in developing the growth deal, it has made the case for the inclusion of the four district/borough areas. This creates the potential to stretch and accelerate planned growth.

4.2.2 How would reorganisation help?

The proposal for two unitary authorities should help the North and West Northamptonshire areas to maximise the role they can play in the Corridor. The unitary authorities would have more critical mass to identify priorities, and to convince external partners that they can marshal resources for effective delivery. This is especially important in the context of the two emerging Housing and Growth Deals.

Establishment of two new councils could facilitate a more coherent approach to addressing the challenge of providing infrastructure for growth. In both the West and North areas, the history of joint core strategic working and more recent work on potential Housing and Growth Deals testifies to a strong will to work together. However, this is led by very small teams, relies on senior officers from different councils working together, and requires significant effort to agree shared strategic positions. To push forward stretching

targets will require coherent action. Providing the necessary infrastructure for growth needs “joined up” delivery. Simply having transport, housing, planning and strategic economic functions in the same organisation should speed up delivery. For housing growth specifically, bringing functions together could enable more co-ordination of scarce local authority resources bringing more capacity for proactive work in terms of land assembly, planning, design for health and wellbeing, and liaison with large and small/medium sized house builders as well as registered social landlords.

Developers should find engagement with local government in Northamptonshire more straightforward. From the partner organisation point of view, they will be able to build stronger strategic relationships with the new councils simply as a result of having to engage with fewer organisations. This depends on creating the right culture in the new organisations, but if achieved has the potential to create a more consistent planning environment, which will be key to building houses, communities and business growth.

Opportunity to achieve practical delivery of a consistent approach in the West and North areas. The new councils should be able to build on existing collaborative working arrangements, such as the development of the joint local plans. This may be critical to unlocking key strategic sites for commercial and residential developments which offer benefits beyond current local administrative boundaries. There could also be the potential for important strategic decisions to be made more quickly, bringing planning, transport planning and parking and roads standards together in a single place. This should make it much easier to manage day to day work to match the strategic intent currently set in joint authority working.

Greater internal capacity to address infrastructure, housing and environmental considerations together and make greater use of natural capital. The new councils could have the critical mass to generate more creative responses to the challenges posed by facilitating development and growth at the same time as protecting Northamptonshire’s natural assets. The opportunity is to build up a clear offer to prospective new residents about new houses and settlements as attractive places to live. Unitary authorities would be better placed to direct specialist resource, such as conservation and landscape officers, to focus on the cases of most strategic importance. Given the importance of housing in setting a firm foundation for wellbeing, there is also the ability to link housing and agendas such as Extra Care much better. In the North area, the greater size of a unitary authority would allow considerations to be balanced over a larger but interdependent geographical area. In the West, the new arrangement would provide an environment in which the best solutions for Northampton-related growth can be addressed, including consideration of new settlements.

More influence in the region, and especially in the Corridor. Making a success of the Corridor, both from the local, regional and national point of view, will require co-ordination with neighbouring areas. The stronger voice highlighted in section 4.1 above is also relevant here, enabling clear, focused engagement with neighbouring areas of the Corridor. The emerging Housing and Growth Deals are designed to enable the delivery of housing and economic growth across the two new unitary areas. A strong, articulate voice will be important in helping to ensure that the best solutions are found, particularly to requests for freedoms and flexibilities where government departments face significant challenge in making concessions to local need.

4.3 Improving health and wellbeing

Ensuring a positive impact of local government reorganisation and associated local public service reform on health and wellbeing is absolutely central to this proposal. Social care and health provision are at the centre of the tensions between reducing resource and increasing demand that affect the county’s local public services and ultimately the quality and efficiency of the care provided. Overspending in the county council has been highest in adult social care and in children’s services and concerns about meeting the demand for social care with limited and reducing funding are at the heart of the whole question of sustainable local government arrangements in Northamptonshire.

Overall health and wellbeing cannot be effectively supported unless health and social care systems work together. A recent Institute of Fiscal Studies working paper⁷¹ found that reductions in social care spending in England have directly led to increased use of accident and emergency services by people aged 65 and over. More widely, there is a link to a much wider range of local services that keep people happy, fit and healthy, and so reduce demand on the system.

4.3.1 Current aims and ambitions

The Health and Wellbeing Board sets the strategy for health and wellbeing in the county, with a focus on commissioning across the NHS, social care and public health⁷². A wide range of organisations are represented, covering local government, health, police and voluntary sector services and the strategy emphasises the importance of:

- Giving children the best start, which links to early intervention.
- Promoting independence and quality of life for adults.
- Taking responsibility and making informed choices - promoting a healthy lifestyle.
- Creating an environment in which all people can flourish. For example the importance of effective communities in keeping people healthy and so promoting prevention.

This is supported by an approach to delivery which emphasises joint working, involving:

- Moving beyond collaboration towards shared decision-making.
- Effective governance with a commitment to partnership working and collective responsibility.
- Thinking about use of resources on an area wide, rather than organisation specific basis.

The joint county council and NHS Strategic Transformation Plan (STP)⁷³ recognises the need for “whole system” working including:

- A focus on prevention first – supporting people to stay healthy and live independently.
- A “whole person” approach – taking into account all care needs, both physical and mental, where services are focused on the individual, not the organisation providing them.
- The right care, in the right place and at the right time – safe care in the most appropriate setting; fast access to services wherever people live.
- Reduced reliance on hospitals – high quality specialist services available when needed, supported by a system which enables people to move back home quickly.
- Integration – more joined-up services, delivered in the community by GPs and other professionals working in one system; stronger collaboration between specialists in the main hospitals in Northampton and Kettering.

⁷¹ IFS Working Paper W18/15: The impact of cuts to social care spending on the use of Accident and Emergency departments in England (June 2018).

⁷² Supporting Northamptonshire to Flourish: Northamptonshire’s Health and Wellbeing Strategy 2016 - 2020.

⁷³ Northamptonshire’s Sustainability and Transformation Plan 2016 - 21: How We Will Support Local people To Flourish

- Voluntary support – greater involvement of voluntary and community groups in helping people to stay well.
- Working differently – supporting staff to work in new ways and across mixed teams in one Northamptonshire system.

The STP has been undergoing a reset since the strategy was published. This is realigning focus and priorities and is branding it as the Northamptonshire Health and Care Partnership.

4.3.2 How would reorganisation help?

There is still a significant gap between the aspiration and the achievement to date. Although the July 2018 CQC report was positive about the recent STP refresh, it produced a clear set of areas for improvement, including more integrated commissioning between the county council and CCGs to improve flow through the system and a far greater focus on prevention; to accelerate delivery of the STP partnership plans and to use system-wide performance data to drive improvements.

There is a lack of strategic planning in relation to community solutions and future population needs. The county is therefore not currently equipped with enough shared capacity, accommodation and joined up intervention and wellbeing services which means that community resilience and its part in prevention is not being fully exploited to the benefit of residents or the financial stability of public services. One of the workstreams of the refreshed STP is an intermediate care group project which is emphasising the need for cross partner working and community investment to reduce the pressure on hospital bed solutions and help keep people in their own homes.

In children's social care, the Ofsted inspection in 2016⁷⁴ identified that the Northamptonshire housing protocol for homeless 16- to 18-year-olds was not robust and there was a lack of a joint process involving social care to prevent homelessness at an early stage.

Reorganisation alone will not address these whole system issues - they require change at all three of the levels described in section 3.3. However, the move to two unitary authorities could offer significant potential on which to build.

Reorganisation offers an opportunity to design services which align with the vision set out in the Health and Wellbeing Strategy and the STP. The demand and financial projections make clear the need for profound change in the provision of social care, and this is acknowledged in existing strategies and was highlighted in the recent CQC report. To be effective, this needs to be at all levels of strategic and operational function: from strategic commissioning and governance, through financial planning, day to day decision-making to the operation of multi-disciplinary teams and use of buildings. The advantage of reorganisation is that it will remove some of today's artificial barriers from two tier working and can be a catalyst that leads to redesign across all these levels with a focus on use of resources and planning for needs in a whole place.

Strategic decision making would be more straightforward. For the local government services, the unitary model will bring different services together under one roof, allowing for collective planning and budgeting, and response surges in demand. Another advantage would be that greater scale could allow for a more focused approach across the unitary area to bidding for funding, with a resultant greater chance of success.

Cohesive whole population housing strategies. A key theme from partnership discussions has been the critical importance of housing in wellbeing. Establishing two new unitary authorities would provide

⁷⁴Ofsted: Inspection of services for children in need of help and protection, children looked after and care leavers and Review of the effectiveness of the Local Safeguarding Children Board, 27 April 2016.

opportunities for social care services to work much more proactively with housing services, to share land, facilities and create locally focused delivery that could better utilise community assets and services. Improved outcomes would include:

- Reducing inconsistency in current housing protocols across district/borough councils. This could allow better support for care leavers who are bidding for housing and improve outcomes in Southwark judgement cases concerning the provision of accommodation for homeless 16 - 18 year olds.
- By bringing housing and planning into the same organisation as social care, this should allow for better planning of specialist housing provision and matching to need.
- Disabled Facilities Grant, where closer working provides an opportunity to streamline assessments and decisions about adaptations and, through more proactive forward planning and matching of clients to adapted houses. This should also end the cycle of adapting and then reinstating homes (rather than creating them as assets to be deployed strategically).
- Better use of technologies and telehealth to create homes for life approaches where people's environments can adapt to their changing needs without the need to formal residential care.

Reorganisation could provide an opportunity to share and exploit data more strategically. Data sharing between agencies is not easy and there are areas where this works well currently, for example in the Multi Agency Safeguarding Hub (MASH). However, the establishment of new local government structures offers an opportunity for improvements. One example is expected to be in sharing and cross-matching of data with the current district/borough housing and wellbeing services. Unitary authorities may also allow an easier scale for sharing and analysis of data with a view to spotting indicators of concern, such as Acute Childhood Experiences (ACEs), whether for individuals, or localities, and so supporting commissioning of the right services to prevent these matters, or to intervene where they are apparent. It is important to note that there are dependencies here on developments with replacement of the current county council social care case management system and on ongoing delivery of the STP's Local Digital Roadmap.

Closer alignment in related areas of service would support better health and wellbeing outcomes. The proposed reorganisation also offers potential to bring about positive change in other areas of activity which have a direct influence on health and wellbeing outcomes. Generally, unitary structures will join up the services that affect public health provision that are currently split across the two tiers and dispersed in districts/boroughs. Planning is of key importance here – by connecting it more closely to public health and social care services there are opportunities to work through healthy living and community support considerations. For example, there is an opportunity to work more proactively with planning teams to plan more strategically to encourage Extra Care Housing schemes and other lower-cost housing solutions, informed by data about demand growth and a collective understanding of provision and gaps in services provided across the unitary areas. This would enable much more consistent exploitation of these concepts to keep people in community facilities and away from higher acuity settings. Another example is in the planning of young people's accommodation and linkage to services such as leisure, which all help to support an authority's corporate parenting responsibilities.

The new councils should have more opportunity to focus on prevention. The unitary authorities would provide a better scale for strategic planning for services that have an impact on demand for high cost provision. The opportunity is to bring capacity closer together by reducing fragmentation in commissioning and delivery. Examples include home adaptations and telecare where, depending on the client's immediate setting, advice can come from a district and borough housing service, county social care, or from a hospital, and involving different providers. Establishing unitary authorities is an opportunity to map need, consolidate commissioning and monitoring, making for more efficient use of resources and a more coherent experience for the resident.

There is shared a view that current community investments suffer from the “pepperpot” effect with little strategic approach to enhancing community resilience/capacity across areas, customer groups or services. Unitary status would enable the new councils to take a more strategic approach mapping services to need and planning activities to improve wellbeing outcomes. This links to the STP’s emphasis on improving the model of intermediate care.

More widely, there is a need to connect district/borough services directly to the public health agenda. A King’s Fund study⁷⁵ highlights the role that district services, particularly in housing, leisure and green space and environmental health play in influencing overall health, and reducing homelessness. The opportunity is to bring this together into a single, better coordinated preventative capacity, to work with social care, health and public health services.

The authorities are very aware that the extent of preventative services the unitaries will inherit may be affected by action at the county council to prioritise its current spending on to statutory priorities. This is noted in risk 4 in the risk log in section 8.2.

Establishing new unitary arrangements still allows flexibility to operate effective whole county based arrangements. It is important to recognise that the move to two unitaries could also be a major disruption. Many of the current partnership structures are county-wide. This creates risks that the move to two unitary authorities increases the operational layers beneath county wide partnerships, creating a burden on partners in health, police and the voluntary sector. There are some specialist and strategic key services that might operate better across the area due to their size, their skills (or difficulty recruiting). Consideration will need to be given to this during detailed design work, for example assessing the safest arrangement for adults’ and children’s safeguarding as well as some services that act as a bridge between hospitals and community services and work at a cross county level. For strategic commissioning, it will also be important to agree the right level that allows commissioners in health and social care to make the best use of resources, while recognising differences in local needs.

4.4 Education and skills

4.4.1 Current aims and ambitions

There is a need for improvement in education and skills outcomes in Northamptonshire:

- In education, the Council Plan 2018 - 22 notes that 84% of primary schools and 60% of secondary schools in the county are rated Good or Outstanding by Ofsted, which is a lower proportion than the average for England. It notes that: “as a county we need to be ambitious and improve these levels”. It is important to note that all but one secondary school, and many primary schools in the county, are academies.
- Demand for school places is also increasing (11.5% since 2010).
- The residents of Northamptonshire have, on the whole, lower levels of qualifications than neighbouring counties. The county adult learning offer, through First for Wellbeing, helps people develop their skills and access work. Nevertheless, a 2017 SEMLEP survey of businesses in its region⁷⁶ found that 23% of businesses reported having at least one vacancy that was difficult to fill (up from 18% in 2015) and 87% attributed this to skills shortages. While this is a sub-regional figure, work for the Northants Housing and Growth deals is emphasising the importance of exerting local influence over skills development priorities.

⁷⁵ The district council contribution to public health: a time of challenge and opportunity, November 2015

⁷⁶ Reported in the SEMLEP Strategic Economic Plan, “Where Innovation Fuels Growth”,

4.4.2 How would reorganisation help?

These are all priorities that require a co-ordinated response from a range of providers, which in turn means that co-ordination between local government services is needed to work with them. Making progress will be important for attracting people to live and work in the Northamptonshire area, supporting economic growth and also contributing to the local tax base. The move to two unitary authorities could offer opportunities in the education and skills area to plan at a geographic level that meshes with economic planning.

Two new unitary authorities should provide a much clearer link between growth and the education and skills agenda. Given that the majority of secondary education is outside local authority provision, one of local government's core roles is to exert influence over the location and nature of education that is provided. Unitary authorities could provide an opportunity to make effective operational links between school place planning and economic growth, which is more challenging with dispersed district and borough based economic development functions. Given the increasing demand for schools places, this could be an opportunity to ensure that academy specialisms and locations reflect growth requirements.

Greater opportunity to influence skills provision and funding. Reducing the number of organisations with which the local training providers would need to interact would offer the chance to develop clearer direction about linking priorities and the growth agenda, and enhance their ability to plan for the future. Two unitary authorities could also exert more strategic influence than individual districts and boroughs over SEMLEP's work in supporting the skills agenda. For some providers, travel to learn patterns would still cross boundaries and we would expect co-operation between the two new authorities (and indeed areas such as Milton Keynes and Bedford) when liaising with providers. Arguably, having two unitary authorities in the Northamptonshire area would make the cross county aspect easier than it is at present.

The expected emphasis on service redesign generally could be used to support innovative approaches in education and skills. The focus on exploiting digital technology in other service areas could provide opportunities for schools and local education services. The potential investment in data and analytic capacity should help with the targeting of education related intervention and advice, and the possible investment in digital platforms to serve the new councils could be extended to schools and colleges.

4.5 Community safety

Crime, domestic violence, anti-social behaviour and poor road safety all have a damaging effect on communities. Not only do they cause suffering for individuals or businesses directly affected, but they damage the overall health of a community. High incidences of crime and deprivation tend to run together and create a vicious cycle. In turn this pushes up demand for emergency services, adversely affects the perception of an area and suppresses ambitions for growth.

4.5.1 Current aims and ambitions

These connections are reflected in the requirement for partnership working in the Crime and Disorder Act 1998 (as amended). Community Safety Partnerships (CSPs) operate in each borough/district – most are single area, except for South Northamptonshire and Daventry who have a joint arrangement. There are differences in how they are configured and operate, in terms of how they engage with partners beyond the statutory core of district and county councils and police and how they operate specific task groups. The objectives in the district/borough based community safety plans reflect similar themes: reduction of violent crime, interpersonal violence, anti-social behaviour, alcohol and substance abuse but there are different emphases from one district/borough area to another, reflecting local conditions. This ranges from rural crime related measures, to targeted actions on particular "hotspots" that rank highly on indicators for factors such as crime, drug seizures, employment, school attendance and attainment. Being able to focus action, including preventative work, to match local needs is vital in terms of prioritising resources. Maintaining this tailored

local focus will be a major concern in the move to unitary local government. Currently there is no county-wide CSP.

4.5.2 How would reorganisation help?

Bringing community safety resources together in two unitary authorities could provide economy of scale. Unitary local government could provide the opportunity for better planning and deployment of resources. Strategically, having social care, welfare benefits, planning/development and public health functions in one place, led by one corporate management board would offer the ability to bring the resources together much more easily. Currently officers who contribute to community safety work are dispersed in the districts/boroughs as well as the county. This can isolate expertise into the area where a particular individual works. Combining resources should give a better scale to deployment of expertise across the whole new unitary areas.

Having two unitaries will reduce the overall number of partnerships. This will be more efficient for statutory partners who currently have to be part of each district/borough's plan as well as supporting the many tasking and working groups belonging to each one. This should allow for more consistent representation from partners such as health, probation and voluntary sector groups in particular.

Operating community safety on a unitary boundary should make it easier to engage with strategic thinking affecting the whole area. In North Northamptonshire, the Joint Planning Unit gives support to improve overall design in developments. Given the importance of urban design in "designing out crime", this is an important area on which to make links. Similar considerations apply to other areas such as action on child sexual exploitation and drug use, where existing teams would currently need to work with multiple district/borough based partnerships. In this way, the move to unitary local government should be an opportunity to refresh and deepen a focus on prevention.

Very careful design will be needed to ensure that moving community safety partnerships on to larger unitary boundaries balances a number of potentially competing considerations. For the police and other partners who operate at county area level, there is a concern about the need for a county wide strategic vision on growing major issues such as serious organised crime, as well as the overhead of engaging with two large partnerships. Equally, it is important that moving community safety partnerships on to larger unitary boundaries does not dilute the ability of existing work to respond to local circumstances based on local needs. Detailed design work will need to balance out the shape of strategic level and practical delivery mechanisms, such as task and finish groups, geographic or thematic sub-groups and delivery groups.

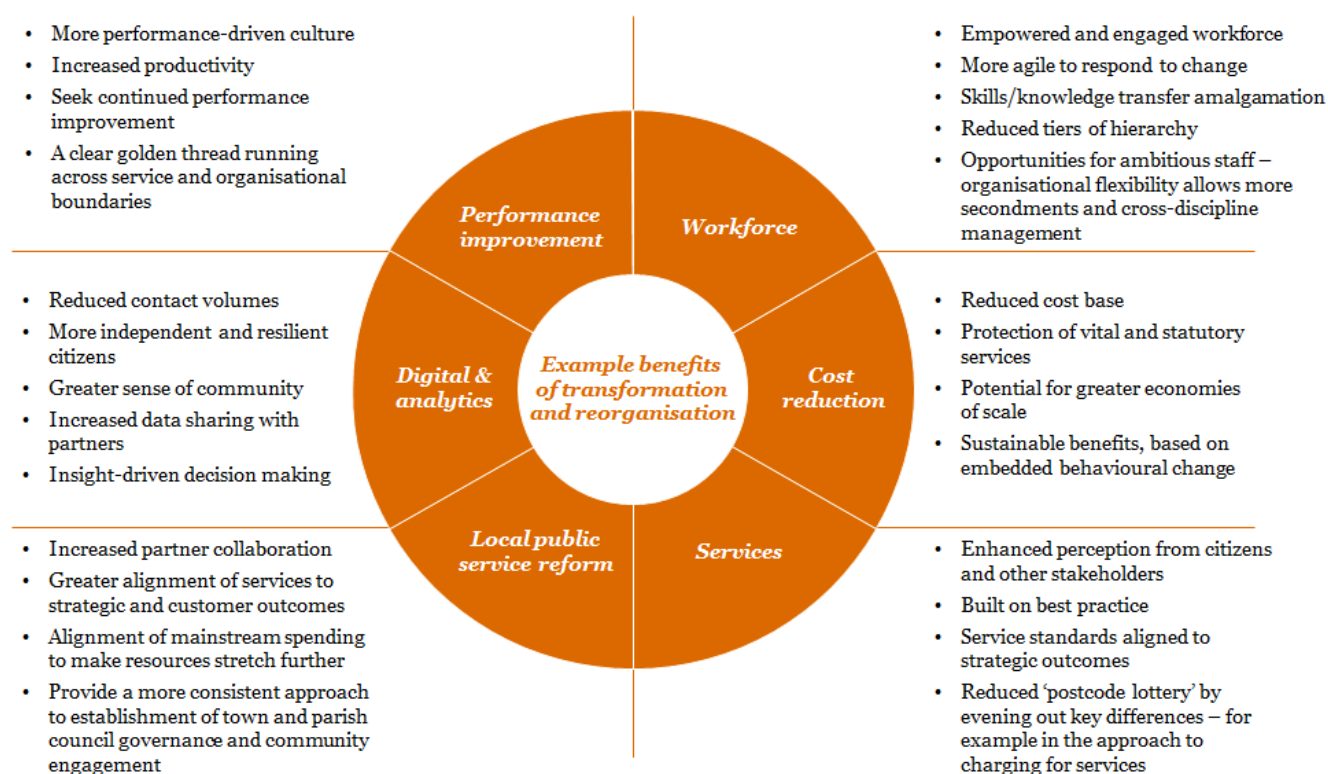
4.6 Transforming services

Many of the anticipated outcome benefits described in sections 4.1 to 4.5 will result from the increased potential, in a unitary context, to plan services together and in doing so to create a single focus for joint working with partners. But creating new organisations is an opportunity to make major changes to the way that the local authorities achieve outcomes. A reorganisation should also be seen as an opportunity to redesign interaction with customers and partners; back office services; and other enabling activities.

Using the platform of reorganisation to shine a spotlight on transformation opportunities will be a core component of the Best Value inspector's concept of reorganisation to deliver "a new start ... for the residents of Northamptonshire".

The diagram on the following page summarises a range of qualitative benefits that a properly resourced transformation should offer.

Figure 22: Key themes summarising qualitative benefits expected from local government transformation



A helpful starting point is to consider the whole range of activity performed in the eight councils as falling into three categories:

Figure 23: a summary of the three key categories for activity taking place in local government

Customer contact and assessment	Service delivery	Enabling support
<p>Activities and processes relating to the management of interactions with customers which includes managing customer enquiries; processing applications and requests; performing eligibility and assessments; and a range of activities that support customer facing staff.</p>	<p>Activity and processes relating to the direct delivery of council services to customers. This includes the delivery of people, place and cultural services.</p>	<p>Strategic and back office supporting activity which underpins the delivery of the organisation’s service delivery activities.</p>

PwC has experience of transformation in these areas, based on assessing operating models at nearly 70 upper tier or unitary local authorities. This has provided a bank of comparator data which has been used to give an indication of transformation potential. The time available to prepare this report was not sufficient for carrying out an extensive survey to understand the activities on which staff spend their time, so the comparator data have been used to provide an indication of where transformation savings may be expected.

4.6.1 Customer contact and assessment

Customer contact and assessment activity covers initial customer interactions, which often involve similar processes for different service areas. Examples include: handling customer enquiries, processing their applications and requests and conducting eligibility checks and assessments. It also covers some “middle office” support for customer facing work - such as scheduling, data recording and entry.

The potential for this to be carried out by generic teams, equipped with the right knowledge support and customer facing skills, is acknowledged in many local authorities by the creation of specialist customer contact teams of departments. The challenge is to focus the effort in such specialist teams rather than allowing it to remain in frontline service teams.

PwC’s assessments often find:

The current customer experience is fragmented, with a high number of staff handling customer contact but sitting outside of the current customer services teams. This means that these staff are likely to lack the required skills and training, as well as access to knowledge bases and overall customer histories that would help them handle queries efficiently.

Multiple entry points into each organisation. Where a large degree of customer contact activity occurs within frontline service areas, there is a risk that the customer service departments are bypassed, distracting frontline staff and undermining the creation of single customer records.

Customer service teams are not operating at optimum efficiency. A high proportion of customer contact and assessment activity performed within the service delivery areas suggests an opportunity to increase the percentage of enquiries that could be resolved at first point of contact, thereby reducing the extent of double handling performed across each organisation.

Take up of digital contact has not been exploited to its full potential. Availability of services online is variable between the districts and boroughs. Generally, a more even standard of information and digital functionality available to customers online would enable resolution of more queries through self-service or signposting to other organisations in the community who might be better placed to support them. Our analysis suggests the current councils could be going much further with digital. Even in a district such as Corby, which has undertaken a major digitisation of its service availability in the last two years, there is still a high reliance on telephone and face to face contact.

How would transformation help?

A transformation could be used to generate some reduction of customer contact effort. Key drivers of this change would be:

- By enabling contact and requests for service through council websites it is possible to allow local people to contact the council at a time that suits them, to find information easily from an electronic device at home or at work and to make electronic payments for services or council tax. For councils, this reduces the number of staff needed to provide information and guidance through more expensive face to face and telephone methods.
- Consolidating the number of points of access (for example in adult social care, where in addition to the county call centre, there are home adaptations contact numbers in each district or borough, as well as a separate number for Olympus Care Services) will simplify contact for customers and increase the amount of resolution at first point of contact.

- Creating two new authorities will provide an opportunity to design an effective mode of interaction with citizens that suits the geography of the West and North Northamptonshire areas. Local people should expect much more emphasis on the benefit of contacting their council through online, self-service methods. In return, they should expect more information and signposting online and better functionality.
- Improvements to overall productivity, for example, consolidating knowledge management sources to enable faster handling of enquiries.
- Digital interactions also assist councils in gathering data that enables them to understand patterns of need, so that resources can be better targeted and to support preventative action. This in turn should prevent some contact from residents by sign-posting them to solutions.
- Consideration of the suitability of straightforward transactions to be automated, so freeing up professional resource to focus on more complex cases.

Opportunities for telephone and face-to-face contact will need to be retained to recognise the assistance and support that vulnerable and older people will need in order to ensure they are not isolated. But the location and opening times of customer contact points, such as one stop shops will need to be considered during a detailed design phase of work.

4.6.2 Enabling support

Enabling support covers the administrative and strategic activity that enables a local authority to operate. It is generally carried out within corporate functions, such as HR, finance, IT and procurement and the strategic core. PwC's assessments typically find:

- **A high proportion of enabling support activity is occurring outside of corporate services and could be duplicating effort.** Even where councils have undertaken extensive administrative reviews, areas of 'siloes' activity often remain, creating duplication of similar types of activity in different parts of the organisation. A detailed review will be needed, but the establishment of two new authorities would be expected to deliver efficiencies by addressing this issue.
- **Councils have not automated service provision to the extent that technology now allows , suggesting a lack of integration between IT systems.** Discussions with senior officers suggest that the districts and boroughs are at different levels of maturity with the move to self-service transactions, and that there is scope to move to it in current county services. Designing in the necessary IT integration and committing to automation should be a target transformational change to link to reorganisation.

How would transformation help?

A transformation could be used to reduce enabling effort. Key drivers of this change would be:

- Establishing a shared service function that can offer transactional services to both future unitary authorities, thereby maximising efficiency benefits and ensuring a common service standard across the Northamptonshire region. Full benefits realisation here will take time - there is a wide range of existing shared service arrangements, including some (such as for waste and streetscene) where new arrangements are in the process of being negotiated and the county back office services are provided by LGSS. The potential benefit is also slightly lowered because South Northamptonshire already has a full sharing arrangement with Cherwell District Council in Oxfordshire. This arrangement will be broken by the Northamptonshire unitary proposal and means that a shared service saving has in effect already been taken from this authority.

- Automating less complex activities which do not require professional judgement or intervention.
- Building on synergies between back office functions and developing a tiered approach, in which transactional activity which cannot be automated is performed by trained generalists, with business partnering offered where more specialist advice is required. An example would be supplemented professional social work assessment with generalist, but “trusted” assessors.
- Standardising and simplifying internal processes, reducing non value-adding activities, to enable processes to be as efficient and effective as possible and giving a productivity improvement.
- Greater sharing of customer and operational information between teams and systems, and using this to generate greater business intelligence to inform strategic and operational decision making.
- Develop the capability for all members of staff to self-serve for simple transactions and advice. From HR and pensions to IT support, there are opportunities to create ‘digital employees’ and so reduce the overall internal demand for back office support services.

4.6.3 Service delivery

This is the total staff effort spent on delivery of frontline services customers.

Any new unitary authority will want to work to maximise proportion of service delivery effort carried out by their organisation. This is where release of capacity from front office and enabling functions creates strategic choices about whether to reinvest capacity saved into the front line.

Further opportunities to focus service delivery capacity, and either to release or reinvest capacity, could include:

Consolidation of service delivery models. For example, Olympus Care Services, which has delivered Community Occupational Therapy assessments and Assistive Technology assessments on behalf of the county council since 2012 is coming back in house. There is an opportunity to redesign this model to a two unitary area, joining up with the assessments for Disabled Facilities Grants adaptations that are currently administered by district and Borough Councils. There are further examples of fragmented delivery and commissioning arrangements in children’s services.

Providing professionals and frontline officers with the tools and information to enable them to focus on performing value-adding activity, not administration. The procurement of the replacement of the CareFirst social care case management system, for example, could be planned in a way that maximises the opportunity for mobile working - with remote access to data, and the ability to input information to the system without returning to the office or while waiting for cases at court.

Exploiting data and analytics capabilities to enable frontline services to predict emerging trends, inform decision making and target the delivery of services to enable support for better outcomes.

4.7 Towards public sector reform

This section has emphasised how the unitary local government concept, and its expected geography, should provide a simpler unit than the two tier model, on which to plan services together and to enable partner organisations to work together.

Partnership working has become the norm over the last twenty years in local public services. But the more significant outcome benefits will come from pushing this firmly into the area of local public service reform.

The core concept is mainstream integration – by building ambition and capability together, it is possible to

build a scale and strength of local public service that can innovate, is efficient, an attractive place to work, and genuinely collaborates to solve the most complex cross-cutting problems.

The councils and their partners, especially in health and policing, recognise the change created by unitary local government as a spur to open up discussion on deep public service reform.

There are building blocks such as the Multi Agency Safeguarding Hub in children's services, which is staffed by local authority, police and health. But there is much wider need for mainstream integration in order to create sustainable and innovative leadership of place, not just of services. A wider ranging programme of public service reform should offer opportunities to:

Provide a place-based solution to complex problems. Mental health is an example. There has been a lot of national publicity about funding restrictions on direct mental health services. But in reality the problem is much more wide-ranging, encompassing environment and leisure provision, early years support, housing, mental health support in the criminal justice system, in schools and the workplace, as well as equipping GPs with the knowledge of where to refer patients before symptoms become severe. This requires a genuinely cross public sector solution.

Promote innovation. Technology continues to develop fast, but an innovative culture is needed to spot opportunities to exploit it. Working multi-agency offers a scale to bring together small multi-disciplinary hubs (including virtual hubs) to exchange ideas and tailor technological possibilities to the needs of the place. Police, highways and countryside officers could work together to harness the potential of the use of drones for example.

Share data and insight. Austerity has caused many organisations to reduce spend on corporate and strategic functions. As a result, many public bodies have yet to realise how best to gain insight and understanding from the data they hold. The routine of performance reporting serves the needs of individual services and accountability to funders. But there would be much more power in working with other agencies to combine the insight from their primary data to anticipate, plan for and deflect demand for services in the whole system, based on their understanding of their communities and what has happened in the past. By combining resources, local public service organisations can create strong shared business intelligence helping them to plan community governance together.

Share capacity. Although there are requirements for distinct professional qualifications in different agencies, there are many areas where skills are transferrable and activities can be shared. This means pushing beyond shared back office services into areas that can extend capacity and also promote sharing of insight. An example could be shared out of hours services between health and social care.

Share assets. We expect the creation of unitary authorities to release parts of the existing councils' estate. This could be used as an opportunity to design new flexible working spaces to be shared with other local organisations. As well as promoting efficient use of public assets, this will allow co-location of teams working in support of related outcomes who can share ideas and approaches.

Promote a flexible 21st century workforce. Patterns of work and employees' aspirations have changed greatly since the turn of the century. The rise of digital recruitment, professional social networking such as Linked In, or employment based experience sharing sites, such as Glassdoor, mean that dynamic and talented employees can find new opportunities with great ease. Millennials bring digital native attitudes to the workplace; they know their transferrable skills and will move to find a better job. Experienced staff increasingly will look for freelance opportunities because of the greater flexibility it brings them. Public services can work with the grain of this trend – by working together to define skill requirements and to encourage staff to move between agencies in the area.

4.8 Conclusions

The themes discussed in this section identify a range of opportunities to improve outcomes. This builds from the argument that creating unitary authorities will provide local government of a coherent size and scale to enable robust engagement with the challenges identified. There are indications, especially in the economic and infrastructure areas that the future unitary areas genuinely present a credible geography and can engage externally on behalf of their areas.

In general terms, the move to unitary authorities is a first step in a process that needs to involve clear programmes of transformation to ways of working in each of the new authorities and a shift into wider public sector reform.

This process will be difficult. This is partly because of the depth of the existing financial problems at the county council. But secondly, transformation will be a major challenge for two new organisations emerging from a culture where the largest legacy organisation, the county council, was found not to deliver Best Value, and where all the councils in the area will expect to lose experienced senior leadership capacity during the transition process.

Section 8 assesses the risks and high level implementation plan. Further work will be needed to plan programmes in detail so that the new authorities can capitalise on the expected impetus and momentum of change to develop the opportunities to transform, engage with public sector reform, and begin to realise significant outcome benefits.

5. Value for money, efficiency and delivering cost savings

This section of the analysis focuses on the potential of the creation of two unitary local authorities to deliver value for money and cost savings. Work is ongoing through the government-appointed Commissioners and external audit of the 2017/18 accounts, to establish clearly the extent of the deficit faced by the county council. Until those findings are known there are necessarily caveats about the baseline position, which affects the ability at this stage to make financial plans for successor organisations. The July 2018 section 114 notice for the county council indicates the very large extent of risks here.

The analysis below shows that some savings are expected from reorganisation. However, based on the MTFP assumptions across all the authorities, these will not be enough on their own to lead to the new authorities being set up on a financially secure basis. Consistent with the approach described in sections 3 and 4, the emphasis on transformation and public service reform has the potential to deliver further savings or value for money improvements in return for significantly higher investment. This section gives a description of how they would be expected to arise and why they should be seen as benefit in terms of value for money for the taxpayer. However, there is also a major caveat that the baseline for transformation, and the extent of saving that can be delivered, will depend on the starting point inherited by the new authorities. This starting point will be significantly shaped by measures expected from the existing county council to address the deficit risks reported in the July section 114 notice.

5.1 Financial analysis for reorganisation

5.1.1 Savings arising from reorganisation

The change from a two-tier to a unitary local government structure presents the opportunity for some savings. Our analysis assumes savings from the following:

- A reduction in senior and middle management posts.
- An overall streamlining in corporate functions and a limited number of services.
- A reduction in IT licence costs, based on the level of staff reduction.
- Reduced running and maintenance costs for property.
- Democratic savings, based on a reduction in the overall number of councillors and the ending of county elections.

A breakdown of these savings is represented in the table below. Initial modelling suggests an annual saving of £6 million for the West unitary area, and £6.1 million for the North area has been estimated, totalling £12.1 million of annual savings arising through reorganisation, fully realised from the year 2021/22 onwards. These estimates have been based on the assumptions set out in the appendix. More detailed assessment may be required to confirm these figures prior to implementation, especially as the county's baseline position is likely to change in response to its immediate deficit pressures.

Figure 24: estimated savings to be realised in the proposed unitary areas as a result of reorganisation

Savings area	West (£m)	North (£m)
FTE	3.0	3.6
IT	0.7	0.4
Property	1.9	1.9
Democratic	0.3	0.2
Unitary Total	6.0	6.1
Overall Total	12.1	

5.1.2 Transition costs

There will be costs in transitioning to a unitary structure. These have been estimated as one off costs, occurring in 2019/20 and cover the following areas:

- People related: redundancy and pension/retirement costs from staff reductions⁷⁷.
- ICT costs: for data cleansing and migration; changes to storage capacity; new licences; and changes to reports.
- Property refurbishment costs.
- Democratic costs for shadow member roles and Chief Executives.
- Other costs, including public consultation; executive appointment costs; costs of closing the existing councils; contingency planning; rebranding; internal programme management; external support.

A summary of these costs is represented in the table below. Initial modelling suggests that £14.9 million of transition costs will be incurred in the proposed West unitary area, and £15.0 million in the North area, totalling £29.9 million of transition costs occurring in 2019/20. As with the savings, these estimates have been based on the assumptions set out in the appendix. More detailed assessment may be required to confirm these figures prior to implementation. It is also important to note that the decision of South Northamptonshire and Cherwell District Councils to break their current joint arrangements is likely to lead to additional financial pressures, which are at this stage unquantified.

⁷⁷ At this stage modelling has been on the basis of redundancy costs only. We have assumed redundancy in all cases of FTE reduction. This is unlikely to be the case as some staff are likely to leave and not have permanent replacements before the unitary authorities are launched. This allows some flexibility for costs such as for pension strains which have not been quantified.

Figure 25: estimated non-recurring costs to the proposed unitary areas as a result of transition

Area	West (£m)	North (£m)
Redundancy costs	2.2	2.8
IT	1.1	0.9
Property	3.4	3.5
Democratic	0.2	0.2
Other transition costs	8.1	7.5
Unitary Total	14.9	15.0
Overall Total	29.9	

5.1.3 Overall impact of reorganisation on costs

The overall estimated impact of the reorganisation on the cost base shown in the table below.

Figure 26: impact of reorganisation on cost base

Recurring savings (£m)	One off costs (£m)
12.1	29.9

The exact impact of this will depend on the financial starting point for the new authorities, which in turn is dependent on the work the commissioners are undertaking at the county council. But with the scale of the existing and projected deficit described in section 3.2.2, the financial impact is likely to be relatively minor and certainly not a factor that makes the new authorities sustainable. Transition costs will also pose a significant further short term strain on finances.

5.1.4 Impact of reorganisation on income

The impact of harmonising council tax is a key factor which will affect the income available to the new authorities. There are variables here including the period of harmonisation and the level to which harmonisation takes place. Government advice is that a precise equalisation scheme will be set out in a Statutory Instrument and will have regard to local preference, impact on the new councils' finances and the impact on council tax payers⁷⁸.

The shadow authorities will wish to determine and then suggest their preferred approach. At this stage, it is important to note that the arrangements for council tax harmonisation will create a sensitivity to the

⁷⁸ The detail of the harmonisation process is described in an Explanatory Memorandum (2008 No: 3022) to the Local Government (Structural Changes) (Finance) Regulations 2008

reorganisation financial analysis which brings further uncertainty to financial projections and can lead to income foregone. For this reason, the councils will need to work closely with government to find the optimum approach that balances impact on the taxpayer with sustainability of the new councils.

It is also important to note that there will need to be harmonisation of the currently different rates of Council Tax Recovery Scheme that operate in different districts and boroughs currently - for example 8.5% in Corby and 45% in Kettering. Because of the potential impact on people with less ability to pay Council Tax, a policy decision will be needed, and this may have additional revenue implications.

5.2 Financial analysis for transformation

We set out in sections 4.6 the potential to use reorganisation as a platform from which to create transformational change in the way that council services are delivered. The extent of change, and the financial benefits this will bring will depend on the new councils' ambitions; their appetite for risk; the way in which implementation is prepared and delivered; and the availability of the necessary capacity and capability. The new councils will need to make strategic choices about these factors. Robust quantification of opportunities will also require more analysis of the baseline and current maturity than has been possible in preparing this report.

In addition, it is important to note that the baseline will be affected by work at the county council to address the current deficit. In particular, this is likely to affect the baseline for third party spending and number of employees.

5.2.1 How can transformation deliver savings?

Section 4.6 identifies a set of potential operating model changes that the new council could choose to implement. This creates savings opportunities in a number of ways:

Process change and customer centricity

Designing customer service processes around new technology and exploiting automation; standardising and simplifying processes; reducing duplication in back office functions (using common technology systems and a mix of multi-skilled and specialist staff) and increasing the use of data and analytics to predict need all offer the chance to release capacity. There will be a choice about how far this leads to reduction in establishment or is used to direct more resource to front line operations. However, the potential is there to realise savings.

Property savings

Reduction in establishment as a result of transformation savings will also reduce the amount of office space needed - enabling savings beyond those in the reorganisation. However, a transformation involving new technology and initiatives to promote flexible, mobile and, where possible, home working also is an opportunity to reduce the area of required office space. This can then be realised as saved running costs, through rental income, or by sale and generation of a capital receipt.

IT savings

IT will be an area of investment in a transformation, as the new councils build their digital capabilities. However, rationalisation of processes involving new IT should allow for some balancing of the investment by reduction of current licensing and maintenance costs.

Demand management

Transformation is likely also to focus on working to prevent escalation of demand. Use of the big data and predictive analytics capabilities in modern data systems provides a way to develop a much stronger capability to anticipate users' needs and reduce later, more expensive and urgent interventions. While this may not be turned into a headcount saving, the prevention of escalation of demand is a way to contain spending that would otherwise grow in step with demographic change. This has not been quantified at this stage.

Third party spend

Reorganisation offers the opportunity to undertake a large-scale review of third party spending. This means reviewing purchasing models, ensuring as much purchasing as possible is through frameworks and contracts; using the larger buying scale of the new councils to negotiate contracts; and reviewing the nature of what is purchased, ensuring a consistent process and level of control.

Income

Reorganisation gives an opportunity to review the approach to fees and charges. There will be a need to harmonise currently varied levels of fees and charges, but there is also an opportunity to look for new opportunities to generate income. There are significant differences in the fees and charges levied by the existing councils. For example, PwC comparator data (which is based on 2016/17 figures) identified Daventry as generating only 5.6% of income in comparison to total service expenditure, compared with a figure of 26.9% for Kettering. Opportunities to increase income generation can be investigated through:

- A gap analysis on leading practices elsewhere compared with current practice, focusing on commercial awareness, culture and processes employed in generating income.
- The agreement of key principles, determining the service level of the cost recovery, consistency across the system, formal targets, and accountability.
- Identification of opportunities, validated based on the ease of implementation and the potential benefits.

We estimate that this gives an indicative range of potential transformation savings as shown below. As with the reorganisation savings, this has been based on a set of assumptions, a more detailed assessment may be required prior to implementation.

