

Item 4

REPORT TO COUNCIL

10TH JANUARY 2008

REPORT OF CHIEF EXECUTIVE

Portfolio – Strategic Leadership

SEDGFIELD BOROUGH COUNCIL - TRANSITION PLAN

1. SUMMARY

- 1.1 On 25 July 2007 the Government announced that the Secretary of State for Communities and Local Government was minded to implement a single unitary council for County Durham. A decision she confirmed on 5 December 2007. The Local Government and Public Involvement in Health bill, required for the implementation of a single unitary council in the County, received Royal Assent on 30 October 2007. The implementation orders are expected to be approved in the New Year, with an election to the new Council in May 2008.
- 1.2 Whilst a legal appeal of the decision is still ongoing, councils within the County are working together in readiness for the new council. Leaders of the Districts, together with the Leader and selected Members of the County Council are working to form an Implementation Executive, whilst the Chief Executives of the District Councils are working with the County Council's Corporate Management Team to form an Implementation Team. An independent programme Director has been appointed to oversee the process of transition. A series of work-streams are being established.
- 1.3 It is incumbent upon affected councils to cooperate fully and to ensure that their activities for the remainder of their lifetime are complementary to the formation of a new Council. Government consultation papers and guidance both emphasise the importance of this approach. Moreover the Local Government (Public Involvement in Health) Act 2007("the 2007 Act") has now received Royal Assent; Section 24 of that Act places limitations upon the Council's ability to make financial commitments. This report recognises that certain consents may be required from the Department of Communities and Local Government, the Durham County Council in its role as transition authority, the Implementation Team of Officers and the Implementation Executive, once established, and such other persons as the Council may be directed to consult. Further reports will deal with these aspects in detail where appropriate.
- 1.4 This report sets out a Transitional Plan for the Borough Council as a key consultative document within the transition process. The Transition Plan highlights the major projects that the Council is seeking to undertake, internal arrangements for transition, guiding principles and values as well as the financial plan to deliver it. This report further sets out the key issues that will affect the Council over the transition process and sets out recommendations to address these issues.
- 1.5 Cabinet considered the Transition Plan at its meeting on 20th December 2007 and agreed to make the following recommendations to Council:-

2. **RECOMMENDATIONS**

- 2.1 That the Transition Plan be approved as an amendment to the Corporate Plan.
- 2.2 That the Council's constitution be amended to give the Chief Executive a revised remit to facilitate the Transitional Process as set out in para. 4.4
- 2.3 That delegated authority be given to the Chief Officers Appointment Panel to make changes to the pay and conditions of Chief Officers as may be deemed necessary through the transition process.

3. **BACKGROUND**

- 3.1 In the 2006 Local Government White Paper Strong and Prosperous Communities invited Councils to submit proposals to create Unitary Authorities by April 2009 or working as Pathfinders to improve services in two tier areas. The County Council decided to submit a bid for a County Unitary Authority whilst the District Councils submitted a bid for a Pathfinder, leading to Unitary Government in the future. In July 2007 the Government indicated that it was minded to implement the County Council's proposal for a single unitary council for County Durham – this decision was confirmed on 5th December 2007.
- 3.2 The 2007 Act received Royal Assent on 30 October 2007 and implementation orders are expected to be approved in the New Year, with an election to the new Council in May 2008. The table below sets out the position nationally.

Current area and structure	New structure	First election date:
Cornwall 1 county council 6 district councils	1 unitary council	May 2009
Durham 1 county council 7 district councils	1 unitary council	May 2008
Northumberland 1 county council 6 district councils	1 unitary council	May 2008
Shropshire 1 county council 5 district councils	1 unitary council	May 2009
Wiltshire 1 county council 4 district councils	1 unitary council	May 2009

The Government has since confirmed a further proposal to create a 2 unitary Council model in Cheshire.

- 3.3 CLG has issued a number of consultation papers regarding the implementation process which will contribute to the Implementation Order, expected in the New Year. These set out the intention to form a joint District and County Member Implementation Executive and a joint Implementation

Group made up of senior officers from the County and District Councils. A 'firm' order for Durham – The Durham (Structural Change) Order 2007/8 – was laid on 17th December 2007 and will be considered by both Houses of Parliament during January 2008.

