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Review Manager  
(Devon Review)  
The Boundary Committee for England  
Trevelyan House  
Great Peter Street  
London  
SW1P 2HW

Our ref: JT/SD(C)/VB  
12 May 2009

Dear Review Manager,

### **Local Government Review**

I write in response to the Boundary Committee's report published on 19 March 2009. This letter represents the unanimous and cross party views of the Council.

The Council strongly objects to both of the Boundary Committee's proposals for a Unitary Devon authority, and to an Exeter and Exmouth Unitary, with a unitary authority for the remaining area of Devon. The Council's response has been shaped by an extensive public engagement process during both the consultation periods, and reflects the views of the vast majority of the public and local stakeholders. I am concerned that the views expressed last year by a significant majority of people do not appear to have been taken into account as the Boundary Committee is persisting with advocating a unitary solution for Devon, which most respondents have already rejected.

The scale of a Unitary Devon, with or without Exeter and Exmouth, would result in the creation of a large authority, both in population terms and geographically, which conflicts with current Government policy to bring local government closer to the people it serves.

As an initial part of the process the Boundary Committee invited the submission of concepts. Only the County Council and Torridge District Council proposed a single Devon unitary as a concept. During the last consultation process, Torridge District Council subsequently indicated its concerns about the Unitary Devon proposal. There has not been any specific promoter for the second proposal for a two unitary option for Devon. There is a strong majority view from the Devon district councils, most of the locally based stakeholder groups (rather than some of the strategic bodies) and local residents, that a Unitary Devon, with or without Exeter and Exmouth, is inappropriate.

When assessing either of the Boundary Committee's recommendations against the five criteria established by the Secretary of State, the Council believes that the proposals fail to sufficiently meet the criteria to justify the scale of strategic risk and disruption which would result from the proposed change.

In terms of attracting a broad cross section of support, the Council believes that there is very limited support for either proposal in South Hams. Based on the Boundary Committee's website, this appears to be a view held in many other areas of Devon. The majority view of local people is that local government in Devon is not broken and does not need fixing. It is disappointing that despite the pledge that local views would be taken into account, the Boundary Committee has not published amended proposals in the latest round of consultation, despite the scale of representation against the initial recommendations which were received.

With regard to strategic leadership, the Council's view is that a new unitary needs to be large enough to have strategic influence but small enough to connect with local people. The proposals for either a Unitary Devon or a Unitary for the remaining area of Devon would create an authority which is so large that, rather than improving strategic outcomes for the people of Devon, it will result in a democratic deficit, and create diseconomies of scale as the distance between the centre of the organisation and front line delivery increases. A single Devon council, or the alternative large rural Devon Unitary, will not be sufficiently sensitive to the separate and distinct economies within Devon or respond to locality issues.

Proposals for Spatial Boards, quasi-judicial sub-boards, and Community Boards are examples of how the scale of either Unitary Devon option requires a series of additional structures to secure a connection back to local communities from a remote centre.

There is no evidence in the Boundary Committee's report that a Unitary Devon or a Unitary for the remaining area of Devon would more effectively achieve strategic leadership and respond to the challenges in our area than any of the unitary concepts initially submitted at the request of the Boundary Committee. Indeed all have been dismissed without any further examination or reference in the revised report, despite confirmation from the Boundary Committee in an email dated 20 February 2009 that:

*"The Committee has agreed to identify any patterns which in its judgement are likely to have the capacity to meet the five criteria and which it would potentially put to the Secretary of State as an 'alternative proposal'. Where it has identified any such patterns it has agreed to publish them as 'further draft proposals' and invite representations on them. In identifying any patterns it has agreed to consider all patterns/concepts that have been put to it previously, including that put forward by South Hams District Council. The Committee has also agreed that when considering whether any patterns meet the 5 criteria, it will do so 'in aggregate', as envisaged by the 5 December guidance.*