The range of potential savings is also likely to be affected by the work of the county council's commissioners – the measures they take in reducing deficit will make savings that cannot then be counted again in transformation – the notes below the table explain some adjustments made in anticipation of this. If deeper measures are taken, the transformation range may reduce, or if savings are not achieved, the transformation potential may be higher than shown.

Figure 27: range of potential transformation savings

Savings area	Low (£m)	Mid (£m)	High (£m)
Process change and customer centricity*	14.4	21.8	29.3
IT	0.6	0.7	0.8
Property	0.4	0.6	0.8
Income generation	6.5	8.7	10.9
Third Party**	11.9	19.8	27.7
Total	33.7	51.6	69.4

* It is likely that the county council will need to reduce its establishment prior to April 2020 in response to its current deficit. Anticipating this, we have made adjustments to the baseline in terms of establishment size (described in the appendix).

**In recognition that third party spend will be a major focus on county council efforts to reduce its current deficit, we have only included 25% of existing county third party spend in a baseline of addressable spend.

5.2.2 Transformation costs

Transformation will require significant investment. Costs will need to take into account a wide range of factors, in particular: redundancy costs, investment in IT and programme and change management, involving both internal and external support costs.

Costs would be one off but expected to be incurred during the period when savings are realised. As with the reorganisation transition costs, this has been based on a set of assumptions, and a more detailed assessment may be required prior to implementation.

Figure 28: range of potential one off transformation costs

Area	Low (£m)	Mid (£m)	High (£m)
Process change and customer centricity	7.2	10.9	14.7
IT	6.0	7.0	8.0
Internal project management	2.0	2.5	3.0
External support costs	16.0	18.0	20.0
Property	0.5	0.8	1.0
Third party spend	1.5	2.0	2.5
Income generation	0.5	0.8	1.0
Total	33.7	41.9	50.2

5.2.3 Overall impact of transformation

Transformational savings will take several years to be realised. The table below shows a highly indicative profile of potential savings, based on the mid-point of the savings range and an assumption that savings take four years to realise.

Figure 29: indicative profile of transformation savings and investment costs, based on mid-point of the range

(£m)									
	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
Recurring savings	0.0	0.0	0.0	12.9	25.8	38.7	51.6	51.6	51.6
Investment costs	0.0	0.0	10.5	10.5	10.5	10.5	0.0	0.0	0.0

Transformation programme design work, and further analysis of the present ways of working, will be needed to estimate the scale of the opportunities, and to balance short-term affordability and implementation capability with medium-term benefit. The potential will also need to be assessed against the activities of the commissioners at the county, whose work to balance the deficit is likely to involve significant cuts that affect the

starting point for transformation. However, if it can be successfully implemented, transformation could provide a route to medium-term financial sustainability which reorganisation alone will not deliver.

5.3 Public service reform

Extending transformation into the area of public service reform (as described in section 4.7) offers the potential for further financial benefits. At this stage these have not been quantified. It is too early in the process of engagement with local public service partners. Opportunities need to be identified and would need to be supported with their own business cases. It is, however, worth noting some of the potential features of these further benefits:

- Benefits would need to be measured in terms of their impact on the local public service, rather than just local government spending. Some benefits would be felt outside of local government, but equally local government would expect to experience benefits from action by other partners.
- Benefits would typically take several years to be realised. One of the improvements from public sector reform should be cross agency action focusing on prevention. 5 – 10 years is the most realistic horizon for being able to see measurable financial impact.
- There will be costs associated with public service reform, with investments needed in training and tools (for example for predictive analytics) or small innovation hubs may be established in each area with local authority and other agency staff seconded to them.

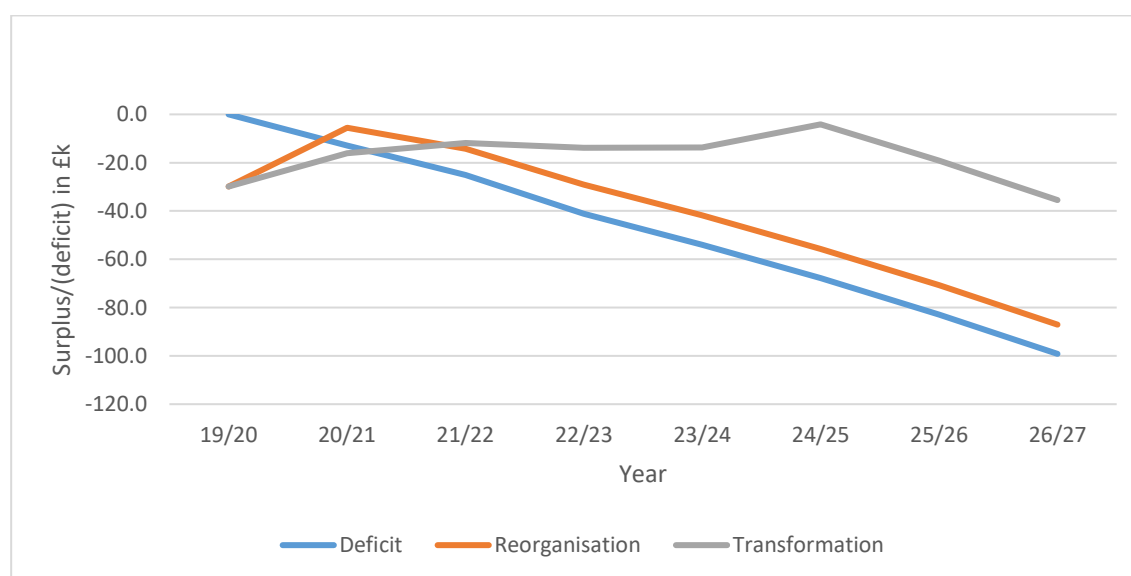
Sustaining support for the public service reform approach will require careful programme management in order to demonstrate success. It will be important to identify some early wins – for example by pushing for savings through cross agency shared services or asset sharing.

5.4 Conclusions

We noted in section 3.2.2 that the exact financial stresses at the county council are not yet fully understood and that this inhibits effective financial planning or modelling. But it is clear that there is a serious combination of deficit, debt and low income potential. While reorganisation can be expected to produce some cost savings, these will not be enough to tackle the county's cost pressures and reorganisation offers no advantage in terms of addressing the weaknesses in the county's balance sheet or historic income. This analysis suggests that pursuing reorganisation alone will not lead to two financially sustainable unitary authorities. Depending on the assumptions made, this may also be exacerbated by the impact of income foregone through council tax harmonisation.

The graph below builds from the analysis in section 3.2.2 about projected deficit. This is derived from early 2018 published MTFPs, and makes the significant assumption that action is taken before the unitaries are created to deliver a balanced financial position. The graph shows that moving towards a sustainable position relies on achieving significant transformational savings (the assumption here is based on the mid-point of the range being achieved).

Figure 30: indicative impact on projected deficit of reorganisation and transformation



A programme of transformation would require much more investment but has the potential to build on the platform of reorganisation and create a more sustainable financial context for both the new authorities, as well as being a means to focus on service development. Developing this further, into public service reform, may offer further savings to the public purse in the area, including to local government.

However, these ambitions first require the basic reorganisation to be delivered effectively, enabling the new councils to build the capacity and culture to capitalise on the opportunity to make a change in local public service delivery. Recognising this point, section 8 describes a range of challenges which will need to be addressed to help the councils to maximise the potential for the new unitary authorities to establish stable building blocks from which to develop.

6. Stronger and more accountable leadership

The fact that seven districts/boroughs and the county are currently considering submitting a proposal for two unitary authorities together is a sign of the strength of leadership in Northamptonshire now.

The approach is pragmatic. This is not a proposal that would have arisen from the councils' own initiative. However, they all accept the urgency of the financial situation and plan to ensure the reorganisation is used as a platform to obtain the best outcomes possible for the area. This includes providing the most effective leadership for the structures proposed.

All forms of representation and structures of leadership have strengths and weaknesses. There are significant concerns among district and borough leaders and members that the voice of the communities they currently represent will be diluted in new authorities covering larger areas with more competing priorities. There is also concern that rural interests will lose out in unitary authorities and that spend will be dominated by the demands of concentrations of deprivation in urban areas.

However, the two-tier system creates accountability that can be unclear and confusing. Local residents, businesses and other public sector partners may be unsure which local authority is accountable for which services. This is further confused by the fact that the largest component of their council tax bill, the county precept, is levied through the district or borough. Organisational boundaries also create challenges about information sharing and arriving at a single voice to provide clear leadership.

There is cost and complexity associated with separate county and district/borough electoral cycles and having a total of 320 council seats across the eight authorities. Time and effort have to go into building common positions between districts and boroughs and between them and the county. This diverts attention and means that the councils cannot make the most of the county's opportunities and are not tackling its challenges as effectively as they could.

The establishment of two new unitary authorities has the potential to improve these issues. It could facilitate a stronger voice for West and North Northamptonshire; make accountability clearer for local residents and businesses; and streamline decision-making.

The remainder of this section considers the overall impact under three headings:

- The opportunity to deliver stronger strategic leadership.
- The importance of local and community leadership.
- The role that reorganisation could play in supporting clearer decision making.

6.1 Stronger strategic leadership

The new local authorities would have a wider geographical remit than the existing ones and should be better placed to take a holistic view across their areas. The leaders will be able to make strategic decisions across what are presently distinct administrative boundaries. This would be particularly significant in relation to planning,

housing and highways decisions. They should also be able to take strategic decisions across service boundaries, better recognising the connections between leisure and youth provision, or housing and social care.

This would support local government's increasing role as a place leader - facilitating outcomes from a range of providers and partners, rather than controlling all the delivery levers itself. Locally the new authorities should be better placed to provide leadership to delivery partnerships because they can speak for all the aspects of local government accountability - giving a clear focal point for delivery partners.

Regionally and nationally, unitary authorities could be a much stronger voice. The key example in Northamptonshire will be the Cambridge - Milton Keynes - Oxford Corridor - by bringing critical mass to that concept, unitary authorities should be able to ensure they also derive local benefits from it.

In some areas, economies of scale and strategic planning considerations support delivery at a larger geographical level than the two new unitary authorities would represent. At this point, no decisions have been taken about this, but it will be considered during transition. Some aspects of partnership working may require whole county structures (for example to fit with the boundary of the police force). In such cases ensuring the best service outcomes and value for money would be the key considerations.

6.2 Stronger local leadership

One feature of a move to unitary local government is a reduction in the aggregate number of councillors in an area. Among the councils submitting this proposal, there is a keen appreciation of the risk of creating an electoral deficit - essentially the risk that removal of the district and borough level of local government takes decisions further away from local people. There will be fewer councillors, and each councillor will be representing a larger area. The consultation exercise showed there are concerns about a loss of local accountability and the risk of combining urban and rural issues in a single council area.

Exact electoral arrangements will be for the Local Government Boundary Commission for England to determine. This section of the proposal sets out the ways in which the councils propose to ensure effective, and potentially enhanced, relationships between councils, members and their communities. However, due to the rapid nature of the formulation of the proposal and the rapid transition that will be required to meet the target vesting date in April 2020, we expect an approach of incremental change will be needed. This affects the proposal for electoral arrangements, which is described in section 6.3.

There are two main opportunities in this area:

Local area structures and working arrangements with town and parish councils. There is a clear opportunity to introduce arrangements that design in local organisation and resident oversight of decisions and spending. Exact arrangements will be matters for the new councils to consider and discussion will begin during the shadow period. Ideas are under active discussion, with two concepts under consideration:

- More delegation to parish councils. There are examples of significant delegation of responsibility to this local council level in the county. At county wide scale, this would first require creation of new town and parish councils in currently "unparished" areas. This is already under consideration in some areas and could range from ceremonial delegation (for example, use of an existing borough title) to delegation of responsibilities. However, without more research, the councils cannot commit to parish and town council delegation at this stage. Such small bodies depend on the contribution of enthusiasts who may not be able to sustain the effort to maintain local assets. Quality and capability is also variable, so consideration would need to be given to capacity building and training.
- Area governance. An alternative option is to follow the example of a number of the unitary authorities established in 2009 who created area governance arrangements to support councillors in their community

leadership roles and to help them engage more effectively at a local level. In many instances, these arrangements comprised local area boards, made up of representatives of service providers, town and parish councils, the voluntary sector and community groups and overseen by the councillors in those areas.

The councils submitting this proposal are aware in particular of arrangements in Wiltshire and Cornwall, whose features offer evidence to build on:

- Following its establishment in 2009, Wiltshire Council created 18 new 'area boards'. These were given responsibility for finding solutions to local issues, such as road maintenance, traffic management, litter, facilities for young people and affordable housing. The community areas, the boundaries of which are closely aligned to those of Wiltshire's 'natural' communities, are inclusive, informal and popular – hundreds of residents regularly attend their meetings. The boards also oversee an area grants scheme, to which local communities and voluntary organisations may apply for funding to support local projects and priorities. In addition, Community Area Partnerships were established, in order to engage local people according to their needs, and designed to be accountable to the community⁷⁹.
- Cornwall Council, which was also established in 2009, put in place 19 'community networks'. These are effectively multi-agency panels, and operate in much the same way as Wiltshire's area boards. However, in Cornwall the networks have been used as the principal vehicle through which the local authority has engaged town and parish councils in discussions about the delegation of service responsibilities. The council has also set up a framework to facilitate partnership working with local councils, enabling them to negotiate the basis on which they choose to take on any service responsibilities and helping to guide them through procedures such as contract monitoring and/or asset transfer. There is no obligation on the town and parish councils that participate in the networks to take on service delivery responsibility⁸⁰.

The advantage of area governance is that it offers a solution acting over larger areas than those covered by town and parish councils. They have provided a platform for elected members to engage with their communities in a different way and have enabled them to coordinate action at a local level. This will need to be weighed in the design phase against the strength of existing town and parish arrangements. It may well be that each new unitary chooses a different arrangement.

Digital connections. New technology offers new and efficient ways to sample opinion and to share ideas. The information age also means that local people can inform themselves in much detail, and without leaving their homes, about the local issues that they care about.

In this context, representation by fewer councillors can be seen to have a smaller impact than the extent of the reduction suggests. Equally, effective use of digital technology can enhance participation.

An active councillor can keep interested residents informed by channels, such as e-mail. A council's own IT platform can also provide simple tools to councillors to enable them to run surveys or discussion forums - as part of transformation, the new unitary authorities have an opportunity to review IT platforms and to consider what is needed to promote engagement. This is not just about democratic engagement - it is also a way to connect non-resident relatives of elderly or vulnerable people to issues that they are facing.

Digital technology also offers ways to engage more people with the issues that councils are discussing. Social media accounts and streaming council meetings are now established techniques. The advantage that unitary authorities offer is that by covering all of local government business in an area, it is easier for people to understand the context for the communication.

⁷⁹ <http://www.wiltshire.gov.uk/council-democracy-area-boards>

⁸⁰ <https://www.cornwall.gov.uk/community-and-living/communities-and-devolution/community-networks/>

The potential of digital engagement is supported by research. For example a study at Bournemouth University⁸¹ found that some forms of digital participation offer both a sense of empowerment within communities, have the potential to impact the mainstream media agenda and inform and impact the views of decision makers.

While digital engagement will not currently be to the taste of all residents, carers or councillors, it will be something for which there is a growing expectation. Digital technology will be used by the new councils as a central tool to supplement traditional face to face contact; this creates much potential to connect people far more to local affairs and decision-making. In addition to voting, this can include political petitions, representation on local health and care bodies and parish councils, with public satisfaction depending in part on a broad scope and range of mechanisms for engagement, to enable citizens to participate in the ways that are tailored to their needs⁸².

6.3 Improving accountability

Two factors need to be considered here: consistency of governance, and in particular scrutiny; and the proposal for electoral representation (number of members).

Consistency of governance

Currently the county and two of the districts/boroughs use the cabinet system, while the other districts/boroughs have retained the committee system. Decisions about the model of leadership to adopt will be for the new councils to take. This analysis examines the question of ensuring effective scrutiny if a leader and cabinet model (which is in widespread use by upper tier and unitary authorities) is adopted.

The leader and cabinet model is good for fast decision-making and is another contributory factor for a unitary model making partnership working more straightforward. But there is an argument that the cabinet model concentrates power, and risks councils missing out on the advice and expertise of non-cabinet members on some issues. This concern needs to be addressed for future Northamptonshire councils. The Best Value report is succinct in its criticism of scrutiny arrangements at the county council: “The overall impression that the Inspection team gained from all the interviews they undertook on scrutiny was that challenge and criticism was to be discouraged as senior members and officers knew best”.

Reorganisation does not itself lead to more scrutiny, however there are a number of ways in which the creation of new authorities will help:

- This is a prime instance in which the power of signalling the new start will throw the importance of scrutiny into relief. With the likelihood of inherited debt and deficit, scrutiny roles will be high profile and have necessary officer support.
- The economy of scale achieved through creation of one core of elected members, in a single electoral cycle, in each new authority should make it easier to create a systematic approach to member training and development. We would expect scrutiny to play an important role in such development. It would complement training in digital skills - helping members to understand how to engage with the views of residents and represent their concerns through effective scrutiny.

⁸¹ Bournemouth University, Civic political engagement and social change in the new digital age, 2016

⁸²Rand Europe: ‘Civic Engagement: How Can Digital Technology Encourage Greater Engagement in Civil Society?’

Electoral representation

The Northamptonshire area has 200 electoral areas (57 county divisions and 146 electoral wards). In total there are 321 elected members.

The table below illustrates the extent of variation in the ratio of population per elected member in the area currently:

Figure 31: member statistics for each local authority⁸³

Authority:	Council members	Members per electoral area	Electoral areas	Electorate per member
Corby	29	2.4	12	1,720
Daventry	36	2.25	16	1,743
East Northamptonshire	40	1.8	22	1,712
Kettering	36	2.1	17	2,050
Northampton	45	1.4	33	3,553
South Northamptonshire	42	1.6	27	1,681
Wellingborough	36	2.3	16	1,652
Northamptonshire	57	1	57	9,559
Total:	321		200	

⁸³ Local Government Boundary Commission for England electoral data – available at: <https://www.lgbce.org.uk/resources/electoral-data>

A comparison to some unitary authorities in the table below, illustrates that they show fewer members per electoral area and generally a higher population per member:

Figure 32: member statistics for other selected unitary authorities

Authority	Council members	Members per electoral area	Electoral areas	Electorate per member
Bedford Borough	40	1.48	27	3,241
Central Bedfordshire	59	1.90	31	3,575
Cheshire East	82	1.58	52	3,651
Cheshire West and Chester	75	1.63	46	3,630
Peterborough	60	2.73	22	2,257
Luton	48	2.53	19	2,919

The existing councils have recognised that unitary local government will require a material reduction in the number of elected members, but also recognise the potential impact of a reduction in member numbers on allowing sufficient scrutiny.

One option is to consider member numbers in relation to the number of existing county division areas (57). Having three members per division would make for an aggregate of 171 members (93 in the West and 78 in the North); having two members per division would make for an aggregate of 114 members (62 in the West and 52 in the North). Both options are higher than the recommendation of 45 members per authority in the Best Value report. However, the two member per division option produces a ratio of one member per 4,790 electors, which is considerably in excess of the English unitary district average of 2,849. The three member option gives a ratio of one member per 3,186 electors.

The shadow authorities will need to consider their views on how to balance agile decision-making with allowing for effective local representation particularly while area governance arrangements evolve.

6.4 Conclusions

The move to two unitary authorities could provide an opportunity to strengthen leadership at different levels. Strategically, it can provide a stronger voice for the councils, particularly when engaging externally and fulfilling the role as place leader.

Local leadership is an important consideration for district and borough councillors, who do have a concern about the strength of rural community and smaller towns' voices in the new arrangements. There is a clear will to find effective area based arrangements, whether directly with town and parish councils or through a more diverse area forum or committee arrangement. In considering this, the potential to use digital engagement methods will be considered – technology offers a faster and, for many demographics, far more convenient way to participate in the affairs of their communities.

The councils are considering the options for reducing the aggregate number of councillors. While it will ultimately be a matter for the Local Government Boundary Commission for England to determine, the councils are concerned with achieving a balance between ease of practical decision-making, and the need for effective local representation, particularly while area governance arrangements evolve, and the need to promote the right level of scrutiny.

7. Demonstrating the new model is sustainable in the medium to long term

The impact of the county council's financial challenges, associated audit warnings, government intervention, and press coverage has been painful for Northamptonshire. For users of services, already feeling the impact of large funding constraints, it adds further uncertainty about what support they will receive in the future. For members and staff at the county there is an ever more acute challenge of delivering critical services with very limited resources. For members and senior officers in all the authorities in the Northamptonshire area, there are discussions and events associated with the unitary proposal which prevent them from focusing on business as usual. For all there is the reputational damage to the sector to which they devote their own time or in which they have made their careers.

However, the impact is also galvanising. Over 6,000 open questionnaire responses have been returned as part of the local consultation exercise which shows the public are taking an active interest in the way that their local services will be delivered in the future. The seven districts/boroughs and the county, at leader and senior officer level, have worked collaboratively to produce the proposal. Partner organisations have joined in positively at workshop sessions.

While a proposal for two unitary authorities would not have been initiated by the districts and boroughs without the Secretary of State's intervention, there is a vision for making this structure work and improving local government and local public services in Northamptonshire.

Sustainability is the key concern of the authorities proposing the two unitary approach. This derives from a number of factors:

- The size of the deficit in the county council's finances and the ongoing revenue pressure from its debt creating a fear that the new authorities will be saddled with financial burdens from the outset.
- That the urgent action required at the county council to address the July 2018 section 114 direction will lead to service cuts of such severity that unsustainable services will be passed on to the new unitaries, and a loss of prevention work now will store up major problems over the medium term.
- Growing demand in adult social care - in particular a projected high growth in over 75 year olds in the next decade which will outstrip the supply of care home places.
- Growing demand in children's services (for example, growing home to school transport costs resulting from the growth of academies and an expected rise in the Looked After Children population – the latest ONS population estimates show that the number of under 19s is forecast to increase at a significantly higher rate than the national average between 2016-21).
- The ability to deliver the required transformation in the context of such significant financial and demand pressures.

This section considers how effectively reorganisation will enable the new councils to respond to these challenges and to deliver local government organisations which meet the needs of their communities now and into the future.

7.1 Financial viability

Financial viability of local government is a concern nationwide, not just in Northamptonshire. However, in Northamptonshire it is a particularly acute issue for the proposed new unitary authorities. The county council's section 151 officer has recently issued a section 114 notice highlighting the risk of a £60m to £70m deficit in the current year's budget. This needs to be seen in addition to factors including that the county council has overspent on its budget annually since 2016/17; and that there were already substantial savings requirements in the 2018/19 budget. There is a risk that the new unitary authorities inherit the deficit and cannot begin with balanced budgets. It is clear that the economy of scale type savings that come from moving from two-tier to unitary local government will not be enough to address financial viability.

Moving towards financial viability will require the larger scale of savings that need to be made through a comprehensive programme of transformation. For a more significant investment than the transition costs of reorganisation, this could reduce cost and complexity and maximise the effort devoted to frontline services.

But transformation will be a major challenge: first, the investment costs will need to be met. Secondly, implementation will be difficult for two new organisations emerging from a culture where the largest legacy organisation, the county council, was found not to deliver Best Value, and where all the councils in the area will expect to lose experienced senior leadership capacity during the transition process.

To be able to set themselves on a course for financial viability, the authorities will need support in addressing the gap between costs and income which is currently too great to build the basic building blocks of stable new authorities.

Delivering reorganisation successfully therefore requires action to address the county's financial position. The work of the Commissioners is aiming to produce a stable position in terms of deficit, and will involve actions to reduce costs. This must be seen as a pre-requisite for successful reorganisation, but needs to be done in a way that still leaves the new authorities with a legacy of sustainable services.

Section 8.3 describes a range of challenges that will need to be addressed if the councils are to maximise their potential to set sustainable platforms from which they can undertake transformation and public service reform. These include addressing the county's current financial position; the considerable expenditure spikes that will be associated with transition and transformation; and improving infrastructure development, through the emerging Housing and Growth Deals for West and North Northamptonshire.

7.2 Improving service resilience

The question of service resilience is an important aspect when considering the ideal size of a local authority. It is logical that smaller local authorities have less resilience than larger ones with scale. This is based on the view that in a small authority, there is the risk of reliance on a small number of key officers, so there is vulnerability caused by sickness for example.

It can also be argued that moving to two unitary authorities reduces resilience. For the aspects of the existing county services that are not organised on an area basis, two teams will need to be created where there is currently one. For example, in children's services, virtual school, educational psychology and children with disability social workers are specialist services organised county wide.

But setting aside these considerations, it is the case that service resilience is an issue in local government nationally. PwC's 2018 survey of local government chief executives and leaders found that, though 72% of respondents felt confident about delivering their required savings over the next year, 74% believed that some local authorities would get into serious financial difficulty in the next year, and only 19% reported as 'feeling confidence' in the next five years⁸⁴.

Where shared services are in use by the Northamptonshire councils, this already provides additional resilience. There will be disruption to these arrangements, especially in South Northamptonshire which will be removed from its current arrangement with Cherwell. Management arrangements will also be needed for cases where there are contracts held by existing authorities that will span the two unitary areas.

No decisions have yet been taken about whether existing contracts will be novated or replaced. However, the creation of unitary authorities could provide an opportunity to build more resilience into service design.

Examples include:

- Revenues and benefits services. With the exception of South Northamptonshire, the current district / borough services are not subject to shared service arrangements.
- Development control and building control. With some exceptions (South Northamptonshire, strategic planning in North Northamptonshire, and building control in Daventry) these are services provided individually by districts/boroughs which stand to benefit from more resilience.

It is not just resilience against absence that could be improved:

- Greater scale also enables authorities to offer more attractive career opportunities or professional development. In such cases resilience should enable authorities to retain key specialist staff for longer.
- Corporate functions has inevitably been a focus of spending reductions in recent years as authorities have prioritised spending reductions in these areas to avoid impacting the front line. But corporate functions are important in the overall sustainability of a council. This affects a council's ability to handle effective strategic planning, monitor performance, analyse data, communicate with residents and oversee spending. This is also the council's "think tank", enabling it to pursue cross-cutting opportunities or leading edge partnership working which in turn promote better resilience. The 350-400,000 population scale, and the opportunity to design two new authorities from scratch, should enable this issue to be considered from the outset.
- Creating the new authorities could also strengthen existing informal collaborative arrangements. It could strengthen the collaboration that underpins the approach to the Housing and Growth Deals for example.

In designing the new authorities, detailed consideration will need to be given to areas where there would be a risk to continuity of service from breaking up an existing whole county operation or team. This will need to be balanced against cost and consistency with the overall accountability arrangements. Continuity considerations will include the capacity of partners as well as the local authorities.

7.3 Managing future demand

Managing future demand is a central requirement for the medium term sustainability of the new councils. It is clear from population projections that there will be an increase in future demand for council services:

⁸⁴ The local state we're in: PwC's annual local government survey 2018

Figure 33: population figures for all ages for areas of Northamptonshire projected to 2018 and 2030, and the % increase from 2018 - 2030

Area	2018	2030	% increase
Corby	70,706	82,181	16.2
Daventry	82,008	87,385	6.6
East Northamptonshire	92,766	100,658	8.5
Kettering	100,753	109,867	9.0
Northampton	228,687	247,230	8.1
South Northamptonshire	91,301	99,012	8.4
Wellingborough	79,389	84,159	6.0
Northamptonshire	745,610	810,492	8.7
Future West area unitary	401,996	433,627	7.9
Future North area unitary	343,614	376,865	9.7

The impact of the pressures is underlined when compared with other counties. The projected population increase of 8.7% is significantly larger than the nationwide projection (6.3%), as well as projections for nearby areas, such as Oxfordshire (3.9%) and Warwickshire (4.8%).

Concerns about meeting expected demand for council services are most acute in the expected escalation in demand for social care. Nationally, the problem is well publicised. The Health Foundation and the King's Fund⁸⁵ reported in May 2018 that adult social care demand is set to rise by around £12bn by 2030/31. This gives a growth rate of 3.7% per annum, compared with a projected growth in spend of 2.1% a year and a projected funding gap of £1.5bn by 2020/21. In children's services, an open letter⁸⁶ jointly from the Local Government Association (LGA) and four children's organisations has warned of a national funding gap of £2bn by 2020. These pressures are felt in Northamptonshire. By 2024 the age band with the largest increase in population will be 75 - 79 years. Northamptonshire already has a demographic of above average "over 65s and over 75s characteristics" which is reflected in its 2016-17 spend per 1,000 people over 65 of £529,013, compared with an average of £381,127 in the East Midlands⁸⁷. Population growth for children aged 10 - 14 between 2014 and 2024 is also projected to be high⁸⁸. This will be significant for a children's service which already has an increasing number of children in care, on Education, Health and Care Plans, has high costs for home to school transport and the added pressure of high numbers of unaccompanied asylum seeking children.

Demand management is already part of the work of the county adults' and children's services. Examples include: promoting the use of Extra Care and assisted living; or targeting early help services to children and families at an earlier stage although this has been affected by budget pressures.

⁸⁵ A fork in the road: next steps for social care funding reform, Health Foundation and the King's Fund, May 2018.

⁸⁶ A joint letter to Government, LGA, Barnardo's, Action for Children, The Children's Society and National Children's Bureau, November 2017 - <https://www.local.gov.uk/about/campaigns/bright-futures/bright-futures-childrens-services/close-childrens-services-funding>

⁸⁷ The Northamptonshire Challenge - internal county council briefing paper, page 57, May 2018.

⁸⁸ JSNA demography - internal county council briefing paper, page 8, July 2017.

The move to two unitary authorities could provide opportunities to deepen demand management work but progress of the scale required will need transformation to push hard into the public sector reform agenda, particularly if prevention work is affected by cuts to address the current deficit. The creation of the new authorities will require a re-framing of the way in which health and social care work together on the new local government geographic boundaries. These boundaries may provide a manageable scale on which to bring together health and social care providers, voluntary and community sector organisations and carers to make the best use of resources. This will mean not just focusing on collaboration to reduce delayed discharges from hospital, but also to promote the right community services that can keep people active, link them to others in the community, and help vulnerable people to stay at home. However, as has been noted in section 1.5.1 careful design will be needed to balancing this, with the concern expressed in the consultation exercise by some Health and Wellbeing Board members about splitting some current county-wide functions.

The growth agenda also has an important link the question of demand. With the associated targets in both the West and North areas for new housing, this is an agenda that will increase demand. This is recognised in the Joint Core Strategies for both the North and West areas, which run to 2031 and 2029 respectively. The Housing and Growth Deals will be important to ensure demand for associated infrastructure can be met.

Section 4.6 looked at the potential benefits of the use of digital technology. This has an important part to play in demand management. The central aspects are:

- By providing information and self-service tools to help residents (or their carers) to identify services or support, they can be much more self-sufficient, and so reduce demand in terms of sign-posting and brokering.
- Better predictive analytics enables councils to spot patterns of need and take earlier action.
- A digital platform can be used to connect individuals in communities and support community action that can reduce the need for council intervention. An example would be in co-ordinating activity to look after local open spaces.

7.4 Improving community resilience

Community resilience is very important in a context of growing gaps between available public resources and increasing demand and expectations about public services. One solution is to build the capacity of communities to help themselves.

In Northamptonshire there are particular challenges in supporting the needs of rural communities and also in terms of the concentrations of deprivation in some parts of the county (as described in section 3.1).

Building community resilience requires encouragement of an approach where individuals or groups of residents make a greater effort to resolve less critical issues in order to help providers direct their resources to those with the greatest need.

Establishing the unitary authorities provides an opportunity to build the community perspective as an integral part of transformation. This will cover several dimensions:

- Community engagement. In considering the options set out in section 6.2, the councils will need to assess how the concepts of area committees, or greater delegation to parish and town councils, incentivise communities to take a greater role in local decision-making, or helping local public service organisations identify priorities.

- Digital participation. Digital platforms allow local authorities to create secure online communities or forums for sharing ideas or experience. Online peer-to-peer support for foster carers is now used widely across the country. Increasingly we can expect to see online collaborative case management - enabling professionals, care workers and families to share thinking and experience about a client's care needs. This can extend to matters of wider community interest and will be a valuable tool to listen to dispersed rural communities or to help match volunteers with opportunities with local groups and charities.

The establishment of the unitary authorities could offer the chance to make a model of community engagement and community action a central part of the design of the new organisations, and their relationships with partners and residents, from the outset.

7.5 Conclusions - ensuring sustainable structures

The Secretary of State's guidance is that the two future unitary local authorities must be "more sustainable structures". This section has considered four dimensions of the sustainability question:

- Financial viability.
- Service resilience.
- Demand management.
- Community resilience.

There will be other dimensions as well, such as building and retaining the right workforce, having an innovative and learning culture and being open to scrutiny and challenge. At this stage the detailed work has not been carried out to evaluate the detail of sustainability in all these areas. However, the new start represented by the creation of the new authorities represents an opportunity to review the way all these themes interact. It allows for a much more rounded review than would be possible under the status quo. The design principles described in section 3.5 on vision are very important here. They will need to be refined for each of the new authority areas, but they represent an aspiration to a form of local government and local public service delivery that recognises the challenges of funding, demand, customer expectation and delivery over an urban and rural geography. Applying these, or similar principles, during the set up and running of the new authorities, will be a significant guide towards maintaining sustainable structures.

8. Conclusions and next steps

8.1 What reorganisation can achieve?

A move from two-tier to unitary local government in Northamptonshire could deliver improvements to outcomes in the county area and create the new start recommended by the Best Value inspectors. However, reorganisation on its own is not a panacea. Changes to structures will on their own only deliver an administrative new start, provide a basis for some economy of scale savings, and give a platform for a clear single voice for an area. The significant benefit from reorganisation comes from the opportunity it creates to transform local government services and to use that as a platform for wider reform of the way local public services work together in the area.

Using reorganisation as a catalyst for transformation of local government services and a more radical programme of local public service reform is a central part of the vision of the current councils. This document has set out how using reorganisation to pursue this vision could enable achievement against the different themes of the Secretary of State's guidance, if it is properly resourced and supported in set up.

8.1.1 Improving local government and service delivery

Reorganisation could be an enabler of a different way of working in pursuit of outcomes. This document assesses this in relation to five different outcome areas. Having a unitary local government structure could make cross disciplinary working much easier, especially where responsibility and expertise is spread between tiers and between districts/boroughs. Having this single focus could in turn make it clearer to partners or businesses who they should speak to. Particularly in economic matters, this could give a stronger voice to the existing West and North groupings in the county, helping them to benefit from the Cambridge - Milton Keynes - Oxford Corridor, a centrepiece of national strategic infrastructure planning for the next 30 years.

This report has described the opportunity for reorganisation to be associated with significant local government transformation. This recognises that the new authorities will have a once in a generation opportunity to design ways of working that place their residents at the heart of everything they do. They will be creating new management structures, processes, policies and information sharing protocols. The opportunity is to make digital technology, data analytics, common processes and an agile and mobile workforce an integral part of the design of the new organisations, so maximising resources to work in value adding services on the frontline.

8.1.2 Greater value for money and generation of savings

The analysis presented in this report shows that reorganising to two unitary authorities will deliver some savings. But to do so in a way that makes a material difference to the projected medium term shortfall between income and expenditure requires reorganisation to be associated with major local government transformation. Given the extent of the county deficit and use of reserves to cover liabilities, it is important that the county council and its commissioners work to deliver a sustainable position for the unitary authorities to inherit.

At this stage we have not quantified the savings that would arise from wider public service reform. It is likely that there would be savings, many of which would be realised by other partners, such as in health.

8.1.3 Stronger and strategic leadership

Strategic leadership could be promoted by the way that a unitary form of local government brings services together that need to connect in order to deliver outcomes. Leaders should be able to take decisions with more

understanding and influence over the full range of contributory factors, and over a larger geography. The establishment of two new unitary authorities could also make it simpler for local people to understand the line of accountability for local government services. With only one tier of local government, in partnership with local town and parish councils, and one cycle of elections, this is more transparent whilst staying locally accountable.

Local people and current district/borough councils are concerned about the potential loss of the voice of particular towns or communities, especially of rural communities. While no detailed arrangements have been agreed, establishing unitary authorities does give an opportunity to strengthen local leadership. Use of digital tools allows members to listen closely to the voice of communities and to engage people at a time that suits them. There can also be new initiatives for area involvement either through area committees or with increased roles and extension of coverage of town and parish councils.

8.1.4 Sustainable structures

This vision of reorganisation with transformation and public service reform has the potential to establish Northamptonshire's local government on a more sustainable footing. The key point here, however, is the need to address the gap between costs and income at the county so that the basic set up of reorganisation can be achieved. Without this, there is a strong risk that the new authorities are unable to balance their budgets from the outset.

Beyond financial considerations, the larger scale of unitary authorities, in comparison with existing districts/boroughs could give more resilience against unexpected events, pressures or staff absence. By enabling better partnership working, there could be more opportunity to work pro-actively in support of prevention initiatives, thus aiming to reduce demand for more expensive interventions.

8.2 Delivering reorganisation successfully

Given the adverse financial position of the county council, the new authorities risk beginning their lives with significant constraints. This may affect their ability to invest in the scale of transformation that will be needed or mean that they are forced to fight immediate pressures as demand rises at the expense of building sustainable approaches. These are all factors which are increased by the tight timescale for establishing the new authorities.

To assist in managing the process of planning and implementation, the table below highlights risks associated with moving to new unitary arrangements. Risks identified to date stem from three factors: (i) sustainability of the legacy from existing structures, (ii) management of a large scale transformation and (iii) running larger organisations.

The table below highlights the most significant risks, together with mitigations.

Figure 34: high level risk log

Ref	Description	Mitigation
1.	The focus is put on reorganisation alone, when its real value is in being a catalyst for transformation and public service reform which are the only real solutions that can lead to sustainable services for Northamptonshire.	Ensuring in design and during transition that a focus is retained on transformation as being the only way to bring about sustainable services for Northamptonshire.
2.	New unitary authorities inherit existing deficit and cannot begin with a revenue neutral position.	As part of unitary submission to government, emphasise importance of Commissioners establishing a revenue neutral position at the county.
3.	Existing deficit exceeds savings achievable in the short to medium term through establishing unitary authorities.	<p>Leaders' and Chief Executives' LGR Executive Group to be kept closely informed of financial position and of Commissioners' findings.</p> <p>Early engagement with partners to reset partnership delivery requirements, especially to support sustainability of social care.</p>
4.	County council action to address severe deficit prior to launch of new unitary leads to service cuts of such severity that unsustainable services will be passed on to the new unitaries, and a loss of prevention work now will store up major problems over the medium term.	Districts and borough to consider what practical support they can give.
5.	Concern about ability of new authorities to serve local needs leads to a large number of capital projects prior to launch of the new authorities, depleting reserves.	Leaders' and Chief Executives' LGR Executive Group to provide a clear message about potential impact on future sustainability.
6.	Loss of experienced staff during transition.	Clear communication to staff about plans and progress, emphasising the opportunities for capable, committed and ambitious staff.

Ref	Description	Mitigation
7.	Outcomes for vulnerable residents – a rapid unitary set up and transition will consume senior time and could lead to a loss of resilience in business as usual.	Early establishment of programme management for the transition, with appropriate staffing, so that disruption to business as usual is predictable, planned and minimised.
8.	Contract renewal required before establishment of the new authorities results in arrangements that do not fit future requirements.	Transition programme management needs some procurement expertise to review tender material to ensure it is “future proof”.
9.	A general risk of loss of localism - despite similarities between areas, key local projects may be put at risk and residents feel remote from councillors or do not identify with the new organisations.	Consider establishment of area structures or town and parish councils where they do not currently exist. Councillor roles would need to be clearly defined and communicated to residents.
10.	It is difficult to reconcile distinct urban and rural needs.	Design of access to services must be worked through both from a town and rural perspective, having regard for example to access to digital devices and high speed broadband.
11.	Cultural change - in particular the risk that organisational silos carry forward to the new organisations.	Senior members and officer leadership should model new behaviours and actively manage cultural change during transition.

8.3 Challenges that the new unitary authorities will need to address

In view of the risks described above, there are several challenges that will need to be discussed with central government to give the establishment of the two unitary authorities the best chance of success.

These are divided into four themes:

Beginning with a clean sheet

Our projection of future revenue and income from the published early 2018 MTFPs highlighted persistent and significant deficit forecasts. This position has now worsened with the July 2018 county council section 114 notice highlighting a potential £60 - £70m deficit in the context of a lack of resilience due to depleted reserves. Unless addressed, this position will transfer to the new authorities in 2020/21 and prevent them from setting balanced budgets. It is therefore a requirement that the county council working with the government-appointed commissioners, ensures a balanced revenue income and revenue expenditure position that can be inherited from day one. This needs to be achieved constructively – cuts need to be applied in a way that does not simply store up further sustainability problems for the new councils.

Transition

Funding the cost of transitioning to two unitary authorities, including costs for redundancies, property reconfiguration and programme management, will be a major cashflow stress at a time when large revenue

deficits are anticipated. We understand that government policy is not to provide funds for transition costs. However, in this case some financial flexibility will be needed to ensure a comprehensive transition to unitary platforms from which further savings and reform can be made.

Transformation

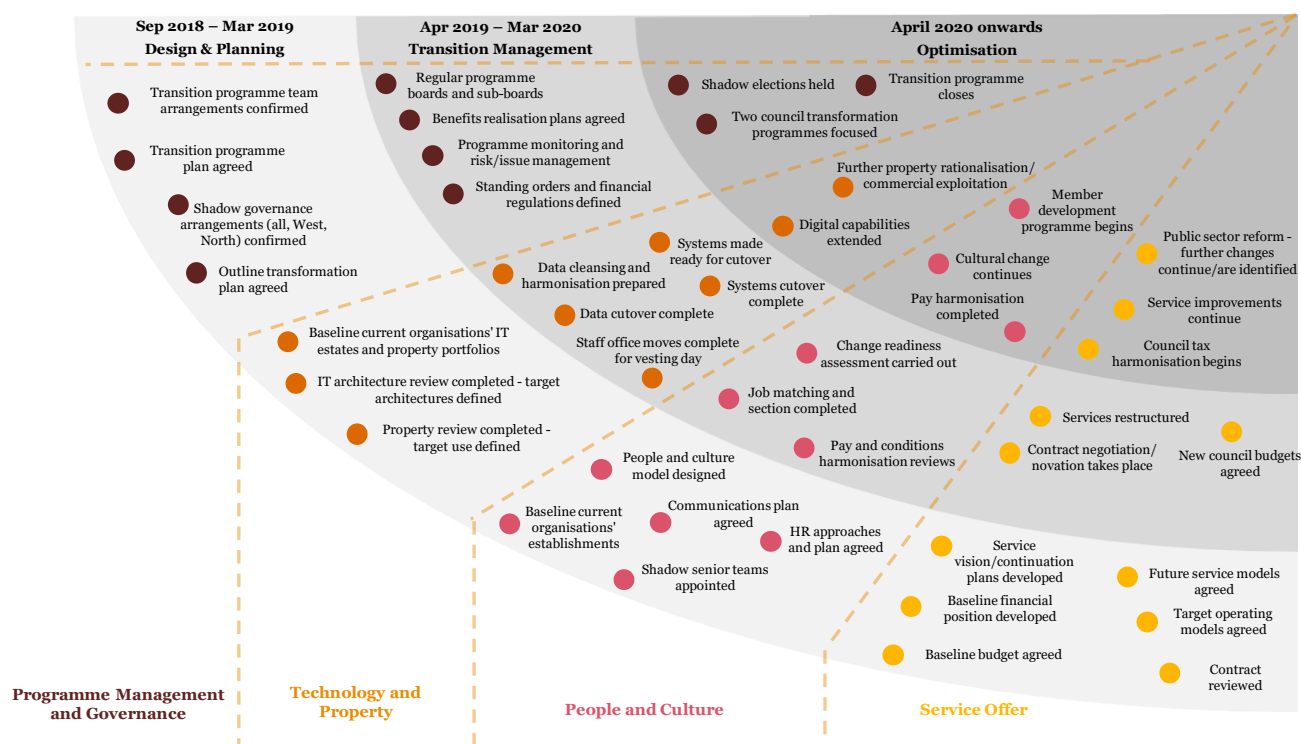
This report emphasises reorganising to unitary authorities alone will not create sustainable services. The future unitaries will need to use restructuring as a springboard to drive transformation in their own services and in pursuing wider public service reform. To do this, the new authorities will need investment and the policy and financial support that can come with involvement in national piloting, for example for Integrated Care Systems.