- 3.4 Whilst a legal appeal to the decision is still ongoing, councils within the County are working together in readiness for the new council. Leaders of the Districts, together with the Leader and selected Members of the County Council are working to form an Implementation Executive (IE), whilst the Chief Executives of the District Councils are working with the County Council's Corporate Management Team to form an Implementation Team (IT). An independent programme Director has been appointed to oversee the process.
- 3.5 Vesting Day of the new unitary council will be 1 April 2009.

4. TRANSITION PROCESSES

- 4.1 Through the programme director a number of key work-streams are currently being established. These include:
- Leadership
 - Vision / Strategy
 - People / Organisation
 - Process / ICT
 - Finance / Property
 - Customers
 - Democracy and Governance
- 4.2 County Wide groups are being established (where they do not already exist) to examine the issues and report recommendations through the IT and in the first instance to the Implementation Executive and following the election in May 2008 the Transitional Authority for decisions. These groups will be responsible for detailed and complex work and will no doubt prove resource intensive.
- 4.3 Within Sedgefield Borough Council a member of the Council's Management Team will lead on each of the work-streams where they relate to the relevant service area. This will include ensuring that the internal working arrangements of the Borough Council mirror those of the emerging Unitary Council. This will inevitably require internal staff support. The staffing requirements are highlighted in the Transition Plan.
- 4.4 It is recognised that the Council's decision processes need to be reviewed and reshaped to assist effective decision making during the transitional period. In addition, the increased workload during the transition period will itself require a revision of the current delegation arrangements to facilitate decision-making and improved outcomes. It is therefore proposed that the constitution be amended as follows:

Chief Executive Officers proposed revised remit:

addition of new Article 13.02 (c)

" Functions to facilitate Local Government Reorganisation Transitional Process
:

The Chief Executive may make changes to the Constitution, and take decisions on the basis of such changes, subject first to consultation with

(a) the Leader of the Council and the Chair of any committee or committees to which the decision might be relevant or have direct effect (in the latter case as circumstances might reasonably require)

and

(b) the Statutory Officers,

where such changes are required on one or more of the following grounds:-

(a) To assist, promote or facilitate the transition to the creation of a new Unitary Local Authority for Durham.

(b) That such steps are reasonably necessary in order to sustain the delivery of the Council's functions and services.

or

(c) That such steps are required to maintain the Council's Constitution in accordance with current legislation.

subject only to the requirement that any such change shall subsequently be published on the Council's website as soon as practicable and details of such changes being tabled for retrospective approval in a report to the next Council Meeting after such changes have taken effect.

5. KEY PROJECTS

5.1 The Transition Plan highlights a number of key projects that the Council will be undertaking in its final year of operation which may require approval through the IE or Transitional Authority. The projects which are major elements of the Borough's regeneration plans are detailed in the Transitional Plan, setting out the key issues that are being addressed, the historical context and business case for each. Many of these projects will continue into the new Unitary Council and are being progressed to enhance the services of the new council.

5.2 The key projects as listed in the plan include:

- LSVT of the Council's Housing Stock
- Housing Maintenance Partnering Contract with Mears
- Coalfield Housing Regeneration Trust and Company
- Spennymoor Town Centre Renewal
- Newton Aycliffe Town Centre Renewal
- Merger of the Council's Training Service with Bishop Auckland College and associated Construction Training Centre

5.3 In addition to the major projects the Plan highlights those key areas which will be continued throughout the transition phase, such the Local Improvement Programme and the Neighbourhood Enhancement Fund.

- 5.4 As with the work-streams, the key projects have a lead officer designated from the Council's Management Team and will require dedicated staff support in order to ensure their success.

6 CORPORATE POLICY IMPLICATIONS

- 6.1 The Transition Plan represents a revision to the Council's Corporate Plan. The plan restates the Council's Values and sets out the principles by which the Council will operate during its remaining lifetime. The plan sets out in broad terms what the Council's investment priorities will be, those areas that will no longer be progressed (as they conflict with the notion of a County Unitary) priority projects and the resource plan.

