



## Invitation for unitary structure for Bedfordshire







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## Section 1. Invitation for unitary structure for Bedfordshire

- 1.1** This is an invitation, made by the Secretary of State under Section 2(1)(b) of the Local Government and Public Involvement in Health Act 2007 (“the Act”), to Bedfordshire County Council, Mid Bedfordshire District Council and South Bedfordshire District Council.
- 1.2** Each of these councils is now invited, if they so wish, to make a Type B proposal for future unitary local government structures for the area comprising of the districts of Mid-Bedfordshire and South Bedfordshire. Under the Act, a Type B proposal is a proposal that there should be a single tier of local government for an area which:
- (a) is currently a district, or two or more districts, in the county concerned; and
  - (b) is specified in the proposal.

### Terms of the invitation

- 1.3** In responding to the invitation, the councils must have regard to the statutory guidance provided by the Secretary of State in section 2 of this document (issued under section 3(5) of the Act). This guidance sets out what a proposal should seek to achieve, and matters that councils should take into account in formulating a proposal.
- 1.4** The invitation is made following the Secretary of State’s decision of 25 July 2007 that she is minded to implement the proposal made by Bedford Borough Council for a unitary authority for Bedford Borough. In making that decision, the Secretary of State accepted that were a unitary authority established for Bedford Borough, the remainder of the two-tier county would be unviable. She therefore indicated her intention to invite Bedfordshire County Council, South Bedfordshire District Council and Mid Bedfordshire District council to submit proposals for a unitary solution for the remaining area of Bedfordshire. The guidance below therefore invites councils to have regard to the decision of 25 July when forming their proposals.
- 1.5** A proposal may be submitted by a council, or by a group of two or more councils.

### Response to the invitation

- 1.6** It is wholly at the discretion of a council whether or not it responds to this invitation. Proposals should be submitted to Communities and Local Government so as to be received before 17 December 2007.

## Section 2. Guidance to councils responding to the Invitation

### The criteria for unitary structures

**2.1** Any proposal should seek to achieve the following outcomes:

- i) the change to the future unitary local government structures is to be:
  - affordable, i.e. that the change itself both represents value for money and can be met from councils' existing resource envelope; and
  - supported by a broad cross section of partners and stakeholders; and
- ii) those future unitary local government structures are to:
  - provide strong, effective and accountable strategic leadership;
  - deliver genuine opportunities for neighbourhood flexibility and empowerment; and
  - deliver value for money and equity on public services.

**2.2** These outcomes are described in more detail in Annex A. The assessment of any proposal received in response to this Invitation will be based upon the Secretary of State's judgment of the likelihood that these outcomes will be achieved.

**2.3** When formulating any proposal, councils should have regard to the following matters:

### Bedford Borough Council's Proposal

**2.4** Bedford Borough Council's proposal made in response to the Secretary of State's Invitation of 26 October 2006, and which the Secretary of State is currently minded to implement. In particular, councils should have regard to the following matters:

- councils may wish to make a proposal complementary to Bedford Borough Council's business case (including the supporting financial analysis).
- where any proposal departs from what has been anticipated in Bedford Borough Council's business case, the Secretary of State will expect that proposal to include evidence based reasons for such a departure, and to substantiate any differences in projected costings.

### The council's/councils' proposal for unitary structures

- 2.5** Any proposal should be in accordance with the terms of the Invitation (see section 1).
- 2.6** The proposal should be presented in the form of a business case and supporting financial analysis.
- 2.7** The business case should include the following key elements:
- i) a full description of the proposed local government structure;
  - ii) the strategic aim of the proposal;
  - iii) main benefits of the proposal;
  - iv) timing of benefits; and
  - v) financial case.
- 2.8** These are discussed in further detail below. As set out above, should a council choose to submit a business case which is not complementary to Bedford Borough Council's business case, the Secretary of State will expect that departures or differences in costings to be evidenced and explained fully.
- 2.9** The business case will also need to reflect the diverse communities which may be found in the area of a proposed unitary – ranging for example from small villages/rural communities, through market towns, to a major urban centre with perhaps its own neighbourhoods. It will also need to show the contribution that ward councillors, town councils, parish and community councils and parish meetings can make to representing, leading and empowering the most local communities within the unitary council's area.