Infrastructure

The county council’s financial problems have resulted in cut backs on infrastructure investment and, it has been reported that following the February 2018 s114 direction, projects have slipped. In this context, the Northamptonshire councils are committed to working with government to secure Housing and Growth deals in order to secure infrastructure capacity and to push forward stretching targets.

8.4 An approach to implementation

Figure 35: A roadmap detailing the principal workstreams and milestones of transformation



Appendix

This appendix presents a breakdown of the assumptions made in the calculations that support the analysis in this report. It shows this in three parts, representing the baseline financial position; savings and costs directly associated with reorganisation; and then the additional savings and costs that may be associated with transformation.

More detailed assessment may be required to confirm these figures prior to implementation.

Baseline financial position

The underlying financial position for the councils in Northamptonshire has been derived from the Medium Term Financial Plans and discussed with the s151 officers. These vary in how far forward they project but none goes beyond 2022/23. In order to project a position to 2026/27, extrapolation has been made from the MTFP data and discussed with the s151 officers. This has been done on the following basis:

- Government grants and business rates have been modelled as a constant equivalent to the last year within each authority's MTFP.
- Council Tax has been forecast in a linear trend from each authority's budgeted income cited within their respective Medium Term Financial plans.
- For all of the district and borough councils, net expenditure has been modelled to increase at a rate of 2% per annum to reflect inflationary and demand pressures.
- The level of projected county spend has been inflated using the changes to service pressures by directorate between 20/21 and 21/22.
- This information was then aggregated to project a financial position of all the authorities in Northamptonshire if no changes to local government structure were to occur.

Each MTFP is laid out slightly differently so, in agreement with the s151 officers, some figures have been adapted in order to show comparable projected data for deficits/surpluses. Notably, some MTFPs, including the county council, show deficits on an in year basis. Others show a position that accumulates each year. In order to show an aggregated position, data for authorities showing annual deficits has been adapted to present the cumulative position (and as necessary, expenditure has been raised to correct for MTFP savings that have therefore been lost from the picture).

Reorganisation savings

Staff full time equivalent (FTE) savings

FTE data from each council has been collated into a common taxonomy of directorates and teams, split between West and North based on current staffing. County FTE have been split between future West and North unitary areas based on population. A South Northants figure has also been derived from combined Cherwell and South Northants FTE figures based on population. LGSS staff on the county council establishment have been excluded as they also work for other councils in the LGSS partnership and Fire and Rescue have also been excluded as these staff will move to the Police and Crime Commissioner's office before the unitary arrangements come into effect.

An overall potential percentage reduction in FTEs for different areas in the taxonomy has been estimated as a result of reorganisation, based on judgment about where savings can be expected and taking account of existing shared service or outsourcing arrangements. This produces an overall estimate of 157 (2.55%) FTE reduction.

Savings amounts have then been calculated by dividing the reduction into senior management (tiers 1 to 3) and “other”:

- For tiers 1 to 3, using transparency information online, we have identified 77.7 tier 1 to 3 posts in all eight councils at a total cost of £7.8m.
- We have then assumed a future structure for each new council of: 1 x tier 1, 4 x tier 2, and 14 x tier 3. Using the average of published data from analogous unitary authorities (two Cheshire unitaries and Central Beds and Bedford) we have assumed salaries of tier 1 - £165,504; tier 2 - £127,051; and tier 3 - £83,080, plus 20% (pension, NI) to give a total future tier 1 to 3 cost of: £4.4m.
- Comparing this with the existing costs makes for a saving of: £3.4m and of 39.7 FTE on senior staff.
- This has been applied to West and North on the basis of comparing the actual current costs per tier with the assumed future costs.
- We have subtracted the senior FTE reduction of 39.7 from the overall FTE saving, to give 117 FTE savings below tier 3, which has been allocated to West and North based on current staffing levels. Applying an average staff cost of £28,092 gives an aggregate saving of £3.3m.

This gives an overall staff saving of **£6.7m** of which **£3.0m is in the West area and £3.6m in the North**. The higher north amount is explained by an overall larger number of existing senior officers.

We assume that 75% of the FTE savings will be made in 2020/21, rising to 100% in the following year.

IT savings

Data supplied by councils has been used to calculate total licence costs for each district. Proxies have been used to split county costs between future West and North unitary areas based on population splits, and to split combined Cherwell and South Northants costs. These totals have been collated to give a total cost of £4.7m. Any expired or one-off licence costs have been excluded. This cost was then subject to an assumed overall decrease of 25% following the assumed economy of scale savings of the two unitaries, producing a total estimated saving of **£1.2m**.

We assume that 50% of the IT savings will be made in 2020/21, rising to 100% in the following year.

Property savings

Current asset area data has been supplied by the councils. County office space has then been disaggregated by population to allocate it notionally to the new unitary authority areas.

We have assumed that future authorities will operate with 100sq foot of office space per FTE. We have then used the reduced FTE figures to calculate the total required space.

We have then reached an estimated reduction in running costs on the basis of resultant unused office space enabling a reduction in energy, cleaning, and routine repairs and maintenance. We have taken the amount of unused office space, and multiplied this by an average running cost per sq ft of £7.50. This was calculated using the Lamberth Smith Hampton Total Office Cost Survey 2017, which shows the average Hard Facilities Management cost per sq ft in Northampton as £14.88. It has been assumed that 50% of this cost can be saved. This produces an annual estimated saving of **£3.7m**.

We assume that 33% of the IT savings will be made in 2020/21; 67% in 2021/22, rising to 100% in 2022/23.

Democracy savings

A saving has been calculated on the basis of:

- Assuming the upper end of the range of future member numbers described in section 6.3 (171 in aggregate).
- A base allowance of £10,019 (based on an average of base allowances for six analogous unitary authorities) – leading to a total annual cost of £1.71m, compared with £1.77m currently.
- Assuming a special responsibility allowance structure for each authority, which would cost £0.67m in aggregate, compared with an aggregate amount of £0.83m currently.
- Assuming a saving for administering county elections: calculated at £1.07m in 2017 based on turnout and a figure of £5.99 per vote. Dividing by four gives an annual saving of £0.27m.

In total this leads to democratic savings assumed at **£0.49m** per annum, and assumed to be fully realised from 2020/21.

Reorganisation transition costs

Transition costs have been modelled as non-recurring, occurring in 2019/20 and covering the following areas:

Staff full time equivalent (FTE) costs

- For tier 1 – 3 staff, we have used actual costs to calculate a redundancy cost for each tier, based on 12 months' average salary. This has regard to the level of long service and multipliers expected for this cohort.
- For other staff, we have assumed a redundancy cost of £14,046 per FTE, based on 6 months of an average salary of £28,092.
- These amounts have been applied to the expected number of North and West redundancies to give costs of: **£2.8m North and £2.2m West and a total cost of £5m.**

ICT costs

- Accounting for changed reporting requirements, contract rationalisation, storage capacity, and data cleansing / migration. These costs have been estimated at an aggregate of £2m across both authorities, which has then been allocated to **West (£1.1m) and North (£0.9m)** on a population basis.

Property refurbishment costs

- We assume that costs will need to be incurred to refurbish 25% of the future space that will be used (for example to reconfigure it for occupancy at a rate of one FTE per 100 square foot).
- Refurbishment cost has been assumed to be at a cost of £39 per square foot⁸⁹.
- At the level of FTE assumed for West and North following the FTE savings described above, and adding back in space for LGSS staff on the county establishment, this produces a cost of **£3.4m for the West and £3.5m for the North.**

Shadow costs

- We have assumed shadow costs of **£0.4m** in aggregate allowing for costs of two shadow Chief Executives and special responsibility allowances for six members per authority.

⁸⁹ A lower range estimate based on data from <https://www.fusionofficedesign.co.uk/office-fit-out-and-refurb-costs>

Other transition costs

In addition to the costs detailed above, a number of other costs have been assumed:

- Relocation costs to cover additional travel have been assumed at **£1.7m** across the two authorities.
- **£0.45m** for any further public consultation.
- **£2.35m** for creating the new council, including costs for appointing new executive teams and filling new posts, setting budgets, and backfilling posts for business as usual activities in the existing councils.
- **£0.25m** for financially closing down other councils and creating sound budgetary control systems to manage this process.
- **£2.0m** for internal programme management and support, and costs for backfilling these roles in the existing councils.
- **£6.5m** estimated for external support and consultancy costs, to design both reorganised councils.
- **£0.3m** for rebranding costs, to develop and circulate new signs and logos.
- **£2.0m** of contingency costs, providing for extra expenses potentially incurred throughout the process of reorganisation.

This makes for a total of **£29.9m in one off transition costs, which we estimate will be incurred as £14.9 for the West area and £15m for the North area.**

Transformation savings

Process change and customer centricity

We assume that process change and transformation towards greater customer centricity will be able to lead to further FTE reductions. As described in section 4.6, the starting point is to consider the whole range of activity performed in the current councils as falling into three categories:

- Customer contact and assessment (enquiries, processing applications, eligibility assessments; activities that support customer facing staff).
- Service delivery.
- Enabling support.

Looking across these categories, we have assumed that reductions can be made in an aggregate range between 9.5% and 19%. These percentages are then applied to the FTE numbers after the reorganisation saving has been made, and still excluding LGSS staff on the county establishment.

Given that it is likely that the county council will need to reduce its establishment prior to April 2020 in response to the current deficit, we have made adjustments to the baseline in terms of establishment size, reducing the county numbers by 15%. This means the baseline to which the reductions apply is 5,418 FTE across all the authorities, and the FTE savings range is between 512 and 1,043 FTE. Applying an average FTE cost of £28,092, produces a range of aggregate annual potential savings range between: **£14.4m and £29.3m.**

These have been split between the future authorities in proportion to the baseline size. We assume that no saving will be realised until 2021/22 and then will build up over four years at 25% a year, reaching the full saving in 2024/25.

IT savings

It has been assumed that transformation will bring small further licence cost efficiencies through more consolidation as well as FTE reductions. This has been assumed as a per annum 10% saving on the total non-recurring investment made. As described under “costs” below, the estimated investment range is between £6m and £8m, so the assumed savings range is an aggregate of between **£0.6m and £0.8m**, which has then been split on a population basis between the future unitary authorities.

Property savings

The assumption is that further reduction in FTEs across Northamptonshire will lead to lower levels of office space required. Using the same assumptions as for the reorganisation saving, we assume that there is a running cost saving of £7.50 per square foot for each FTE reduction.

This makes for a savings range for the **West area of £0.18m to £0.37m** and for the **North of £0.2m to £0.41m**. That is a range of **£0.38m to £0.78m in aggregate**.

We assume that no saving will be realised until 2021/22 and then will build up over four years at 25% a year, reaching the full saving in 2024/25.

Third party spend

Data detailing third party spend (and other categories including supplies and services, transport costs, agency/contracted costs, and LGSS costs) has been collated from budget books for each council. For the county spend, we have reduced this by 75%. A 50% reduction is to exclude non-addressable spending (e.g. supported by specific grants), and then the further reduction is because we assume that third party spend will be a major focus on county council efforts to reduce its current deficit prior to unitarisation. We have also reduced the district/borough amount by 25% to exclude non-addressable amounts. This gives a total addressable spend of £197.5m.

We have assumed a range of savings possible, between 6% and 14%, making for a savings range of between: **£11.9m and £27.7m**. These have been attributed to West and North based on population.

We assume that no saving will be realised until 2021/22 and then will build up over four years at 25% a year, reaching the full saving in 2024/25.

Income generation

We have used public data from 2016/17, to calculate the proportion of gross expenditure recovered through fees and charges in the Northamptonshire local authorities. This data has been aggregated into an average figure of 9.6%. This figure has been compared with 2016/17 data for five other unitary authorities (in the Cheshire and Bedfordshire areas). Average recovery in those cases is 11.3%.

We have then applied the difference between the analogous unitary average and the Northants average to gross expenditure across the county in order to calculate a potential improvement figure. In order to provide a prudent estimate for modelling purposes, this number has been reduced by 50% to give an indication of the potential additional income available, and a figure of £8.7m has been used as the midpoint improvement achievable, with an assumed range of **£6.5m to £10.9m savings**. These have been attributed to West and North based on population.

We assume that no new income will be realised until 2021/22 and then will build up over four years at 25% a year, reaching the full potential in 2024/25.

Summary

The total of these potential transformation savings, gives an overall range of **£18.2m to £37.2m** for the West area and **£15.5m to £32.2** for the North, and **£33.7m to £69.4m** in aggregate.

Transformation costs

In addition to costs incurred throughout the transition to a new organisational structure, the transformation of ways of working in Northamptonshire will result in further costs. These costs have been assumed to be divided equally between four years, from 2020/21 to 2023/24, and assumed to be incurred as follows:

Process change and customer centricity

As explained above, we have set out the range of reductions in FTEs that would be expected from these changes. This will also create redundancy costs.

We have assumed that these will be at a cost of £14,046 per FTE, based on 6 months of an average salary of £28,092.

This makes for a range of redundancy costs between **£7.2m and £14.7m**. These have been split between the future authorities in proportion to the baseline size, meaning costs split as follows: **West £3.4m to £7.0m; North £3.8m to £7.7m**.

IT costs

Significant investment in IT systems will be required in order to enable more digital ways of working, and as an enabler for some of the process change and customer centricity savings. IT investment costs for transformation have been assumed to be between **£6m and £8m** in total, and assumed to be split on a population basis between the two future authorities.

Internal project management costs

Costs will be required in order to fund internal programme and project management, to guide councils through the complex process of transformation. The mid-point assumes a transformation team of ten in each UA on a backfilled basis at a rate of £45,000 per annum, led by an interim manager at a rate of ~£850 per day. This produces an approximate range of £1m - £1.5m per council, and therefore an overall range of **£2m - £3m**.

External support costs

In addition to costs for internal project management, costs for external support will be required in order to ensure effective, sustainable transformation. Costs will depend on the range of areas where external support is needed, but are likely to cover areas such as change management, benefits realisation, organisation design, process redesign and consolidation, and a review of shared services. The estimated cost for each council is an approximate range of £8m - £10m, resulting in an overall range of **£16m - £20m**.

Property costs

Further FTE reductions create the opportunity to release more office space. We assume that this may also create a further requirement for some refurbishment, for example to make the property suitable for renting out. We have again assumed refurbishment of 25% of the space saved at a cost of £39 per square foot.

At the level of FTE assumed for West and North following the FTE savings described above, this produces a cost of **£0.24m to £0.49m for the West and £0.26m to £0.53 for the North, making for a total of £0.5m to £1m.**

Third party spend

We have assumed costs of between **£1.5m and £2.5m** in total to undertaken the necessary review of purchasing models, to ensure the required controls are in place to put as much purchasing as possible through frameworks and contracts; and using the larger buying scale of the new councils to negotiate contracts. We assume that this would be split on a population basis between the two future authorities.

Income generation

We have assumed spend of between **£0.5m and £1m** on a commercial review to assess current income generation and identify opportunities. We assume that this would be split on a population basis between the two future authorities.

Summary

The total of these potential transformation costs, gives an overall range of **£17.0m to £25.1m** for the West area and **£16.7m to £25m** for the North, and **£33.7m to £50.2m** in aggregate.

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Future Northants

Report of Local Government Reform Consultation

Opinion Research Services
August 2018

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Report of Local Government Reform Consultation

August 2018

Opinion Research Services (ORS)

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1. Summary and Conclusions

Introduction

Background

- 1.1 Following an adverse Northamptonshire County Council Best Value Inspection Report (January-March 2018) that found that the County Council lacked governance and processes to manage its finances effectively, the government appointed Independent Commissioners to take over the County Council's strategic financial planning, governance and scrutiny functions.
- 1.2 The government also wrote to the eight Northamptonshire councils at the end of March 2018 inviting them to *"submit locally-led proposals for establishing unitary authorities across the county"* in accordance with some key requirements – namely, that future unitary structures should be: likely to improve local government and service delivery in terms of value-for-money, savings, sustainability and leadership; based on existing local authority areas and have populations *"that at a minimum [are] substantially in excess of 300,000; and command a "good deal of local support as assessed in the round across the whole area of the proposal"*. The government has indicated that the status quo and a single unitary council for the whole of Northamptonshire would be unacceptable.
- 1.3 With some reluctance, Northamptonshire's eight councils have accepted that urgent change is necessary to achieve a sustainable local government structure across the county. They are considering a proposal to replace the two-tier system of eight councils with two unitary councils and have appointed ORS to conduct and report an extensive public consultation programme to test whether the proposal commands a *"good deal of local support as assessed in the round across the whole area of the proposal"*.

Consultation programme

- 1.4 The consultation period ran from June 18th to July 22nd and during this five-week period, residents and stakeholders were invited to provide feedback through a wide range of routes. While the consultation period was shorter than usual (due to the urgency of the government's timetable) the councils' consultation programme was conscientious and inclusive.
- 1.5 Accountability means that public authorities should give an account of their plans and take account of public views, but it does not mean that majority views should automatically decide public policy: the popularity or otherwise of proposals should not displace professional and political judgement about what is the right or best decision in the circumstances.
- 1.6 In this case, the government requires that any proposal should command a *"good deal of local support as assessed in the round across the whole area of the proposal"*. This requirement is for elected members to interpret and apply, but we suggest it does not necessarily mean that the proposal should have absolute majority or even majority support – for support from a substantial minority can qualify as a good deal of support; and judgements about 'local' support can be made at various levels, including the all-county level, or within the proposed North Northants and West Northants council areas, or at the existing district and borough levels.

ORS report

- 1.7 ORS does not endorse any opinions reported here but seeks only to portray them accurately and clearly. While offering guidance on the consultation methodology and its interpretation, we seek to profile the opinions and arguments of those who have responded; but we make no recommendations on the decisions to be taken by each of the eight councils.

Consultation findings

Open Questionnaire and Residents' Survey

- 1.8 Based on the informative 11-page consultation document, ORS designed an accessible online and paper open questionnaire featuring four core questions – on whether change is needed, whether the number of councils should be reduced, whether unitary councils should be introduced, and whether respondents agreed or disagreed with the proposal for two unitary councils. ORS also undertook representative, quota-controlled telephone survey based on the same core questions as the open questionnaire.
- 1.9 Both the residents' telephone survey and open questionnaire showed overwhelming agreement with the need to make changes, to reduce the number of councils, and with the principle of introducing unitary councils (albeit with some variation in views by area, primarily in the open questionnaire).
- 1.10 The telephone survey showed that absolute majorities of all residents both across the county and within each of the two proposed unitary areas agree with the proposal (74% support overall, and 77% and 70% in West and North Northants respectively).
- 1.11 The less representative open questionnaire also showed most respondents supporting the proposal in the North Northants area, but a majority opposed in the proposed West Northants area. There were also variations in views between districts.
- 1.12 In the open questionnaire, Corby was the most critical of all – with far fewer respondents than in other districts agreeing with the need for changes (albeit with a small majority in favour), and a large majority against reducing the number of councils, introducing unitary councils, and also against the main proposal.
- 1.13 In the open questionnaire, there was also a contrast in respondents' views in Daventry, South Northamptonshire and Northampton: these areas strongly supported the general principle of unitary councils but were all strongly opposed to the specific proposal for North and West Northants, mainly because they want three unitary councils including Northampton.
- 1.14 In summary, then,

Overall, there was overwhelming support for change and for reducing the number of councils

The creation of unitary councils was supported in principle in all areas of the county (except in Corby (in the open questionnaire))

The representative residents' survey found overwhelming support for two unitary councils across the county as a whole, and in both the proposed West and North Northants areas

The open questionnaire found widespread support for two unitary councils in North Northants (except in Corby) and considerable opposition from respondents in West Northants.

Deliberative consultation

Members of the public

- 1.15 Seven two-and-a-half-hour deliberative forums were held with a total of 82 randomly selected Northamptonshire residents to discuss the possible reorganisation of local government in the county (with one in each of the districts or boroughs).
- 1.16 Some participants in all seven workshops were relatively well informed about the structure of Northamptonshire's local government since they knew that there are eight councils in Northamptonshire (not counting parish and town councils); but there was a wide range of estimates by those who were less aware (from two to thirty-two councils), with many not even wanting to hazard a guess. Many knew about their part of the county but had little idea of the overall county-wide structure.
- 1.17 Most were aware that Northamptonshire County Council spends most of the money they pay in council tax, but most were unaware of the 73% proportion.
- 1.18 Once the County Council's difficulties were discussed, most residents were indignant by what they said had been a lack of accountability by managers, members and auditors. The sense that public sector finances could go so badly wrong prompted apprehension that any proposed changes could not be guaranteed to work well.
- 1.19 When all the groups were asked to score the relative importance of five possible criteria to inform the restructuring of local government in the county, there was a surprising consistency in the judgements made. For example:

The Wellingborough, Northampton and Corby groups considered accountability most important, followed by value for money and quality of services

In East Northamptonshire, Daventry and Kettering, value for money and quality were most important, followed by accountability

Access was typically ranked fourth

Local identity was considered the least important of the five criteria in all seven sessions.

- 1.20 At the start of the meetings, people were asked for their 'immediate views' on whether the number of councils should be reduced; and at the end they were asked for their 'final judgments' on the proposal for two unitary councils. The table below shows the number of participants who favoured these positions at different stages of the meetings as a proportion of all those who responded (including those who said 'don't know').

AREA	INITIAL VIEWS Proportion (%) favouring reducing number of councils	FINAL JUDGEMENTS Proportion (%) favouring two new Unitary Councils
East Northamptonshire	80% (8/10)	64% (7/11)
Wellingborough	45% (5/11)	27% (3/11)
Daventry	75% (9/12)	92% (11/12)
South Northamptonshire	67% (6/9)	56% (5/9)

Northampton	46% (6/13)	79% (11/14)
Corby	70% (7/10)	69% (9/13)
Kettering	17% (2/12)	58% (7/12)
All-Northamptonshire aggregated	56% (43/77) (+5 did not respond to the question)	65% (53/82)

- 1.21 The initial opinions demonstrate that many people are not wedded to the continuation of the current structures. For example, except in Kettering the initial views showed either a majority for reducing the number of councils, or opinions that were about equally divided.
- 1.22 Following detailed discussions, the balance of opinion was even more emphatically in favour of two new unitary councils, with almost a two-thirds aggregate majority. In six of the seven districts/boroughs, the focus groups' final judgements showed majorities in favour of the two-unitary model. Wellingborough was the single exception, with only a quarter in favour.
- 1.23 Many of those supporting two unitary councils (and others favouring other options) were influenced by the financial evidence to conclude that reorganisation is necessary and desirable to make savings, reduce duplication, increase democratic accountability, and address the financial problems.
- 1.24 While accepting the two-unitary proposal, many people wanted assurances that the new councils really would make a difference and that no one responsible for the financial problems would be re-employed or hold senior office in the new councils. Every group stressed concerns about the risks of not ensuring accountability and sound management under the new structure.
- 1.25 No other options found any general support following consideration in wide-ranging discussions. For example:

Because they either opposed unitary councils on principle or were unconvinced that they could solve the historical problems, only a small minority of participants wanted to retain the current eight councils.

There was curiosity across about why the single unitary option had been excluded from formal consultation, but it was generally readily accepted that it would perpetuate the County Council in another form.

The idea of a separate Northampton unitary within a three-unitary model was dear to some, but not taken up by the great majority of participants

While some protested that the government's 300,000 population threshold was arbitrary, most could accept it as reasonable in the context of the geography of Northamptonshire and the need for viable councils.

- 1.26 In summary, then, **the six out of seven focus groups with a cross-section of local residents supported the proposal for two unitary councils (in some cases with overwhelming majorities in favour).**

Business people

- 1.27 The Northamptonshire Chamber of Commerce and the Federation of Small Businesses for Leicestershire, Northamptonshire and Rutland very helpfully organised two successful forums that together included 49 senior business people.
- 1.28 Both forums showed overwhelming absolute majority support for the proposal for two unitary councils and unanimously rejected a single all-county unitary council. There were only two people who favoured an alternative two-unitary ‘doughnut structure’ based on Northampton and the rest.
- 1.29 A third of the people from small businesses wanted more information. Overall, there were anxieties about the councils’ capacity to manage the change and achieve the successful new start required. Governance and the need for effective accountability were emphasised as important requirements; and IT challenges and associated costs were identified as real risks.
- 1.30 In summary, then, **the business community overwhelmingly supported the proposal for two unitary councils.**

Parish and Town Councils

- 1.31 The Northamptonshire County Association of Local Councils (NCALC) helpfully organised two forums for parish and town councillors (and some clerks) that were attended by a total of 117 people. Many of these had formed strong opinions before attending the workshops.
- 1.32 In both meetings, there was emphatic absolute majority support for the principle of unitary authorities.
- 1.33 However, in relation to the creation of two new unitary councils, there was a contrast in the views of the two forums: in western Northamptonshire there was a big absolute majority against reducing to two unitary councils, while in northern Northamptonshire there was a majority in favour of two unitary councils. Those who objected were concerned above all about Northampton’s urban interests trumping rural needs in the new structure.
- 1.34 Overwhelmingly, most parish and town councillors supported unitary authorities in principle; but there were deep-seated worries about urban and rural areas being combined unsympathetically in a two-unitary structure. Therefore, there was some division of opinion: in western Northamptonshire there was a big majority for Northampton to form a third unitary council, but only a third supported the same idea in northern Northamptonshire.
- 1.35 The prospect of a single unitary council was mentioned, but it was not seriously proposed, and the idea had very little support indeed. Likewise, the two-unitary ‘doughnut option’, with Northampton as a unitary within a large rural unitary, was mentioned but not proposed.
- 1.36 If the new authorities are created, then there is a need for them to pay serious attention to mitigating the sense of urban/rural divide.
- 1.37 In summary, then, **the parish and town councils overwhelmingly supported unitary authorities in principle, but the forums were divided on whether there should be two or three unitary councils.**

Northamptonshire Health and Wellbeing Board

- 1.38 The Health and Wellbeing Board neither supported nor opposed the proposal for two unitary councils. Some members saw the change as a positive opportunity, but the dominant mood was uncertainty laced with scepticism about the ability of structural change to improve services and co-ordination. The police support the proposal but would prefer a single unitary council.
- 1.39 Following the meeting, five depth interviews were conducted with some board members (and a representative of one other relevant organisation). In summary, the organisations welcomed the opportunities for closer integration and partnership working offered by fewer authorities; but they were sceptical that two councils would be better than one. There were concerns around possible inefficiencies, conflicting priorities and disjointedness if county-wide services were divided. To mitigate these risks, stakeholders wondered whether two councils might deliver services through a 'joint vehicle', or whether they might be able to commission certain functions jointly with health services.
- 1.40 In summary, then, the **Health and Wellbeing board members saw a positive opportunity for change but had major concerns about the creation of two unitary councils rather than one – though they thought that the risks could be mitigated by a 'joint vehicle'.**

Submissions and petitions

- 1.41 A total of 31 written submissions were received, including eight from parish and town councils, seven from external local authorities (one of which represented the views of the CEOs of four district councils outside Northants), six from other community organisations, two from health organisations, one from the police and crime commissioner, two from district councillors and five from residents.
- 1.42 Many of the submissions supported the case for changing local government in Northamptonshire. Even those that did not explicitly support a change seemed implicitly to accept (or at least did not directly challenge the idea). For example, only one all the response advocated keeping the two-tier system (albeit with some districts merging). A number of the other responses simply outlined issues to be managed or mitigated if a unitary model was introduced, without commenting on the proposed number of unitary councils.
- 1.43 Most of the submissions from larger stakeholders and statutory organisations supported the principle of unitary councils, mainly because it would simplify local government, increase public understanding, and allow for the integration of services.
- 1.44 Nonetheless, the larger stakeholders were concerned whether the two-unitary model was optimal compared with a single, all-county unitary – mainly because the latter would be cheaper and would not involve splitting the current county-wide adult and children's social services. The responses questioned the costs of the division, how the two new authorities would align with health and police organisations (and other partners), how future commissioning would work, and whether health inequalities would be increased. Therefore, some important stakeholders advocated a single unitary council for Northamptonshire.
- 1.45 Many other stakeholders (most notably the parish and town councils, but also a handful of others) were more ambivalent about the principle of unitary councils. Many said that the County Council's problems were due to mismanagement and 'incompetence', rather than a consequence of two tier structure. They were concerned that a unitary structure might not solve the financial problems, particularly if the debts and liabilities of the County Council were inherited by the new councils.

- 1.46 More specifically, the parish and town council favoured three unitary councils (mainly because of the difficulties of reconciling urban and rural needs within a single unitary) – with Northampton as the third unitary. Such responses rejected the population threshold of 300,000 for being arbitrary and not taking planned housing growth into account.
- 1.47 Citing the four Gunning principles in a single submission, the three CEOs of Aylesbury Vale, Chiltern, South Bucks and Wycombe district councils argued that the consultation process was defective since the Northants councils had over-simplified and misinterpreted the government’s criteria, and as a result the councils had prematurely narrowed the range of their unitary options by not giving due consideration to possible cross-border mergers.
- 1.48 In passing, it should be noted that in the text comments on the open questionnaires some respondents mentioned a diverse range of possible cross-border mergers; but overwhelmingly most of the focus fell on combinations within Northamptonshire.
- 1.49 In summary, then, **the submissions generally accepted unitary authorities in principle, but were divided on whether one or three councils would be best: some of the larger organisations preferred one, while many parish and town councils favoured three.**

Corby Borough Council

- 1.50 Corby Borough Council did not make a formal submission based upon its own large consultation exercise, but ORS was made aware that the council found very high levels of opposition to the proposal for two unitary councils. However, the apparent contrast between the borough’s and ORS’ findings is accounted for by the very different questions asked and the different methodologies. We have every confidence in the ORS findings.

Conclusions

Requirement for a “good deal of local support”

- 1.51 In ORS’ opinion, the consultation findings show that the government requirement for the proposal for two unitary councils to command a “good deal of local support as assessed in the round across the whole area of the proposal” is more than satisfied. In considering this question, we suggest that:

In principle, a “good deal” of support does not necessarily mean majority support, for a substantial body of opinion favouring the proposal (for example, say, 35-49%) would meet the requirement – for a level of support substantial enough to be credible and to suggest that the proposal could be widely acceptable over time

The assessment of “local support” should be “taken in the round”, in terms of overall support across the proposed unitary authority areas and/or the county as a whole (with both levels of analysis qualifying as “the whole area of the proposal”); in other words, individual districts and boroughs are not the most appropriate units of analysis in relation to the proposal.

- 1.52 While important in principle, these two points are in a sense ‘academic’ since support for two new unitary councils has been found to be so very high.

Consultation supports the proposal

- 1.53 Consultation on complex and controversial proposals arising from a financial crisis within a major authority cannot be expected to achieve a consensus; but in this case the consultation outcomes are very supportive. For example:

In the deliberative meetings, six out of seven focus groups with a cross-section of residents, and two substantial business forums, supported the proposal for two unitary councils (in some cases with overwhelming majorities). The two large parish and town council forums also overwhelmingly supported unitary authorities in principle, but with one supporting two unitary councils while the other supported three. Only the Health and Wellbeing Board had major reservations about the two-unitary model (for splitting county-based functions), but its members supported unitary local government based on a single all-Northants council.

The 31 written submissions generally supported the case for change, for reducing the number of councils, and for unitary councils; but they were often divided on the appropriate number of unitary authorities (and some proposed cross-border mergers).

The quantitative consultation methods showed overwhelming support for change, for reducing the number of councils, and for unitary councils. The representative residents' survey found overwhelming support for two unitary councils across the county as a whole, and in both the proposed West and North Northants areas. The open questionnaire also supported unitary councils in principle in all areas of the county (except in Corby) and showed widespread support for two unitary councils in North Northants (except in Corby), but opposition from respondents in West Northants.

The apparent contrast between these findings and those of Corby Borough Council is accounted for by the very different questions asked and the different methodologies used.

Regarding alternative options, there was not one that emerged as a close contender with the proposed two-unitary model. For example, some larger statutory stakeholders and some neighbouring local authorities supported a single unitary council on the grounds of cost and the county-wide integration of services; parish and town councils and some interests in Northampton and Daventry wanted a three-unitary model, to better respect the differences between urban and rural needs; and there were other submissions advocating cross-border mergers. But none of the alternatives proposed emerged as clear second-in-line: many local Northampton and South Northamptonshire interests favour three unitaries, but large statutory stakeholders favour one.

- 1.54 Overall, then, while there is nothing in the consultation that means the eight councils must go ahead with the draft proposal for two unitary councils, there is nothing to discourage them from doing so. The evidence of the consultation is that there is widespread public support for the restructuring of local government in Northamptonshire.

2. Introduction

Background to the consultation

- 2.1 In April 2018, an adverse Northamptonshire County Council Best Value Inspection Report (January-March 2018) by Max Caller found that the County Council lacked the right culture, governance and processes to manage its finances effectively – and consequently has not only over-spent its budget in previous years, but also faces substantial on-going deficits. The report concluded that:

The problems...are now so deep that it is not possible to promote a recovery plan that could bring the council back to stability and safety in a reasonable timescale...A way forward with a clean sheet, leaving all the history behind, is required. [paragraphs 4.16-17].

- 2.2 In the light of that report, the government took the unusual step of appointing Independent Commissioners to take over the County Council’s functions associated with strategic financial planning, governance and scrutiny. To promote a longer-term and sustainable solution to the problems, the government also wrote to all eight Northamptonshire councils at the end of March 2018 inviting them to “develop and submit locally-led proposals for establishing unitary authorities across the county” – with an initial deadline for proposals of the end of July, since extended to the end of August 2018. Potential proposals were circumscribed by the government guidance that any future unitary structures should be:

Likely to improve local government and service delivery in terms of value-for-money, savings, sustainability and leadership

Based on existing local authority areas and have populations “that at a minimum [are] substantially in excess of 300,000”

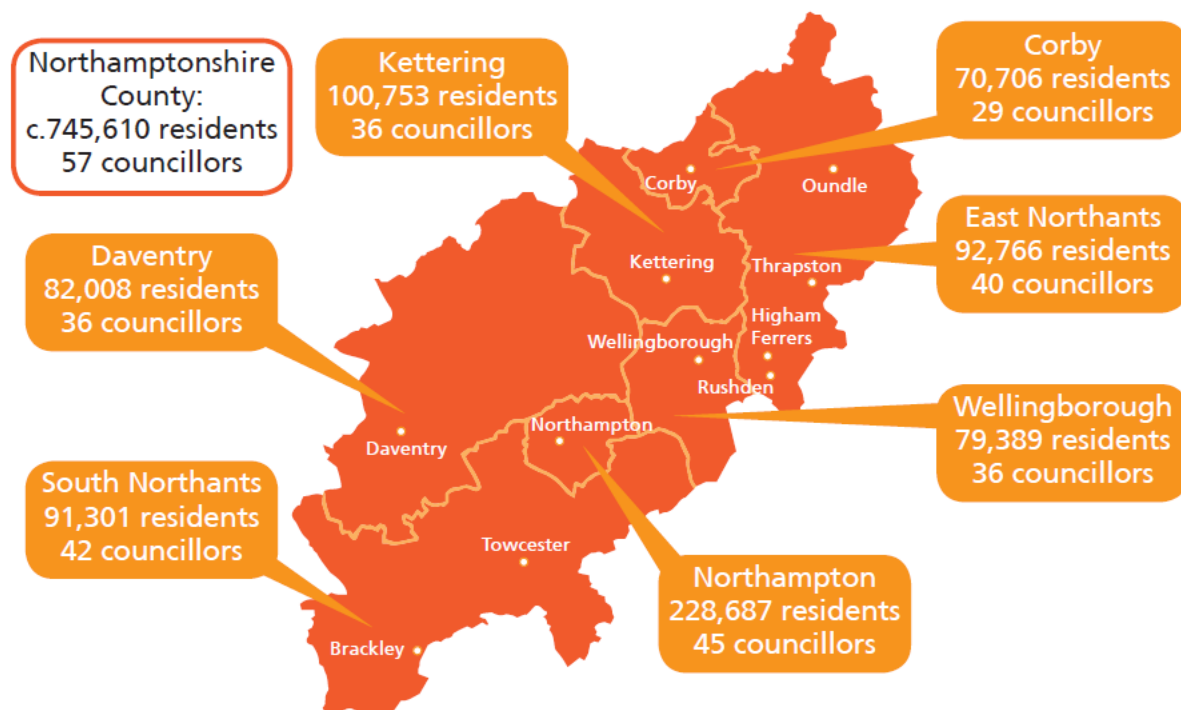
Command a “good deal of local support as assessed in the round across the whole area of the proposal”.

- 2.3 The government has also indicated that both the status quo and a single unitary council for the whole of Northamptonshire would be unacceptable because neither would solve existing problems and deliver a ‘new start’.
- 2.4 While they are in many cases reluctant to see the two-tier system abolished, Northamptonshire’s eight councils have accepted that urgent change is necessary to achieve a sustainable local government structure across the county. Having studied the government’s three requirements, all the councils are jointly considering a proposal to replace the two-tier system of eight councils with two unitary councils.

Current two-tier system and proposed unitary structure

- 2.5 The current structure of Northamptonshire local government is shown below, with populations and numbers of councillor positions.

Figure 1: Current Councils in Northamptonshire (Source: 2016-based Sub National Population Projections)



- 2.6 The proposal under consideration by the councils is that the existing county council and the seven borough/district councils should be abolished and replaced by two new unitary councils (North Northants and West Northants) in April 2020, as shown on the map on the following page, with respective populations.

Figure 2: The two proposed unitary Councils for Northamptonshire (Source: 2016-based Sub National Population Projections)



Consultation by ORS

Introduction

- 2.7 The eight councils appointed ORS (Opinion Research Services) to conduct and report an extensive public consultation programme to inform their consideration of the proposal before making a final decision (whether to submit the two-unitary proposal to the government at the end of August), and also to test whether the proposal commands a “good deal of local support as assessed in the round across the whole area of the proposal”.
- 2.8 ORS is a spin-out company from Swansea University with a UK-wide reputation for social research and major statutory consultations (including for recent local government reorganisations in Dorset, Buckinghamshire and Oxfordshire).
- 2.9 The consultation period ran from June 18th to July 22nd and during this period, residents and stakeholders were invited to provide feedback through a wide range of routes, including all the following:

An open consultation questionnaire for residents, stakeholders and organisations: the questionnaire was available online and paper questionnaires were widely circulated and available on request; Easy Read versions were available for people with various needs

A representative telephone survey of 500 residents (by random digit telephone dialling): to provide an accurate profile of opinions from the general population across Northamptonshire;

Seven deliberative focus groups with members of the public (one in each of the districts/boroughs)

- Two deliberative forums with town and parish councillors;
- Two deliberative forums with business people
- Telephone interviews with five key local stakeholder organisations
- Analysis of written submissions and petitions.

- 2.10 ORS also drafted the 11-page consultation document and hosted the www.FutureNorthants.co.uk consultation website (on behalf of the councils) containing background documents, a link to the questionnaire, dates for stakeholder events, and press releases/updates.

Quantitative consultation

Introduction

- 2.11 Based on the informative 11-page consultation document, ORS designed an open questionnaire and telephone survey, both of which featured the same four core questions – on whether change is needed, whether the number of councils should be reduced, whether unitary councils should be introduced, and whether respondents agreed or disagreed with the proposal for two unitary councils. Respondents were also invited to rank five possible criteria that the councils should consider when considering the future structure of local government in the county; and in both versions there were sections inviting respondents to make any further comments, and to profile those responding.

Open consultation questionnaire

- 2.12 The open questionnaire was available for anyone to complete online, and paper versions were readily and widely available in libraries and council venues across the county. The open questionnaire could be completed by individuals and on behalf of organisations. In total, 6,287 responses were received, including 6,171 from individuals and 116 on behalf of organisations.
- 2.13 Open questionnaires are important forms of consultation, in being inclusive and giving people an opportunity to express their views; but they are not random-sample surveys of a given population – so they cannot normally be expected to be representative of the general balance of public opinion. For example, the young are usually under-represented while the elderly are over-represented; and the more motivated groups or areas are also typically over-represented compared with others.
- 2.14 It is important that open questionnaires are accessible to all, but without allowing multiple completions (by the same people) to distort the analysis. Therefore, while making it easy to complete the survey online, ORS monitors the IP addresses through which surveys are completed. A similar analysis of “cookies” was also undertaken – where responses originated from users on the same computer using the same browser and the same credentials (e.g. user account). A few submissions were received with duplicate cookies, but none were considered to be identical responses or appeared to be attempting to skew the results; so we have not excluded any online submissions on the basis of a duplicate IP address or cookies. Similarly, no paper questionnaires returned to ORS were considered to be duplicate responses (though more than 500 from Northampton residents were ‘co-ordinated’ in using the same photocopied questionnaire for separate completions).