7. RESOURCE IMPLICATIONS

7.1 Human Resources

The transition projects and Local Government Reorganisation work-streams detailed in this report will require additional employee resources.

This requirement can be partially met by releasing resources from non-critical "business as usual" activities. However, scope for releasing resources in this way is limited given that many frontline services will be largely unaffected by LGR and will continue to operate as normal. Corporate support areas such as Legal, HR, ICT and Finance will experience an increase in the demand for their day-to-day (non-transition) services as a direct result of LGR.

Given the importance of these projects and the need to be adequately represented at LGR work streams the Council must and can address workforce capacity requirements through a series of available/existing HR measures including ...

- Temporary additional duties and responsibilities
- Acting-up (stepping-up) arrangements
- Upskilling/Development
- External consultants
- Agency/temporary employees
- Overtime working

In its recent discussion paper *Local Government Restructuring Staffing Issues*, the CLG recognised that authorities involved in LGR may face capacity and retention difficulties and it is considered that the above measures will help to mitigate this risk to the Transition Plan.

Whilst much of this can be dealt through authority already delegated to the Chief Executive and Head of Organisational Development, existing arrangements at Chief Officer level are less flexible and currently require approval by Full Council. In order to provide a more streamlined/responsive process whilst at the same time maintaining the highest standards of accountability and governance, it is proposed that authorisation at this level be delegated to the Chief Officers' Appointments Panel.

7.2 Financial Resources

The Transitional Plan will not require financial resources over and above those detailed within the revised Medium Term Financial Plan. The Borough

Council has made a number of financial commitments in order to support the major projects detailed within the council's Transitional Plan. Subject to the further approvals that may be required from the IE and IT the Borough Council will honour these commitments. The Council reiterates its commitment to sound financial management, prudent use of resources and reserves and will continue to ensure efficiency savings in line with Gershon targets. In terms of the HR capacity issues outlined above it is estimated that the costs associated with these measures will not exceed £130,000 which can be met through savings secured through the current years staffing budgets as a direct result of increased staff turnover.

8. **CONSULTATIONS**

- 8.1 The Transition Plan is a key consultative document of the Borough Council and will be widely circulated to interested parties for comment.

9. **OTHER MATERIAL CONSIDERATIONS**

Key other material considerations include:

Constitutional and legal Implications

The Council's Solicitor advises that the Local Government (Public Involvement in Health) Act 2007 has now received Royal Assent; Section 24 of that Act places limitations upon the Council's ability to make financial commitments. This report recognises that certain consents may be required from the Department of Communities and Local Government, the Durham County Council, in its role as transition authority, the Joint Implementation Team of Officers and the Implementation Executive, once established, and such other persons as the Council may be directed to consult. Further reports will deal with these aspects.

Risk Management

The plan contains a risk analysis. Individual projects will be subject to full risk analysis as we move through the process over the coming months.

Sustainability

The plan ensures the sustainability of key initiatives within Sedgefield Borough.

10. **OVERVIEW AND SCRUTINY IMPLICATIONS**

- 10.1 Local Government Reorganisation and the Council's transition projects will impact directly on the Overview & Scrutiny work programme. This report seeks approval for changes to the previously published Corporate Plan on which this work programme was based and so (subject to Council's approval) it will be necessary to review this and agree a revised programme that reflects the transition plan. There are also proposals to form a Joint Overview and Scrutiny Committee representation, on which will be separately considered on today's agenda.

11. **LIST OF APPENDICES**

None

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Wards: All

Key Decision Validation: Significant impact on more than one ward.

Background Papers:

Sedgefield Borough Council Corporate Plan.

Sedgefield Borough Council revised Medium Term Financial Plan

A new County Durham Council, proposal for future Unitary Structure for County Durham.

The Transition plan contains background papers and historical context for each of the transition projects.

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Councils Head of the Paid Service or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Councils S.151 Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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