



Item No.

Ward/s ALL

Name of Group:	COUNCIL
Meeting Date:	22 nd January 2007
Directorate:	Governance and Resources
Corporate Manager:	Mairi McLean
Agenda Status:	Public Report

Report Title	Local Government Review - Government White Paper
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Key Decision

1. Recommendations

That Council agrees to the joint submission by the local authorities in Northamptonshire of the ELGIN proposals (at appendix 1) to Government by 25th January 2007.

2. Summary

To request approval for the submission of the ELGIN report, jointly commissioned by the local authorities across Northamptonshire, to be submitted to government in response to the proposals in the Government White Paper by 25th January 2007, asking for an additional 4 weeks to broaden the submission as per NCC cabinet decision 22.01.07 (appendix 3).

3. Report Background

- 3.1 The Local Government White Paper – Strong and Prosperous Communities was published on 26th October 2006. Its aim is to give local people and local communities more influence and power to improve their lives.**
- 3.2 There is a clear mandate in the White Paper that local authorities must work in different ways to better enable local people to influence the way in which their lives can be improved. It is also necessary for all authorities to make any changes self-funding, and evidence savings that can be invested in new ways of working.**
- 3.3 At it's meeting on 4th December the Cabinet agreed for Northampton Borough Council to participate, with other local authorities in the county, in the production of a bid to Government by 25th January 2007.**

4. Options and Evaluation of Options

- 4.1 Northamptonshire faces many challenging issues with the delivery of its public services and the recently published White Paper on local government adds new dimensions to these. The White Paper seeks new energy in local governance, directed at strategic leadership, empowered communities and a more streamlined approach by councils to their business. "No change" is not an option.**
- 4.2 Officer and Leader working groups from across the county have carried out considerable work in preparing a proposal for submission to government, "ELGIN", which will see the unification of all "back office" services, and a streamlining of all "front office" services across the councils, to give customers a seamless service. There will be shared delivery of a number of District Council services in the first phase, with consideration of going further based on future business cases. There is a focus on addressing "poor" and "weak" performance, lifting all councils into the upper two quartiles by 2010. Comparative cost tables attached at appendix 2.**
- 4.3 Structural options for the County have been discussed with the County Leader and the Chief Executive. We feel that their structural approach is only a part of the answer. The County Council's proposal for a "unitary" council appears to lack prudence. It runs a great risk of producing an unmanageable entity at high cost and relatively low return. Significant doubt is thrown upon the published figures by Elgin group of Districts and Boroughs (see appendix 2).**
- 4.4 The District Councils instead, propose an evolutionary but phased move towards strengthening strategic impact, devolving activities and scrutiny towards local communities, and a partnership in sharing a substantial part of the delivery of services between the eight councils. "The best for the rest"(see appendix 1).**

5. Resource Implications (including Financial Implications)

Financial implications are detailed in the large Elgin document which is available to be viewed in the Leader's or Chief Executive's office. Also see appendix 2.

6. Risk and Opportunity Issues

The proposal would offer the opportunity for savings through the shared delivery of services.

7. Consultees (Internal and External)

Internal	
External	Consultation with relevant parties and stakeholders was included in the development of the ELGIN proposals.

8. Compliance Issues

A: How Proposals Deliver Priority Outcomes

Recovery Plan
Submission of the proposal to government will have no direct impact on the recovery plan, but will outline increased peer support to Northampton.
Corporate Plan
As above

B: Other Implications

Other Strategies

Finance Comments

Legal Comments




Crime and Disorder Issues

Equality Impact Assessments

9. Background Papers

Title	Description	Source
Local Government White paper, "Safer & Stronger communities"	Government White Paper	Department for Communication and Local Government
Invitation to Councils in England <ul style="list-style-type: none"> ▪ To make proposals for future unitary structures ▪ To pioneer, as pathfinders, new two-tier models 	Government Paper	As above

[Mairi McLean, Chief Executive, t:7726]

Name	Signature	Date	Ext.
Author		22/1/07	
Corporate Manager		22/1/07	
Director		22/02/07	
Monitoring Officer or Deputy (Key decision only)			
Section 151 Officer or Deputy (Key decision only)			

Insert Northants District Logos

ENHANCING LOCAL GOVERNMENT IN NORTHAMPTONSHIRE (ELGIN)

The delivery of our services to the community is characterised by solid improvement across the board, with some outstanding examples of innovative best practice.