Residents' telephone survey

- 2.15 The residents' survey was undertaken to ensure that a representative profile of opinions across Northamptonshire was achieved for the same core questions as in the open questionnaire. To capture the views of the general population, 500 residents across the county took part in structured telephone interviews with ORS interviewers during the consultation period. A survey approach was used because, with a population of almost 746,000 residents, it would have been neither practical nor cost-effective to do a postal census of all households or residents.
- 2.16 The survey used random digit dialling combined with quota-based sampling to ensure that residents who were less likely to engage with the consultation were included and encouraged to give their views about the proposals. Residents were provided with summary information before being asked for their views. Those who wanted further information before responding were directed to both the county and district councils' websites, and they were given an opportunity to make an appointment to be interviewed subsequently. Paper copies were also available upon request to those without access to the internet.
- 2.17 The extent to which results can be generalised from a sample depends on how well the sample represents the population from which it is drawn, for different types of people may be more or less likely to take part. Such 'response bias' is corrected by statistical weighting based on a comparison of the demographic characteristics of the respondents with data for the whole population – to identify and correct any under- or over-representation.
- 2.18 In this instance, the returned sample was compared against comparative data for age, gender, working status, ethnicity, tenure and urban/rural, and then weighted by tenure, working status, disability (for Northamptonshire) and by age and gender, ethnicity, urban/rural area (all interlocked with the proposed North and West Northants unitary areas). On that basis, appropriate statistical weights were calculated and applied to the data, so that the survey results are broadly representative of the overall population of Northamptonshire and provide a statistically reliable guide to opinions on the restructuring proposal.
- 2.19 The telephone survey's overall achieved sample of 500 responses yields overall findings for the general population of Northamptonshire that are accurate to within ± 5 percentage points at a 95% level of confidence. In other words, 19 times out of 20 (95%) if the whole population was interviewed then the findings would not differ by more than ± 5 percentage points from the results from the 500 sample. Considering the sample sizes, the opinion splits, and the degrees of statistical weightings used (to compensate for different response rates from different demographic groups), the survey findings are accurate enough for reliable conclusions to be drawn about residents' opinions on the councils' proposal.
- 2.20 When this report refers to results based on the weighted data, the results are given as the proportion of "all residents"; but results based on the open questionnaire refer specifically to the "respondents" (because they are not necessarily representative of all the residents).
- 2.21 While the overall sample is reliable at the county level, the district and borough sub-samples (ranging from 44 to 149 interviews) are in most cases too small to be statistically significant. However, findings for each of the two proposed unitary council areas are reliable, with error margins of ± 7 percentage points at the 95% level of confidence.

Deliberative consultation

Introduction

2.22 The consultation programme included a wide range of deliberative meetings with members of the public, business people, town and parish councillors and members of the Health and Wellbeing Board drawn from across Northamptonshire. In summary, the programme included:

Seven focus groups with randomly selected members of the public, one in each local authority area (with a total of 82 participants);

Two forums with business people (with a total of 49 participants)

Two forums with parish and town councillors (with a total of 117 participants)

Short discussion session with the Health and Wellbeing Board (and 5 follow-up telephone interviews).

Focus groups with members of the public

2.23 The consultation also used a ‘deliberative’ approach to encourage members of the public to reflect in depth about the proposals, while both receiving, and questioning in detail, background information. Seven two to two-and-a-half hour deliberative focus groups were held across Northamptonshire (one per district/borough) with a total of 82 randomly-selected residents. The schedule of meetings and attendance levels are shown in the table below.

WORKSHOP LOCATION	DATE	NUMBER OF ATTENDEES
East Northamptonshire (Thrapston)	4 th July 2018	11
Wellingborough	5 th July 2018	11
Daventry	9 th July 2018	12
South Northamptonshire (Towcester)	12 th July 2018	9
Northampton	16 th July 2018	14
Corby	17 th July 2018	13
Kettering	18 th July 2018	12

2.24 Participants were recruited by random-digit telephone dialling from ORS’ Social Research Call Centre. Having been initially contacted by phone, participants were also written to – to confirm the invitation and the arrangements; and those who agreed to come then received telephone or written reminders shortly before each meeting. Such recruitment by telephone is an effective way of ensuring that the participants are independent and broadly representative of the wider community.

2.25 In recruitment, care was taken to ensure that no potential participants were disqualified or disadvantaged by disabilities or any other factors: the venues for meetings were accessible, and people’s special needs were properly considered. The random telephone recruitment process was monitored to ensure social diversity in terms of a wide range of criteria (including, for example: gender; age; ethnicity; social grade;

and disability/limiting long-term illness (LLTI)). As standard good practice, people were recompensed for their time and efforts in travelling and taking part. Overall, participants represented a broad cross-section of residents across the county.

- 2.26 Although, like all other forms of qualitative engagement, deliberative focus groups cannot be certified as statistically representative samples of public opinion, the seven meetings reported here gave diverse members of the public the opportunity to participate actively. Because the meetings were inclusive, the outcomes are broadly indicative of how informed opinion would incline based on similar discussions.
- 2.27 The focus groups began with a presentation by ORS to provide standardised information about the current structure of local government in Northamptonshire and the background to, and implications of the current proposal. In most groups, participants ‘before-and-after’ views were elicited (on whether the number of councils should be reduced), to compare their opinions before and after the presentation and extensive discussions. Participants were encouraged to ask questions throughout and the meetings were thorough and truly deliberative in listening to and responding openly to a wide range of evidence and issues.

Forums with business people

- 2.28 We are grateful that both the Northamptonshire Chamber of Commerce and the Federation of Small Businesses for Leicestershire, Northamptonshire and Rutland very helpfully organised successful forums that together included 49 senior business people – and we thank the staff of both organisations for their positive co-operation in assisting the consultation process. The meetings and attendance levels can be seen in the table below.

FORUMS	DATE	NUMBER OF ATTENDEES
Chamber of Trade (Northampton)	July 16th 2018	17
Federation of Small Businesses (Kettering)	July 17th 2018	32

- 2.29 At both meetings, the issues were presented and the discussions facilitated by ORS (using a slightly condensed version of the presentation used in the public focus groups); and the participants took part readily.

Forums with parish and town councillors

- 2.30 The Northamptonshire County Association of Local Councils (CALC) was most helpful in organising two open workshops for parish and town councillors from across Northamptonshire. Councillors were invited to attend one of two meetings below – and a total of 117 councillors and clerks attended. The schedule of events and attendance levels are shown in the table below.

FORUM LOCATIONS	DATE	NUMBER OF ATTENDEES
West Northamptonshire (Towcester)	3rd July 2018	51
North Northamptonshire (Wellingborough)	12th July 2018	66

- 2.31 We are grateful to the NCALC staff for organising the meetings. The well-informed parish and town councillors took an active interest in the issues and asked many questions. Most of them were familiar with the reorganisation debate, and many had formed opinions on the issues before attending the workshops. The meetings were chaired by the NCALC, but the issues were presented, and the discussions facilitated and reported, by ORS.

Northamptonshire Health and Wellbeing Board

ORS attended a meeting of the Northamptonshire Health and Wellbeing Board on July 12th 2018, when the board's busy schedule allowed for a 50-minute session on local government reorganisation (including a presentation and discussion). Unfortunately, most of the participants declined to express an opinion on the proposal and associated issues (either for themselves or for their organisations). The one exception was Northamptonshire Police who supported the proposal but declared their preference for a single unitary authority for all-Northamptonshire.

Following the meeting, and due to the importance of the Health and Wellbeing Board opinions, ORS was asked urgently to conduct in-depth telephone interviews with some senior members, to encourage them to express any opinions they had. Within the very urgent timetable 5 interviews (each lasting about 10-20 minutes) were conducted.

Submissions and petitions

- 2.32 Members of the public and stakeholders were also encouraged to make written representations about any aspects of the proposal – for ORS to analyse and report. The number of submissions received was relatively small (considering the scale of change in prospect and comparisons with other important consultations). In total, 31 written submissions were received (one of them from the CEOs of four Buckinghamshire district councils). Most submissions were up to three pages in length.
- 2.33 ORS normally summarises petitions; without auditing the signatures, we usually comment on the header statements and (if possible) on the way signatures were assembled. In this case, ORS is only aware of one petition, entitled *“Make Daventry District Council (DDC) into a Unitary Authority”*, which was available via the petitions section of the parliament.uk website. This petition had received 324 signatures at the time of writing.

Adequacy of the Consultation

Gunning principles

- 2.34 The key good practice requirements (so-called ‘Gunning principles’) for consultation programmes are that they should:
- Be conducted at a formative stage, before decisions are taken
 - Allow sufficient time for people to participate and respond
 - Provide the public and stakeholders with enough background information to allow them to consider the issues and any proposals intelligently and critically
 - Be properly taken into consideration before decisions are finally taken.

- 2.35 In this case, the consultation was conscientious in eliciting people’s opinions on important proposals, even though the five-week period for responses was significantly shorter than the normal eight or even 12 weeks, and there were severe limitations on the preparation time, the financial information that could be provided, and the possible range of cross-border options because of the urgency of the timetable required by the government.
- 2.36 In any case, the consultation was open, accessible and fair to all stakeholders; it sought to conform with ‘best practice’ and was ‘proportional’ in terms of its scale and the balance of elements and methods used. It is important now that sufficient consideration is given to the findings alongside all the other evidence.

Nature of consultation

- 2.37 Accountability means that public authorities should give an account of their plans and take into account public views: they should conduct fair and accessible engagement while reporting the outcomes openly and considering them fully. This does not mean that the majority views should automatically decide public policy; and the popularity or unpopularity of draft proposals should not displace professional and political judgement about what is the right or best decision in the circumstances. The levels of, and reasons for, public support or opposition are very important, but as considerations to be taken into account, not as factors that necessarily determine authorities’ decisions. Above all, public bodies have to consider the relevance and cogency of the arguments put forward during public engagement processes, not just count heads. The key question is not, *Which proposal has most support?* but, *Are the reasons for the popularity or unpopularity of the proposals cogent?* In this context, it was helpful that the consultation programme included both ‘open’ and deliberative elements, to allow many people to take part via the open questionnaire while promoting informed engagement via the deliberative focus groups.

Interpreting “a good deal of local support...”

What does it mean?

- 2.38 Even before considering the consultation findings in this case, it is appropriate to consider the meaning and implications of the government’s requirement that any proposal for the reform of local government in Northamptonshire should be shown to have a “good deal of local support as assessed in the round across the whole area of the proposal”. What does the requirement mean in practice? How much support is a “good deal”? Must it be an absolute majority? Or just a majority? Or could significant minority support qualify as a “good deal” of support? Ultimately, these questions are for elected members to determine, but ORS is able to offer some general guidance towards the interpretation of the essentially ambiguous term, a “good deal”.
- 2.39 To free ourselves from possible bias in connection with the support (or otherwise) for two unitary councils, it is helpful to ‘reverse the perspective’ by considering what a “good deal of opposition” would mean in connection with any proposal – by considering a range of dichotomous opinion-splits. For instance, if any given proposal had overwhelming 90% support, a hypothetical 10% opposition would be called a small minority; and the same would be true for an 80%-20% split. However, if the opposition was about a third (67%-33% split) then we could well say that there was a substantial minority against whatever was the proposal; and if the opposition was, say, 40% (60%-40% split) then the judgement that there was a “good deal” of opposition would certainly be reasonable. In other words, even with absolute majority support, it is still possible sensibly to say that there is a “good deal” of opposition.

- ^{2.40} Of course, the examples above are unrealistically simplified in being dichotomous, for there would normally be ‘don’t knows’ and minorities supporting ‘other options’. With, say, a majority of 40% favouring a proposal, 30% opposed, 20% ‘don’t knows’, and 10% proposing ‘other options’ it would certainly be appropriate to refer to a “good deal” of opposition.
- ^{2.41} If we now return to the proposal for two unitary councils by correcting the ‘reversed perspective’ to consider levels of support (rather than opposition), it is evident that support from a significant minority can qualify as a good deal of support. Interpreters’ judgements will vary, but a “good deal of local support” might well be in the range from, say, a third to, say, 47% (assuming a dichotomous split). Therefore, the government’s criterion for a “good deal of local support” is not a requirement for absolute majority or even majority support, but simply (as the phrase itself says) for a substantial show of support from a sizeable number of residents. Had the government meant “majority support” it would have said so.
- ^{2.42} Of course, the government says that support should be “assessed in the round across the whole area of the proposal” – so the distribution of support and opposition is important, too. But judgements about levels of support or opposition can be made at the all-county level, or within the proposed North Northants and West Northants council areas, or at the existing district and borough levels. The relevant level of analysis is for elected members to determine; but ORS suggests the ‘count’ should not be on a district-by-district basis but county-wide or for each of two the proposed unitary areas.

The ORS report

- ^{2.43} This report reviews the sentiments and judgements of respondents and participants. Some verbatim quotations are used, in indented italics, not because we agree or disagree with them, but for their vividness in capturing recurrent points of view. ORS does not endorse any opinions but seeks only to portray them accurately and clearly. The report is an interpretative summary of the issues raised by participants and ORS is clear that its role is to analyse and explain the opinions and arguments of the many different interests participating in the engagement, but not to ‘make a case’ for any proposal or variant.
- ^{2.44} While offering guidance on the consultation methodology and its interpretation, we seek to profile the opinions and arguments of those who have responded; but we make no recommendations on the decisions to be taken by each of the eight councils.

3. Quantitative Consultation

Introduction

- 3.1 There were two main quantitative elements in the programme of consultation activities, namely:
- Representative telephone survey of 500 residents (done by random digit dialling with quota controls) – to profile of the opinions from the general population across Northamptonshire
 - Open consultation questionnaire – an inclusive means for anyone (residents, stakeholders and organisations) to express their views (in paper and online formats, with an Easy Read version also available).
- 3.2 The telephone survey was designed to sample the general population (aged 16+) and, when weighted, is broadly representative of all Northamptonshire residents. While the open questionnaire, on the other hand, does not yield a representative sample, it provides considerable information about the views (and strength of feeling) of groups and individuals; but it over-represents people aged 45+ (especially those aged 65-74) and under-represents people aged 16-44 (especially those aged 16-25). Therefore, when we report the survey, the results are given as proportion of “all residents”, whereas the findings of the open questionnaire relate to its particular “respondents”.

Residents’ survey

Introduction

- 3.3 Based on the sample sizes, opinion splits, and degrees of statistical weightings used, the survey findings are sufficiently accurate to allow confident conclusions to be drawn about opinions on the councils’ proposals. At a 95% level of confidence, the findings at the overall county level are accurate to within about ± 5 percentage points – which means that 19 times out of 20 if the whole population were interviewed then the findings would not vary by more than ± 5 percentage points from the results for the sample.
- 3.4 While the sample is reliable at the overall county level, the district and borough sub-samples (ranging from 44 to 149 interviews) are in most cases too small to be statistically significant – so the following charts do not break the data down to that level of disaggregation.
- 3.5 However, findings for each of the two proposed unitary council areas are statistically significant, with error margins of ± 7 percentage points at the 95% level of confidence – so results for the proposed North Northants and West Northants areas are included in all cases.

Respondent profile (residents' survey)

3.6 The table below profiles the respondents to the residents' survey. Figures may not always sum to 100% due to rounding.

Table 1: Residents survey responses (unweighted and weighted) and Resident Population¹ by area and demographics

Characteristic	Unweighted Count	Unweighted Valid %	Weighted Valid %	Resident Population %
BY PROPOSED UNITARY AUTHORITY				
North Northants	223	45%	46%	46%
West Northants	277	55%	54%	54%
Total valid responses	500	100%	100%	100%
BY AGE				
16 to 24	53	11%	12%	12%
25 to 34	78	16%	16%	16%
35 to 44	67	13%	16%	16%
45 to 54	84	17%	18%	19%
55 to 64	105	21%	15%	15%
65 to 74	76	15%	14%	13%
75 or over	37	7%	7%	9%
Total valid responses	500	100%	100%	100%
BY GENDER				
Male	225	45%	49%	49%
Female	275	55%	51%	51%
Total valid responses	500	100%	100%	100%
BY ETHNICITY				
White	437	93%	92%	93%
Non-white	34	7%	8%	7%
Total valid responses	471	100%	100%	100%
<i>Not known</i>	29	-	-	-
BY WORKING STATUS				
Working	324	65%	61%	62%
Retired	107	21%	22%	22%
Otherwise not working	69	14%	17%	16%
Total valid responses	500	100%	100%	100%
BY DISABILITY				
Activities limited a lot	30	6%	8%	8%
Activities limited a little	32	7%	10%	11%
No limiting illness or disability	417	87%	82%	81%
Total valid responses	479	100%	100%	100%
<i>Not known</i>	21	-	-	-

¹ Population data based on Sub-National Population Projections for 2018 (2016-based), Census 2011, and the Annual Population Survey 2018.

BY TENURE				
Own outright	173	37%	29%	28%
Own with mortgage	175	37%	43%	44%
Social rent	70	15%	15%	12%
Private rent	53	11%	14%	15%
Total valid responses	471	100%	100%	100%
<i>Not known</i>	29	-	-	-

Open Questionnaire

Introduction

- 3.7 The open questionnaire was available to be completed by individuals and on behalf of organisations. In total, 6,287 responses were received, with 6,171 from individuals and 116 from organisations. An Easy Read version available for those with learning difficulties and various accessibility needs, and 258 were completed (and have been included in the main dataset and the totals above)². Responses from organisations may represent the views of key stakeholders or could raise technical arguments that cannot easily be summarised. Therefore, ORS typically reports the views of individuals and organisations separately.

Duplicate and co-ordinated responses

- 3.8 The residents' survey sampling was carefully controlled to interview 500 separate (randomly selected) people, so there were no duplicate responses.
- 3.9 In contrast, open questionnaires are accessible to all and multiple completions (by the same people online or through photocopying) are in principle possible. Therefore, ORS therefore monitors the IP addresses through which surveys are completed (and analyses cookies) to see where responses originate from users on the same computer using the same browser and the same credentials (e.g. user account). None of the online responses were identical, or aroused suspicion, so ORS has not excluded any of them.
- 3.10 However, 513 of the postal questionnaires received by ORS were apparently co-ordinated responses in favour of Northampton becoming a unitary council: they were completed separately but using photocopies of one (original) questionnaire. All 513 agreed with the need for change, with reducing the number of councils, and with unitary authorities; but they uniformly disagreed with the proposal for North and West Northants unitary councils. Instead, they all called for Northampton to be a unitary authority in its own right. Since they were completed by different people, ORS has not excluded any of the 513 responses. Nonetheless it should be borne in mind that these co-ordinated responses account for about a third of the total response for Northampton; and so the results (particularly at district level) should be considered in this context.

² The Easy Read questionnaire included a slightly reworded form of the preambles, questions and response options, in order to make the consultation themes more accessible to those who might have a learning disability. However, there are a range of individuals who might choose to fill in the Easy Read (e.g. for accessibility reasons: large font etc.) and area subgroups would not be large enough in the easy read to pull out separately. For these and other reasons, ORS has merged the Easy Reads with the main questionnaire, but separate results for Easy Read can be seen in Appendix C and the full preambles/question wordings in Appendix D.

Respondent profile (open questionnaire)

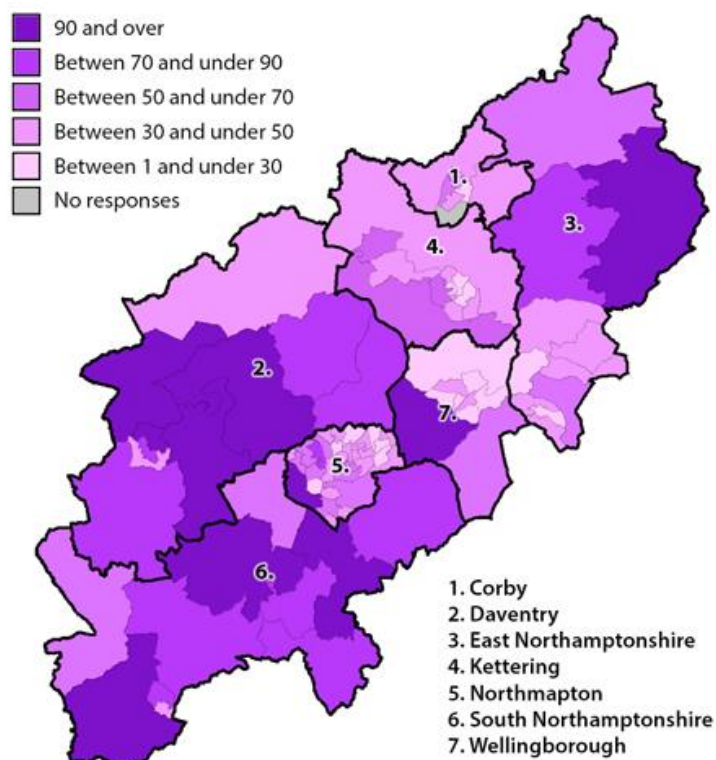
- 3.11 The table below profiles the individual respondents to the open questionnaire. Figures may not always sum to 100% due to rounding.

Table 2: Open questionnaire responses (individuals) by demographics and area

Characteristic	Unweighted Count	Unweighted Valid %
BY AGE		
Under 25	78	2%
25 to 34	303	7%
35 to 44	641	15%
45 to 54	890	21%
55 to 64	943	22%
65 to 74	1,076	25%
75 or over	380	9%
Total valid responses	4,311	100%
<i>Not known</i>	1,860	-
BY GENDER		
Male	2,155	51%
Female	2,038	49%
Total valid responses	4,193	100%
<i>Not known</i>	1,978	-
BY ETHNIC GROUP		
White	3,914	97%
Non-white	113	3%
Total valid responses	4,027	100%
<i>Not known</i>	2,144	-
BY WHETHER RESPONDENT HAS A DISABILITY		
Yes	530	13%
No	3,592	87%
Total valid responses	4,122	100%
<i>Not known</i>	2,049	-
BY WHETHER EMPLOYED BY A LOCAL AUTHORITY		
Yes	537	11%
No	4,164	89%
Total valid responses	4,701	100%
<i>Not known</i>	1,470	-
BY LOCAL AUTHORITY		
Corby	360	8%
Daventry	789	17%
East Northamptonshire	522	11%
Kettering	410	9%
Northampton	1,429	30%
South Northamptonshire	870	18%
Wellingborough	348	7%
Outside Northants	28	1%
Total valid responses	4,756	100%
<i>Not known</i>	1,415	-

- 3.12 Responses have also been mapped according to the number of questionnaires received in each Middle Super Output Area (or MSOA). This shows responses widely spread across the whole county, but with somewhat higher levels of participation in Daventry, East Northamptonshire, South Northamptonshire, and in the southern half of Wellingborough. The lower responding areas were mainly in Northampton or in parts of proposed North Northants unitary (particularly the northern half of Wellingborough).

Figure 3: Number of individual open questionnaire responses by MSOA (Northants MSOAs only)



Findings in graphical format

- 3.13 For simplicity and ease of access, the results of both the residents' survey and open questionnaire are presented in a largely graphical format. Where possible, the colours used on the charts have been standardised with a 'traffic light' system in which:

Green shades represent responses that 'tend to agree' or 'strongly agree'

Beige shades represent those who 'neither agree nor disagree'

Red shades represent responses that 'tend to disagree' or 'strongly disagree'

- 3.14 The numbers on pie charts are percentages indicating the proportions of residents or respondents agree/disagree on a particular question.
- 3.15 The number of valid responses recorded for each question (base size) are reported throughout. As not all respondents answered every question, the valid responses vary between questions. Every response to every question has been taken into consideration.

Four key questions

- 3.16 As well as important explanatory material from the consultation document³, the questionnaire included four key questions relating to the proposal for two new unitary councils – which were, “***Do you agree or disagree...***”

That we need to make changes to respond to these challenges?

That there is a need to reduce the number of councils in Northamptonshire?

That a number of unitary councils should be introduced in Northamptonshire?

With the specific proposal to replace the existing councils with two new unitary councils: North Northants and West Northants?

- 3.17 The findings on each of these questions are reported graphically below, using the colour conventions outlined under “Findings in graphical format” above.

Summary

- 3.18 The graphics below are intended to be clear, but an overall summary can nonetheless be helpful. Both the telephone survey and open questionnaire show overwhelming agreement with the need to make changes, reduce the number of councils, and the principle of introducing unitary councils; but views on the specific proposal for two new unitary councils show more variation.
- 3.19 The representative residents’ survey (by telephone) shows that absolute majorities of all residents both across the county and within each of the proposed unitary areas agree with the proposal. Indeed, the majorities in favour may properly be described as overwhelming, with 74% support overall, and 77% and 70% in West and North Northants respectively.
- 3.20 The less representative open questionnaire results also show most respondents supporting the proposal in the North Northants area, but a majority opposed in the proposed West Northants area. There are also variations in views between districts.
- 3.21 In the open questionnaire, Corby was the most critical of all – with far fewer respondents than in other districts agreeing with the need for changes (albeit still a small absolute majority), and a large majority against reducing the number of councils, introducing unitary councils, and also against the main proposal.
- 3.22 There was also a contrast in respondents’ views in Daventry, South Northamptonshire and Northampton: these areas strongly *supported* the *general* principle of unitary councils but were all strongly opposed to the *specific proposal* for North and West Northants, mainly because they want three unitary councils (including Northampton as a separate unitary).
- 3.23 In summary, then, the residents survey found overwhelming support for two unitary councils in both West and North Northants, while the open questionnaire found considerable support in North Northants (except in Corby) and considerable opposition from respondents in West Northants. The creation of unitary councils was supported in principle in all areas of the county (except Corby in the open questionnaire).

³ The full introductory preambles to the four core questions can be seen in Appendix D.

The need for change

To what extent do you agree or disagree that we need to make changes to respond to these challenges?

3.24 The charts below show overwhelming support for the case for change. In the telephone survey, 90% of residents agreed with the need to make changes (with big absolute majorities in both of the proposed North and West Northants unitary areas (see Figure 4). The open questionnaire showed 83% of individuals respondents agreed, too (see Figure 5). Support was lower in Corby (53%), but still an absolute majority. (The district with the second lowest level of agreement was East Northamptonshire, where 83% agreed).

Figure 4: RESIDENTS' SURVEY responses to the question about whether the councils need to make changes to respond to the challenges, overall and by proposed unitary area

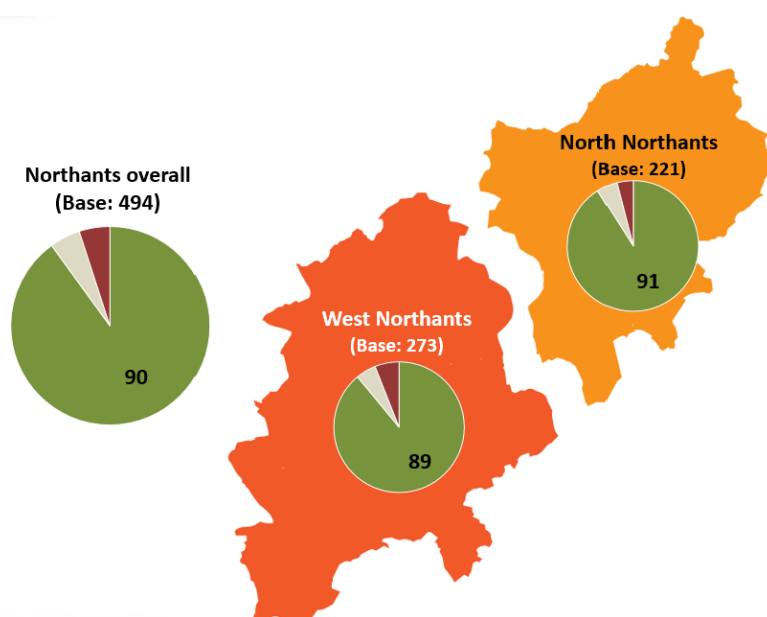
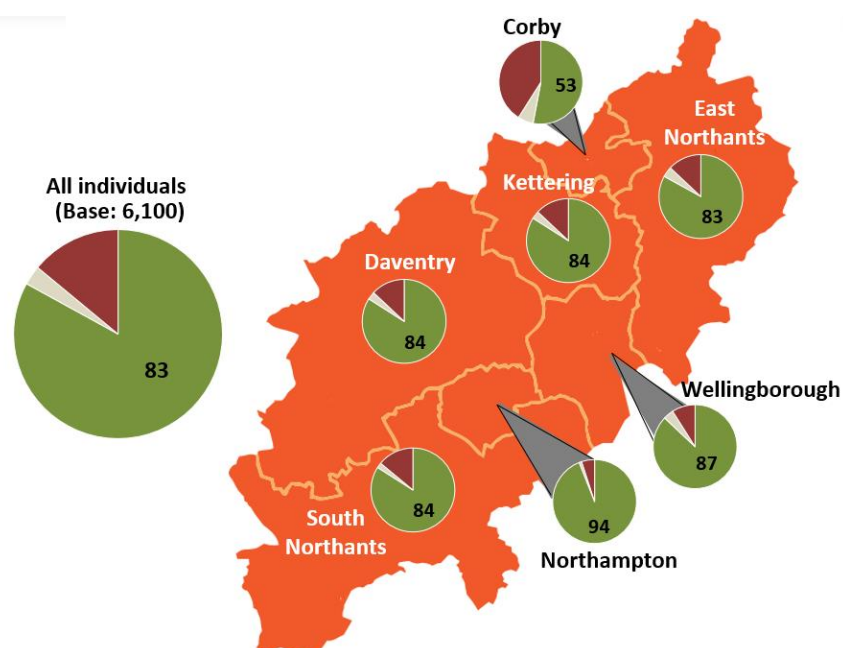


Figure 5: INDIVIDUAL OPEN QUESTIONNAIRE responses to the question about whether the councils need to make changes to respond to the challenges, overall and by district



Reducing the number of councils

To what extent do you agree or disagree that there is a need to reduce the number of councils in Northamptonshire?

3.25 The telephone survey shows that an absolute majority of residents (56%) agreed with a reduction in the number of councils; only a quarter disagreed. The level of agreement was higher in the proposed West Northants unitary (62%) compared to North Northants (49%) (see Figure 6). Two-thirds of individuals in the open questionnaire agreed, but with some considerable differences at district level: in Corby only about a fifth agreed, compared with nearly nine in 10 in Northampton (see Figure 7).

Figure 6: RESIDENTS' SURVEY responses to the question about whether there is a need to reduce the number of councils, overall and by proposed unitary area

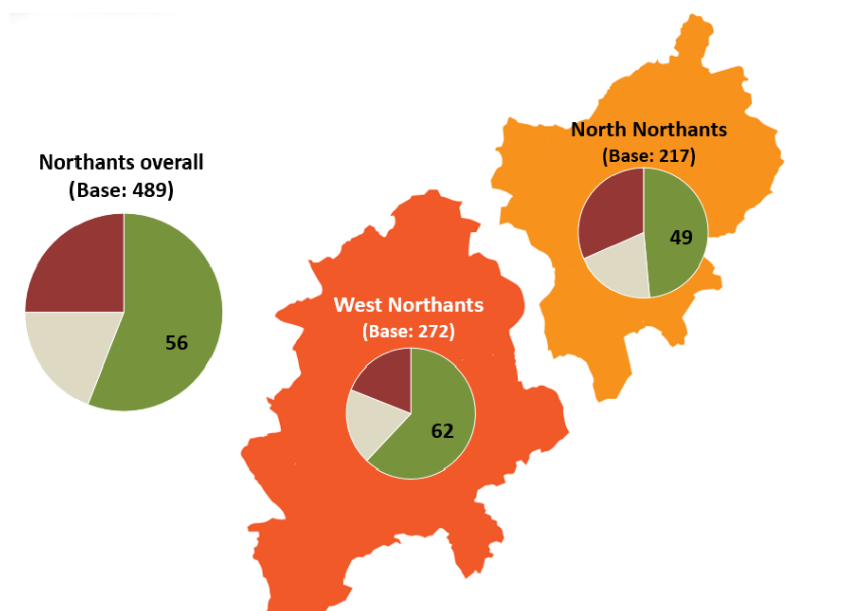
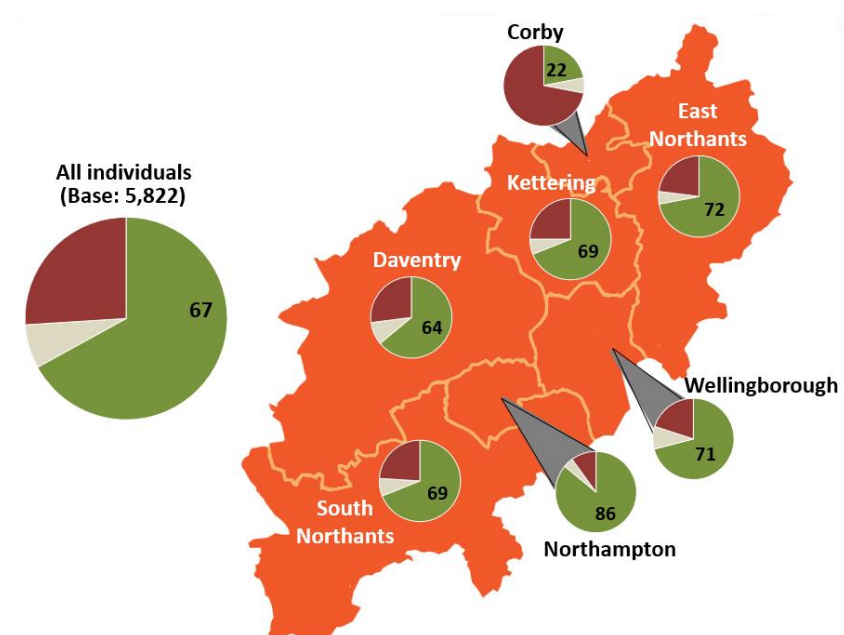


Figure 7: INDIVIDUAL OPEN QUESTIONNAIRE responses to the question about whether there is a need to reduce the number of councils, overall and by district



Unitary councils in principle

To what extent do you agree or disagree that a number of unitary councils should be introduced in Northamptonshire?

- 3.26 Three-quarters of residents agreed with the introduction of an unspecified number of unitary councils, and there was widespread agreement in both the proposed North Northants (72%) and West Northants (79%) (see Figure 8). Two-thirds of open questionnaire respondents also agreed, but levels of agreement again varied widely across by district. Only a fifth of Corby respondents agreed, compared with two-thirds (Daventry and South Northamptonshire) or more in each of the remaining six districts (see Figure 9).

Figure 8: RESIDENTS' SURVEY responses to the question about whether a number of unitary councils should be introduced, overall and by proposed unitary area

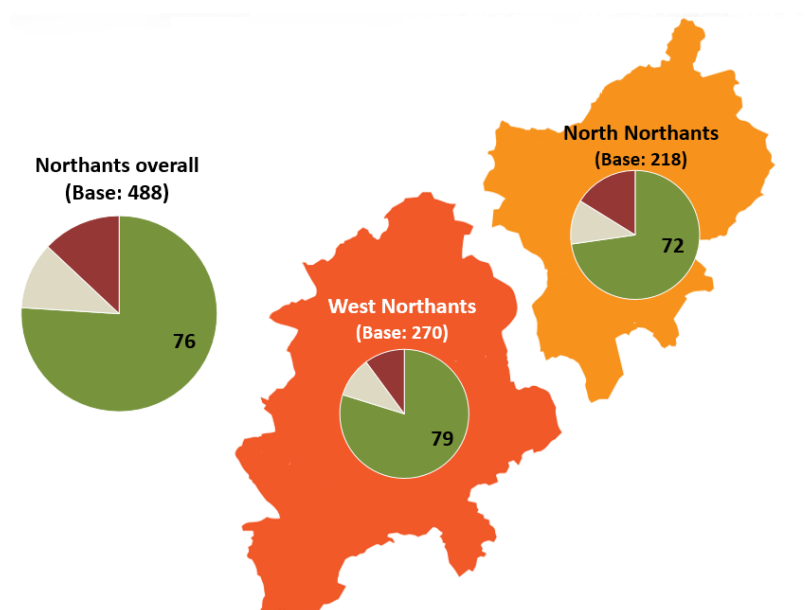
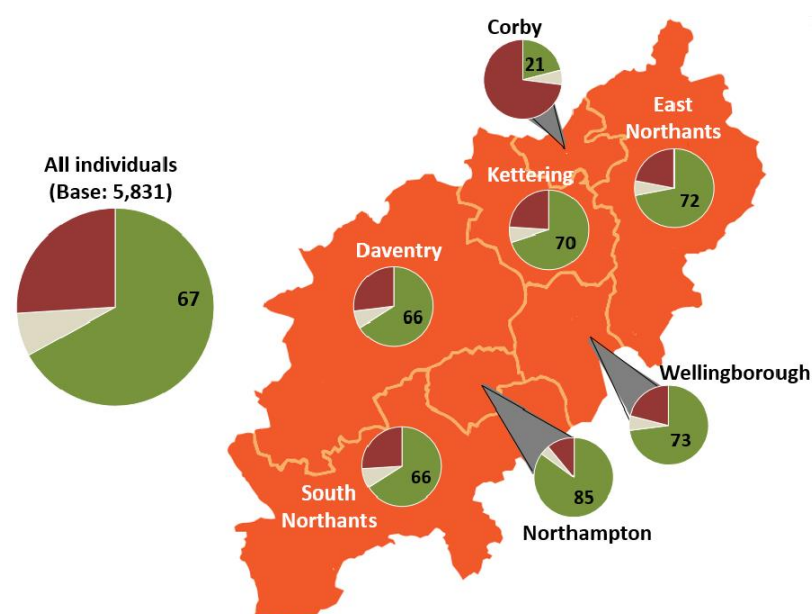


Figure 9: INDIVIDUAL OPEN QUESTIONNAIRE responses to the question about whether a number of unitary councils should be introduced, overall and by district



Proposal for two unitary councils

To what extent do you agree with the specific proposal [above/that I've just mentioned], to replace the existing councils with two new councils: North Northants and West Northants?

3.27 Overall, three-quarters of residents agreed with the proposal (North 70% and West 77%) (see Figure 10). However, only 37% of individual open questionnaire respondents agreed, while 59% disagreed. In the open questionnaire, three districts had large absolute majorities of individuals agreeing with the proposal (East Northants, 61%; Kettering, 68%; and Wellingborough, 63%); but minorities agreed in Northampton (37%), South Northants (39%), Daventry (44%) and, above all, in Corby (18%) (see Figure 11).

Figure 10: RESIDENTS' SURVEY responses to the question asking for views on the proposal for North Northants and West Northants, overall and by proposed unitary area

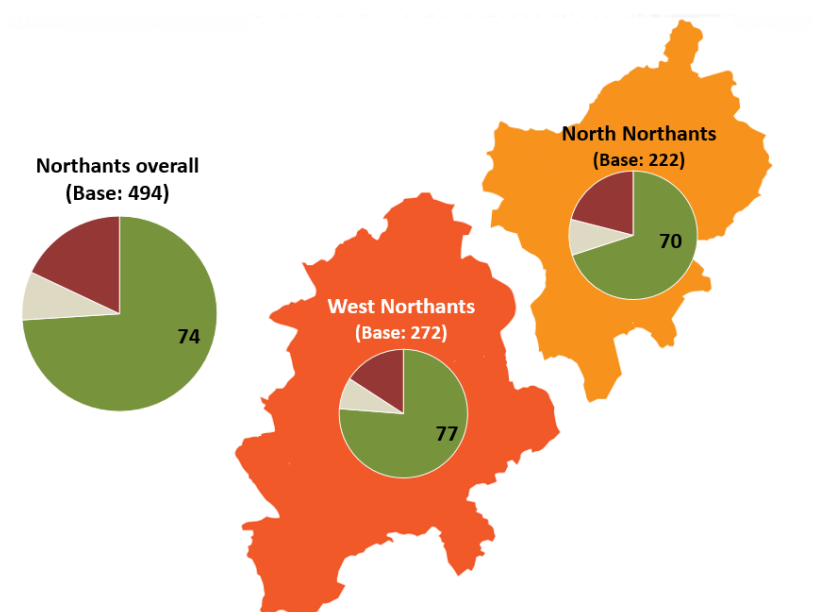
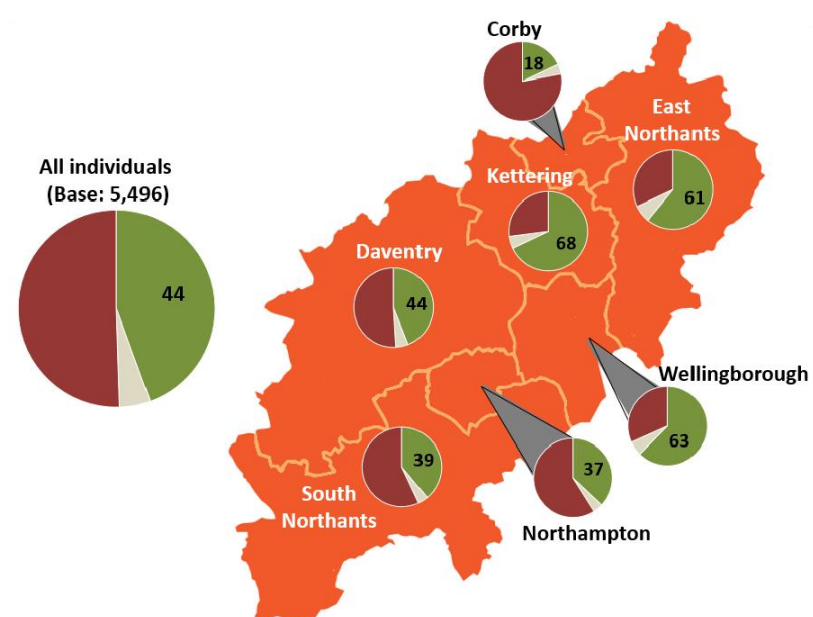


Figure 11: INDIVIDUAL OPEN QUESTIONNAIRE responses to the question asking for views on the proposal for North Northants and West Northants, overall and by district



Criteria for local government reform (open questionnaire only)

Please rate how important you think each of these factors is using a whole number between 0 and 10, where 10 means that it is critically important and 0 means that it is of no importance.

- 3.28 As Figure 12 shows, respondents clearly attached high levels of importance to *all five* of the possible criteria. Nonetheless, there were slightly higher mean scores for ‘quality of services’ and ‘accountability’, followed by ‘access’. ‘Local identity’ and ‘value for money’ attracted slightly lower mean scores.

Figure 12: Average score of the importance of criteria (individuals)

Criterion	Overall average score (out of 10)	Rank	Base
Accountability	9.4	2	5,158
Quality	9.5	1	5,151
Local identity	8.6	4	5,144
Access	8.9	3	5,138
Value for money	8.3	5	5,149

Organisations in the open questionnaire

- 3.29 Of the 116 organisations submitting questionnaires, 70 identified themselves as parish or town councils and the remaining 46 represented a range of sectors. Collectively the town and parish councils expressed some distinctive views, so their opinions have been reported separately to those of other organisations⁴.

- 3.30 In summary:

Substantial majorities (91% of town and parish councils; 80% of other organisations) agreed with the need to make changes to respond to the challenges

There was widespread agreement with both reducing the number of councils (71% of parish and town councils; 62% of other organisations) and the principle of introducing unitary councils (77% of parish and town councils; 60% of other organisations)

Organisations were more divided on the proposal for two unitaries: only 27% of the town and parish councils agreed, whereas the other organisations were more or less split, with 43% agreeing and 38% disagreeing.

Open-text comments

- 3.31 All responses provided to the open-ended questions in the open questionnaire have been classified (coded) using a standardised code frame. This approach helps ensure consistency in identifying common themes. The main themes are summarised below, but for a full breakdown of responses readers are encouraged to refer to **Appendix B** (which gives the percentages of the individuals, town and parish

⁴ A full list of organisations who participated in the consultation (mostly via a questionnaire, though occasionally through a written submission or letter) is provided in Appendix A

councils, and other organisations that made each type of comment, and provides some short summaries of the more detailed responses from other organisations).