### Description of the proposed local government structure

- 2.10** The business case will need to clearly set out a full description of the proposed new structure for the whole of the area concerned. In addition, the business case for a proposal which involves the creation of a unitary authority for part of the area concerned must also consider and set out the structural arrangements that would apply to the remainder of that area.
- 2.11** In describing the proposed new structure, the council/s submitting proposals may wish to consider the use of maps in addition to a textual description.

**2.12** The description of the proposed structure should include details of proposed electoral arrangements for the proposed authority/ies, such as the number of councillors and the number and type of electoral area for the new authority and the detail of any area or neighbourhood arrangements (including parishes and parish councils). Authorities may want to map such arrangements.

**2.13** The description of the proposed structure should be supported by any relevant statistical details such as the population of the proposed authority/ies for the whole area concerned, council tax base and the representative base (i.e. the electorate for each councillor). This may be set out in the main body of the document or in a supporting annex to the main document.

#### The strategic aim

**2.14** This section of the business case should identify the key objective of the proposal, providing a full explanation of why it is being made and the issues that it seeks to address, and why these issues are best addressed by a proposal for a new unitary structure.

#### Main benefits

**2.15** The business case should outline the main benefits (including non-financial benefits) of the proposed changes. In line with the criteria, it should demonstrate how the proposals will deliver:

- i) strong, effective, and accountable strategic leadership;
- ii) genuine opportunities for neighbourhood flexibility and empowerment;  
and
- iii) value for money and equity on public services.

#### Strong, effective and accountable strategic leadership

**2.16** In demonstrating how the proposed changes will contribute to strong, effective and strategic leadership, the business case should show:

- i) how the proposals will deliver sufficient corporate capacity to support effective partnerships; respond to change and provide strategic leadership for service improvements; and
- ii) how partnership arrangements will be constructed in order to enable integrated and coherent service delivery across the wider public sector and any impact on existing or established partnerships.

### **Neighbourhood flexibility and empowerment.**

**2.17** In demonstrating how the proposed arrangements will deliver neighbourhood engagement and empowerment, the business case should show:

- i) how the proposal will build on the strengths and opportunities within neighbourhoods/parishes to improve access, quality and responsiveness of services;
- ii) how new arrangements will improve citizen's awareness, participation and influence; and
- iii) strengthen the role of the frontline councillor.

### **Public services – value for money and equity**

**2.18** In demonstrating how the proposed arrangements will deliver effective and cost-efficient service delivery, the business case should show:

- i) arrangements for delivering the services at Annex B including strategies and priorities for improvement and meeting efficiency targets. Proposals should also demonstrate how any differences in service provision, i.e. different IT systems, will be addressed;
- ii) how the proposal will deliver value for money services: ensuring that costs are commensurate with service delivery, performance and the outcomes achieved. How forecasts of these costs compare with costs of other councils after they are adjusted to take into account local circumstances;
- iii) how the proposal makes best use of modern procurement methods and partnerships that result in efficiencies and better outcomes for users; and
- iv) how learning from high performing providers and user feedback is being applied.

**2.19** The Government will not expect any reduction in the quality of services or cuts in services as a result of developing this proposal or a move to unitary status.

### **Timing of benefits**

**2.20** It is possible that the benefits of the proposals will be realised to different timescales. For example, where proposals involve significant reconfiguration of service delivery arrangements, there may be lengthy lead-in times. The business case should indicate when benefits are expected to be realised, particularly where these are beyond the timeframe of the financial framework.

### Financial case

- 2.21** This element of the business case should detail the financial benefits that the proposal will bring to the area. Likewise it should include an assessment of the costs that will be incurred in delivering those benefits and how those costs will be met. This should include worked examples of how an authority could align council tax levels across its area (subject to decisions by central Government on regulations and on acceptable council tax levels).
- 2.22** Councils may wish to break down these costs and benefits into two main headings – the initial transitional costs that will be incurred in making the change to a unitary structure and the financial benefits that may result from that change, and the costs that will be incurred in delivering other benefits, some of which may be incurred in the medium to longer-term as a result of service re-engineering. The Government accepts that these latter costs may be subject to further refinement after the submission of the proposals, and the Government will take into account reasonable adjustments when making its decisions.
- 2.23** In addition, every proposal must include a detailed financial analysis of the costs involved. To assist authorities in this task the Government will provide them with a “workbook” which must be completed and submitted as part of the proposal.