We recognise the specific difficulties of Northampton Borough and will make separate proposals to government to assist with their own improvement needs as part of our response to the White Paper.

Performance as measured by BVPIs is above average across the majority of districts (at least 5 out of 7) in priority areas such as: -

- Recycling
- Street cleansing
- Planning
- Benefits and
- Council tax collection.

In addition, there are numerous multi-council partnerships such as: -

- The county and district waste partnership
- Integrated customer services cutting across the tiers of the public sector
- A joint-licensing unit across the districts
- A raft of back office partnerships

There have also been some innovative pathfinder arrangements between clusters of Parish Councils and District Councils and well developed work with the third sector/CVS.

Beacon status has been attained for waste collection and numerous Charter Marks, and recent shortlists for beacon status and in national awards for "Council of the Year" and "Most Improved Council of the Year" in two of the districts, as well as an earlier "Management Team of the Year" award and a significant amount of other nominations and shortlists.

In addition, there has been sound progress against the Gershon efficiency agenda, with Districts/Boroughs achieving an average of 5.4% (£5.5m in total) against their national target of 2.5%.

However, despite these strengths, there are areas that require improvement. Service standards are inconsistent across the County. For example, in some areas innovative partnerships mean that customers can access integrated services across the tiers of the public sector at one point of delivery, whilst in other areas they cannot.

There are areas where our public service delivery is not at an acceptable level: -

➤ Northamptonshire County Council	→	Ranked 31 st out of 34 county councils by the Audit Commission. "Performing at minimum standards"
➤ Northamptonshire Police Authority	→	Ranked joint bottom of police league table
➤ Northamptonshire Fire Services	→	Rated "weak"
➤ Northamptonshire Heartlands PCT (merged with others in October 2006 to form Northamptonshire PCT)	→	Rated by the Healthcare Commission in 2005/06 as "good" for quality of services, but "weak" for use of resources
➤ Northampton Borough Council	→	"Poor" CPA, re-inspection awaited.

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Vision by 2010

Northamptonshire has many challenging problems with its public services, and the White Paper adds a new dimension to that. By 2010 the County will be a national focus of significant regeneration with a rapid increase in new homes, new businesses and new opportunities underway. Building on the White Paper, Northamptonshire will be forging stronger and more prosperous communities.

By 2010, local government will be: -

- (i) More efficient
- (ii) More accountable with stronger local leadership and empowered neighbourhoods and communities
- (iii) Delivering responsive, excellent standards of service across the County, seeking, for instance, to build on exemplary best practice in a number of districts.
- (iv) Providing strategic leadership to deliver the growth agenda across the county
- (v) Working in seamless partnership with all other public service providers.

Moving to this will require some cultural change and possibly parallel structural change, and will need the support of all stakeholders. The District Councils advocate a staged approach over three years

"The Best for the Rest"

The ELGIN proposition is relatively simple: -

If by 2010 every one of us achieves the standard of the current best performing organisations, we will be delivering an outstanding service. Organisations will lead on providing services to others; there are already examples of this in to build on.

The following are our broad time-lines. It has, at its core, a staged but challenging approach to change from 2007 to 2010. The proposals lead to enhanced governance, improved service and lower costs. Milestones for project completion are given below: -

Year 1

- > Streamlined back office provision
- > Converging IT system and delivery
- > Wider roll out of existing successful community engagement projects
- > Pilot new community engagement projects with town and parish councils, the 'third sector' and business groups
- > Improved governance – enhanced member capacity and support for developing roles as community champions
- > Early successes producing savings
- > Pilot of public information on quality assured performance available on all key services monthly, on line.

Year 2

- > Seamless front office, drawing on best practice already in place within the County
- > Enhanced local governance at ward / neighbourhood level fully in place

Insert Northants District Logos

Year 3

- Shared services (between Districts and with NCC and other public and voluntary sector partners) based on business cases, on an opt in basis
- Options assessed to merge management structures at a later date, by pairing up Districts, or more radically sharing senior management on North / West Northamptonshire lines, depending on developing and emerging member views.