*To identify any further draft proposals, the Committee will use the information it has received to date. The Committee has received over 6000 representations in Devon and heard from many local organisations, businesses and members of the local government community in Devon, including South Hams District Council. It does not currently consider that new work books are necessary for the Committee to identify any further draft proposals that have the capacity of meeting the five criteria. The Committee has received a great deal of information on various patterns of unitary local government in Devon and we do not propose to hold any further meetings with local authorities in order to support the identification of any further draft proposals.”*

Community engagement is a key issue for the Government. Either unitary proposal for our area would damage existing levels of local representation and reduce the ability of local people to influence events in their area. The further communities are away from the local authority centre delivering their services and collecting their Council Tax, the more disconnected people feel. Not only would a large Devon Unitary be inaccessible by virtue of its remoteness, large organisations are inaccessible because they have complex organisational structures which makes it difficult for local people to find out who is responsible for what, and who makes the decisions.

A key objection to either of the Boundary Committee's proposals for our area is the democratic deficit. Currently South Hams residents have one councillor for every 2,000 people at district level, supported by eight county councillors. Assuming 100 members are agreed for Unitary Devon with a population of nearly 750,000, it would result in one councillor per 7,500 of population. This would result in the people of Devon having the worst level of local representation in the country. The scale of the workload for a councillor in a large sparsely populated unitary area, engaged in the range of issues affecting a unitary authority, while also undertaking the time consuming but essential local representative role, would result in the need for full time professional councillors. This would undermine the diversity and range of individuals able to become councillors and result in a failure to achieve a representative cross section of the community. The proposal for a Rural Devon Unitary would not address this problem; as such an authority would still serve a large population of 540,000 people with an anticipated comparable level of local councillor representation.

The Boundary Committee report suggests “that the (proposed) community governance arrangements go some way to addressing how local people can influence the delivery of local services” in such large unitary authority options. The proposals referred to in the report are not binding on any new authority which is established and there are no examples of successful implementation of Community Boards elsewhere in the country. Indeed the Council concludes that the Community Boards will create another tier of local government without any clear benefit. The Boards will also exclude the involvement of the majority of rural parishes within the hinterland of the town that the Community Board is based on. At a time of financial constraint, discretionary arrangements such as Community Boards may never be implemented by a new authority.

In terms of value for money, there is no clear evidence that the larger the authority, then the more efficient it is, particularly local government organisations of the scale proposed. Indeed beyond a certain size, which varies according to the service being delivered, it has been shown that the opposite occurs and the organisation becomes less efficient. There is little focus by the Boundary Committee on this particular criterion in the report and it does not include a definition of the term 'value for money' for the purposes of the review. Clearly value for money is not the same as affordability, and there will be a cost to effective democratic representation in both proposals suggested in the report, which does not appear to have been taken into account.

Affordability is a key concern for stakeholders and the Council supports the drive to reduce costs. However there have not been financial comparisons of the savings which could be achieved from a new pattern of local government based on other concepts submitted, or indeed more rigorous shared service delivery under the current system. While cost is important, an equal criterion for the review is community engagement and local accountability. The Council's view is that the Boundary Committee's conclusion should not simply be based on creating the superficially easiest, expedient and cheapest solutions.

The financial model used to underpin the recommendations is based on a number of general estimates. High level assumptions have been made about future service delivery, service access arrangements and the size of the workforce. Rural sparsity may increase costs if a strongly centralised pattern of service delivery is established rather than a local delivery approach as currently delivered.

Headline financial information may initially appear attractive but the financial information is based on historic assumptions, such as population figures from 2001, which significantly underestimates the population across Devon by nearly 50,000. The report uses outdated financial information, for example financial estimates which were formulated in late 2006 to inform the 2007/2008 budget estimates. They are out of date figures and not relevant to service demands that we now are confronting in a sustained recession, especially when our income and other revenue streams are much reduced.

There are huge risks around the estimates, for example the Boundary Committee suggest that major changes to replace or harmonise IT systems for Unitary Devon will only cost £2.5 million, while the two unitary option the Committee proposes relies on estimates of over £11 million worth of savings to make it affordable without identifying where this money will come from.