Comments about the proposal

- 3.32 Respondents were provided with an opportunity to comment **on the proposals**, or to state any alternatives, and around half of all respondents did so. Other than comments expressing general concern or disagreement, the most commonly raised themes were:
- » Concerns about amalgamating urban and rural areas under one authority (plus, more specifically, numerous concerns about Daventry and South Northamptonshire joining with Northampton)
 - » Scepticism that the changing the structure of local government will solve the problems, or that the proposals will save any money
 - » Concerns that reorganisation would be less democratic than the status quo – for example, because it would concentrate decision-making in the hands of too few councils or individuals.
- 3.33 A county-wide unitary authority was the single most frequently suggested alternative option in the open questionnaires, albeit there was also a significant number of comments supportive of Northampton standing alone as a unitary (as part of various different configurations, but mainly with two or three unitary authorities – and occasionally with suggestions that its boundaries should be expanded to increase its population). Others made the point that Northampton’s population is growing and is expected to continue to do so. Overall, numerous different configurations of boroughs and districts were suggested – generally as part of two or three unitaries, but occasionally four or more.
- 3.34 There was also criticism of the consultation, specifically: that minds have already been made up, the government’s criteria are too restrictive and preclude alternatives, or that the process is otherwise unfair. Others bemoaned a lack of funding from central government (and demanded that the councils challenge the ongoing ‘cuts’) while others criticised the County Council and its leadership for mismanagement. Some opposed the ‘breaking up’ of the historical, traditional county of Northamptonshire into two separate administrative units.
- 3.35 The same question was asked in the residents’ telephone survey, where the text responses also covered a diverse range of themes. While the survey supported the proposal, some textual comments supported the status quo or were concerned about an increased demand on the new councils. Some respondents discussed existing councils or services, and various alternatives were also suggested.

Other comments about alternatives

- 3.36 Other, less frequently mentioned alternatives included closer partnership working or sharing of services between Northamptonshire’s districts (either with or without the County Council), with a couple of suggestions that these could lead to more formal mergers over time. A small number suggested that the two-tier system should continue with a reduced number of districts, and a couple of individuals even proposed dividing Northampton in half and allocating it between the proposed North and West unitaries.
- 3.37 Most of the various suggested configurations for reorganisation only included the seven districts in Northamptonshire. However, a small number of respondents mentioned cross border arrangements – which variously covered formal mergers in new unitary councils and the sharing of services along the lines of arrangements previously employed between South Northamptonshire and Cherwell.

- 3.38 Some fifty-five respondents commented favourably on the cross-border collaboration between South Northamptonshire and Cherwell (and/or expressed dismay that this arrangement was coming to end). More than a handful of these were supportive of South Northamptonshire and Cherwell formalising their existing links by forming a new unitary council. A much smaller number also suggested Daventry and/or Aylesbury Vale joining them in a bigger unitary to combine four districts that could contribute to the Oxford-Cambridge Corridor Growth Area. One respondent noted that South Northamptonshire is already in discussions with Aylesbury Vale (and Milton Keynes) over a Joint Strategic Plan, while another felt it could sensibly be moved into the Thames Valley policing area.
- 3.39 Milton Keynes was put forward by a couple of respondents as an appropriate partner for both Northampton (because of shared 'urban challenges') and South Northamptonshire (because parts of the Milton Keynes local authority are rural).
- 3.40 A few others suggested that the more rural districts of the proposed West Northants unitary (particularly Daventry) might align better with districts in Warwickshire (such as Stratford-Upon-Avon or Rugby), rather than with Northampton. One respondent also mentioned possible 'synergies' between East Northamptonshire and Bedford.
- 3.41 A couple of respondents directly challenged the notion that pre-existing local authority and Police force boundaries prevented cross-border re-organisation. It was argued that if any proposal involving neighbouring authorities was found to be the most sensible long-term option, government could and should pass legislation quickly to enable this.
- 3.42 There were also suggestions that particular parishes, wards, villages or towns should 'break away' from Northamptonshire and join neighbouring authorities, although these were again few in number (particularly when taking into account the total response to the question).
- 3.43 There were a few suggestions for creating new town councils or 'parishing' urban areas, to ensure a local voice under the proposed unitary councils.

Comments about equalities

- 3.44 The open questionnaire also contained an open-text question on **equalities**: specifically, whether there were any particular groups with protected characteristics under the Equalities Act who would be affected by the proposal, and whose needs should therefore be considered. Just under forty per cent of respondents answered the question. Of those who responded, a sizeable proportion felt that everyone would be affected equally, and/or that everyone should be treated equally.
- 3.45 In terms of specific groups who might be particularly impacted, the elderly and those with disabilities were the most widely identified; however, a range of groups were mentioned, including vulnerable people, children, families and pregnant women. A significant proportion of town and parish councils who responded felt that those living in rural areas might be negatively impacted.

4. Deliberative Consultation

Introduction

- 4.1 This chapter reports a range of deliberative meetings with members of the public, business people, town and parish councillors and members of the Health and Wellbeing Board drawn from across Northamptonshire. Each section below details the meetings held with different groups, but in summary the programme included:

Seven focus groups with randomly selected members of the public, one in each local authority area (with 82 participants);

Two forums with business people (with a total of 49 participants)

Two forums with parish and town councils (with a total of 117 participants)

Short session with the Health and Wellbeing Board (and 5 follow-up telephone interviews).

Seven focus groups with members of the public

Introduction

- 4.2 Seven two to two-and-a-half hour deliberative forums were held with a total of 82 randomly selected Northamptonshire residents to discuss the possible reorganisation of local government in the county (with one workshop taking place in each of the districts or boroughs). The schedule of meetings and attendance levels were as shown below.

WORKSHOP LOCATION	DATE	NUMBER OF ATTENDEES
East Northamptonshire (Thrapston)	4 th July 2018	11
Wellingborough	5 th July 2018	11
Daventry	9 th July 2018	12
South Northamptonshire (Towcester)	12 th July 2018	9
Northampton	16 th July 2018	14
Corby	17 th July 2018	13
Kettering	18 th July 2018	12

- 4.3 The meetings were facilitated independently by ORS with no officers or members present. Each session began with the ORS presentation (to ensure that standardised information was provided to each one) which outlined the current two-tier system; the current case for change; and the consultation proposal and their implications (for example, the reduction in councillors, staff and council offices). Participants were encouraged to ask questions throughout and the meetings were thorough and thoughtful in listening to and responding openly to a wide range of evidence and issues.

- 4.4 Before the explanatory presentation and discussions, the participants were asked briefly about their:

Awareness of Northamptonshire's current local government structure and finances; and

Initial (or immediate) general view about local government reorganisation: not counting parish and town councils, Should the number of Northamptonshire councils be reduced significantly?

- 4.5 The point of the questions was to indicate residents' 'ordinary understanding' of local government structures while also allowing a comparison between their 'immediate, off-the-cuff' impressions with their more considered judgements following two hours or more of discussions.

Main Findings

Awareness of current local government structures

- 4.6 Some participants in all seven workshops were relatively well informed about the structure of their local government since they knew that there are eight councils in Northamptonshire (not counting parish and town councils); but there was a wide range of estimates by those who were less aware (from two to thirty-two councils), with many not even wanting to hazard a guess. Many people seemed to know about their part of the county but had little idea of the overall county-wide structure.
- 4.7 Most were also aware that, although they pay their council tax to their boroughs or districts, it is Northamptonshire County Council that spends most of the money raised. While they knew this in general terms, many (perhaps most) were unaware of 73% proportion spent by the County Council. However, while many people were aware that adult and children's social services, and education, are costly services to run, few were aware of just how costly they are.
- 4.8 Following the initial awareness questions, the facilitator's presentation explained the current two-tier structure and the proposal for change in Northamptonshire, to ensure that everyone had a common level of understanding as the basis for the detailed discussions. There was considerable interest in these issues and people had no difficulty in understanding both the background and nature of the proposal.

Awareness of the 'case for change' (and its effects)

- 4.9 Many participants were aware of some of the factors leading to the current proposal to reorganise local government (though fewer were aware of the proposal itself); but awareness levels varied greatly. For example, in East Northamptonshire just over half were aware of the financial background and reorganisation proposal before attending the meeting; in South Northamptonshire eight out of nine said they had been aware of the current debate; but 11 out of 12 participants in Daventry did not know, "*Which council has had the most financial problems recently?*".
- 4.10 Overall, though, people were at least vaguely aware of some the County Council's difficulties, even if nearly everyone was unaware of the Best Value Inspection Report. Once they became more fully aware of the long-term financial issues, many residents were so indignant by what they said was a lack of accountability by managers, members and auditors that their strong feelings were sometimes a barrier to considering the proposal for change.
- 4.11 Their anger was sometimes such that some people even preferred the prolongation of the independent Commissioners rather than return local government to "the same old team" in whatever structure. The realisation that public sector finances could go so badly wrong also prompted a sense of apprehension that the proposed unitary councils could not be guaranteed to work well; in other words, an understanding of recent events led to a heightened sense of risk that the residents had not experienced

before. In a couple of groups, it was hard to get beyond this apprehension to a consideration of the merits or otherwise of two unitary councils. The following sections will show further evidence of this sense of risk.

Criteria for assessing local government structures

- 4.12 After all the discussions, the forums were asked to score the relative importance of five potential criteria (as cited in the consultation document) in guiding local government reorganisation. In the scoring, 0 indicated very low importance, while 10 meant 'extremely important'. The primary purpose of this exercise was to give some guidance to the new councils (if they are created) about residents' priorities; but the criteria scores also indicate the background assumptions guiding residents' judgements on the proposals for two new unitary.
- 4.13 Perhaps surprisingly for some, the idea that local government structures should reflect 'local identity' was the lowest-rated of the criteria. While the forums' discussions of the proposal for two new unitary councils often showed people's attachment to their district/borough councils, the criteria scores demonstrate that in general councils do not have to be immediately 'local' to meet citizens' more important expectations for accountability, quality, value for money and access.
- 4.14 The aggregate scores (across all the groups) for each of the criteria are shown in the next table.

CRITERIA	AVERAGE SCORE
Accountability	9.3
Quality of Services	8.9
Local Identity	6.9
Access	7.9
Value for Money	8.9

- 4.15 Overall, the scores reflect the emphasis of the focus group discussions, for accountability repeatedly stressed, indicating the participants' indignation with the position of the County Council.
- 4.16 After accountability, service quality and value for money were the next most important, significantly ahead of access. It seems that people want excellence and efficiency to deliver value for money (which is not necessarily 'cheapness'); and while they might appreciate having a local office, they seemed to accept that many interactions can be done online or by phone.
- 4.17 There was a surprising consistency in the criteria scores, and in putting local identity at the bottom, with only small variations in the aggregate rankings. For example:

In Wellingborough, Northampton and Corby the different discussion groups considered accountability most important, followed by value for money and quality of services

In East Northamptonshire, Daventry and Kettering, value for money and quality were most important, followed by accountability

Local identity was considered the least important of the five criteria in all seven sessions.

Initial and final opinions

- 4.18 Before any of the explanatory presentation, participants in the workshops were asked for their initial or immediate views on whether the number of councils (not counting parish and town councils) in Northamptonshire should be reduced substantially (but by an unspecified number). It is striking that, even before hearing about the councils' case for change, in most meetings substantial proportions of the participants favoured simplifying local government in Northamptonshire by reducing the number of councils.
- 4.19 Much later in the meetings, following detailed discussions, the forums were asked specifically if the eight existing two-tier councils should be abolished and replaced with the proposed two unitary authorities. (They were also told that they should not feel 'bound' by their initial views, which were only indicative.)
- 4.20 People's initial reactions and their final judgements are summarised in the table below. For the sake of simplicity, the table shows the number of workshop participants who favoured change at different stages of the meetings as a proportion of all those who responded, including don't knows.

AREA	INITIAL VIEWS Proportion (%) favouring reducing number of councils	FINAL JUDGEMENTS Proportion (%) favouring two new Unitary Councils
East Northamptonshire	80% (8/10)	64% (7/11)
Wellingborough	45% (5/11)	27% (3/11)
Daventry	75% (9/12)	92% (11/12)
South Northamptonshire	67% (6/9)	56% (5/9)
Northampton	46% (6/13)	79% (11/14)
Corby	70% (7/10)	69% (9/13)
Kettering	17% (2/12)	58% (7/12)
All-Northamptonshire aggregated	56% (43/77) (+5 did not respond to the question)	65% (53/82)

- 4.21 The initial opinions demonstrate that many people are not wedded to the continuation of the current structures: in many cases, unprompted and without the presentation of any evidence, the participants inclined towards the simplification of local government. For example, in all cases except one (Kettering, 2/12), the initial views showed either a majority for reducing the number of councils, or opinions that were about equally divided (Northampton, 6/13) and Wellingborough, 5/11). The aggregate of all seven focus groups shows an absolute majority for reducing the number of councils. Although five people gave no answer, it is striking that, even without detailed discussion, so many residents favoured reducing the number of councils significantly.

- 4.23 Following the presentation and detailed discussions, the balance of overall opinion was more emphatically in favour of abolishing the two-tier system and creating two new unitary councils, with the initial all-Northamptonshire aggregate of 56% growing to almost two-thirds of the total participants.
- 4.24 In Kettering, three of the initial six ‘no opinions’ joined with two others in making the final-judgment a seven-to-two majority for the two-unitary model (a big increase from the original two-in-twelve in favour of reducing the number of councils); in Northampton, the initial six in favour of cutting the number of councils, grew to 11 for the proposal; and in Corby the initial seven in favour of reducing the number of councils increased to nine for the proposal.
- 4.25 In East Northamptonshire, Wellingborough and South Northamptonshire, though, slightly fewer supported two unitary councils than had supported a reduction in the number of councils initially.
- 4.26 Nonetheless, in six of the seven districts/boroughs, the focus groups’ final judgements showed majorities in favour of the two-unitary model; Wellingborough was the single exception, with only a quarter in favour.
- 4.27 It should not be assumed that all those who were not supporters of two councils were necessarily opponents of unitary local government. For example, in South Northamptonshire eight out of nine participants favoured a single unitary council, even though only five out of nine supported the proposal for two unitaries.

Reasons for simplifying local government

- 4.28 Many of those supporting two unitary councils (and those favouring other options) were influenced by the financial evidence to conclude that reorganisation is both necessary and desirable to make savings, reduce duplication, increase accountability, and address the financial problems. Some typical quotations from across the eight workshops were:

It’s going to save a lot of money. If it saves £12 million a year, I’ll go with it. It’s the only way to save (Daventry)

It should sweep away the old guard. There’s an entrenched way of doing things, and it needs somebody to come in and start again. It will cost more originally, but it will save in the future (Daventry)

We should go with two unitaries as there’s so much duplication of effort (South Northamptonshire)

At the moment, it’s not working but we can’t hold anybody to account. But with the two unitaries, we’ll know who it is and can hold them to account (Northampton)

There has to be a change. There definitely has to be a totally new structure so people are accountable. Before they were never accountable (Corby)

It could work well. If it’s managed better, there will be more efficiency to reduce the debt. [But] if there are two councils they shouldn’t stop talking to each other – it is still a county! (Kettering)

- 4.29 There was also an acceptance that creating two unitary councils would:

Make modest but valuable savings by reducing the number of managers, staff, offices and councillors to achieve better value for money

Mitigate against service reductions

Simplify and make clearer to the public the structure of local government

Enhance democratic accountability by making clearer who is responsible for which decisions

Provide more sustainable council units – while recognising that their success is not automatic

Provide a “fresh start” – providing the “same old people are not in charge”

Allow the new authorities to attract well-qualified new staff, in a way the current County Council cannot

Provide for sensible and acceptable groupings of the current district council areas

Recognise the reciprocity between urban and rural areas.

4.30 Regarding the inter-dependence of urban and rural areas, there were some frank comments:

If it's a small unitary you won't have enough money coming in (Northampton)

Presumably town costs and rural costs are different. Presumably it would be fairer to spread the costs (Northampton)

If you want a monthly bus ticket to Northampton, you have to get a megarider that includes Warwickshire and Oxfordshire. That's £100 a month. That could be an argument for the new structure (Daventry)

4.31 In the context of these ideas, people asked questions, exchanged viewpoints, and (with considerable interest) discussed a wide range of important issues – for example:

Why the County Council's difficulties were not recognised and addressed earlier

Didn't they have anybody in control of finances? (Northampton)

How could it get to that without some sort of safety net; how could it get so bad and nothing be done about it before? (South Northamptonshire)

Am I wrong in saying that the problems with Northamptonshire County Council go back a long time and they are structural? I can remember 1999, the road budget was syphoned off to pay for social services. (Daventry)

Why officers and members and auditors have not been held to account for their misdoings

Those people who are responsible for why we're here today; nothing happened to them, they are just left. The same people know nothing is going to happen to them (Northampton)

The thing is the people who have got us into this mess, I don't know how many, are getting away with it (South Northamptonshire)

They were never audited, and they could spend and spend to get into this difficulty; they need to be properly audited. (Corby)

Whether the external commissioners could continue in their roles over a longer period

The relative costs of unitary versus two-tier structures

Whether the 300,000 population threshold is justifiable

Is this 300,000 sacrosanct? (Daventry)

It seems to be strict conditions that the government has set – but would it be open to a lower target than 300,000, and following existing boundaries? (East Northamptonshire)

The relative success or otherwise of the 55 unitary councils in England

What is the most successfully unitary? Can you give an example of a successful unitary? (East Northamptonshire)

Are there any case studies available of unitaries? (East Northamptonshire)

How many councillors there would be for the two unitaries

The size of each ward and whether there would be large wards with two or three members

How long council tax harmonisation would take

The implications of the rising demand for costly of social care

It's frightening to think of the aging population in a few years' time. We're going to need nursing homes and we're not going to be able to afford it all (Daventry)

I'm worried if you split to two, the needs of one council may be greater than the other as in social care (Daventry)

So how will child services work if they were split? Corby has a high level of children in care. Obviously, that doesn't come cheap. (Corby)

How the two new councils would interact

Reduce the bureaucracy – have fewer working closer together with the same principles in view (Wellingborough)

How would they structure the services that are run centrally from Northampton now? My personal experience is in the education area. They are seriously having major upheavals (Kettering)

We'd get identical problems in each area (Wellingborough)

Are the councils expected to work in a more agile way? Co-location is a huge thing for agile in the private sector. Is that what's expected? (East Northamptonshire)

What financial relief the government might give the new authorities

How financial liabilities would be apportioned between the new councils?

Will they inherit the debt, and will the larger area inherit the larger debt? (Kettering)

It should be set according to the asset base – so the larger asset base has the larger debt (Kettering)

My concern is that North Northampton is more in debt than West Northampton based on population by services. We'll have to repay that debt. But if we have more older people than the south, then the split doesn't work fairly as we have fewer Council Tax payers. (Corby)

Hopes, fears and risks

- 4.32 While most accepted the two-unitary proposal readily, many people wanted assurances (from the new councils) that things really would get better: they wanted assurances that:

The new councils really would make a difference

Council services would be maintained

Inherited liabilities would be managed effectively

New senior staff would be appointed; some people wanted new senior staff to be from outside the county

Those responsible for the financial problems would not be re-employed or hold senior office in the new councils.

- 4.33 Those considerations were not cited as objections or criticisms of the proposal, but as concerns to be addressed; and, given the background to the proposals, it is not surprising that many focused on the apportionment and management of debt as a key risk, too:

This proposal is coming from government. Will the debt be written off? (South Northamptonshire)

If you're looking at debt, you're better off consolidating the debt – putting it in one place or two places. Otherwise it's less manageable, with too many different organisations involved. (East Northamptonshire)

Once you're in debt it takes years to get rid of it. Do you know the size of the debt? How many years are we talking about? Council Tax is creeping up, [but] when will we start benefiting and get something back? (East Northamptonshire)

Would the unitary councils have an obligation to each other? If the sums don't work and North Northants or West Northants still have problems, what will happen? (Corby)

- 4.34 Every group stressed concerns about the risks of not ensuring accountability and sound management under the new structure:

Is it a given that the people from the County Council who have caused the problem will not be reappointed to run the new council/s? (Daventry)

You've got to get the right people (Daventry)

The people who are responsible should not be allowed near any position of power (Kettering)

An important part of this is the restructuring. It allows them to get rid of the people who did this. If we don't do this, it will take years to get rid of them (East Northamptonshire)

- 4.35 The risk of failing to maintain the quality of services was also a concern:

We need economies of scale while maintaining the quality of services (Wellingborough)

I think it's the right plan of action. What concerns me is the quality of services is very important and, as soon as you bring the whole thing into two ships, you need a bigger staff to supply the services to the general public (East Northamptonshire)

I worry that the transition of power will disrupt services. (Kettering)

- 4.36 Those who accepted the prospect of the unitary councils wanted the councils to maintain a local presence in the rural areas to ensure ease of access, especially for vulnerable residents:

Why can't they carry on with what they're doing – in East Northants they run council sessions from libraries. They want to keep the libraries going (East Northamptonshire)

The building could be a shop or something like that. That would do it – cheap to run and satisfying the need. (Kettering)

- 4.37 Overall, though, the biggest and most general risks identified across the seven forums were about whether the new authorities would succeed or fail:

The risk is that in five years' time and the savings have not been made (and loans have not been repaid) and we're in a worse place than we are now (Corby)

- 4.38 Closely associated with this worry was that the estimated time and costs for transition to the new structure is not feasible:

There are eight systems for IT and everything! The whole process could overrun and it's very rare that change is ever delivered on budget! Are the legacy systems big enough for the two councils? There are a lot of costs associated with change. (Kettering)

The status quo

- 4.39 Because they either opposed unitary councils on principle or were unconvinced that they could solve the historical problems, a minority of participants wanted to retain the current eight councils. Many of them supposed that making savings and renegotiating the debts (with the government) are feasible without making radical changes to the well-established structure of local democracy – for example:

The savings can be made anyway if the councils co-operate (Wellingborough)

I think a massive change could be achieved by removing the officers and replacing them with a transformation team (South Northamptonshire)

It seems to me there is a government sweetener. If the government could help the new councils later on, why can't they do it now? (South Northamptonshire).

- 4.40 There were also concerns about democratic accountability – namely, that two unitary councils would be too remote geographically and socially remote from residents. For many this issue was a matter of concern (which they hoped the new councils would address), but for some it was reason enough to reject the two-council proposal in favour of keeping the existing structure. Comments from people holding one or other of these viewpoints included:

The County Council needs to go. If two unitaries replace it, I'm very concerned at the number of councillors. It's been mooted that there might be 45 for each one, but that's not enough. Anyway, it will be a full-time job, they will be full time councillors; and the only people who can do that would be retired or not need to work – so they wouldn't be representative (Kettering)

I'd like to see an appropriate benchmark of councillors to people (Kettering)

It's all about having a council that knows the area. If the council is based in Daventry, they won't know this area (Wellingborough)

If it's just the two unitaries then they would be less in touch with the local population than the districts (East Northamptonshire)

- 4.41 The rural geography of Northamptonshire was a concern in terms of access to services for older residents, for those in rural areas, and for those favouring face-to-face contact over online interaction:

If they replace the council with a unitary council, the feeling of personal contact with services would go. I think there could be savings, but I disagree with losing the local council. I'd think twice before going all the way to Corby. (Wellingborough)

I have concerns over accessibility. It's hard enough for full-time workers to see the district council now, and with a reduction it will make things more difficult for (Daventry)

The rural areas will suffer more than in Northampton town centre – like with buses (South Northamptonshire)

I'd rather be face-to-face than on the phone. You can express yourself and get proper answers. On the phone you can get fobbed-off. (Wellingborough)

- 4.42 Other significant reasons for wishing to retain existing structures (or for accepting the need for change while objecting to the unitary proposal) were that:

Service quality and resilience may reduce with fewer people available to deliver services to an increasing population

Staff redundancies will negatively impact on those who lose their jobs and those who remain with larger workloads

The interests of the urban centres would take precedence over those of the rural areas, due to the relative proportions of their populations and councillor representation

Very different areas would be subsumed under a single council

Council tax harmonisation may be contentious within areas with lower levels currently and higher predicted future increases

Council tax increases could be a burden to many.

Other options

- 4.43 All seven of the groups were invited to consider any other options they might favour, but none of the options raised found any general support following consideration in wide-ranging discussions.

- 4.44 For example, in the Northampton group two out of 14 supported a single county wide unitary; and the same number supported a 'doughnut structure' with Northampton as a unitary council surrounded by a large rural second unitary. In South Northamptonshire there was considerable support for a single unitary, but no support for Northampton as a separate unitary. Elsewhere, an elongated two-fold division of the county with a diagonal line from the south-west to the north-east was advocated, but by only one person.

- 4.45 There was some curiosity across about why the single unitary option had been excluded from formal consultation, but it was generally readily accepted that it would perpetuate the County Council in another form.
- 4.46 Similarly, while some protested that the 300,000 population threshold was arbitrary, most could accept it as reasonable in the context of the geography of Northamptonshire and the need for viable council incomes from council tax and business rates (eventually).
- 4.47 Finally, the idea of a separate Northampton unitary within a total of a three-unitary model was dear to some, but not taken up by the great majority of participants.

More information

- 4.48 Finally, it should be noted that some people could neither support nor oppose two unitary authorities because they wanted more information on which to base their decision. Indeed, some of those who rejected the proposal said that lack of information was a factor in their decision – and they especially regretted that a “full financial or business case” was unavailable; and some of those who supported the proposal felt they would have liked more information – for example:

I feel we're being forced into a very rushed decision. There are no clear facts (Corby)

We should have a business case before making a decision (Daventry)

It would be very nice to have information on all the councils – on how their finances work and what social care needs they have (Daventry)

The model could work. I'm still undecided because we need more facts. (Kettering)

- 4.49 In Northampton, the group felt it was important to share more widely the same information they had reviewed about the proposal:

There are 14 of us here, but how many people in the county are going to have this clear explanation...It's good that you've explained the history and what's going to happen, but how are other people going to know?

It's not just a focus group that needs to be told about this, it's the whole county because if they don't understand what's going on they won't support it.

Corby Footnote

- 4.50 Perhaps more than any other group, the Corby residents were keen that the information they had reviewed (and more besides) should be available to everyone – for example:

There's a lot of misinformation. Without coming here and being told these things you don't know what the proposal involves or even how it works now.

- 4.51 In the Corby focus group, the residents were not asked about their council's own consultation, but some comments were made spontaneously; some (but not all) of these thought the information given had been critical of the proposal:

I think the districts are already fighting against it. There's a letter from Corby council saying they didn't want it to happen.

I didn't interpret it that way at all.

- 4.52 The first of the two residents quoted said that “*since voting*” in Corby’s own consultation he had changed his mind (now to favour the proposal) after receiving more information through the focus group.

Business Community

Introduction

- 4.53 Two important business forums were held on successive days, the first arranged by the Chamber of Commerce and the second arranged by the Leicestershire, Northamptonshire and Rutland Federation of Small Businesses. In total, 49 senior business people attended the meetings. The sub-headings in the following report are not ‘standardised’ but vary between the two forums, to better reflect the nature of the discussions in each one.
- 4.54 However senior the business people were in their organisations, they spoke as individual business men and women, rather than as delegates stating the position of their organisations.

Chamber of Commerce forum

Attendance

- 4.55 Seventeen senior business people from a wide range of private sector organisations attended a forum organised by the Chamber and took part actively in wide-ranging discussion lasting over one-and-a-half hours. The meeting was almost equally split between men and women.

Accountability

- 4.56 The business people said they had been shocked by the seriousness and long-term nature of the County Council’s financial problems – and their main comment was that local government evidently lacks sufficient accountability mechanisms to hold the relevant people responsible. They were indignant that senior councillors, the top financial managers, and the independent auditors had all apparently failed to identify and rectify the problems at a much earlier stage. They criticised the failure to hold people responsible for their conduct in office.
- 4.57 In this context, their main theme was that the senior financial managers should be dismissed (rather than receive *beneficial pay-offs*) and the *same old councillors and managers* should not just transfer to run the new unitary councils. They said that a *complete culture change* is required, with new senior staff brought in to make the necessary clean break with the past, with more effective councillors, and with more effective and critical independent auditing. Only by making a fresh start, they said, could the required new direction be taken.

Government criteria

- 4.58 Above all the business people wanted the new councils to be sustainable and effective in running services and delivering value for money. In this context, they felt that the government’s population and other criteria are entirely reasonable and should be accepted by the existing councils. For example, they said:

Northampton does not want to be include in West Northants, and many there don’t want to be joined with it; but the proposal is sensible, and the government needs the right to impose a solution if it’s not accepted!

The councils should accept the criteria and make it work!

Something has to be done to improve things – so make the change: get on with it!

Change Management

- 4.59 The sense of urgency evident in the quotations above was not just impatience or impetuosity, and it was balanced by a realisation that the success of the new organisations was not guaranteed but will have to be worked for over time. While the process of change should begin, it should not be rushed “all at once”, and the new councils need to be ‘agile’ in order to improve the efficiency of local government.

Savings

- 4.60 It was recognised that the potential savings of £12 million per year from the new structure was only a contribution – not a sufficient to redeem the finances of Northants local government; and there was some scepticism that the new authorities could transform their ways of working to yield very much greater savings (for example, through the reorganisation of social care); but the projected savings were nonetheless valued. As one senior HR manager said:

We can't pay-off the full debts, but the £22 million transitional costs are reasonable (for the public sector); and £12 million for ten years is £120 million – and that's how we have to think – to get things right over the long-term.

Options

- 4.61 While most participants accepted the proposal for two unitary councils, one outlined a so-called ‘doughnut scenario’ in which Northampton could become a third unitary council in its own right by increasing its population by ‘annexing’ areas of housing and business developments surrounding its current boundaries – such as Grange Park in the south-east and Moleton in the north. It was noted that this approach could create either a three-unitary structure (by splitting what would otherwise be West Northants) or an alternative two-unitary ‘doughnut structure’, with Northampton surrounded by a large rural unitary area comprised of all the other authorities.
- 4.62 However, others quickly pointed out that Northampton’s gain would diminish Daventry and South Northants, making them unsustainable as a small (third) unitary council area. The participants also rejected the so-called doughnut structure of two unitaries based on Northampton and the rest. In relation to both these alternatives, the participants readily agreed that the current proposal for a West Northants council took account of the many links and ‘overlaps’ between the three constituent areas. They felt it would be artificial and undesirable to separate Northampton from the surrounding areas.
- 4.63 There was no support at all for a single, all-county unitary council because people agreed that it would not be a break with the past.

Effective representation

- 4.64 The business people were not disquieted by the projected reduction in the total number of councillor positions from the current 321 to possibly 180 under the proposal. Indeed, many of them thought there were advantages in selecting only the best councillors for the new authorities – saying, for example:

We don't just want 50% of the same ineffective types!

We need better councillors to manage finances in the new structure – we need normal people!

A unitary council doesn't need more than 90 councillors since it can embrace the new technology and improve communications and links like that.

4.65 Two important observations were that:

Wards with two or three elected members are too large for the councillors to be known locally

To be successful the proposed structure will require better links to be developed between the unitary councils and their parish and town councils.

Balance of opinion

4.66 Overall, the Chamber of Commerce forum showed emphatic support for the proposal for two unitary councils – as the best chance of re-ordering local government effectively and sustainable. The participants did not think the enterprise of change was risk-free – particularly considering what they said was a lack of clear and consistent accountability in local government – but they felt it was worthwhile, and the best available option.

4.67 Therefore, 15 of the 17 participants supported the proposal, with only one opposed and one 'don't know'. The meeting unanimously rejected the option for a single unitary council (which was seen as the past resurrected in a frightening guise); and only two people supported the alternative two-unitary 'doughnut structure' based on Northampton and the rest.

Federation of Small Businesses forum

Attendance

4.68 A wide range of 32 senior business people from small and medium size enterprises attended a forum organised by the Federation to participate in wide-ranging discussions lasting nearly two hours.

Federation's priorities

4.69 While this is not the place to review Federation's general priorities to facilitate an effective 'enterprise culture' for small and medium size businesses, it should be noted that the Federation has recently published its *Best in Class* report featuring 77 ways for local government to support local enterprises – with the key priorities encompassing procurement, parking, rates, planning, town centres, tourism, regulation, digital, business support, and skills. The Federation trusts that the new unitary councils will take full account of its 77 recommendations to ensure a truly enterprising culture. In this context, the participants were clear that any new structure should priorities businesses and be seen to make a difference.

Accountability

4.70 The 32 participants stressed the demonstrable lack of effective accountability in local government's financial affairs – and they felt that new structures, by themselves, would not ensure either better management or sufficient accountability. The participants emphasised repeatedly that the public had been badly let down by the County Council's managers, councillors and auditors – and they concluded that:

Proper governance is the crucial issue!

The new structure won't work if it's just the same old people running things!

Efficiency and value for money

- 4.71 There was considerable interest in the size of unitary authorities, and in this context Rutland was cited enthusiastically for being effective and business-like in buying-in services from a range of surrounding local authorities. Some felt that Rutland's effectiveness in doing this could be a template for the new authorities, and they said that Northamptonshire's Social Services are particularly badly managed.

Government criteria and one proposal

- 4.72 While they were all appalled by what had gone wrong in Northamptonshire's local government, some of the participants resented the fact that only one proposal was on the table, and they wanted more information about the source of, and basis for, the 300,000 population threshold for unitary status. A number were clearly interested in having more information on the performance of various unitary councils across England and Wales, in order better to assess the influence of size on the sustainability of unitary councils. While there was absolute majority support for the two proposed unitary councils, a third of those present wanted more information before reaching a conclusion.

Associated risks

- 4.73 One area of doubt identified by some participants was about the councils' ability to integrate different IT systems effectively. While not an objection to the specific proposal, this risk was seen as a potential threat to any kind of organisational merger or amalgamation of services between formerly separate authorities. Some apparently well-informed IT experts present in the forum suggested that the £22 million transitional costs could multiply by a factor of ten if the new authorities had to commission new IT systems. There was considerable doubt about the capacity of the existing staff to manage the IT changes required to make any new structure efficient and cost-effective.

Balance of opinion

- 4.74 Overall, the Federation's forum showed emphatic support for the proposal for two unitary councils as the best way forward. Of the 32 people present, an absolute majority of 17 supported the proposal for two unitary councils, with only two opposing. It should be noted, though, that a third of those present wanted further information (particularly on the effects of population size on sustainability) before making up their minds – so they were classified as 'don't knows'.

Conclusions

- 4.75 Both the business forums showed overwhelming absolute majority support for the proposal for two unitary councils. Both meetings unanimously rejected a single unitary council and an alternative two-unitary 'doughnut structure' based on Northampton and the rest.
- 4.76 A third of the small business people wanted more information before making up their minds. Overall, there were anxieties about the councils' capacity to manage the change and achieve the successful new start required.
- 4.77 Governance and the need for effective accountability were emphasised as important requirements; and IT challenges and associated costs were identified as real risks.

Parish and Town Councils

Introduction

- 4.78 The Northamptonshire County Association of Local Councils (NCALC) helpfully organised two well-attended forums for parish and town councillors, and some clerks, from across Northamptonshire. In total, 117 people attended, many of whom seemed to have considered the issues and formed strong opinions before attending the workshops. Therefore, they focused intently on the main issues and raised an interesting range of relevant arguments and considerations.

Main Findings

Attachment to the status quo

- 4.79 Although the councillors were aware that the government has excluded the continuation of a two-tier system from consideration, there were some who supported its retention – for a range of reasons, including possible adverse implications of unitary authorities for parish and town councils' services and budgets – partly because they believe they have a 'closer relationship' with their district councils. There were also concerns about local democratic accountability, with some feeling that unitary councils would be too geographically and socially remote from their residents – for example:

How many parishes are within each of the unitary authorities? In the unitary authorities, I can just see the small parishes being ignored. It is difficult now to get district planners to come out to parishes – and the unitaries will be even worse. You could have planners not even knowing where the parish is!

- 4.80 A recurring theme was that the different needs of urban and rural areas are difficult to balance fairly within unitary councils, which are likely to be dominated (it was said) by urban councillors. Many of those voicing such concerns feared that urban issues (especially but not only housing) would dominate over rural issues – for example, some said:

The issues for East Northants will be lost in relation to Wellingborough Corby, and Northampton issues

In South Northants we have a massive issue over HS2. We are in constant meetings with HS2 and the contractors and consultants. Northampton is not concerned over HS2. If we lose the contacts through the district, then it could be problematic getting our concerns heard

In Northampton we have completely different priorities to South Northamptonshire. We're concerned about road noise, not HS2. Under two unitaries local issues will disappear

There are rural/urban issues. Four parishes have put money in to maintain bus routes into Northampton.

- 4.81 The other main reason for wishing to retain existing structures (or for feeling apprehensive about change) was that accessibility, service quality and resilience might all reduce with fewer council staff and offices available to deliver services:

It's also accessibility though. A lot of people locally have to go into Northampton to access services

What about the standard of services? You have redundancy costs and the savings are only £12 million. Will this lead to loss of services?

- 4.82 Apart from some who were positively loyal to the two-tier structure, there were others who neither supported nor opposed unitary authorities – because they wanted more information on which to base their decision. They felt unsure of future prospects and doubted the necessity for the governments' apparently strict size criterion. For example:

There is a lack of transparency on the benefits and disadvantages – on how the changes will impact on the services and their delivery, for instance

We're being consulted on unitaries with the 300,000 population figure, but we have not been given any information about why that's so necessary.

Unitary councils in principle

- 4.83 Nonetheless, while some councillors wished to retain the status quo, but there were many more who supported a change to unitary authorities, and a range of reasons were cited – for example:

Putting aside the number, I agree with the broad principle of unitary councils

I'm mandated by my parish council. We're not against unitary councils, and the two rural parts [of the proposed West Northants] fit together; but Northampton doesn't fit with them

A lot of recent development around Northampton has been in Daventry and South Northants – for which Northampton provides the services while Daventry and South Northants get the council tax!

- 4.84 In other words, some felt that unitary councils are good in principle, while others had more pragmatic reasons for favouring the proposal – including that district and borough areas are inter-dependent, and that the proposal is an opportunity for a fresh start. There were some councillors who supported the proposal mainly on the basis that reorganisation is necessary to make savings and efficiencies by eliminating duplication and escaping the past. They did not necessarily support unitary authorities in principle, but thought the proposal is necessary in the current circumstances – for example:

We could make a difference here. If we can bring in people who think in a modern way, rather than the same people who think in an old-fashioned way, it might make the difference.

- 4.85 Overall, for the range of reasons indicated, there was emphatic absolute majority support for the principle of unitary authorities: 35 out of the 51 attendees in West Northamptonshire, and an overwhelming majority (in a ratio of about nine to one) in North Northamptonshire supported the principle of unitary authorities.

Two unitary councils

- 4.86 However, while the principle of unitary authorities found favour, many people in western Northants recoiled at the prospect of there being just two. In particular, many objected to the proposed union of Northampton with Daventry and South Northants, mainly because they feared the interests of the former would dominate those of the two more rural areas. A particular concern was that housing development would be shifted from the more urban areas into the countryside.

South Northants and Daventry have managed their land supply well. Northampton town has little land supply. Under the new unitary they will have access to new land, intruding onto the countryside.

- 4.87 Therefore, for such reasons, there was a clear contrast in the views of the two forums. Although not everyone expressed an opinion, in western Northamptonshire there was a big absolute majority against

reducing to two unitary councils, while in northern Northamptonshire there was a majority in favour of two unitary councils. The contrast is summarised in the following table (please note, numbers in the table exclude abstentions).

AREA	PROPORTION (%) FAVOURING 2 UNITARIES	PROPORTION (%) AGAINST 2 UNITARIES
West Northamptonshire	2% (1/41)	98% (40/41)
North Northamptonshire	53% (17/32)	47% (15/32)

4.88 The numbers are important only insofar as they suggest there is a spread of opinion on the issue, not because they define the respective majorities and minorities absolutely. The real point is that there is a dilemma: there is overwhelming support for unitary authorities in principle, but there are worries about urban and rural areas being combined unsympathetically in a two-unitary structure. Therefore, the questions that arise are: what alternative structure(s) might be preferable and how might the councillors' worries be mitigated if the new authorities are created?

Other options

4.89 The prospect of a single unitary council was mentioned, but it was not seriously proposed, and the idea had very little support indeed – which, of course, is compatible with the very definite support for unitary authorities in principle.

4.90 Due to the worries about rural interests being neglected, in western Northamptonshire there was a big majority for Northampton to form a third unitary council, but only a third supported the same idea in northern Northamptonshire. The potential impact of Northampton's unitary status on the finances and sustainability of union of Daventry and South Northamptonshire (within a small unitary council) was acknowledged, but not discussed in any detail. People were not always convinced of the need for a 300,000 population (but the two rural authorities would have a population of only about 170,000 in round figures).

4.91 A two-unitary 'doughnut option' with Northampton as a unitary within a large rural unitary was mentioned as a 'theoretical option', but no one proposed it.

Mitigating the urban/rural divide

4.92 For all the parish and town councillors it would be important, if the two unitary councils are created, for the new authorities to work to mitigate the sense of imbalance between urban and rural interests – particularly in terms of the financing and allocation of housing, infrastructure, public transport and public services.

Other considerations

4.93 As in so many of the other deliberative meetings, the parish and town councillors were extremely indignant that so much could have gone wrong within the County Council – and they stressed with some emphasis that the leadership and management teams in any new councils should not include anyone responsible for the financial debacle. Such was the strength of feeling that some suggested that those responsible for the current problems should be prevented from standing for election or being employed if the new councils were created.

4.94 There were also pleas for the government to support localism with positive action:

The government sees parish councils as the local voice and there are some towns which will not have that local voice. Can the government assist in creating town councils where they don't exist and helping local parishes, especially smaller parishes group together, to have a voice?

Health and Wellbeing Board

Introduction

4.95 While obviously very important, the Health and Wellbeing Board meeting that discussed the proposal is difficult to report properly – partly because only 45 minutes were available within the board's busy schedule, and partly because the board members were reluctant to declare their views. While encouraged by the researcher to give their personal opinions (based on their considerable professional experience), the predominant view was that they should speak as 'delegates' to express their organisations' points of view; but most then felt unable to do that. In some cases, the organisations are so diverse that it is hard to see how a dominant view might emerge; and in other cases, it was said that an official position had not yet been formulated. Therefore, the opinions reported here are in an important sense 'provisional' or 'tentative' because they are not based on clearly stated positions regarding the proposal.

4.96 In total, 20 people were present at the board meeting, including four representatives from Northamptonshire County Council and one from a Northants district council – as well as representatives from clinical commissioning groups, health trusts, the police, the university and the voluntary sector.