The strengths of this proposal are:-

- 1 It retains and enhances local governance. It is intent on wider community engagement building on success and with pathfinder trials for Parish and Town Councils, neighbourhoods, and urban models based on say, Corby, Kettering, Wellingborough, Northampton and Rushden, voluntary sector and other local organisations e.g. Market Town Partnerships.
- 2 It improves customer services through developing one seamless front-end, with all district council services moving towards proven models of excellence already developed locally in councils.
- 3 It offers an opportunity to pilot County Council/District Council management and delivery of services, (e.g. trading standards with environmental health, highways agency working, homelessness and adult care) with each case reviewed on its merits.
- 4 It significantly reduces risk and the cost of change by working progressively and interactively with stakeholders between 2007 and 2010.
- 5 It meets the White Paper efficiency and value-for-money tests in securing savings from back office arrangements, and joint service delivery, but not at the expense of diminishing local democratic arrangements. It would more than pay for itself.
- 6 It is consistent with moves towards area-based assessments set out in the White Paper.

It will require challenging milestones and outturn promises, and commitment from all partners, if we are to see genuine progress. We are all committed to that.

We have made a fresh start, with a notably open and collaborative approach.

Change is essential, but any change has to be entered into with a good chance of success. Large projects consistently over-run on cost and under-deliver on outcomes. The ELGIN model, with its focus on "Best for the rest", will drive rapid improvement.

INSERT NORTHANTS DISTRICT LOGOs

The Rt Hon Ruth Kelly MP
Secretary of State for Communities & Local
Government
Eland House
Bressenden Place
London. SW1E 5DU

22nd January 2007

Dear Minister,

Northamptonshire Districts' Response to the White Paper

This letter does four things: -

1. Sets out some ideas for a peer support package to assist in driving up the performance of the poorer performing parts of public services in Northamptonshire, namely: -

(i) Northampton Borough – *currently in engagement with the Government*

(ii) Northamptonshire County Council – *currently 31st out of 34 counties, "performing at minimum standards"*

(iii) Northamptonshire Police Authority – *currently joint bottom worst performing police force in England and Wales (alongside Humberside), out of 43 police authorities.*

Insert photo of Corby
regeneration –
Corby, have you got one??

2. Provides some thoughts to accelerate delivery of the Sustainable Communities Plan, which is a particular feature of the public service challenge here in Northamptonshire

3. Identifies the positive approach districts will take to the White Paper - *Strong and Prosperous Communities.*

4. Presents some thoughts on unitary local government.

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We will, if we may, take each of these issues in turn: -

1. Driving up performance

There has been much attention recently on Northampton Borough Council (NBC). We respect the need for some reflection on the next steps needed to deal with the difficulties at NBC. We have attached at appendix (i) some suggestions we specifically offer in respect of the Borough. These are of course in addition to those contained in our general proposals for driving up improvement set out in Section 3 – *Positively responding to the White Paper*.

2. The Sustainable Communities Plan

The delivery of the Sustainable Communities Plan is a key plank of the macro-economic policy. It is of nationwide significance. Our progress in delivering that plan here in Northamptonshire has been via two delivery vehicles: -

- > North Northants (Corby; East Northants; Kettering & Wellingborough) and
- > West Northants (Daventry, Northampton & South Northants).

Insert photo of general growth/buildings

The Audit Commission have identified as best practice the joint planning arrangements in place, in the following terms: -

Link to audit commission doc (or quote from) to be inserted here

Furthermore, these two areas are considered to be delivering well on the Sustainable Communities Plan (SCP). One was the subject of the recent Treasury field study on the progress of the SCP. To that end, you might wish to contact Paul Doyle, Senior Policy Analyst at the Treasury's Review into Supporting Housing Growth (Public Services Directorate), at: -

paul.doyle@hm-treasury.x.gsi.gov.uk

Of course, **Baroness Andrews** will be able to give her perspective too.

Draft 220107

Until this has had the opportunity to improve the baseline, it is our view that structural amalgamation will amplify the difficulties. In short, the tipping point for good performance has not been reached. Structural change will only serve as a distraction at this point.

Yours sincerely,

INSERT ALL NORTHANTS DISTRICT SIGNATURES

Draft 220107

APPENDIX (i)

The following is a list of ideas and suggestions. If any have merit or prompt a line of thinking which has merit, then they have served their purpose. These are tabulated below: -

Idea	Explanation	Comment
Peer scoping of solutions	There is no shortage of analysis of the problems. What may be helpful is a preview of the solutions undertaken by colleagues from within the area. Supported by IDeA and LGA.	(i) NBC will be open to neighbours' input. (ii) Practitioner led (iii) Has LGA support (iv) IDeA support is being sought – a reply is awaited.
Peer shadowing – Professional	The best resources from the current neighbouring authorities would shadow & supplement existing resources to strengthen corporate capacity and enhance leadership.	Amongst the rest of the districts, excellence exists in all of the particular areas of difficulty.
Peer shadowing - Political	As above. Clear political leadership exists in neighbouring authorities. Political relationships are strong and trusting. Hence the greatest positive influence on political leadership will be felt quickest.	A team drawn from the locality, supplemented by the LGA/IDeA, would be cohesive.