### Other information

- 2.24** The proposal may also contain such other material as the council or councils wish to include.

### Preparing the business case

- 2.25** The Government recognises that to prepare a proposal a council may need information from other local authorities. The Government expects local authorities to co-operate with each other in the provision of information needed to construct robust proposals.
- 2.26** The Secretary of State will be prepared to use her powers under section 230 of the Local Government Act 1972 to require such information to be provided, should such co-operation not be forthcoming.
- 2.27** Government will not accept liability for the cost of preparing business cases in response to this Invitation.

## Section 3: Next steps and further information

- 2.28** Officials from the Government Offices and Communities and Local Government will be on hand during the preparation period to provide support to councils preparing proposals. The Government Office should be Councils' first point of contact, as set out below:

Andrew Limb  
Eastbrook  
Shaftesbury Road  
Cambridge  
CB2 8DF  
Tel.: 01223 372 538  
Email: andrew.limb@goeast.gsi.gov.uk

- 2.29** Before implementing any proposal received in response to this Invitation, the Secretary of State must consult upon it, unless all affected councils make a joint proposal, in which case the Secretary of State may, but is not required, to consult (by virtue of section 7(5) of the Act). Her current intention is that she would not consult on a proposal made jointly by all of those invited. However, the Government will announce how it will proceed following the receipt of the proposals.

### Submission of proposals for unitary structures

- 2.30** To submit a proposal, the council or councils should follow the guidance set out above, enclosing all relevant materials to the following address so as to be received by 17 December 2007.

Communities and Local Government  
5/G10 Eland House  
Bressenden Place  
London  
SW1E 5DU  
Email: structures@communities.gsi.gov.uk

## Annex A – Outcomes to be achieved by a proposal

### Affordability

1. Restructuring should deliver value for money and be self-financing so that:
  - i) transitional costs overall must be more than offset over a period (“the payback period”) by savings;
  - ii) the “payback period” must be no more than 5 years;
  - iii) in each year, capital transitional costs incurred are to be financed through revenue resources, or the normal process of prudential borrowing or the use of capital receipts;
  - iv) in each year, other (i.e. revenue) transitional costs incurred are to be financed through a combination of the following:
    - in-year revenue savings arising as a result of restructuring;
    - other in-year specified revenue savings that are additional to annual efficiencies (e.g. Gershon savings) which local authorities are expected to make;
    - drawing on available revenue reserves, subject to ensuring that satisfactory amounts remain to meet unforeseen pressures or other potential calls on reserves. Use of revenue reserves should be the final option considered, both because of the need to preserve a contingency to meet future pressures and because use of reserves adversely affects the fiscal aggregates in a given year, increasing spending but not receipts and so placing further pressure on the Government’s fiscal rules;
  - v) the use of capital resources to meet revenue costs will not be permitted.
2. Any council making a proposal should ensure that all costs incurred as a result of reorganisation are met locally without increasing council tax.
3. The Government will accept no liability for any miscalculation or cost overrun in the final outturn. The Government will not accept that any additional, unforeseen costs of restructuring should be recovered from council tax payers and that, therefore, any unforeseen costs will need to be financed from other sources.

### **A broad cross section of support**

4. The Government recognises that the change to a unitary structure for the area comprising of the districts of Mid Bedfordshire and South Bedfordshire may not carry consensus from or within all sectors. While no single council or body, or group of councils or bodies, will have a veto, it will be necessary for the change to a unitary structure to have support from a range of key partners, stakeholders and service users/citizens.