Main findings

Financial realities

4.97 While the relative allocation of council tax income between the police, county and districts was evidently news to some participants, others focused on finances, by pointing out that central government funding was likely to continue to reduce and that there is limited scope for council tax increases to boost total local authority income substantially. (It was said that, *A 1% increase in council tax yields only £3 million.*)

Position statements

4.98 The only organisation present that expressed clear opinions on the proposal was Northamptonshire Police, who support the proposal but would prefer a single all-county unitary council. The representative said:

Northamptonshire Police support the proposal, but we prefer a single unitary council for the sake of overall co-ordination of partnerships. This is an opportunity, but there are some risks with two unitaries.

4.99 In other words, the police do not oppose the proposal: they support it; but it is their second-best solution.

4.100 In contrast to the police, the Health Watch representative could not express a preference because there are different views within the organisation; but the person added that:

Effectiveness is the most important consideration; and two unitary councils are likely to be more costly than a single one. So, some people will be worse off.

Caution

4.101 There was considerable caution about the proposed change. The need for sustainable organisations was stressed; but there was uncertainty about the effects of the changes. Some typical points made were:

A county-wide perspective is needed to understand the impact [of the proposal] on health and wellbeing

There could be discontinuities as current county-wide functions are split between two new authorities

New local government structures will not automatically achieve better integration of health and social care services

4.102 Some typical quotations were

We should look at the Irish model where there are unitaries but without health and social care, which have gone to the NHS in Ireland

The proposal will not address health inequalities – two unitary authorities won't improve them

We need a more sophisticated analysis based on the health and wellbeing needs of the population

We need to re-set how we work with communities

One single unitary council would be best, but I understand why it's been discarded

We do need to change. This is a big opportunity, but there are major worries about delivery

Transformation of services could follow – that's the aim of the proposal. The proposal makes sense but it's not clear how services will be improved – it could happen but it's not certain

Transitions like this have risks – they can cost money. And structural reform in health care has been unhelpful

This won't reduce hospital waiting lists – it could make things worse!

Follow-up telephone interviews

4.103 To get more insight about opinions of the proposal, ORS was asked urgently to contact some attendees (and representatives of other relevant organisations) for short telephone interviews, five of which were completed – with the Police and Crime Commissioner; representatives of Northamptonshire Healthcare Foundation Trust, Northampton General Hospital Acute Hospital, and Cambridgeshire and Peterborough Foundation Trust (whose responsibilities extend to a couple of GP surgeries in East Northamptonshire); and with one other stakeholder who wished to remain anonymous.

4.104 In the interviews, the stakeholders identified many areas of interaction between their organisations and local government (e.g. adult social care, children's services, community mental health, and Health and Wellbeing). One health organisations felt that working with fewer authorities would be preferable and easier, noting that (although most of their interactions are with the County) they need to work with districts in relation to supported living, housing adaptations and social housing etc.

- 4.105 More widely, reorganisation was seen as offering a significant opportunity to join up areas like health, housing and social care, as well as to improve governance. Specifically, stakeholders saw an opportunity to ‘recalibrate’ partnership working across the county, enabling innovative forward planning with more emphasis on intervention and prevention (benefiting residents while also being more cost effective long term).
- 4.106 However, stakeholders were clear that this would require partners to work together in a consistent way, and most felt this would be more achievable with just one unitary council. Specifically, there were concerns that fragmentation and disjointed approaches would follow from two Health and Wellbeing Boards, two Children’s and Adult Safeguarding Boards, and two sets of executives – all with potentially differing priorities. Another widely perceived disadvantage was greater inefficiency (for both councils and partners) leading to ‘more duplication, not less’.
- 4.107 The possible splitting up of county-wide services prompted other concerns. The PCC, for example, saw a risk in police officers from a single force abiding by two different sets of operational procedures (e.g. different criteria for referrals to the Multi Agency Safeguarding Hub or for Public Protection Notices). It was noted that there are already a number of serious case reviews underway in Northants and splitting services might pose further risks in areas such as vulnerability and prevention.
- 4.108 On the health side, it was noted that there are currently three GP federations and one ‘super practice’ serving different populations across the county, and it was unclear what barriers, duplication or division might occur if these were split across two unitary councils. Another question was around how the existing resources would be divided between the two new structures, particularly in the context of there being significant pockets of deprivation in both proposed council areas.
- 4.109 One suggestion for mitigating the risks was for the two authorities to deliver services through a ‘joint vehicle’; another was to have an ‘overarching operating model’ not bound by the two-council structure (perhaps using cross-boundary ‘alliance boards’ offer unity at the strategic level). One stakeholder queried whether the new councils could jointly commission certain functions with health services. Similarly, another called for strategic commissioning to be integrated with health but suggested this might be achieved via a separate commissioning function sitting outside of the two councils (i.e. not subdivided).
- 4.110 There were different perspectives on staffing issues. One stakeholder foresaw a threat to staff retention if the future remains uncertain; however, an alternative view was that many of the more unsettled staff have already probably left, and the priority should be engaging with those who remained (to make them feel valued during any transition process).

Conclusions

- 4.111 Overall, the Health and Wellbeing Board meeting neither supported nor opposed the proposal for two unitary councils. Some saw the change as a positive opportunity, but (following the additional interviews) the dominant mood is best described as uncertainty and even scepticism about the ability of structural change to improve services and co-ordination while mitigating the risks of splitting current county-wide functions.

5. Submissions

Introduction

- 5.1 During the formal consultation process 31 written submissions were received. The table below shows the breakdown of contributors by type.

TYPE OF CORRESPONDENT	NO. RESPONSES	NAME OF ORGANISATION
NHS/Health	2	Healthwatch Northamptonshire Northamptonshire Healthcare Foundation Trust
Local authorities	7 (but representing 11 different authorities in total)	Bedford Borough Council Cherwell District Council Harborough District Council Leicestershire County Council Oxfordshire County Council Single submission from Peterborough City Council and Cambridgeshire County Council Joint submission from the CEOs of Aylesbury, Chiltern, South Bucks and Wycombe district councils
Other statutory partners	1	The Police and Crime Commissioner for Northamptonshire
Charitable or other organisations	6	Campaign to Protect Rural England: Northamptonshire Kettering Council Tenants Forum Northamptonshire Family History Society Northamptonshire Gardens Trust Save Brackley Library Voluntary Impact Northamptonshire
District councillors	2	Councillor S Hollowell Councillor J Walia
Town and Parish Councils	8	Crick PC Hackleton PC Hemington, Luddington and Thurning PC Little Houghton PC Middleton Cheney PC Stowe Nine Churches PC Welford PC Yardley Hastings PC
Local Residents	5	
TOTAL	31	

- 5.2 ORS has read all the written submissions and reported them in this chapter; none have been disregarded even if they are not expressed in a “formal” way. All consultation submissions have also been reviewed by Northamptonshire’s councils, and any submissions that present technical arguments or require more detailed consideration have been evaluated by appropriate members of the project team.

- 5.3 Readers are encouraged to consult the remainder of the chapter below for an account of the views expressed. Submissions that have presented unique or distinctive arguments, or that refer to different evidence, have been summarised individually. Where multiple submissions present the same or similar arguments, or refer to the same evidence or assumptions, they have been summarised collectively (by type) without undue repetition. This will ensure that the councils are able to consider important issues identified.

Please note that the following pages report the views expressed by submission contributors. In some cases, the opinions may or may not be supported by the available evidence. ORS has not sought to highlight or correct those that make 'incorrect' statements, for we are not auditors of opinions. This should be borne in mind when considering the submissions.

Summary of main findings

The case for change and unitary councils

- 5.4 Many of the written responses actively supported the case for changing local government in Northamptonshire. Even those that did not explicitly support a change seemed implicitly to accept (or at least did not directly challenge the idea).
- 5.5 A majority of submissions from larger stakeholders and statutory organisations (e.g. healthcare, the police and crime commissioner, and other local authorities) supported the principle of reducing councils and introducing unitary local government, even if some had reservations about the specific proposal for two unitary authorities (because services that are currently provided across the whole of the county would be split up). For example, some welcomed an opportunity to increase clarity for the public, simplify partnership working, and pursue opportunities for greater integration. All of this was deemed crucial when public services have to deal with the increasing challenges of an older population within the constraints of limited public funds.
- 5.6 Nonetheless, there was some scepticism around the benefits of introducing unitary councils, mostly expressed in responses from councillors, town and parish councillors, and residents. Many of these made the point that they understood the County Council's problems to be due to mismanagement and 'incompetence', rather than being a consequence of two tier structure. It was, therefore, less clear to these respondents how a change to a unitary structure might solve the problems. Another concern was that future councils might not be financially viable if required to take on the debt and liabilities of the County Council.
- 5.7 Only one parish council said that the County Council might be 'reformed and set on a proper footing', as an alternative to introducing unitary councils. However, even this response did not dismiss the idea of reducing the overall number of councils, suggesting instead that some of the districts be merged together.

Views on the proposal

- 5.8 As indicated above, most of the larger, statutory stakeholder organisations supported a reduction in the number of councils, as well the introduction of unitary government. Therefore, to quote one of these stakeholders, most seemed generally supportive of the general "direction of travel" represented by the proposal.

- 5.9 Nonetheless, many of the same stakeholders had some concerns, leading some of them to doubt whether the proposal for two unitary councils was the optimal solution for Northamptonshire. These responses emphasised the importance of achieving the best value and sustaining high quality services, and many queried whether the proposal was the best way of achieving these ambitions (compared to a single unitary, for example). In particular, there were concerns about the future delivery of council services that are currently delivered on a county-wide basis (see below).
- 5.10 Responses from town and parish councils were generally critical of the proposal for two unitary councils, with many favouring a three unitary solution (for the reasons outlined below, under 'Alternatives').
- 5.11 It is important that some responses simply outlined the issues they felt ought to be borne in mind if the proposed two unitary councils were created – without saying if this would be their preferred number or configuration of councils.

Concerns about future service delivery under two councils

- 5.12 The key concerns expressed by a number of organisations, was around the potential breaking up of countywide council services (particularly adult social care and children's services) into two structures. These concerns were expressed particularly strongly by Northamptonshire Healthcare Foundation Trust, Healthwatch Northamptonshire and the Police and Crime Commissioner, and were also noted by Oxfordshire County Council. All these organisations sought reassurances in terms of how any risks would be mitigated or avoided. Specific concerns raised by the organisations were around:
- » How any statutory services which get 'broken up' would then align or integrate with partner services that continue to operate countywide (particularly health and policing).
 - » The financial implications arising from transitional costs, duplication, and reduced economies of scale
 - » The implications for future planning and commissioning arrangements
 - » The impacts on partnership organisations, many of whom are already operating with reduced budgets or resources. For example: being required to attend two sets of Board meetings, maintain offices in two locations, or respond to different strategic priorities between council areas.
 - » Effects on staffing as a result of the uncertainty (with associated short-term impacts on service delivery)
 - » An enhanced risk of unequal healthcare outcomes and variability of service quality across the county (for all of the reasons above), with further concerns that this would particularly impact vulnerable or deprived residents.
- 5.13 The implications of dividing county-wide services was also raised in relation to the Archives and Heritage service. The Northamptonshire Family History Society, Northamptonshire Gardens Trust, and two residents all felt these services should remain undivided, suggesting (for example) the continuation of a single county archive/records office serving the whole of Northamptonshire, jointly funded by the two new councils.

Alternatives

Support for one unitary

- 5.14 A few key organisations expressed support for a single unitary council, typically on the grounds that this would maximise efficiencies and prevent the breaking up of services that are currently delivered county-wide. The Northamptonshire Healthcare Foundation Trust, Leicestershire County Council and the Police and Crime Commissioner for Northamptonshire all advocated a single unitary (the latter of these claiming there had been a *'lack of objective consideration'* of this option. In addition, Oxfordshire County Council noted that a single unitary had not been provided as an option, but acknowledged this was due to the contents of the Government's invitation.

Support for three unitary councils

- 5.15 A three-unitary model was widely supported by the town and parish councils who provided their own written submissions. One councillor suggests that a three-unitary solution might be made more viable through the use of S113 shared working agreements (a suggestion that was seen and endorsed by two of the parish councils who provided written submissions).
- 5.16 Responses advocating three unitary councils tended to focus on the distinctiveness of town and county needs and priorities, claiming that these should justify Northampton standing alone as a single unitary. A couple of responses went further by claiming that the proposed West Northants fails the government's criterion for a *'credible geography'*, because of the extremely diverse character of the areas within its boundary. These responses also tended to reject the population threshold of 300,000 outlined in the invitation letter, for being arbitrary and for failing to take future planned housing growth into account.

Others

- 5.17 Only one parish council supported a *'doughnut'* arrangement, with Northampton forming one unitary and the remaining districts forming a second (with the imbalance in populations to be addressed through sustainable urban extensions and minor boundary tweaks).
- 5.18 As previously noted, only one response advocated a continuation of the existing two-tier system, following a suitable reform of the County Council – but with fewer districts making up the lower tier.
- 5.19 A joint submission from the chief executives of Aylesbury Vale, Chiltern, South Bucks and Wycombe district councils argued that the Northants authorities have prematurely dismissed other options from consideration – including Daventry and Northampton merging into a single unitary while South Northamptonshire partners with authorities across the Northants border.

Consultation process

- 5.20 The main criticisms of the consultation process were around the lack of choice imposed by the Government's criteria, amounting to a *'diktat'* in the words of one parish council. As noted above, a number of responses (particularly those from parish councils) challenged the basis of the requirement for a minimum population size in excess of 300,000.
- 5.21 The chief executives of Aylesbury Vale, Chiltern, South Bucks and Wycombe district councils said that the Northants councils have not complied with the Gunning principles, and have not balanced the government's criteria appropriately.

- 5.22 More than one parish council criticised the duration and timing of the consultation and one felt it ought to have been better publicised (for example, with a mailout to all households). The consultation document and other sources of information were criticised by a few for lacking:

Clarity about *how* the proposals would actually deliver the improvements outlined in the consultation document

Comparative information on how well unitary councils are performing elsewhere

Any reference to the Deloitte report commissioned by the districts (and which recommended three unitary councils).

- 5.23 One parish council objected that the open questionnaire invited respondents to suggest alternatives “that meets the government’s criteria” – which would have discouraged them from suggesting three unitaries as an alternative (even though this was known to be a popular alternative among many of the town and parish councils).
- 5.24 One campaign group felt that the questionnaire did not provide enough opportunity for residents to express concerns about service provision.

Local authority submissions

Bedford Borough Council

- 5.25 BBC supports the two unitary proposal for Northamptonshire.

Cherwell District Council

- 5.26 CDC reflects on the ‘huge, immediate and potentially long lasting’ impacts (loss of economies of scale, increased overheads, and breaking up of effective teams) which will result from the end of its partnership with South Northants District Council. CDC asks that there is some acknowledgement of these negative financial impacts in Northamptonshire’s councils’ submission to the Secretary of State. Nonetheless, CDC hopes to ‘bounce back’ by working creatively to find solutions e.g. by entering into a new agreement with Oxfordshire County Council. Beyond this, it has little to say about the proposed structure in Northants, partly because it is felt that the criteria limit opportunities for real choice.

Harborough District Council

- 5.27 HDC can see advantages in the two unitary proposal, noting that the proposed councils appear to be “large enough to deliver economies of scale but still able to deliver services locally”. It is suggested that opportunities to transform the service delivery model will enable more efficiencies to be made.

Leicestershire County Council

- 5.28 LCC understands why a single unitary option was excluded. However, it cannot support a two unitary solution, because both the financial benefits of a single unitary ‘far outweigh’ those of two unitary councils. Given the current financial situation of Northamptonshire County Council, it feels these comparative disadvantages of the proposal for two unitaries must be made clear to the public.

Oxfordshire County Council

- 5.29 As a neighbouring authority, OCC has been concerned about the impact of NCC's difficulties on residents, especially those moving between the counties. It is supportive of the principle of unitary councils. It notes that a single unitary is not being proposed as an option but recognises this was effectively excluded by the invitation from Government. Although it declines to comment on the precise geography for any new councils, OCC agrees with the other criteria laid down by Government and feels it to be essential that Max Caller's recommendations are implemented in Northants. Its main concerns are in relation to any unforeseen circumstances resulting from the break-up of particular services (e.g. adults social care and children's services) across two smaller structures. Any new bid must therefore set out a financial case, be scrutinised, identify opportunities for improvements, and have clear outcomes to assess delivery.

Peterborough City Council and Cambridgeshire County Council (joint response)

- 5.30 Peterborough City Council and Cambridgeshire County Council provided their joint response via the open questionnaire; however, for simplicity's sake it is summarised here (alongside the written responses from other local authorities).
- 5.31 While CCC and PCC agree that changes need to be made to respond to the financial challenges, they have seen insufficient evidence that two unitary authorities is the best solution. It is noted that current local government best practice emphasises a place-based approach: the proposal would therefore benefit from showing more consideration to local demands and communities within Northamptonshire. It is also suggested that the options appraisal could have benefited from closer consideration of options for wider public sector reform, informed by 'impressive' previous examples in Greater Manchester and the West Midlands. PCC and CCC would be prepared to support the councils in thinking more about opportunities for public sector reform in Northamptonshire.
- 5.32 Both PCC and CCC feel the £12 million annual savings associated with reorganisation do not justify the considerable disruption involved, and that comparable savings could be achieved through joint working and collaboration. For example, PCC and CCC share a Chief Executive, Director of Public Health, and People and Communities Directorates Management Team, and are also pursuing shared or fully integrated services in various areas. PCC also shares some services with Fenland District Council and Rutland County Council, and both councils have 'strong' joint commissioning arrangements with health partners.

The Chief Executives of Aylesbury Vale, Chiltern, South Bucks and Wycombe district councils

- 5.33 Citing the Gunning principles, the chief executives question whether sufficient consultation has been undertaken before the any proposal is made. Specifically, they say that the consultation materials **do not**:

Describe the unitary proposal clearly enough

Address housing and growth issues, including the relevance of the Cambridge-Milton Keynes-Oxford corridor

Fully reflect the government's three criteria, and fail to balance with a solution which best meets all three

- 5.34 On these grounds, the submission questions whether the proposal complies with the government's invitation and the requirements for proper consultation on the full range of options available. It argues that if Daventry and Northampton were to join as a unitary authority (with a population of 310,695) then

that “would allow South Northants to partner with other authorities outside the [Northants] boundary”. The submission says mergers with authorities (outside Northamptonshire) have been unfairly dismissed by the Northants councils as options, even though they were permissible in the government’s invitation.

NHS/Health submissions

Healthwatch Northamptonshire

HWN declines to state a preferred number of unitary councils, though it agrees with a reduction in the number of local authorities and feels a unitary structure is appropriate. Nonetheless, HWN’s very strong view is that countywide statutory services should not be divided.

- 5.35 HWN notes that the police, health and emergency services are crucial to the smooth running of children’s and adults’ services, and these tend to be organised at a county level. In particular, HWN suggests:

Social care, children’s services, Public Health etc. should also be aligned with the Northamptonshire Health and Care Partnership (NHCP)

Safeguarding vulnerable adults and children should be countywide to align with partners e.g. the Police.

Early years’ intervention and the Multi Agency Safeguarding Hub should also be aligned countywide to ensure that vulnerable children do not fall between the gaps in service provision.

- 5.36 Therefore, HWN feels it “would be wasteful and counterproductive to duplicate existing county-wide structures within a two unitary structure”. If any new structures are created, it is essential that there is county-wide integration of planning and service design, whilst ensuring easy access to services. Joint commissioning arrangements ought to be ‘embedded’, to avoid duplication of back office functions and variability in the quality of service provision. Another concern is a further dilution of resources if budgets get divided in two – diminishing quality, offering poor value for money, and posing risks to the vulnerable.
- 5.37 HWN suggests the proposals lack detail on how partner organisations might be affected. These impacts might include being required to attend two sets of board meetings in future (e.g. two Health and Wellbeing Boards), or possibly being expected to maintain offices in two locations.
- 5.38 In the event of the proposed changes taking place, HWN further notes: the importance of ensuring financial accountability (due to public concerns around how funding is allocated to statutory services), ensuring services are accessible when needed (e.g. through single points of contact and clear communications), and raising the profile of new councillors (to make sure people can raise issues when needed).

Northamptonshire Healthcare Foundation Trust

NHFT supports change and a reduction in the current number of councils, but retains concerns that two unitary councils (as opposed to one) may cause unwanted duplication and health inequalities.

- 5.39 NHFT agrees with a change in order to secure a sustainable future for services and welcomes an opportunity to transform health and social care services. However, whilst generally supportive of the

Government's criteria, NHFT is unsure about the proposal for two councils. It foresees duplication and a risk of increased costs for several statutory functions of the council (e.g. increased management overheads due to each council requiring its own Director of Adult Social Services and Health and Wellbeing Board) and therefore believes a single unitary council would deliver better value for money. Reflecting on 'factors for the councils to consider', NHFT sees quality and value for money as the two most significant.

- 5.40 Another concern is that two unitary councils would risk increasing health inequalities, owing to a 'more complicated interface' with healthcare and voluntary services and an increase in boundaries for countywide services. In particular, NHFT is concerned this would adversely affect vulnerable members of the population (e.g. older people and looked after children) and those with protected characteristics.

Other statutory submissions

Northamptonshire Police and Crime Commissioner

The PCC feels that although attempts have been made justify two or three authorities, a single county unitary would be the most cost effective, efficient and accountable. The PCC has concerns about the possible division of services like social care, and in particular how these would align with related services that continue to operate countywide.

- 5.41 The PCC feels the creation of unitary authorities would bring about clarity for the public and present opportunities for greater co-ordination, realisation of efficiencies, and simpler partnership working. However, there are concerns about the 'lack of objective consideration' given to a single unitary model, which is felt to have been discounted too quickly. Given the financial imperatives across the public sector, the superior value for money of a single unitary should, the PCC argues, have been afforded greater importance (over and above factors like political accountability, for example).
- 5.42 It is suggested that there needs to be a greater acknowledgment of the costs and other impacts associated with breaking up countywide statutory services such as Children's Services and Adult Social Care (for example, costs associated with the transition process, and reduced economies of scale). It is also unclear to the PCC how the proposals will address longstanding performance issues in these service areas, as well as how they would integrate with the wider public sector (e.g. policing, health, probation). A further concern is that the instability may affect the recruitment and retention of staff (with associated implications for service delivery).
- 5.43 Claims about the financial viability of the new councils are felt to be tenuous, and there has been little assessment of the longer term need to 'reshape services towards preventative delivery'. There would be a risk of duplication in strategic partnership working (e.g. Safeguarding Boards) if organisations could not work collaboratively across Northants, and a 'flexible approach' would be needed to ensure that countywide agencies are not responding to different strategic priorities in different parts of the county.

Charitable and other organisations' submissions

Campaign to Protect Rural England Northamptonshire (CPREN)

CPRE considers the countryside to be important for people's health and wellbeing, agriculture and food production, and for tourism. Its submission therefore considers the possible impacts of reorganisation on rural Northamptonshire.

- 5.44 CPREN acknowledges that the areas covered by the two proposed authorities already have 'established and effective' joint planning arrangements, and hopes these continue. Equally, effective county-based policies must not be lost and it will be important to consider new cross-boundary issues e.g. ensuring development in one authority does not impact on the level of flood risk in the other.
- 5.45 There is concern that both proposed authorities could be dominated by the interests of their urban population centres (further exacerbated in the West by having the main centre of population on the very edge of the authority). This needs to be considered in the allocation of councillors, to ensure suitable rural representation.
- 5.46 Particular care must be taken to preserve the countryside, given that Northamptonshire has no Green Belt and no Areas of Outstanding Natural Beauty. Therefore, where urban districts join with other areas, it's important these are not seen as 'contiguous and continuous built up areas'. Local Plans must be maintained and kept up to date, and local characteristics must be considered. Transition is also important, specifically: making sure that any issues that get neglected do not become established by default and making efforts to draw together the local plans of the previous authorities.
- 5.47 CPREN hopes that any new structure will allow for the continuation of cross-country bus services serving rural areas, particularly as poor public transport most affects the poor and vulnerable (and this has associated impacts on welfare, health and support services).

Voluntary Impact Northamptonshire

- 5.48 The submission, entitled 'Doing More With Less', suggests the proposals present an opportunity for both new unitary councils to engage the capacity offered by the community sector, through a shared strategy: *"achieving more reach and impact than either Unitary can achieve with their budgets alone"*.
- 5.49 The response outlines the size of the voluntary sector in Northants: an estimated income of £300m p/a for community based groups and up to 200,000 people volunteering once a month, before suggesting various ways in which this capacity can be engaged, namely through: a jointly developed shared vision; a framework of shared measures for impacts and outcomes (for example using Public Health outcomes developed by the Community Foundation); weighting contracts using the Social Act to give opportunities to local organisations (that can add value through volunteering and drawing in other sources of income); outsourcing (using the community sector as a lower cost option); and, finally, investment (small grants to help deliver services and support the shared vision).
- 5.50 Finally, community organisations need to be engaged in the development process for any new council structure so that they can develop and prepare their organisations for the impacts of reorganisation.

Others

- 5.51 The responses of Northamptonshire Family History and Northamptonshire Gardens Trust both focused on the need for the Archives and Heritage service ‘umbrella’ (including, for example, the Record Office, Chester Farm and Local Studies collection) to remain intact under any new structure and to be jointly funded by any new unitary councils.
- 5.52 Kettering Council tenants who attended a forum on 19th July all agreed with the need for change, and all but one agreed with the proposal for two unitary councils. It was felt that fewer councils might enable better joined up working between health and social care services, combined with a stronger strategic outlook. Other suggested advantages were less ‘passing of the buck’ between councils, and larger councils having more ‘clout’ and an ability to negotiate better value services. However, tenants also raised concerns about the proposals, specifically: how well they would address the underlying problems, whether they could increase the risk of housing stock being sold off in future, and whether they would result in a loss of local identity with fewer offices and reduced accessibility. Tenants said that they valued KBC’s ‘public face’ locally with good engagement structures and responsive staff; as such many opposed the ‘digital push’ and expressed reservations about being tenants of a larger, more ‘impersonal’ structure.
- 5.53 Save Brackley Library had numerous concerns about the possible selling off of important community assets, particularly if any new councils were forced to take on the County’s debt. It queried whether enough had been done to date to explore options to mitigate or write off this debt. Save Brackley Library also felt the questionnaire did not provide enough opportunity to provide views on current services and also claimed there is no mandate for the proposals because the extent of the problems was not publicly known at the time of the most recent County Council elections.

District councillors’ submissions

- 5.54 One response proposed that internal delegation authorities be set up for any new councils to provide monthly or quarterly reports to external commissioners, to ensure that the new organisations are run economically and sustainably. It was also proposed that the new councils adopt a Committee, rather than a Cabinet, system.
- 5.55 Another response criticised the consultation process, stating that little account had been taken of planned growth in West Northamptonshire. A question was posed about the lack of reference to particular information in the consultation document: “So, what happened... to warrant burying the Deloitte report and with it, the option of a three unitary model?”
- 5.56 Assessing the two unitary proposal against the Government’s criteria, the response claims the proposal lacks a ‘good deal of local support’ and is not based on a ‘credible geography’, due to Northampton being “a completely different district” to the more rural Daventry and South Northamptonshire. While it is accepted that the 300,000 population figure “has some merit” (as authorities with smaller populations may be restricted in some respects by having smaller council tax receipts), the response suggests that opportunities to reduce revenue costs through shared working (under s. 113 of the Local Government Act 1972) ought to be more closely considered. Three unitary councils might share the same CEO, directorate, and some services (particularly ‘back office’ functions), creating economies of scale while also enabling opportunities for a ‘more joined up’ approach. This would then allow a three unitary council configuration to become viable.

Parish and town councils' submissions

- 5.57 Many of the points raised by parish and town councils have been documented above, namely:
- Scepticism about the Government's criteria (especially the population test since smaller unitary authorities are currently operating sustainably elsewhere)
 - Concerns that rural needs will be subsumed by the urban interest in the proposed new authorities, on the basis that urban areas would have larger populations and more councillors.
- 5.58 There was support for Northampton standing alone in a three-unitary configuration since this would better reflect the differences between urban and rural areas. Other specific reasons:
- Suggestions that Daventry and South Northamptonshire District Councils have been run more prudently than Northampton Borough (and will therefore be penalised by the proposal);
 - Concerns about over-development of the countryside as a result of Northampton being short of its five-year land supply requirement.
- 5.59 One specific alternative suggested, was for Wellingborough to join with Daventry and South Northamptonshire (in place of Northampton). Another parish council preferred a three-unitary configuration based on (i) Northampton, (ii) Corby, Kettering and Wellingborough and (iii) a 'rural' council based on East Northants, South Northants and Daventry District Councils – while accepting this would mean East Northants would be geographically separate to the rest of the authority.
- 5.60 Support for three unitaries was not quite unanimous: one parish preferred the 'doughnut' configuration of two councils and another suggested that the two-tier system should continue, albeit with fewer districts and a reformed County Council. Another suggestion was for a 'Rural Interests Committee' to be setup to ensure the preservation of rural interests.
- 5.61 More general concerns raised were around a lack of information (including comparative information on the performance of unitary councils elsewhere) and the timing and duration of the consultation. One parish council noted that the proposals seemed too rushed – an "imposition of change as a response to a crisis" and "not an effective way to reform local government".
- 5.62 One parish council wrote that at the Parish and Town Council forum in Towcester on 3rd July participants were told that they propose a three-unitary solution by using the text box in the open questionnaire. However, the questionnaire said suggestions for alternative proposals should "meet the government's criteria" - which has caused concern that the results would not reflect the true level of support for three unitary councils (as all those not attending the forum would have been discouraged from stating that preference (since it failed the population test).

Summaries of residents' submissions

- 5.63 Residents' submissions highlighted issues of personal concern and covered a diverse range of issues. Some of the concerns echoed those expressed by the organisations above (for example, about heritage and archive services remaining intact). Others were concerned about access to council offices, urban/rural matters, planning issues (streamlining of Local Plans) and the safeguarding of local assets. One resident was particularly concerned that population demographics should be taken into account as part of any reorganisation, so that the adult social care burden be fairly split between any new authorities.

6. Petitions and social media

Petitions

- 6.1 Although not submitted to ORS during the consultation period, we are aware of a petition entitled *'Make Daventry District Council (DDC) into a Unitary Authority'*, which was made available via the petitions section of the parliament.uk website.
- 6.2 The petition states the following: *Under the proposed arrangements, decisions in the District will be taken by a council of which a majority of members represent the urban areas of Northampton. Let DDC become a unitary authority: keep democracy local.* It also contained a hyperlink to the Best Value Report and references to various news articles on the current problems in Northamptonshire. This petition had received 324 signatures at the time of writing (03/08/2018).

Social media

Introduction

- 6.3 Throughout the consultation period, the www.futurenorthants.couk was publicised by the eight councils via social media platforms such as Facebook and Twitter. Some of their posts attracted comments from members of the public, and in some cases the councils then encouraged these individuals to share their feedback via the open questionnaire.
- 6.4 After the consultation had ended, members of the councils' communications teams provided ORS with examples of social media interactions. ORS has also made reasonable efforts to locate further examples of views expressed on social media during the consultation period, using search terms that include words like 'Northants', 'Northamptonshire', 'unitary' and so on. While accepting that it is difficult to locate all examples of relevant comments, the following summary is intended to give a flavour of the main points raised.

Summary of views

- 6.5 The majority of social media feedback was negative, with criticism of the County Council and the consultation process both widespread – based on the perception that the districts and their residents were being 'punished' for the financial crisis at the County Council.
- 6.6 There was also scepticism that the proposals would make a positive difference. Specifically, many claimed any new councils would be run by the same councillors and senior staff whose actions had caused the current crisis, which would reward failure and prevent improvements taking place.
- 6.7 Some pointed out that the failing County Council is conservative-led and that the invitation for reform had been issued by the conservative government. This prompted some accusations of political 'gerrymandering', and suggestions that the proposals for fewer councils and councillors would amount to a conservative 'take over' of local government in Northamptonshire.
- 6.8 To mitigate the various concerns above, there were a few calls for any new councils to have councillors elected using proportional representation (to allay fears of a political 'closed shop' and encourage a more effective opposition), or to adopt a more 'transparent' committee (as opposed to cabinet) system.

- 6.9 Elsewhere, many of the themes were common to those seen across other elements of the consultation, namely: challenges to the government criteria, particularly the population requirement; concerns about new authorities being less 'local'; and a focus on differences between rural and urban areas. Some users of social media wanted more information, for example, about council tax or future civic arrangements for the larger towns.
- 6.10 Elsewhere, there were a few comments which were more supportive of unitary councils, albeit with some suggestion that a single unitary would be better for maximising savings.
- 6.11 A few alternatives were suggested, with (for example) Labour Party members in Northampton posting images of their campaign for the town to be a unitary council (this suggestion was also endorsed by the town's Liberal Democrats).

Theme	Example Comments
<p>Criticism of consultation process</p>	<p><i>Hardly counts as consultation when the outcome was decided in a room deep in Whitehall months ago</i> (Comment on Northampton BC Facebook)</p> <p><i>This is a Central Government forced electoral reform without proper electoral remit and it all seems rather rushed</i> (Comment on South Northants DC Facebook)</p> <p><i>My favourite [part of the consultation document] is when they present 5 options which aren't really options</i> (Comment on 'Corby Says No to Unitary' Facebook Group)</p> <p><i>Join the debate? How can you debate with only one proposal, no meaningful information about consequences and alternatives, and four weeks to do it in. Government is treating us like fools.</i> (Comment on Twitter)</p>
<p>Challenging the criteria</p>	<p><i>I would like to know where this magical 300,000 people minimum per unitary [comes from]. It's this number which leaves no options other than the one dictated.</i> (Comment on Daventry DC Facebook)</p> <p><i>If Rutland can be a unitary authority with a population of less than 40,000 why can't Corby be one as the fastest growing UK borough with a population about to top 70,000?</i> (Comment on 'Corby Says No to Unitary' Facebook Group)</p>
<p>Proposals will reward failure / won't effect real change</p>	<p><i>The same incompetents [who caused the current crisis] will be running, managing and in-charge of the new unitary authorities</i> (Daventry Express)</p> <p><i>I don't think that any cabinet member since 2006 should be allowed to hold public office again</i> (Comment on Northamptonshire County Facebook page)</p>

Theme	Example Comments
Amounts to a Conservative 'take over'	<p><i>If the suggested unitary authorities are implemented Northants will be a secure Conservative county with no chance of change... All a further blow to our services.</i> (Comment on Twitter)</p> <p><i>Too many Tories, too much of a closed shop. Too dangerous to consider this at all.</i> (Comment on Northampton BC Facebook)</p>
Punishes the well-run councils	<p><i>Wellingborough have always struck me as very prudent with their finances, and run a pretty tight ship... Corby has had several investigations into their affairs and Kettering seem hell bent on ruining their own borough</i> (Comment on East Northamptonshire DC Facebook)</p> <p><i>DDC is a very well run, financially stable and responsible council (with faults) There are winners and losers in this proposal – Daventry area would be a huge loser.</i> (Comment on Daventry DC Facebook)</p> <p><i>[South Northamptonshire District Council] has been unfairly caught up in the financial difficulties encountered by Northamptonshire County Council. Will be really sorry to see it replaced if this goes ahead - I fear that local connections, knowledge and accountability will be lost.</i> (Comment on South Northamptonshire DC Facebook)</p> <p><i>We should not be forced to take on someone's debt because they were incompetent</i> (Comment on 'Corby Chats Back' Facebook)</p>
Less locally sensitive	<p><i>I am also concerned with people from outside the immediate area being able to make decisions on things that don't affect them.</i> (Comment on East Northamptonshire DC Facebook)</p> <p><i>Personally, if I was ever a councillor ... I would feel uncomfortable voting upon issues that I have little knowledge on. Yes, one can read up on an issue but to know absolutely the right way to go, you need to live and know the community.</i> (Comment on Northampton BC Facebook)</p>
Urban vs rural needs	<p><i>[The proposal] locks out any hope of progress unless for rural constituencies. Countryside alliance and hunting proponents would be running rampant, to the detriment of the towns</i> (Comment on Northampton BC Facebook)</p> <p><i>The country toffs do not want decisions being made for them by the riff-raff in Northampton.</i> (Comment on Northampton BC Facebook)</p> <p><i>I'd urge people living in rural communities to read these proposals very carefully...Our voice could become weakened with a bias towards urban areas and needs</i> (Comment on Northamptonshire County Facebook page)</p>

Theme	Example Comments
Support for the principle of moving to unitary councils	<p><i>Nearly 20 years ago the CEO of NCC devised a plan for a unitary council offering massive savings and far greater efficiency... Nobody listened and we carried on seeing yet more new council offices being built around the county and now we are all paying the price...The issue is not that our many councils are themselves inefficient but that the whole structure is much bigger than is needed.</i> (Comment on Daventry DC Facebook)</p> <p><i>That sums up need to have [a] unitary authority. You say NCC [is] responsible for museums, not NBC. How many residents know which council is responsible for which service?</i> (Comment on Twitter)</p>
Suggestions and alternatives	<p><i>A unitary for Northampton would be larger than most existing unitaries, would make Daventry and Towcester happy and would be really no more unviable (given local gov't underfunding) than W. Northants option.</i> (Comment on Twitter – Northampton Lib Dems)</p> <p><i>Let Wellingborough and the Northamptons merge, they already have councillors on each other's councils. This leaves East Northants District Council and Kettering and Corby to merge – this would be my optimal result and that of many of my friends and fellow ratepayers.</i> (Comment on East Northamptonshire DC Facebook)</p> <p><i>If worst comes to worst is vital that proud towns like Corby (and others) [have] parish/town councils with real responsibilities.</i> (Comment on Twitter)</p>
More information needed	<p><i>What will happen to the local planning committee? Will you have to travel to Northampton to voice your opinion about a planning application? No one knows.</i> (Comment on Daventry DC Facebook)</p> <p><i>We need more information on how the new councils will be formed and who will Be in charge....? Please can you guarantee the residents that more assets will not be sold to repay the debt? Also how much will council tax be going up by?</i> (Comment on Northampton BC Facebook)</p> <p><i>All the District/Borough Councils have separate/different Waste and recycling and Grounds Maintenance arrangements...and somehow we have to try and bring this absolute shambles to some sort of happy medium?</i> (Comment on Northamptonshire County Facebook page)</p> <p><i>Will the Northampton Borough Council be replaced by a Town Council and Mayor under the proposed Unitary Authorities? This will allow the ceremonial duties like Remembrance Sunday and granting of the Town Freedom...to be continued, and also other historic duties</i> (Comment on Northampton BC Facebook)</p>

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Appendix A: Organisations

Submitting a Consultation Response

Town and Parish Councils	
Abthorpe PC	Irchester PC
Aston le Walls and Appletree PC	Islip PC
Badby PC	King's Sutton PC
Barnwell PC	Litchborough PC
Boughton PC	Little Addington PC
Brackley TC	Little Houghton PC
Braybrooke PC	Maidwell and Draughton PC
Brington PC	Middleton Cheney PC
Bugbrooke PC	Moulton PC
Burton Latimer TC	Old Stratford PC
Cogenhoe & Whiston PC	Oundle TC
Cold Higham PC	Overstone PC
Cosgrove PC	Paulerspury PC
Crick PC	Pilton, Stoke Doyle and Wadenhoe PC
Culworth PC	Quinton PC
Daventry TC	Roade PC
Desborough TC	Rothersthorpe PC
Duston PC	Rothwell TC
Evenley PC	Spratton PC
Eydon PC	Stanwick PC
Farthinghoe PC	Stoke Bruerne PC
Farthingstone PC	Stowe Nine Churches PC
Finedon PC	Syresham PC
Flore PC	Sywell PC
Geddington, Newton & Little Oakley PC	Thrapston TC
Glaphorn PC	Walgrave PC
Greatworth PC	Weedon Bec PC
Grendon PC	Welford PC
Gretton PC	West Haddon PC
Hackleton PC	West Hunsbury PC
Hargrave PC	Wicken PC
Harpole PC	Wilbarston PC
Harrington PC	Woodford Cum Membris PC
Hartwell Village PC	Woodnewton PC
Hermington, Luddington & Thurning PC	Yardley Gobion PC
Higham Ferrers TC	Yardley Hastings PC

Other organisations	
Bedford Borough Council	Irthlingborough Historical Society
Brackley Food Bank	Kettering Constituency Labour Party
Bridge Substance Misuse Programme Ltd.	Kettering Council Tenants Forum
Brington History Society	Leicestershire County Council
Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) (joint response)	Nenescape Landscape Partnership Board
Campaign to Protect Rural England: Northamptonshire	Northamptonshire Archaeological Society (NAS)
Cherwell District Council	Northamptonshire Community Voices
Community Landscape Archaeology Survey Project (CLASP)	Northamptonshire Depression Support
Daventry Area Community Transport (DACT)	Northamptonshire Family History Society
Daventry District Local Strategic Partnership	Northamptonshire Gardens Trust
Daventry Liberal Democrats	Northamptonshire Healthcare Foundation Trust
Deafconnect	Northamptonshire Heritage Forum
Delapre Abbey Preservation Trust	Oxfordshire County Council
Desborough Labour Party	Pitsford Thursday Club
Destination Nene Valley Partnership	The Police and Crime Commissioner
Electric Corby CIC	Power to People - Save our Bus Services
Franklin Silencers Ltd	Rushden Mind
Freeman of England & Wales Association	Save Brackley Library
Friends of Northampton Castle	Small business representative (unnamed) x2
Friends of Oundle Library Committee	South Northamptonshire District Council Conservative Group
Fusion21, Construction Futures	Spring Boroughs Neighbourhood Voice Forum
Harborough District Council	Tennyson Road Infant School
Healthwatch Northamptonshire	Unknown family group
Hinton-in-the-Hedges Parish Meeting	Voluntary Impact Northamptonshire
Historic England, East Midlands Office	Volunteer Action: a community car scheme for North East Northants.
Home Instead East Northants	Wellingborough Homes
Home Start Daventry & South Northants	Wellingborough Trains and Models

Appendix B: Open questionnaire comments

Comments made by individuals, town and parish councils and other organisations

The tables on the following pages provide a summary of all the comments made in response to the questions below. **Please note:** percentages are included as a proportion of *all respondents who commented/answered the question*, rather than of all respondents who responded to the questionnaire (base numbers are provided in the column headings).

Comments about the proposals (grouped by theme)

If you have views on the proposal or any further comments, please tell us. If there is any alternative option which meets the government's criteria) that you think we should consider, please explain the alternative option and tell us why you think this would be better.