What is important to emphasise is that there is willingness and capacity here in the locality, to support improvement at Northampton Borough.

ELGIN (Enhanced Local Government in Northamptonshire) – Costs/Benefits

	2007/8	2008/9	2009/10	2010/11
Staff Savings	0	-1,127,000	-2,415,000	-4,025,000
Procurement Savings	0	-816,000	-2,108,000	-3,441,000
Severance Costs	0	1,500,000	1,500,000	0
Project Change Team Costs	350,000	500,000	500,000	0
Net Cost/Saving (-)	350,000	57,000	-2,523,000	-7,466,00

N.B. District figures only!

- Assumes staff savings of 10% for back office and 5% for front line staffing over 3 years
- Includes overall 4% saving through normal staff turnover
- Senior Management savings
- Harmonisation costs of £0.25m ongoing
- Overall 4% saving on procurement

County Council RETT (Radical Enhanced Two Tier) - Costs/Benefits (pwc Model)

	2007/8	2008/9	2009/10	2011/12
Transition costs	9,585,188	5,107,938	0	0
Efficiency savings	0	0	-6,143,242	-9,412,285
New costs/savings	0	1,000,000	1,000,000	1,000,000
Net Cost/Saving (-)	9,585,188	6,107,938	-5,143,242	-8,412,285

- Transition costs of £14.6m, largely for redundancies, process re-engineering and integration of systems.
- £5.6m of staff savings through reduction in senior posts – from 168 to 48
- £1m of extra cost year on year to enhance the role of Councillors.

Unitary Council – Projected Costs/Benefits (PWC Model)

	2008/9	2009/10	2010/11	2011/12
Transition costs	11,410,188	6,932,938	0	0
Efficiency Savings	0	-16,019,145	-21,008,239	-21,364,815
New Costs/savings	0	1,000,000	1,000,000	1,000,000
Net Cost/saving (-)	11,410,188	-8,086,208	-20,008,239	20,364,815

- Transition costs funded from Borough/District Reserves
- £6.6m saved through removing District CEO's/Corporate Directors and majority of HOS.
- £2.4m through removing 7 sets of District Councillors
- £840k reduction in Audit fees
- £2.6m recycled grant to cover 'costs of being in business'
- £9.6m IT, business procedures, property, procurement, reduced borrowing.... staff savings? Unspecified.

NCC

CABINET DECISION STATEMENT

25 January 2007

Appendix 3

* statements in bold indicate additional resolutions made in the meeting

Item	Topic	Resolutions	Action to be taken by
A1	Submission to the government in response to the invitation on restructuring contained in the White Paper: "Stronger and more prosperous communities"	<p>RESOLVED that:</p> <ol style="list-style-type: none"> 1. the Cabinet agreed to pursue with the District and Borough Councils a two/three tier proposal for Northamptonshire (as opposed to a single unitary authority), with an initial application being made to DCLG by the 25th January 2007; 2. the agreement of the District and Borough Councils would continue to be sought over the next four weeks (by 22nd February 2007) for an enhanced two/three tier proposal for the future of local government in Northamptonshire; 3. the Chief Executive would continue to work with his counterparts in the District and Borough Councils to ensure the proposal would be capable of meeting all councils financial imperatives and creating a clearly defined timetable for the project; 4. In order to proceed, a different approach be enacted with regard to the negotiations by bringing in an independent professional arbitrator; 5. The Cabinet believes that agreement with the District and Borough Councils was imperative in order to protect local service provision. The Cabinet also believes agreement was necessary in order to secure the necessary financial efficiencies and the long term future of all councils in the County; and 6. Finally, the Cabinet called upon all involved in the project 	Peter Gould

	throughout the county, both now and in the future, to pledge themselves to create and pursue a spirit of co-operation, harmony, endeavour and creativity.	
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Published: 9 January 2007