### **Strategic leadership**

5. New governance arrangements should provide strong, effective and accountable strategic leadership. This leadership should work with their local community, business community, voluntary sector and other stakeholders to create a vision for the future of the place and go on to deliver it. Community leadership is one of the most important features of future local governance.<sup>1</sup>
6. All proposed leadership models should provide:
  - i) strong, stable mandates, consistent with enabling local authorities to take a long-term, strategic view of the needs of their area and take tough decisions if necessary – particularly challenging for the third of local authorities under no overall control;<sup>2</sup>
  - ii) a more outward-orientation, consistent with a growing need to represent the community in discussions and debates with organisations and parts of government at local, regional and national level e.g. through LAAs;
  - iii) clear and direct accountability, consistent with making powerful local leaders more responsive and responsible, and tackling disengagement and powerlessness by shortening the distance between governors and governed; and
  - iv) personal visibility, consistent with the need to bring coherence to an increasingly complex landscape of local actors and partnerships.

### **Neighbourhood empowerment**

7. To improve the quality of life for citizens the Government believes that all communities should have the power and resources to influence the decisions that affect them in their localities. To enable genuine empowerment there needs to be devolution of power down to local communities.

<sup>1</sup> *All Our Futures: The challenges for local governance in 2015*, ODPM, 2005.

<sup>2</sup> Although this number has historically varied, it has been fairly consistent since the early 1990s.

8. Proposals should therefore:
  - i) establish a strong citizen focus, including how the authority will discharge the duty, in Section 138 of the Local Government and Public Involvement in Health Act 2007, to inform, consult, involve;
  - ii) empower local people so that they have the power to influence the decisions that affect their lives including the ability to shape service provision;
  - iii) engage all sections of the community and increase the attractiveness of engagement to widen participation to all.<sup>3</sup> For example Local Charters allow for greater transparency in service provision, enabling service providers and communities to reach a shared understanding about their respective roles, responsibilities and expectations; and
  - iv) deliver clear and accountable community (i.e. neighbourhood/parish) governance arrangements which empower the frontline councillor to champion their community.

#### **Value for money services**

9. Restructuring allows councils to challenge current procedures and review their service provision across the board, typically known as 'business process improvement'. Services should be delivered effectively, efficiently and in an integrated and coherent way, ultimately driving up 'customer satisfaction'.<sup>4</sup> Councils should work with local partners to utilise the capacities and skills of the best service providers in the public, private and third sectors.
10. Restructuring proposals should enable:
  - i) value for money service delivery, offering efficient, effective and joined up public services, maximising collaboration and technology;
  - ii) effective, responsive services that are best suited to meet the needs and preferences of local and business communities; ultimately '... services which people use because they value them, not because they have no alternative'.<sup>5</sup> Authorities should also take into consideration demand and communications in the area including for example, areas of deprivation, transport links and travel-to-work, shopping/leisure patterns; and
  - iii) communities to play an active role in influencing and shaping both planning and delivery of services.

<sup>3</sup> 'We need to transform the opportunities available for all people and communities to shape neighbourhoods...' Sustainable Communities: People, Places and Prosperity ODPM 2005  
'...there is much more than can be done to draft marginalised and vulnerable people into local decision making... important to find new ways of increasing people's capacity or desire to become more involved' *Promoting Effective Citizenship and Community Empowerment: A guide for local authorities on enhancing capacity for public participation*, ODPM 2006.

<sup>4</sup> *Population Size and Local Authority Performance*, Communities and Local Government, 2006.

<sup>5</sup> *Sustainable Communities: People, Places and Prosperity*, ODPM 2005.

## Annex B. Service delivery and unitary proposals

- 1.** Children's Services
  - Education Services not funded through the Dedicated Schools Grant
  - Children's Social Services
  - Other
- 2.** Highways, Roads and Transport
  - Maintenance and street services
  - Parking
- 3.** Adult Social Care
- 4.** Housing
  - Housing Benefits
  - Housing Services
- 5.** Cultural and related services
- 6.** Environmental Services
  - Street Cleaning and Waste
  - Air Quality
  - Environmental Health
  - Other
- 7.** Planning and Development
  - Preparation of the Local Development Framework
  - In relation to the Regional Spatial Strategy
  - Waste and Mineral Planning
- 8.** Fire Services
- 9.** Economic Development
- 10.** Corporate Support Services

**11.** Central Services

- Local tax collection
- Electoral Registration Services

**12.** Other costs

- Pensions
- Trading Accounts