Theme	Comment	Individuals (3,092)	ORGANISATIONS	
			T&P Councils (55)	Other orgs (21)
		%	%	%
General acceptance / Support for change	Generally agree with proposals/a good idea	4.7	7.3	9.1
	Proposed changes will lead to a better service	0.3	-	-
	Agree change is needed/money must be saved	3.4	9.1	6.1
	Change is long overdue/needs implementing quickly	1.1	1.8	3.0
	Support for joined up working/more cost effective/cuts out wastage	2.7	5.5	3.0
Concern / Opposition towards change	Generally disagree with two unitary proposals	29.5	23.6	18.2
	Keep existing councils/maintain current arrangement	3.5	5.5	6.1
	Won't work/structural changes won't make difference	22.0	16.4	6.1
	Won't result in savings/will waste money	21.8	7.3	-
	Less accountability/less direct involvement for public	2.2	3.6	3.0
	Loss of local identity/links with communities	11.3	23.6	21.2
	Keep urban/rural areas separate due to different needs	35.0	52.7	21.2
	Access concerns/loss of local services: distance, public transport	4.5	7.3	9.1
	Maintain frontline services/face-to-face access etc.	1.6	1.8	-
	Less democratic/in the hands of too few councils	20.3	3.6	-
	Councils will be spread too thin/area is too large	2.5	3.6	-
	Smaller councils more able to deal with local issues/bigger not better	3.0	3.6	3.0
	Being penalised for NCC management/NCC is to blame	13.0	9.1	15.2
	Will lead to lesser quality councils and services	1.6	-	-
	Will lead to job losses/redundancies	1.3	-	-
	No proof that proposals will work/don't believe things will improve	1.8	5.5	3.0
	Shouldn't force well performing councils to merge with bad ones	3.7	-	-
Two councils is not enough	0.5	-	-	

Theme	Comment	Individuals (3,092)	ORGANISATIONS	
			T&P Councils (55)	Other orgs (21)
		%	%	%
	Don't want Daventry joined with Northampton	22.3	5.5	-
	Don't want S Northants joined with Northampton	22.3	10.9	-
	Population threshold too high/arbitrary (smaller councils elsewhere)	7.0	38.2	9.1
	Don't want districts' reserves being used to bail out other councils	2.5	-	-
	Political/Conservative gerrymandering	1.0	-	-
	Daventry being overlooked/losing its say	1.1	3.6	3.0
	Will affect Northants' historical status/adverse effect on historic county	17.7	3.6	6.1
	No need for change, improve the County Council	1.3	1.8	3.0
	Funding in West Northants will all go to Northampton, not the smaller towns/villages	3.1	-	-
	Splitting county activities will negate any other savings	0.1	-	-
	Splitting the county will negatively affect poorer areas e.g. in North	0.3	-	-
	Smaller towns in North will be ignored in favour of the larger ones	0.2	3.6	-
	Northampton could be overlooked in favour of wealthier rural areas within West Northants	0.6	-	-
	Will impact on future expansion for Northampton/make it difficult for new homes to be built in Northampton	0.2	-	-
	Will negatively affect social care	1.0	1.8	-
	Don't want Wellingborough joined with Corby	0.3	-	-
	Proposals will cause wastage/more duplication	1.3	-	-
	Proposals will take too long to implement	0.1	-	-
	Proposals rushed/not thought through/a better strategy is needed	1.1	3.6	6.1
	Don't want E Northants joined with North or West	0.3	-	-
	Proposals are about making money/should not be about money	0.2	-	-
	South Northants will be overlooked/will lose say	0.8	3.6	-
	Will reduce representation for residents	2.2	9.1	3.0
	Concerns about urban sprawl/new housing estates	0.6	3.6	-
Positives of the current situation	Positives about specific councils	3.0	7.3	3.0
	Corby BC doing good job, should be kept as it is	3.4	-	-
	Daventry DC doing good job, should be kept as it is	1.8	1.8	3.0
	South Northants DC doing good job, should be kept as it is	1.8	3.6	-
	South Northants has good links with Cherwell DC; shares services well	1.7	3.6	-
	East Northants DC doing good job, should be kept as it is	0.8	-	-
	Current councils working well with neighbours to join up services	0.4	1.8	3.0
Negatives of the current situation	Negative comments about councils	4.6	1.8	6.1
	Services not in good state/situation is a mess	2.3	3.6	-
	Negative comments about current councillors	1.9	1.8	6.1
Council Tax	Concern about Council Tax rising as a result of the proposed changes	3.7	5.5	3.0
	Do not want to pay more for a lesser service	1.7	1.8	3.0
	Should raise Council Tax/happy to pay more	0.4	-	-
	Council Tax too high/should be reduced	0.5	-	-
	Urban and rural areas should not pay same Council Tax/not same level of service	0.6	3.6	3.0
Alternatives	Savings should be made elsewhere	0.6	1.8	-
	Keep the current Councils but join up some services/more joined up working instead to save money	0.9	1.8	-
	Get rid of unnecessary managers/councillors/staff/save money by getting rid of non-essential staff	2.8	-	3.0

Theme	Comment	Individuals (3,092)	ORGANISATIONS	
			T&P Councils (55)	Other orgs (21)
		%	%	%
	Reduce high salaries; managers and councillors should take pay cuts/pension cuts/have lower expenses	1.1	-	-
	Boundaries should change due to proposals/boundaries need to be changed in light of current considerations	2.3	3.6	-
	One large unitary authority wanted	21.6	-	9.1
	Any alternatives involving Northampton as a unitary on its own	13.9	34.5	12.1
	Any alternatives involving other districts/towns becoming unitaries on their own	2.1	-	-
	Other specific configurations	0.3	-	-
	Other partial configurations	1.2	1.8	-
	Other: two unitary authorities: (non specific)	0.2	-	3.0
	Other: two unitary authorities: East/West split	0.2	-	-
	Other: two unitary authorities: Rural area/Urban area split	0.9	3.6	-
	Other: three unitary authorities (non-specific)	5.1	23.6	3.0
	Other: three unitary authorities: Rural area/Urban area/Unspecified	0.1	1.8	-
	Other: four unitary authorities (non-specific)	0.5	-	-
	Villages/small towns/Parish councils should be given more autonomy/decision making capacity	1.5	12.7	6.1
	NCC responsibilities should be given to District Councils	0.6	-	-
	Central government should take direct control of Northamptonshire	0.2	-	-
	There should be a vote/referendum to decide	0.3	-	-
	Other comments about alternatives (includes cross-border suggestion)	4.5	14.5	9.1
Other	Minds made up/just a paper exercise	20.7	7.3	3.0
	Consultation flawed/criteria make it impossible to state alternatives	7.3	10.9	3.0
	Other criticism of consultation	19.4	5.5	3.0
	Need to be kept informed/need more information to make decision	5.6	10.9	12.1
	Need more funding/stop the cuts instead of just complying with Gov	20.8	3.6	9.1
	Uncertain impact of Brexit	0.1	-	-
	Previous councillors/officers should not work for new authorities	1.6	7.3	3.0
	Comments about specific services being affected by proposals	1.2	3.6	6.1
	General comments about council services e.g. bins, recycling	2.7	7.3	9.1
	Negative impact on elderly/ageing population	0.5	-	-
	Figures/stats used are misleading	0.4	-	-
	Local views and opinions must be heard/taken into account	4.0	14.5	6.1
	Money wasted/Councils overspending	2.9	3.6	3.0
	Criticism of Conservative party/councillors	19.6	-	3.0
	Need to cut down on bureaucracy/red tape	0.7	-	6.1
	More transparency from Councils needed/Need to be more open	1.0	1.8	-
	Better communication with residents needed	0.3	1.8	-
	Criticism of proposed unitary names e.g. prefer East/West or North/South	1.2	-	-
	Staff/councillors responsible for situation should be held accountable	4.1	1.8	6.1
	Northampton has a large population/is expected to grow	20.0	12.7	3.0
	Opposition to LGSS/other service provider involvement in Northants	0.3	-	-
	Some services must be retained countywide e.g. heritage/archives	1.1	3.6	9.1
	Proposals will have a negative impact on disabled people	0.2	-	-

Theme	Comment	Individuals (3,092)	ORGANISATIONS	
			T&P Councils (55)	Other orgs (21)
		%	%	%
	Funds should be raised by selling Council assets e.g. buildings	0.1	-	-
	Proposals will have a negative impact on underprivileged people	0.4	-	-
	Want a chance to elect/re-elect local government representatives	0.6	-	-
	Dissolve/abolish the County Council	0.8	-	-
	Need for a better skilled/more innovative workforce	1.2	-	-
	Social services/care should be moved under NHS control	0.2	-	-
	Other	17.1	38.2	36.4

Comments about equalities issues

Are there any groups protected under the Equality Act 2010 who you believe will be positively or negatively affected by our proposed changes? If so, what could we do to enhance positive or reduce negative impacts?

Comment	Individuals (1,966)	ORGANISATIONS	
		T&P Councils (28)	Other orgs (21)
	%	%	%
Everyone will be affected equally/treat everyone equally regardless of circumstances	38.5	14.3	14.3
Poor access/fewer local offices will cause negative impacts (on those with protected characteristics or no transport/access to public transport etc)	17.9	21.4	14.3
Negative impact on the elderly/the ageing population	16.7	25.0	19.0
Negative impact on the disabled	17.1	10.7	19.0
Negative impact on the vulnerable people	5.2	3.6	28.6
Negative impact on people in deprived areas/people on low income	2.6	-	4.8
Negative impact on people living in rural areas	6.3	42.9	9.5
Negative impact on families/pregnant women	1.4	-	-
Negative impact on children	4.6	3.6	9.5
Negative impact on social care services	3.3	3.6	-
Negative impact on people in minority groups	1.5	-	-
Negative impact on people with protected characteristics (not specific)	2.1	3.6	4.8
Concerns about homeless people / need to help homeless people	0.4	-	-
Negative impact on people who cannot use or access technology/the internet	3.7	-	4.8
Equalities concerns not related to proposed council reorganisation	0.4	-	-
Concerns that a reduced number of councils won't provide the same standard of service	1.1	-	-
People with protected characteristics will not be affected by the changes	4.0	3.6	4.8
Criticisms of current equality practice in place by current council(s)	1.7	-	14.3
General comments about services not relevant to equality concerns e.g. bins/recycling	2.0	-	-
Other	28.6	32.1	57.1

Other comments made by organisations

Some organisations submitted lengthier, more technical or more unusual responses that did not lend themselves easily to a quantitative summary. The paragraphs below provide some overview of the key points raised by these bodies.

Voluntary/community interest groups

Home Start Daventry & South Northants supports the two unitary proposal in principle but feels reform must maximise the opportunities for the whole public sector to work together. Any new structure should provide support for the voluntary sector, which provides value for money and plays a vital role in helping the vulnerable (stepping in where the County has failed, often with no funding). There must also be acknowledgement that travel costs across the area are high, and rural poverty and isolation are common, exacerbated by closures of Children's Centres and libraries. Another priority is that cross-border access to health services (e.g. in Oxfordshire) is maintained where relevant after any organisation.

Northamptonshire Community Voices organised forums to give people the opportunity to voice opinions on the proposals. The dominant view from these was that the two unitary proposal is not suitable, and that better options would be a change of management and structure using the current councils, or a different number and configuration of unitary councils. Concerns included: a loss of identity (both at local and county level), differences between urban and rural needs (e.g. conflicting spending priorities), the 'unfairness' of the government's population criteria, the consultation response not being 'meaningful', the implications if new authorities take on the County's debts, the sale of local assets, and too much outsourcing of services. There were uncertainties around what would happen to existing contracts between the various councils and external suppliers, and about the proposed future role for the voluntary sector and town and parish councils. The proposals were also seen as benefiting one particular political party and therefore politically motivated.

Spring Boroughs Neighbourhood Forum is concerned about planning decisions being made by councillors who are further removed from the areas that are affected (specifically, there are concerns that rural councillors on planning committees will not understand the needs of inner Northampton).

Political groups

Daventry Liberal Democrats object to the proposal, feeling that too drastic a reduction in councillors will lead to an ineffective political opposition on any new councils (it is noted that multi member wards are a good way of achieving an effective opposition). The group rejects the proposed West Northants and believes there is justification for Northampton forming a unitary on its own.

Kettering Labour feels the timetable for change is unrealistic and is concerned the number of councillors is not yet agreed. If there are as few as 45 per district, then the councillor role risks becoming a 'full time job', meaning only the retired and wealthy are able to serve. Other concerns include the risks to local assets if the new councils take on the debt; the possible burdens on parish and town councils (if required to take on new responsibilities they have not been equipped to deal with); negative impacts on those with protected characteristics; and a lack of focus on preventative services, fuelling demand for critical services which are already struggling.

While **South Northamptonshire Conservative Group** does not necessarily believe the two unitary proposal is best, it will continue to be actively involved in the current two unitary submission as it feels this option is most likely to succeed, and being involved offers more scope to influence the final outcome.

However, it anticipates the consultation feedback will show widespread support for three unitary councils.

Heritage organisations

Questionnaire responses were received from a number of organisations expressing a specific interest in heritage and conservation. A few of the more detailed are summarised here:

Historic England's (East Midlands) view is that Northamptonshire's historic environment would benefit from having fewer authorities and a single tier. The proposals offer an opportunity for shared resources and better incorporation of highways into planning. A few issues are highlighted: ensuring adequate provision of conservation advice; continuation of archaeological advice, tied to the Historic Environment Record (which should not be split up); and consideration for listed buildings/scheduled monuments owned by the eight authorities (with a proper disposals strategy if these are to be 'rationalised').

Northamptonshire Archaeological Society feels reorganisation must not be used as an excuse to close facilities or historical collections. It identifies eight key services that it feels must be safeguarded, namely: the County Record Office; the Historic Environment Record; the proposed County Archaeological Store at Chester Farm; Archaeological Planning Advisors (to ensure sites are properly assessed prior to issuing of planning consent); the Portable Antiquities Scheme and Finds Liaison Officer; monuments in the care of local authorities; museums and libraries; and Adult Education, which has helped increase numbers of skilled volunteers.

Concerns of other heritage groups included: not wishing to divide historical records and continuing to offer various services on a county-wide basis. **Community Landscape Archaeology Survey Project** accepted that future countywide delivery may require a separate standalone body or structure, to 'enable heritage and historical disciplines to work together to focus their efforts into one point of reference for the wider community'. **Brington History Society** supported a single county unitary with 'area offices' (effectively district councils in a much-reduced form).

Other

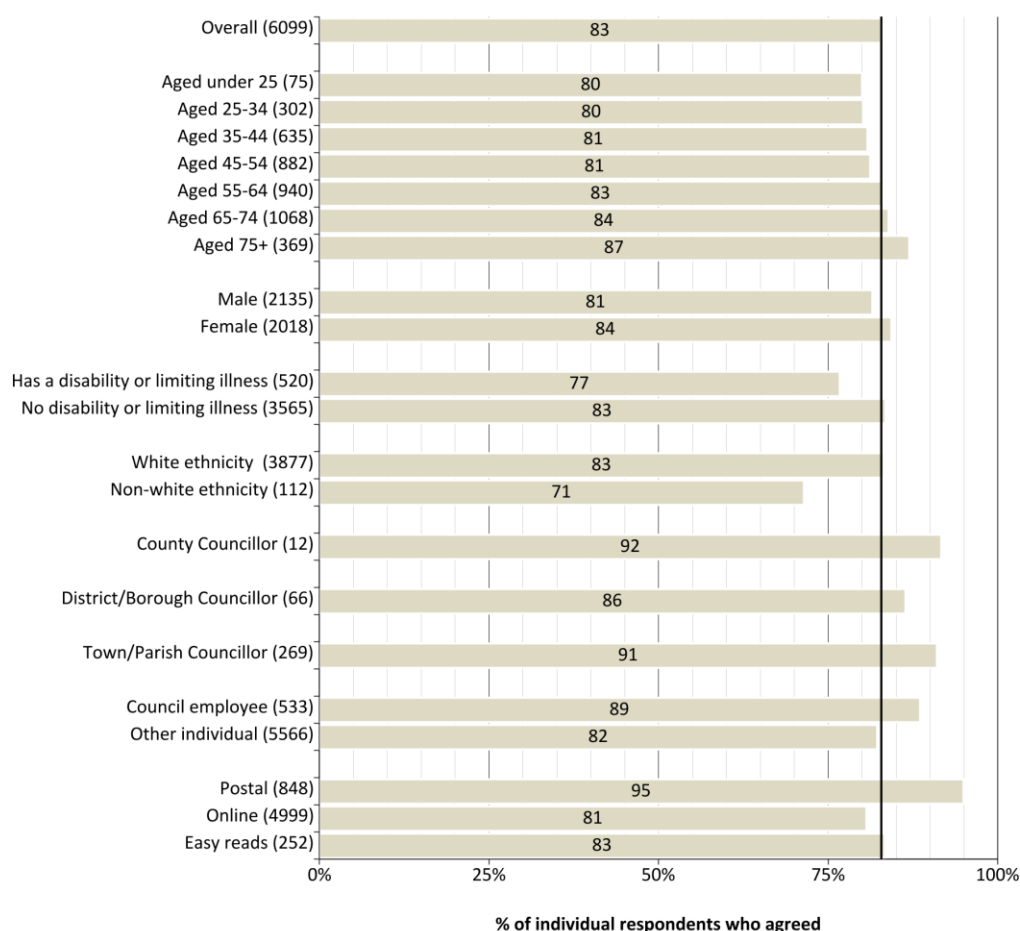
Fusion 21, Construction Futures works closely with Local Authority Planning Departments across Northamptonshire to secure Social Value through the planning system, and feels it important that the proposed unitary authorities adopt a strategic approach to securing social value: by adopting planning policy that supports and further develops integration, resulting in better employment and skills outcomes.

Appendix C: Open questionnaire results profiled

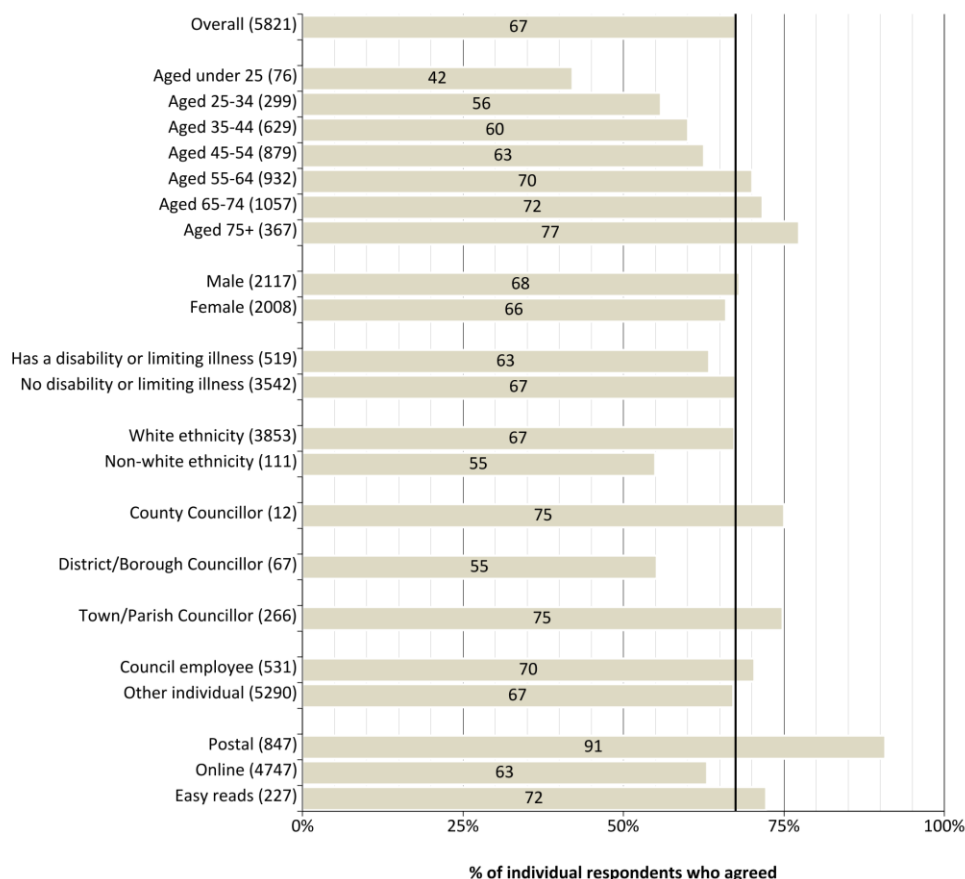
The following pages show results to the four key questions in the open questionnaire by some key demographics and other profile information.

Noticeably fewer respondents in the youngest age group (under 25) agreed with reducing the number of councils, introducing unitaries, and with the proposal for North and West Northants. Across all four core questions, respondents who identified as white were more likely to agree compared to those of other ethnicities. However, it should be borne in mind that the open questionnaire was not a controlled survey with a randomly selected group of respondents; as such any differences between sub-groups should be viewed as indicative rather than as statistically reliable estimates of views.

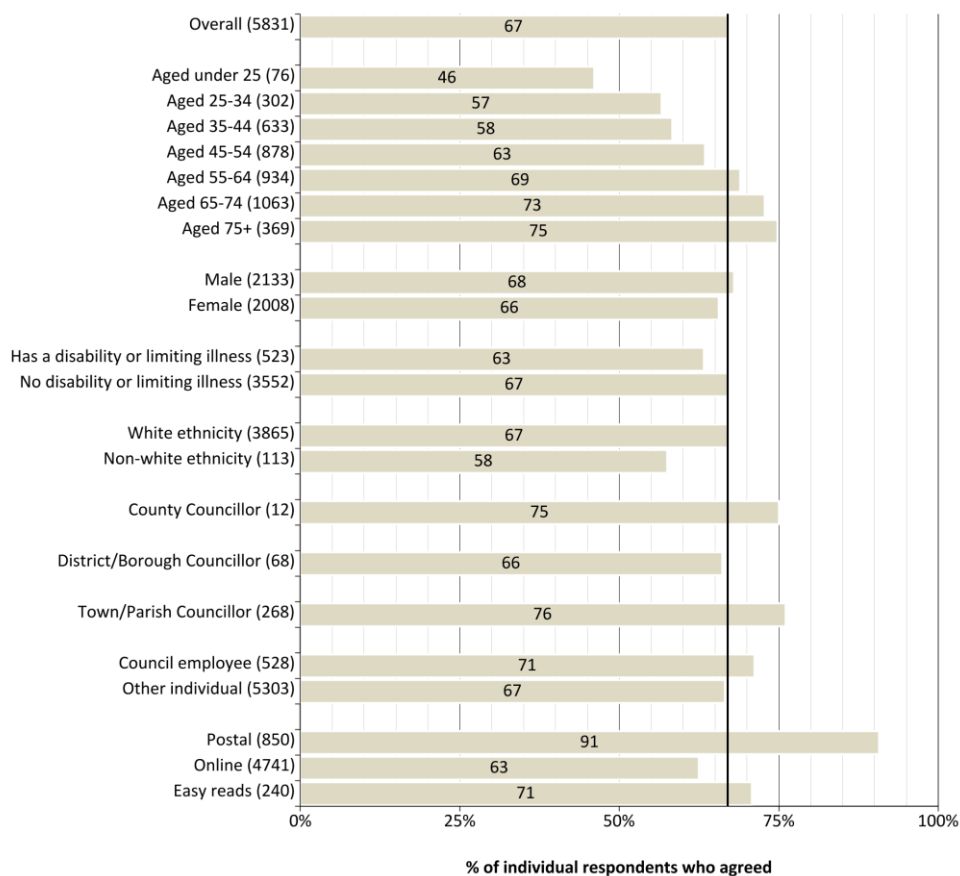
To what extent do you agree or disagree that we need to make changes to respond to these challenges?
Base: All individual respondents (number of respondents shown in brackets)



To what extent do you agree or disagree that there is a need to reduce the number of councils in Northamptonshire?
Base: All individual respondents (number of respondents shown in brackets)

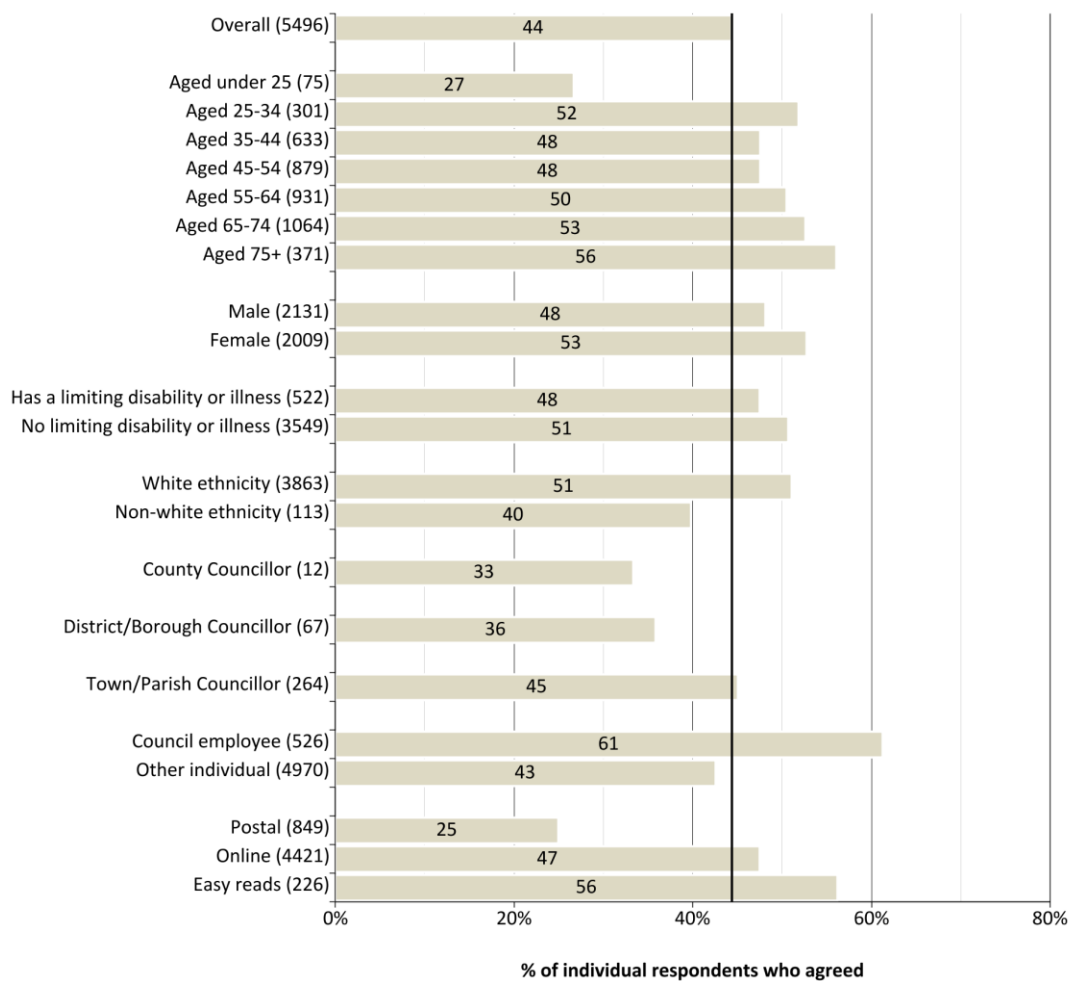


To what extent do you agree or disagree that a number of unitary councils should be introduced in Northamptonshire?
Base: All individual respondents (number of respondents shown in brackets)



To what extent do you agree or disagree with the specific proposal above, to replace the existing councils with two, new unitary councils: North Northants and West Northants?

Base: All individual respondents (number of respondents shown in brackets)



Appendix D: Full questionnaire preambles and main questions

There are currently eight local authorities providing council services across Northamptonshire in a ‘two-tier’ structure, in which services are divided between the County Council and seven borough or district councils.

Unfortunately, the County Council has over-spent its budget in previous years and faces significant on-going budget deficits, as a result of which the government has taken the unusual step of appointing external Commissioners to take over many of the County Council’s functions. Furthermore, the government has now written to all eight councils inviting them to urgently co-operate in putting forward proposals by the end of August to restructure local government in Northamptonshire.

Q1. To what extent do you agree or disagree that we need to make changes to respond to these challenges?⁵

In response, the councils are considering a proposal that the number of councils (the county council and seven boroughs or districts) should be reduced.

Q2. To what extent do you agree or disagree that there is a need to reduce the number of councils in Northamptonshire?⁶

The government has defined a set of criteria, and suggested that instead of the current arrangement where a county council and a number of district councils run different services, a number of unitary (or ‘single tier’) councils would be appropriate for Northamptonshire. This is where one local authority runs all the council services in a given area.

Q3. To what extent do you agree or disagree that a number of unitary councils should be introduced in Northamptonshire?⁷

⁵ **Easy Read:** *There are 8 councils in Northamptonshire. Some services are run by the County Council and others are run by district and borough councils. The County Council has problems with the way it is run and problems paying for the services it provides. The government says things have to change and so it has asked the councils to find a new way of working. Do you agree or disagree that the councils need to make a change?*

⁶ **Easy Read:** *To solve the problems the councils think that in future there might need to be less councils than there are now. Do you agree or disagree that there need to be less councils?*

⁷ **Easy Read:** *The government says that there should be unitary councils in Northamptonshire. Unitary councils run all the services in an area. Do you agree or disagree with this?*

From the options that meet the government's criteria (please see page 4 of the consultation document), all eight Northamptonshire councils are considering a proposal that the current two-tier system of eight councils should be abolished, and be replaced **by two new single-tier or unitary councils**:

- » **North Northants:** which would comprise the areas of East Northamptonshire, Corby, Kettering and Wellingborough councils
- » **West Northants:** which would comprise the areas of Daventry, Northampton and South Northamptonshire councils

The proposal for two unitary councils is intended to treat all parts of the county fairly, simplify local government and make efficiency savings more achievable, aiming to deliver services in a sustainable way.

Q4. To what extent do you agree or disagree with the specific proposal above, to replace the existing councils with two, new unitary councils: North Northants and West Northants?⁸

Response options (for all 4 questions):⁹

PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
---	--	---	---	--	---

⁸ **Easy Read:** The councils have a possible plan to set up 2 new unitary councils. One to cover districts and boroughs in the west (Daventry, Northampton and South Northamptonshire) and one for the districts and boroughs in the north (Corby, East Northamptonshire, Kettering and Wellingborough). [Do you agree or disagree with this?](#)

⁹ **Easy Read:** I really agree with this/I sort of agree with this/I do not agree or disagree/I sort of disagree with this/I really disagree with this/Don't know

Future Northants

Local Government

Reorganisation Proposal

Equalities Impact Assessment

August 2018





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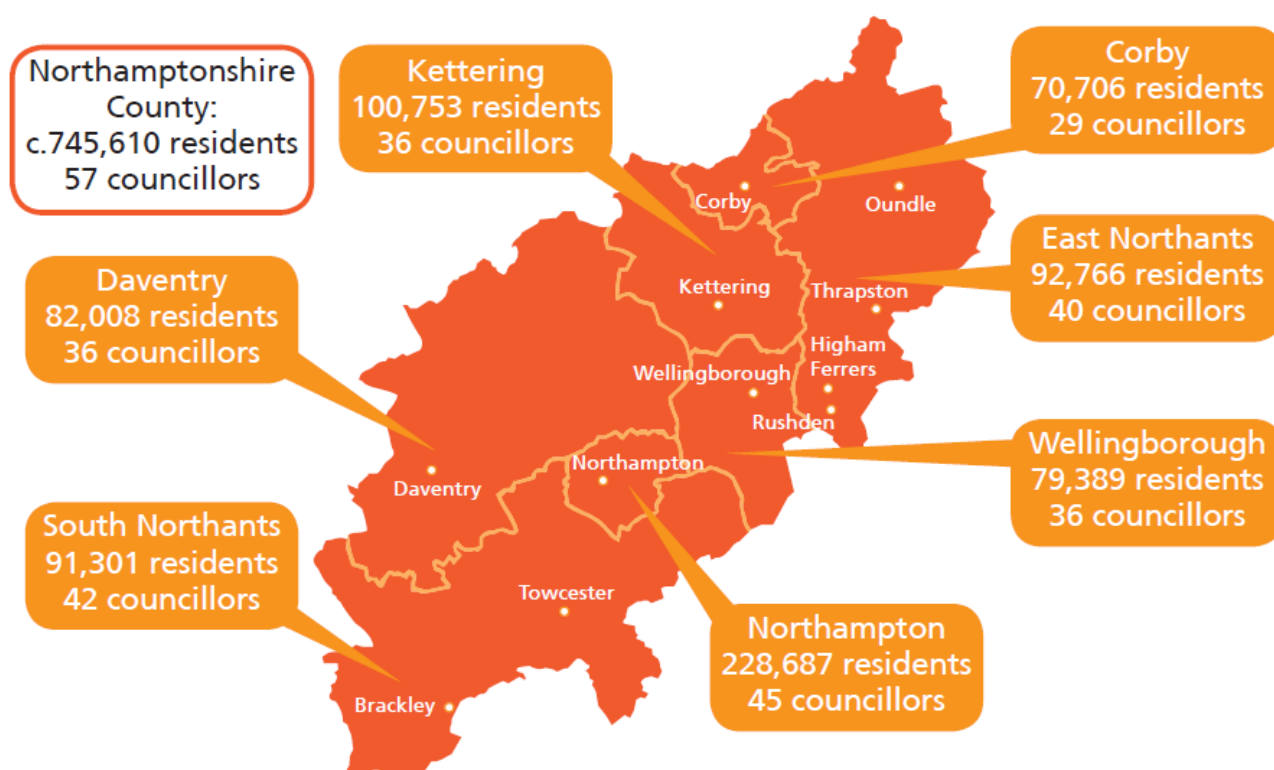
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1. Introduction

Background and context of the proposal to be assessed

- 1.1 Following an invitation from the Government, and because of the need to make local government services more sustainable, Northamptonshire's eight councils are consulting on a proposal to reduce the number of councils in the county from eight to two from April 2020, in order to understand levels of support and any potential impacts.
- 1.2 In addition to the many parish and town councils, there are currently eight local authorities providing council services across Northamptonshire in what is often called a 'two-tier' structure – in which major services are divided between the county council (on the one hand) and the seven borough or district councils (on the other).
- » Northamptonshire County Council provides services for residents across the whole of the county, including education, social care for children and adults, highways, and some environmental services.
 - » Corby Borough Council, Daventry District Council, East Northamptonshire Council, Kettering Borough Council, Northampton Borough Council, South Northamptonshire Council and the Borough Council of Wellingborough provide important local services for residents in their areas, including housing, planning, waste collection, revenues and benefits, and leisure services.
- 1.3 The geography and population of the current borough councils is illustrated in Figure 1:

Figure 1: Current Borough Councils in Northamptonshire – Estimates of Population 2018 (Source: SNPP 2016)



- 1.4 Each of the eight councils has a political Leader and Chief Executive/Managing Director, and there is a total of 321 councillor positions running local government across Northamptonshire. Council tax levels are set separately by all the individual councils each year.
- 1.5 A recent Northamptonshire County Council Best Value Inspection report (January-March 2018), commissioned by the Government, found that the County Council did not have the right culture, governance and processes to make robust decisions, and subsequently has over-spent on its budget in previous years and faces significant on-going budget deficits.
- 1.6 In light of these problems, the Government has written to all eight Northamptonshire councils inviting them urgently to co-operate to make proposals – by the end of August 2018 – to restructure local government in the county.
- 1.7 Following the Government’s invitation and in the light of its criteria, the eight Northamptonshire councils are jointly considering a proposal where the current two-tier system of eight councils would be replaced by two unitary councils which would have responsibility for all council services in their respective areas. This option for two unitary authorities covering West Northants and North Northants would deliver two credible geographic units, both with populations in excess of 300,000.
- 1.8 The two new unitary councils would be:
- » WEST NORTHANTS UNITARY COUNCIL - Comprising the areas covered currently by Daventry, Northampton and South Northamptonshire councils
 - » NORTH NORTHANTS UNITARY COUNCIL - Comprising the areas covered currently by East Northamptonshire, Corby, Kettering and Wellingborough councils
- 1.9 The geography and population of the proposed new unitary councils is laid out in Figure 2:

Figure 2: Proposed Unitary Council Areas and Population (Source: SNPP 2018)



Equalities Act 2010

- ^{1.10} Any decision to reorganise local government structures on the basis outlined above would need to take account of the Public Sector Equality Duty, as set out by Equalities Act 2010. Guidance on these aims can be found in the Equality and Human Rights Commission’s (EHRC) Public Sector Equality Duty Technical Guidance¹.
- ^{1.11} Section 149 of the Act imposes a duty on 'public authorities' and other bodies when exercising public functions to have due regard to the need to:
- » Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.
 - » Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
 - » Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- ^{1.12} The term “relevant protected characteristic” specifically pertains to nine characteristics as set out by the Act:
- » age
 - » disability
 - » gender reassignment
 - » marriage and civil partnership
 - » pregnancy and maternity
 - » race
 - » religion or belief
 - » sex
 - » sexual orientation.
- ^{1.13} This document is an Equalities impact Assessment (EqIA) and seeks to examine any potential impacts of the proposed local government reorganisation on each of these groups in turn, as well as certain other characteristics such as rurality and deprivation. EqIAs assist in understanding the implications of policies and decisions on people with protected characteristics, and an EqIA serves as evidence of the “due regard” required by the Equalities Act 2010.
- ^{1.14} Services provided by the county and district councils are unlikely to change immediately as a result of any restructuring. Furthermore, the design of any possible future councils has not yet been carried out, and therefore the potential impact of specific service changes cannot be assessed at this stage. This EqIA will therefore confine its scope to the particular impact of the potential change from a two-tier structure (with a county council and seven borough/district councils) to two unitary authorities, without regard to the future implementation of specific service provision.

¹ <https://www.equalityhumanrights.com/en/publication-download/technical-guidance-public-sector-equality-duty-england>

2. Impacts

Examination of those affected by the proposal

- 2.1 This section examines the current distribution of each protected characteristic across Northamptonshire and considers any potential impacts that can be anticipated on these groups.

Age

- 2.2 There is of course a wide distribution of people of all ages throughout Northamptonshire. When examining the impact of the proposed council reorganisation on persons of various age groups, it is appropriate to focus on the most vulnerable, i.e. children and the elderly.
- 2.3 The number of individuals and percentage of total population for each of these groups is given in Figure 3 below, the source of which is the recently released 2017 Mid-Year Estimates:

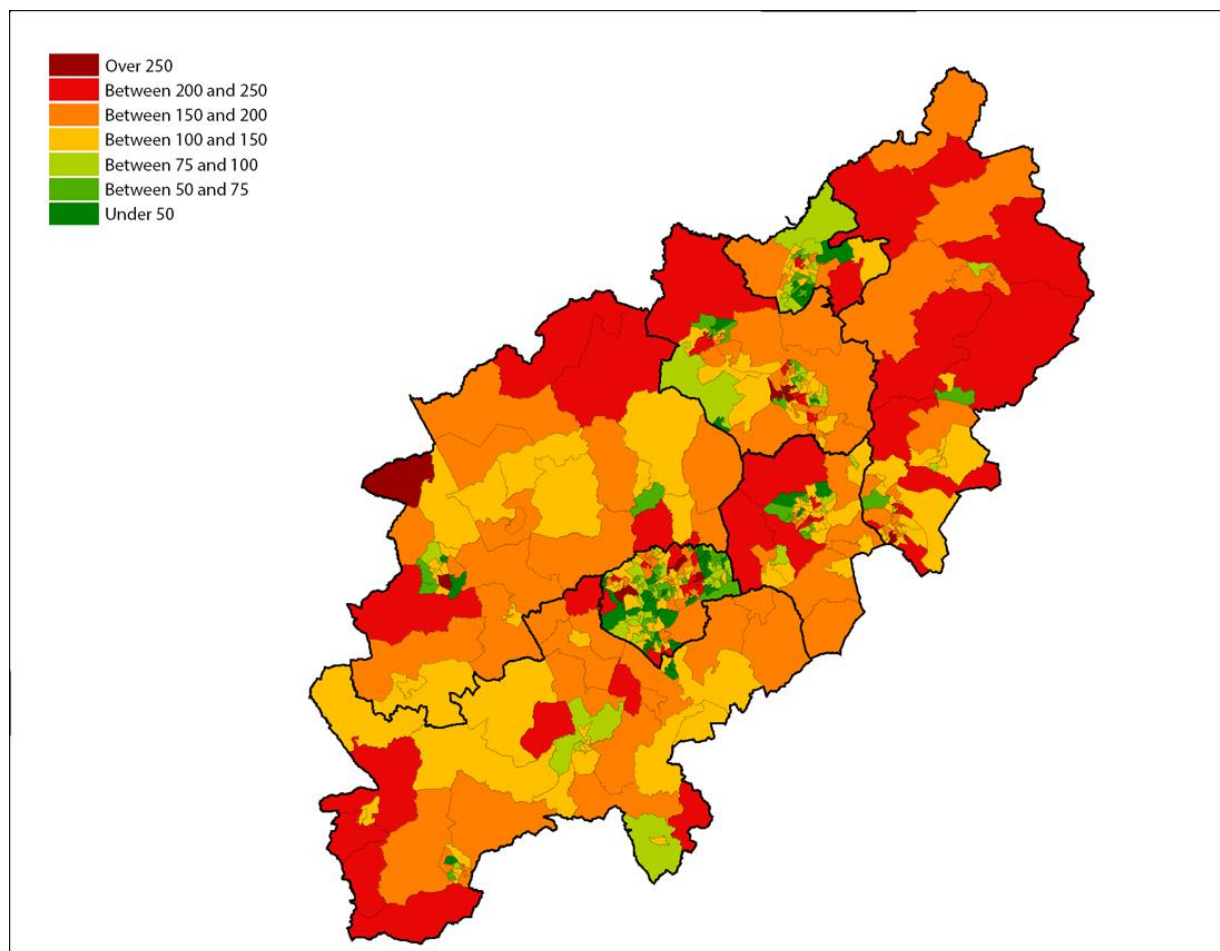
Figure 3: Population of residents under 16, 65+ and 75+ (Source: Mid-Year Estimates 2017)

Geography	Age Group						Total
	Under 16	% of total	Over 65	% of total	Over 75	% of total	
Corby	16,152	23%	9,169	13%	3,688	5%	69,540
East Northamptonshire	18,868	20%	17,888	19%	7,163	8%	93,135
Kettering	21,684	22%	17,391	17%	6,994	7%	100,252
Wellingborough	17,228	22%	14,072	18%	5,605	7%	78,914
Daventry	16,117	20%	15,869	19%	6,159	7%	82,638
Northampton	50,837	23%	31,677	14%	13,246	6%	225,656
South Northamptonshire	18,485	20%	17,484	19%	6,898	8%	91,074
Proposed	Under 16	% of total	Over 65	% of total	Over 75	% of total	Total
North Northants	73,932	22%	58,520	17%	23,450	7%	341,841
West Northants	85,439	21%	65,030	16%	26,303	7%	399,368
Total	159,371	21.5%	123,550	16.7%	49,753	6.7%	741,209

- 2.4 As can be seen from Figure 3, the largest proportions of the population over 75 years old are found in East and South Northamptonshire (8%). Conversely, the lowest proportions are found in Corby and Northampton (5% and 6% respectively). In parallel, these two districts also have the highest population of under 16s (23%). Under the proposed approach of creating two new unitary authorities, the proportions of each of the groups identified would become more equal, both councils having approximately the same proportions of each of the potentially vulnerable age groups identified.

- 2.5 The spatial distribution of the over 75 population according to the 2016 Mid-Year Estimates² is shown in Figure 4:

Figure 4: Spatial distribution of Over 75s in Northamptonshire (Source: Mid-Year Estimates 2016)



- 2.6 It can be seen from Figure 4 that the highest numbers of over 75s (at the time of the census) were to be found in areas near to the borders of Northamptonshire, with many of the group living in rural areas. As it is the case that the elderly are more likely to suffer difficulties with mobility, care should be taken to ensure that services on which they rely that require some assistance with travel, continue to be provided at accessible locations.
- 2.7 Service changes are a realistic possibility, but at this point in the process they are not defined, and it is not possible to predict these changes and their effects. The situation will continue to be monitored and amendments to the EIA will be made as appropriate to reflect developing understanding. However, one potential for impact is in relation to those who live in an area that might in future be close to the proposed border between the two unitary authorities. As previously noted, Northamptonshire County Council currently provides services for residents across the whole of the county, including education and social care for children and adults. If a resident who lives in one district utilises one of these services in another district (e.g. a Daventry resident who happens to attend an adult social care facility in Kettering), both are currently within the remit of Northamptonshire County Council. However, it may be the case in future that a resident of the proposed West Northants will require use of a service in North Northants, which may no longer have a duty to provide the service to residents of West Northants (and vice versa). Even if there is a reciprocal

² Outputs from the 2017 Mid-Year Estimates at the small area level illustrated in this map are not yet available.

arrangement to provide services to residents of the other unitary authority, it is possible that some aspects of that service e.g. funding of travel etc. may be impacted by the proposal, and any impact to funding will disproportionately affect the most deprived residents. Given that children access education and social care, and the elderly are more likely to access adult social care than many other groups, this represents a potential impact on the protected characteristic of age.

- 2.8 To mitigate this potential effect, the unitary councils should be mindful of maintaining continuity of service provision to residents near the proposed border; and ensure adequate transition arrangements are put in place to ensure that those affected can continue to access services.

Disability

- 2.9 Approximately 16% of residents of Northamptonshire suffer from a long-term illness or disability that affects their day to day activities to some degree. The percentage of total population with these issues for each of the current districts is given in Figure 5 below, based on the most recent reliable data available, the 2011 census:

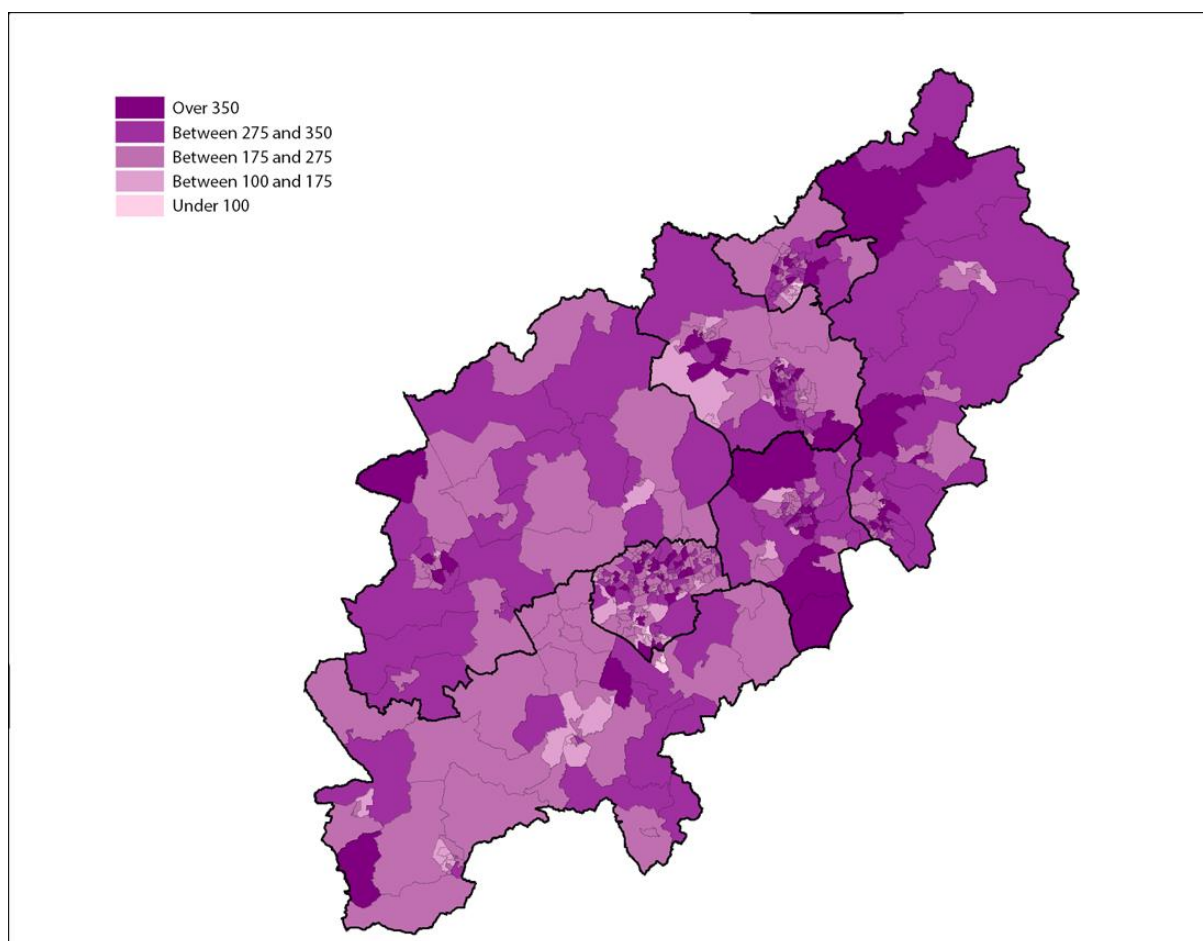
Figure 5: Percentage of residents suffering from a long-term illness or disability that limits day to day activities
(Source: Census 2011)

Geography	Day to Day Activities limited by disability or long-term illness		
	Limited a lot	Limited at least a little	Not limited
Current			
Corby	8.9%	17.7%	82.3%
East Northamptonshire	6.9%	16.2%	83.8%
Kettering	7.7%	17.1%	82.9%
Wellingborough	7.9%	17.9%	82.1%
Daventry	6.6%	15.6%	84.4%
Northampton	7.2%	15.8%	84.2%
South Northamptonshire	5.8%	13.9%	86.1%
Proposed			
North Northants	7.8%	17.2%	82.8%
West Northants	6.7%	15.3%	84.7%
Total	7.2%	16.2%	83.8%

- 2.10 As can be seen from Figure 5, South Northamptonshire has the smallest proportion of residents with very limiting long-term illness or disability, and conversely Corby has the highest. Under the proposed council reorganisation, the proportions would become more equal, although it should be noted that North Northants will have a slightly higher proportion of disabled or long term ill residents than West Northants.

2.11 The census measured spacial distribution of the disabled population is shown in Figure 6:

Figure 6: Spatial distribution of the disabled population in Northamptonshire (Source: Census 2011)



- 2.12 It can be seen from Figure 6 that there is no clear pattern to the distribution of disabled persons (at the time of the census), although it should be noted that areas in the proposed North Northants unitary authority (specifically East Northamptonshire and Wellingborough) contain more areas with somewhat higher instances of disability than other districts. Given that many disabled people are more likely to suffer difficulties with mobility, care should be taken to ensure that services on which they rely that require assistance with travel, continue to be provided at accessible locations.
- 2.13 Service changes are a realistic possibility, but at this point in the process they are not defined, and it is not possible to predict these changes and their effects. The situation will continue to be monitored and amendments to the EIA will be made as appropriate to reflect developing understanding. However, one potential for impact is in related to those who live in an area that might in future be close to the proposed border between the two unitary authorities. As previously noted, Northamptonshire County Council currently provides services for residents across the whole of the county, including education and social care for children and adults. If a disabled resident who lives in one district utilises one of these services in another district (e.g. a Daventry resident who happens to attend an adult social care facility in Kettering), both are currently within the remit of Northamptonshire County Council. However, it may be the case in future that a resident of the proposed West Northants will require use of a service in North Northants, which may no longer have a duty to provide the service to residents of West Northants (and vice versa). Even if there is a reciprocal arrangement to provide services to residents of the other unitary authority, it is possible that some aspects of that service e.g. funding of travel etc. may be impacted by the proposal, and any impact to funding

will disproportionately affect the most deprived residents. Given that the disabled are potentially more likely to require access to social care, this represents a potential impact on the protected characteristic of disability.

- 2.14 To mitigate this potential effect, the unitary councils should be mindful of maintaining continuity of service provision to residents near the proposed border; and ensure adequate transition arrangements are put in place to ensure that those affected can continue to access services.

Gender reassignment

- 2.15 No data is currently available on instances of gender reassignment in Northamptonshire. Nonetheless, there is no reason to anticipate any impact of the council reorganisation on residents with this protected characteristic.

Marriage and Civil Partnership

- 2.16 At the time of the Census 2011, there were 321,915 married people living in Northamptonshire, along with 613 people in a same sex civil partnership. Collectively, this represented 43.5% of the total population, distributed fairly uniformly across the county. There is currently no reason to anticipate any impact of the council reorganisation on residents with this protected characteristic.

Pregnancy and Maternity

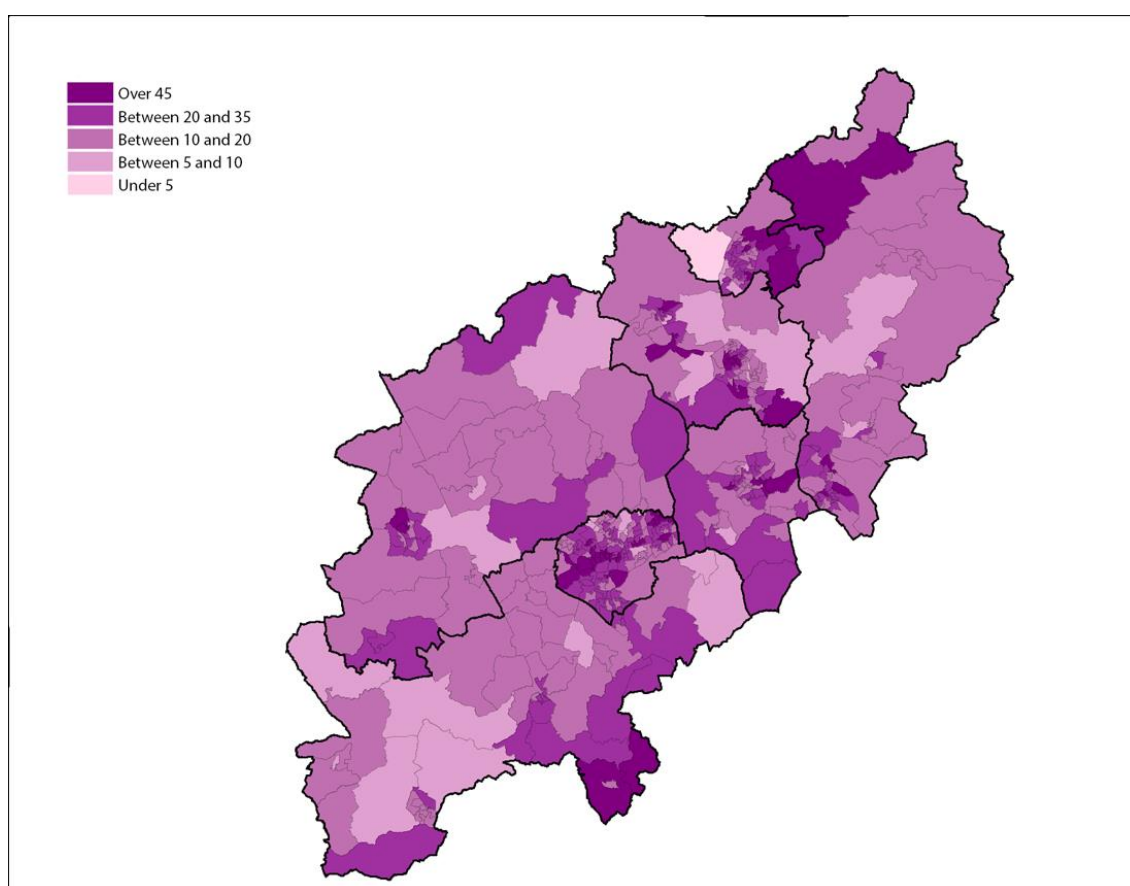
- 2.17 The number of pregnancies at any given time in Northamptonshire is difficult to enumerate, and there is no official data source that serves that purpose. However, a reasonable proxy can be established by examination of the number of residents under one year in age, since each necessarily corresponds to a recent pregnancy.
- 2.18 The number of individuals and percentage of total population aged under one year is given in Figure 7 below, the source of which is the recently released 2017 Mid-Year Estimates:

Figure 7: Numbers & proportions of infant residents under one year old in Northamptonshire (Source: Mid-Year Estimates 2017)

Geography	Persons under one year old	
	Number	Percentage of Total Population
Current		
Corby	995	1.4%
East Northamptonshire	998	1.1%
Kettering	1,195	1.2%
Wellingborough	918	1.2%
Daventry	818	1.0%
Northampton	3,217	1.4%
South Northamptonshire	840	0.9%
Proposed		
North Northants	4,106	1.2%
West Northants	4,875	1.2%
Total	8,981	1.2%

- 2.19 As can be seen from Figure 7, the largest proportions of the population under one year old (and residents who are pregnant or providing maternity care) are found in Corby and Northampton (1.4%). In terms of absolute numbers, the majority of infants reside in Northampton, with a significant number also in Kettering. Conversely, the lowest proportions and absolute numbers are found in Daventry and South Northamptonshire (1% and 0.9% respectively). Under the proposed council reorganisation, the proportions of each of the groups identified would become more equal; both proposed unitary councils having approximately the same proportion (1.2%) of residents aged under a year (and therefore residents who are pregnant or providing maternity care).
- 2.20 The spacial distribution of the infant population according to the 2016 Mid-Year Estimates³ is shown in Figure 8:

Figure 8: Spatial distribution of persons aged under one year in Northamptonshire (Source: Mid-Year Estimates 2016)



- 2.21 It can be seen from Figure 8 that there is no clear pattern to the distribution of infant residents, although it should be noted that there are somewhat higher levels in more urban areas, likely due to the higher population density. As it is the case that pregnant mothers and parents or guardians with very young children are more likely to suffer difficulties with mobility (particularly if using public transport), care should be taken to ensure that services on which they rely that require travel, continue to be provided at accessible locations.
- 2.22 Service changes are a realistic possibility, but at this point in the process they are not defined, and it is not possible to predict these changes and their effects. The situation will continue to be monitored and amendments to the EIA will be made as appropriate to reflect developing understanding. The only potential for impact is in cross border services. As previously noted, Northamptonshire County Council currently

³ Outputs from the 2017 Mid-Year Estimates at the small area level illustrated in this map are not yet available.

provides services for residents across the whole of the county, including education and social care for children and adults and children’s centres. If an infant, parent or guardian of an infant, or a pregnant mother who lives in one district utilises one of these services in another district (e.g. a pregnant Daventry resident accessing adult social care in Kettering), both are currently within the remit of Northamptonshire County Council). However, it may be the case that a resident of the proposed West Northants will require use of a service in North Northants, which may no longer have a duty to provide the service to residents of West Northants (and vice versa). Even if there is a reciprocal arrangement to provide services to residents of the other unitary authority, it is possible that some aspects of that service e.g. funding of travel etc. may be impacted by the proposal, and any impact to funding will disproportionately affect the most deprived residents. Given that adult social care includes residents who may be pregnant or have recently given birth, and child social care extends to the very young infants, this represents a potential impact on the protected characteristic of pregnancy and maternity.

- 2.23 To mitigate this potential effect, the unitary councils should be mindful of maintaining continuity of service provision to residents near the proposed border; and ensure adequate transition arrangements are put in place to ensure that those affected can continue to access services.

Race

- 2.24 The census captures country of birth, national identity and ethnicity. It is most common to consider ethnicity, and census data divides ethnicity into five distinct sub categories: White, Mixed, Asian, Black and Other. The percentage of total population of each district for each of these groups is given in Figure 9 below, based on the 2011 Census:

Figure 9: Relative proportion of ethnic population in each Northamptonshire district (Source: 2011 Census)

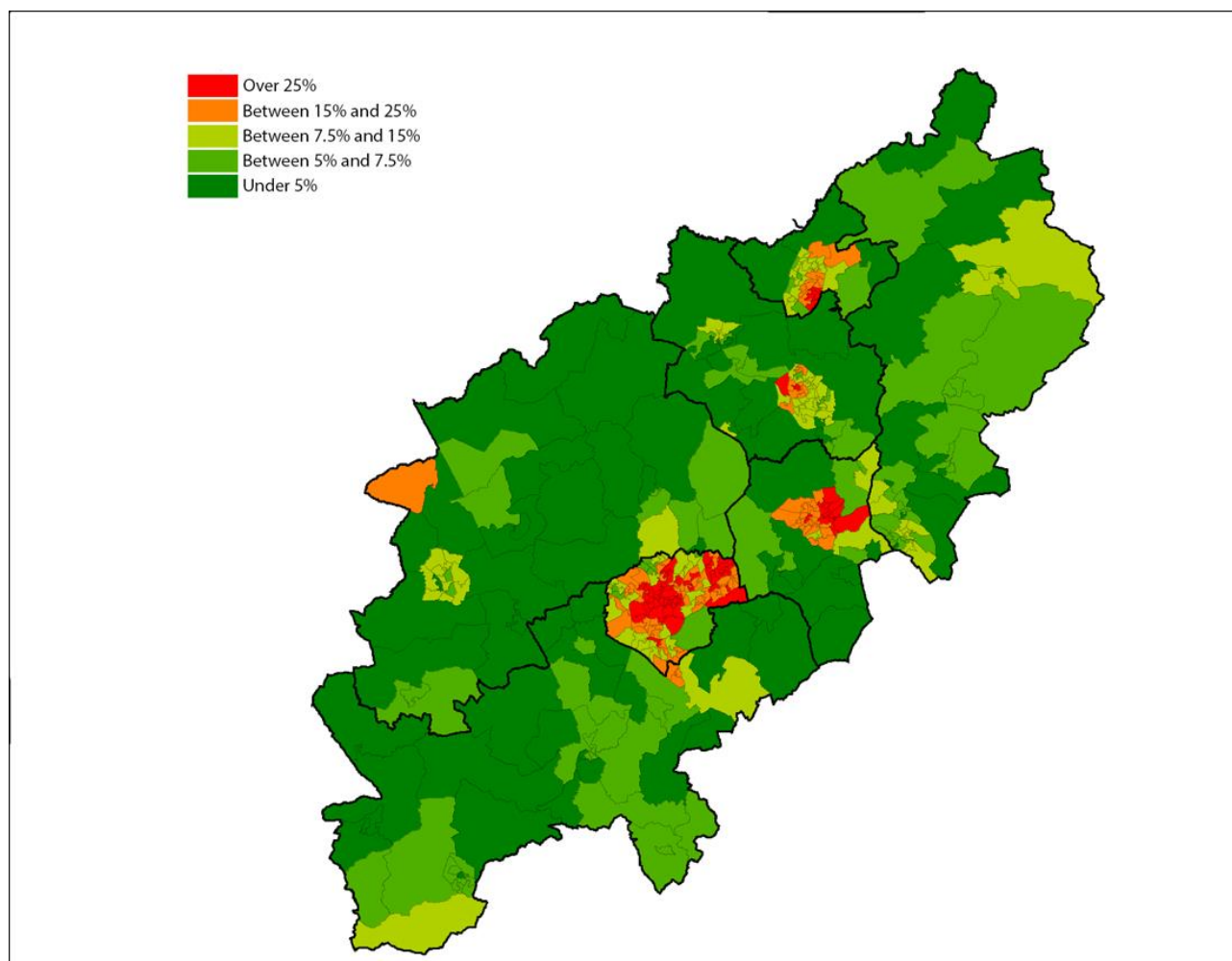
Geography	Ethnic Group				
	White	Mixed/multiple ethnic group	Asian/Asian British	Black/African/Caribbean/Black British	Other ethnic group
Corby	95.5%	1.4%	1.3%	1.7%	0.2%
East Northamptonshire	96.7%	1.2%	1.2%	0.7%	0.2%
Kettering	93.9%	1.4%	3.2%	1.1%	0.4%
Wellingborough	87.4%	2.8%	5.9%	3.5%	0.3%
Daventry	97.0%	1.1%	1.4%	0.4%	0.1%
Northampton	84.6%	3.2%	6.4%	5.0%	0.7%
South Northamptonshire	96.9%	1.2%	1.3%	0.4%	0.1%
Proposed					
North Northants	93.4%	1.7%	2.9%	1.7%	0.3%
West Northants	90.0%	2.3%	4.2%	3.0%	0.4%
Total	91.6%	2.0%	3.6%	2.4%	0.4%

- 2.25 As can be seen from Figure 9, the largest proportions of the population belonging to an ethnic group other than White are found in Wellingborough and Northampton (12.6% and 15.4% respectively). Conversely, the

lowest proportions are found in Daventry and South Northampton (3% and 3.1% respectively). Under the proposed council reorganisation, the proportions of each of the groups identified would become more equal, however West Northants would have a slightly higher proportion of non-white residents, primarily due to the high concentrations of this group found in Northampton.

- 2.26 The census measured spacial distribution of residents that identified as ethnicities other than White British at the time of the census 2011 is shown in Figure 10:

Figure 10: Percentages of residents that identify as other than White British in Northamptonshire (Source: Census 2011)



- 2.27 It can be seen from Figure 10 that the highest percentages of non-white British (at the time of the census) were to be found in more urban areas such as Northampton, Kettering, Corby and Wellingborough. There is currently no reason to believe that residents that identify as any particular ethnicity are likely to be unduly impacted by the proposed council reorganisation.

Religion or Belief

- 2.28 The census records the religious beliefs of the population (it is worth noting that the census question does not ask about whether the religion is *being practiced*). It is a question that has a higher proportion of non-response - in the 2011 census, 6.7% of Northamptonshire residents left the question blank. Nevertheless, analysis can be made of the remaining 93.7% of respondents. The percentage of the population of each district for each religious group is given in Figure 11 overleaf, based on respondents to the question in the 2011 Census:

Figure 11: Proportion of religious belief in each Northamptonshire district, excluding non-respondents (Source: 2011 Census)

Geography	Religion							
	Christian	Buddhist	Hindu	Jewish	Muslim	Sikh	Other religion	No religion
Current								
Corby	62.8%	0.2%	0.3%	0.1%	0.7%	0.2%	0.3%	35.4%
East Northamptonshire	65.8%	0.2%	0.3%	0.1%	0.3%	0.1%	0.4%	32.6%
Kettering	63.3%	0.3%	0.9%	0.1%	0.8%	1.1%	0.5%	33.0%
Wellingborough	61.8%	0.3%	3.9%	0.1%	1.8%	0.2%	0.6%	31.3%
Daventry	69.4%	0.4%	0.4%	0.1%	0.6%	0.2%	0.4%	28.5%
Northampton	60.6%	0.5%	1.7%	0.1%	4.5%	0.5%	0.5%	31.5%
South Northamptonshire	70.8%	0.2%	0.5%	0.1%	0.4%	0.2%	0.3%	27.5%
Proposed								
North Northants	63.6%	0.3%	1.3%	0.1%	0.9%	0.5%	0.4%	33.0%
West Northants	64.7%	0.4%	1.2%	0.1%	2.7%	0.4%	0.4%	30.0%
Total	64.2%	0.3%	1.2%	0.1%	1.9%	0.4%	0.4%	31.4%

2.29 As can be seen from Figure 11, the largest proportions of the population belong to the Christian religion. The highest proportion identified is South Northamptonshire (70.8%), which also has the lowest levels of non-religion (27.5%) of the districts. Relatively large proportions of non-Christians can be found in Wellingborough (6.8%) and Northampton (7.8%). Wellingborough has a relatively large proportion of Hindus (3.9%), and Northampton a proportionally large Muslim population (4.5%), along with relatively high Hindu population (1.7%) compared to other districts. There is currently no reason to believe that residents of any given religious faith are likely to be unduly impacted by the proposed council reorganisation.

Sex

2.30 According to the 2017 Mid-Year Estimates, the gender composition of Northamptonshire was approximately 49.4% male, 50.6% female. Each district exhibits the same proportions to within 0.5%, and this will be maintained in the proposed unitary authorities. Given the uniformity of this distribution and the gender neutral nature of the proposal, there is no reason to anticipate any impact of the proposed council reorganisation on residents with this protected characteristic.

Sexual Orientation

2.31 No data is currently available on sexual orientation of residents of Northamptonshire. Nonetheless, there is no reason to anticipate any impact of the proposed council reorganisation on residents with this protected characteristic.

Council Staff

- 2.32 If the proposal for a two-unitary structure is accepted, then savings would be made by reducing the number of senior staff. For example, instead of the current eight senior management teams there would be two. Similarly, the increasing demands of a growing and ageing population, balanced by increasing digitisation and transformation of services, may require changes to the workforce over time. In terms of specific protected characteristics; reductions in senior staffing will likely disproportionately impact older staff. Alternative employment within the council should be offered where possible.

Rurality

- 2.33 The census defines each of its output areas as either Urban or Rural. Output areas are treated as urban if they were allocated to a built-up area with a population of 10,000 or more people in 2011, otherwise they are classed as Rural. Consequently, the rurality or otherwise of the population of a given district can be enumerated as shown below in Figure 12 for the current districts of Northamptonshire and the proposed council areas:

Figure 12: Proportion of Population living in Urban and Rural Areas in each Northamptonshire District (Source: 2011 Census)

Geography	Urban	Rural
Corby	92.8%	7.2%
East Northamptonshire	42.8%	57.2%
Kettering	79.5%	20.5%
Wellingborough	67.3%	32.7%
Daventry	36.9%	63.1%
Northampton	99.5%	0.5%
South Northamptonshire	15.6%	84.4%
North Northants	69.2%	30.8%
West Northants	67.4%	32.6%
Total	68.2%	31.8%

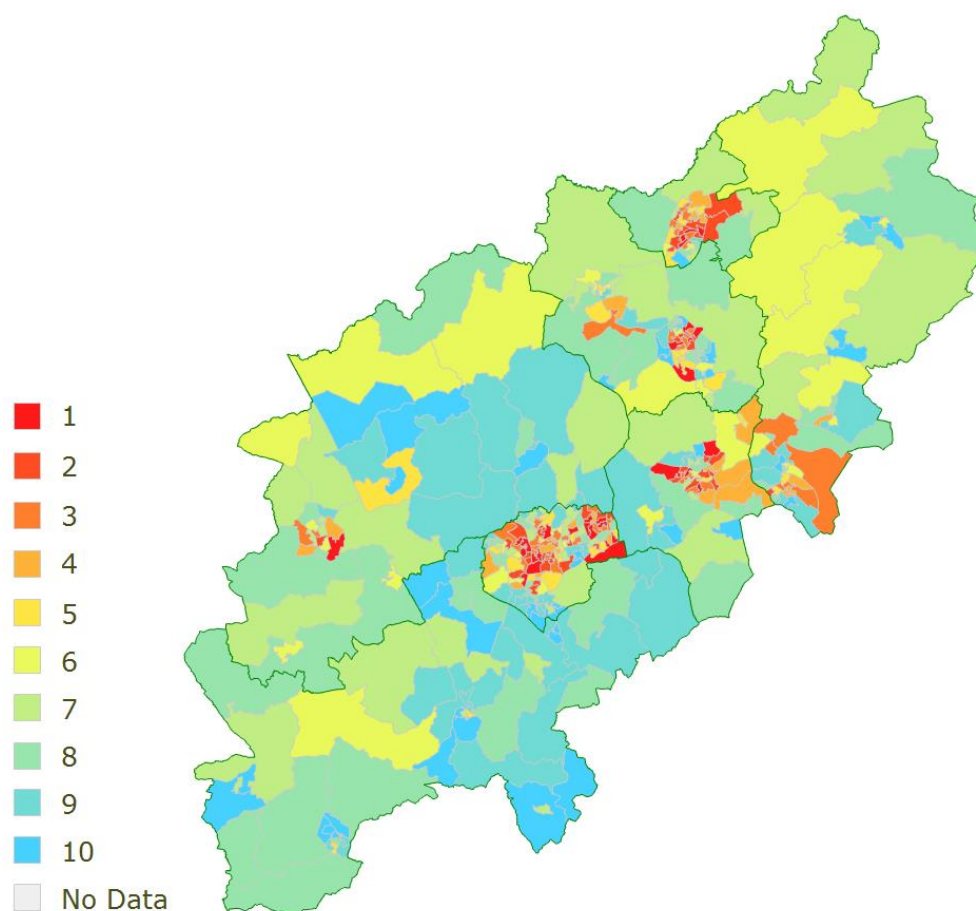
- 2.34 As can be seen from Figure 12, the districts with the largest proportions of residents living in areas classed as urban are within the Northampton (99.5%) and Corby (92.8%), whilst the most rural districts are South Northamptonshire and Daventry. Assuming access to services does not change, there is currently no reason to believe that residents of any level of rurality are likely to be unduly impacted by the proposed council reorganisation.
- 2.35 However, as previously noted, Northamptonshire County Council currently provides services for residents across the whole of the county, including education and social care for children and adults. If a rurally isolated resident who lives in one district utilises one of these services in another district (e.g. a Daventry resident who happens to attend an adult social care facility in Kettering), both are currently within the remit of Northamptonshire County Council. However, it may be the case in future that a resident of the proposed West Northants will require use of a service in North Northants, which may no longer have a duty to provide the service to residents of West Northants (and vice versa).
- 2.36 Even if there is a reciprocal arrangement to provide services to residents of the other unitary authority, it is possible that some aspects of that service e.g. funding of travel etc. may be impacted by the proposal, and

any impact to funding may disproportionately affect the most rural residents since they are more likely to be impacted by any changes affecting travel and access, relative to residents living in more urban areas.

Deprivation

- ^{2.37} The Index of Multiple Deprivation (IMD) is the main statistical overview of relative deprivation covering the whole of England. It is based on small geographical areas called Lower Super Output Areas (LSOAs), of which there are 32844 across the country, with 422 of them falling within Northamptonshire. Each LSOA represents around 1,600 people. The IMD is released on an ad-hoc timescale by the Ministry of Housing Communities & Local Government (MHCLG). The 2015 data release is analysed here.
- ^{2.38} The distribution of deprivation in Northamptonshire is shown in Figure 13⁴. The scale shows rankings of each LSOA by decile, i.e. 1 (red) = amongst the 10% most deprived LSOAs in England, whereas blue (10) = amongst the 10% least deprived LSOAs in England. Between these extremes, there is a graduated scale covering each national decile:

Figure 13: Spatial distribution of the deprivation in Northamptonshire by decile (Source: IMD 2015, Northamptonshire Council)



- ^{2.39} It can be seen from Figure 6 that deprivation is focussed around urban areas, particularly Northampton, Wellingborough, Kettering and Corby. It should be noted that areas in the proposed North Northants unitary authority contain more areas with somewhat higher instances of deprivation than other districts (in the proposed West Northants unitary authority, only urban Northampton and Daventry contain LSOAs in the top 30% of deprivation). Given that many people living in deprived areas are more likely to depend on council

⁴ Source: <https://www.northamptonshireanalysis.co.uk/dataviews/view?viewId=361>

services, care should be taken to ensure that services on which they rely continue to be provided at accessible locations.

- 2.40 The Index of Multiple Deprivation is subdivided into several categories, and districts are ranked across England in each category. At the time of publication, there were 326 local authority districts in England, therefore a rank of 1 represents the most deprived district, whereas 326 the least. These subdivisions by district (presented from most to least deprived), along with the indicative average scores for each proposed unitary authority are contained in Figure 14 below:

Figure 14: District Level Index of Deprivation by National Rank (Source: DCLG 2015)

District	Income	Employment	Education Skills and Training	Health Deprivation and Disability	Crime	Barriers to Housing and Services	Living Environment	Overall Index of Multiple Deprivation
Corby	73	60	19	48	85	172	285	75
Northampton	128	144	66	100	63	43	162	108
Wellingborough	124	113	67	147	99	117	236	133
Kettering	152	148	124	133	120	276	205	168
East Northamptonshire	219	208	142	215	193	204	225	221
Daventry	258	257	204	252	199	85	204	238
South Northamptonshire	323	323	293	317	306	114	241	317
Average for North Northants	142	132	88	136	124	192	238	149
Average for West Northants	236	241	188	223	189	81	202	221
Average of Northamptonshire Districts	182	179	131	173	152	144	223	180

- 2.41 Notably, there is an overall correlation between the order of the overall index ranks, and most of the sub-categories (with the exceptions of “barriers to housing and services” and “living environment”). In each of these sub-categories, Corby exhibits the highest rank of deprivation and South Northamptonshire the lowest. However, in “barriers to housing and services”, “crime” and “living environment”, Northampton exhibits the highest rank. Corby has the highest rank on the overall index (and four of the seven sub-categories), with Northampton second. With an overall rank of 317 (out of a maximum of 326), South Northamptonshire is the least deprived district by an appreciable margin.

- 2.42 Income is a particular area for attention. Corby, Northampton and Wellingborough have levels of income-based deprivation in the top 40% of all districts nationally. One effect of the proposed unitary authority system would be revision to council tax banding. While local authorities do not all charge the same council tax as each other, all areas *within* a single local authority are required by law to pay the same council tax for

each band. Whereas currently the seven borough/district areas have different council tax rates, the charges would be standardised within each of the two proposed new unitary council areas. This will likely mean that for some households, the level of council tax will be higher than under the existing arrangements, and this would adversely impact those on low incomes. Whilst actual changes to council tax are unknown, it is conceivable that households in areas that currently have the lowest levels of council tax will experience larger increases. East Northamptonshire and Wellingborough in the proposed North Northants unitary council and Daventry in the West Northants council currently have the lowest council tax levels, and each has some areas with relatively higher levels of deprivation – therefore residents living in the most deprived areas of Daventry, Wellingborough and East Northamptonshire are most likely to be disproportionately affected by any council tax increases.

- 2.43 Other than income-based impacts, and assuming that service provision does not change, there is no reason to anticipate a meaningful impact on those affected by deprivation as a whole. However, one potential for impact is in related to those who live in an area that might in future be close to the proposed border between the two unitary authorities. As previously noted, Northamptonshire County Council currently provides services for residents across the whole of the county, including education and social care for children and adults. If a disadvantaged resident who lives in one district utilises one of these services in another district (e.g. a Daventry resident who happens to attend an adult social care facility in Kettering), both are currently within the remit of Northamptonshire County Council. However, it may be the case in future that a resident of the proposed West Northants will require use of a service in North Northants, which may no longer have a duty to provide the service to residents of West Northants (and vice versa). Even if there is a reciprocal arrangement to provide services to residents of the other unitary authority, it is possible that some aspects of that service e.g. funding of travel etc. may be impacted by the proposal, and any impact to funding will disproportionately affect the most deprived residents.
- 2.44 To mitigate this potential effect, the unitary councils should be mindful of maintaining continuity of service provision to residents near the proposed border; and ensure adequate transition arrangements are put in place to ensure that those affected can continue to access services.

Representation

- 2.45 Currently, as was illustrated in Figure 1, the districts of Northamptonshire are represented by a total of 264 district councillors and 57 county councillors. Under the proposed system these districts will be dissolved, and councillors will be established for each new unitary authority. The number of councillors that will be established in each is not known, pending a review by the Boundary Commission for England, however it is considered likely that there will be an equal number of councillors in each Electoral (county) Ward. As such, it is possible to estimate the change in public representation that will emerge.
- 2.46 It should be noted that in this discussion, only the effect of the proposed changes is analysed. Therefore, the effective population covered by the current district councillors (excluding county councillors) is compared to the effective population covered by only the *increase* in the number of unitary authority councillors under the proposed system; in both cases the existence of one county councillor per electoral county ward remains unchanged.
- 2.47 For perfectly equal representation, each councillor would in theory represent the same number of people. However, due to variations in the size of the population in each ward, this idealised situation cannot happen in practice. Under the current system, variations of both the ward populations and the number of district councillors per ward result in unequal representation. Under the proposed system, only variations in the

population of each ward would yield deviation from equality, assuming district councillors are replaced with a uniform increase in the number of councillors at electoral county ward level. The last two columns of Figure 15 below show the percentage deviation from “ideal” equal representation under each system.

Figure 15: Changes in Comparative Levels of Representation Across Northamptonshire under Current and Proposed Councils
(Source: ORS)

Geography	Average population per Ward	Current District Councillors per Ward	Current Average Population per District Councillor	Deviation from Equal Representation across county	
				Current District Councillor System	Proposed Equal Councillors per Ward system
Corby	5,892	2.4	2,438	12.7%	-13.0%
East Northamptonshire	4,217	1.8	2,319	17.0%	19.1%
Kettering	5,927	2.1	2,799	-0.2%	-13.7%
Wellingborough	4,962	2.3	2,205	21.0%	4.8%
Daventry	5,126	2.4	2,103	24.7%	1.7%
Northampton	6,930	1.4	5,082	-82.0%	-32.9%
South Northamptonshire	3,382	1.6	2,174	22.2%	35.1%
North Northants	5,129	2.1	2,437	12.7%	1.6%
West Northants	5,333	1.5	3,678	-31.7%	-2.3%
Total	5,214	1.9	2,793	0.0%	0.0%

- 2.48 Under the current system, citizens of Wellingborough, Daventry and South Northamptonshire benefit from significantly higher levels of representation than other districts (21%, 24.7% and 22.2% above average respectively), whereas those living in Northampton are under-represented relative to the Northamptonshire average (-82%). Under the proposed system, residents in Corby, Daventry and Wellingborough would experience a decrease in their existing level of representation, whilst residents of South Northamptonshire would experience a meaningful 12.9% increase in their degree of representation relative to the average. Northampton residents’ representation would increase by 41.1% versus the average under the proposed arrangements, remaining underrepresented (-32.9%), but to a lesser extent. Corby and Kettering would become slightly under-represented due to their average population per ward being relatively high.
- 2.49 It is hard to assess the extent of the impact on individuals, but it may be harder for residents in some areas to raise issues with their local councillors and influence service delivery; however, it seems that the proposed system would likely yield a greater level of equality across Northamptonshire compared to current arrangements.

3. Conclusions

Summary of identified Impacts

3.1 The impacts identified in this document are summarised below in Figure 16:

Figure 16: Summary Table of Identified Impacts

Protected Characteristic	Potential Impact of Change to two unitary councils	Recommended Mitigation
Age	<p>Current residents of one proposed unitary authority that access services at a location that will be within the remit of the other unitary authority, may be impacted by the proposal.</p> <p>One unitary authority may not be under any obligation to provide services to a resident outside the authority. Additionally, arrangements or funding of travel to locations outside the authority may be affected. Thus a resident may have to access the service at a different location inside their own unitary authority, which may be further away.</p> <p>This will primarily impact those living near the proposed border between North and West Northants; and is of particular concern in cases where the resident has difficulty with mobility/travel. This impact is likely to be more prevalent amongst older age groups.</p>	<p>Dialogue between any new unitary authorities should be maintained after any reorganisation to ensure appropriate transition arrangements in service provision and access to services for those affected, before appropriate alternative arrangements are established.</p>
Disability	<p>Current residents of one proposed unitary authority that access services at a location that will be within the remit of the other unitary authority, may be impacted by the proposal.</p> <p>One unitary authority may not be under any obligation to provide services to a resident outside the authority. Additionally, arrangements or funding of travel to locations outside the authority may be affected. Thus a resident may have to access the service at a different location inside their own unitary authority, which may be further away.</p> <p>This will primarily impact those living near the proposed border between North and West Northants; and is of particular concern in cases where the resident has difficulty with mobility/travel. The impact is likely to be greater for disabled people than some other protected groups, especially if such travel involves public transport.</p>	<p>Dialogue between any new unitary authorities should be maintained after any reorganisation to ensure appropriate transition arrangements in service provision and access to services for those affected, before appropriate alternative arrangements are established.</p>
Gender Reassignment	No data on characteristic. No impact anticipated.	None
Marriage and civil partnership	No impact anticipated.	None
Pregnancy and maternity	<p>Current residents of one proposed unitary authority that access services at a location that will be within the remit of the other unitary authority, may be impacted by the proposal.</p> <p>One unitary authority may not be under any obligation to provide services to a resident outside the authority. Additionally, arrangements or funding of travel to locations outside the authority may be affected. Thus a resident may have to access the service at a different location inside their own unitary authority, which may be further away.</p>	<p>Dialogue between any new unitary authorities should be maintained after any reorganisation to ensure appropriate transition arrangements in service provision and access to services for those affected, before appropriate alternative arrangements are established.</p>

	This will primarily impact those living near the proposed border between North and West Northants; and is of particular concern in cases where the resident has difficulty with mobility/travel. This difficulty is more common in the pregnant mothers and parents of very small children than some other protected groups, especially if such travel involves public transport.	
Race	No impact anticipated.	None
Religion or belief	No impact anticipated.	None
Sex	No impact anticipated.	None
Sexual orientation	No data on characteristic. No impact anticipated.	None
Other: Characteristics not covered by the Equality Act		
Council Staff	Reorganisation of the councils may result in certain roles becoming surplus to requirement, potentially leading to redundancies. Reduction in senior staff may disproportionately impact older employees.	Where possible, alternative roles should be offered to employees affected by the proposed change.
Rurality	<p>Current residents of one proposed unitary authority that access services at a location that will be within the remit of the other unitary authority, may be impacted by the proposal.</p> <p>One unitary authority may not be under any obligation to provide services to a resident outside the authority. Additionally, arrangements or funding of travel to locations outside the authority may be affected. Thus a resident may have to access the service at a different location inside their own unitary authority, which may be further away.</p> <p>This will primarily impact those living near the proposed border between North and West Northants; and is of particular concern in cases where the resident is living in a relatively isolated location. This difficulty is more common for those living in rural locations, especially if such travel involves public transport.</p>	Dialogue between any new unitary authorities should be maintained after any reorganisation to ensure appropriate transition arrangements in service provision and access to services for those affected, before appropriate alternative arrangements are established.
Deprivation	Low income households are likely to be impacted by increases in Council Tax, in particular those that may experience higher increases, notably in the most deprived areas of Daventry, Wellingborough and East Northamptonshire	Ensure appropriate support for those on low incomes in the most deprived areas.
Resident Representation	Under the proposed system, residents in Corby, Daventry and Wellingborough would experience a decrease in their existing level of representation, whilst residents of Northampton and South Northamptonshire would experience an increase, relative to the average. Overall, citizen representation is likely to become more equal in each of the proposed unitary authority areas.	It may be harder for residents in some areas to raise issues with their local councillors and influence service delivery

- 3.2 On balance, there are very few immediate impacts of the proposed council reorganisation on those with protected characteristics under the Equalities Act 2010. The impacts identified here affect relatively few residents; but mitigations will need to be considered. This document and its findings remain under review, and if and when the design of any new councils is undertaken, a further Equalities Impact Assessment may be required.

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