The Financial Consultants have expressed concern about a "lack of sponsor" for the Rural Devon Unitary in the two unitary model and have made the point that it should not be assumed that the savings identified can be achieved without further detailed work and especially without a committed sponsor. With such a level of uncertainty, this proposal is risky.

The financial information the Committee uses does not take into account the current economic situation and the impact this has had on each of the Devon Councils' income and reserves. Setting up the two unitary patterns requires £4.2 million of existing balances in the rural areas to be transferred to the Exeter/ Exmouth Unitary proposal and £2.8m of revenue savings from Exeter/ Exmouth to be transferred to Rural Devon. The independent financial consultants used by the Boundary Committee say that the new organisations may not agree to this. Again the basis of the Boundary Committee's recommendation appears risky.

Of perhaps most importance is that the modelling outcome is not binding on any successor authority and is not intended to be the basis of a budget for the new councils. No stakeholder can therefore rely on the consultants conclusions on affordability or value for money.

Shared services could deliver savings without compromising local democracy or risking the upheaval which will occur from setting up a unitary pattern of local government. The existing pattern of local government relies on local councillors who are committed to their local area and replaces them with a more expensive system of representatives from organisations to sit on Spatial and Community Boards.

There is no evidence that previous reorganisations to create unitary councils have resulted in the predicted savings having been achieved. Experience of other large scale reorganisations has shown that actual costs are much greater than anticipated. Examples close to home include the increasing cost of the Cornwall Unitary compared to the initial business case.

Assumptions within the financial model indicate that the county council anticipates that it will be a continuing authority with the district councils abolished. The establishment of a new unitary should be an opportunity to create a new culture with a comprehensively reviewed supporting structure and budget to set and achieve the new organisation's priorities. Without a significant cultural shift, which is a real risk in a continuing authority, there is a fear that savings will only come from 'district' rather than 'county' services where we believe that considerable savings could and would be made under 'Shared Services'.

There is an enthusiastic commitment to 'Integrated Devon' by all councils across Devon and much had been achieved to improve services and reduce costs. Recent examples include civil parking enforcement and concessionary fares. Much more was planned but has been held in abeyance in the last few months due to the boundary review process. Devon County, South Hams, Teignbridge and West Devon Councils all have good reputations and could build on existing high performance and customer satisfaction. The integrated arrangements already implemented were working and if they were to continue, there would be a huge saving in transition costs and inevitable disruption which would arise from either of the Boundary Committee proposals.

In view of the on going uncertainty, South Hams District Council and West Devon Borough Council have recently resolved to establish a shared management team to reinvigorate and accelerate the shared services agenda between the two authorities. Following the appointment of the shared Chief Executive, a range of joint services, including building control, corporate improvement/policy unit, human resources, procurement, tourism, environmental health, civil parking enforcement have been put in place and a joint revenue and benefits is being set up. The 'pilot' work being achieved in the south of the county would be easy to replicate in the east and north to secure quick, non disruptive, low risk wins.

The Council is not only concerned about both of the Boundary Committee's proposals; but also about the process to date. Effective public consultation has been prejudiced for a number of reasons. Confusion has been caused about whether there is the opportunity for consultees to comment on other more appropriate patterns of local government in Devon, including any of the concepts previously submitted, or indeed the retention of the status quo.

The DCLG's intervention on 13 August 2008 suggesting that the retention of the status quo should be part of the assessment, if representations are received promoting the retention of the existing pattern of local government. The Boundary Committee acknowledge the scale of representation about the merits of the current system of local government in Devon but has not conducted a comparison between the relative merits of the existing structure and the Committee's proposals. On the face of it, the initial representations have been ignored.

The Boundary Committee's recent publication of almost identical proposals to those published last summer has without doubt undermined local interest in the process. It is hoped that the possible lack of interest in the new consultation round is not perceived as support for the Boundary Committee's proposals.

In summary the Council has no confidence in either of the Boundary Committee's revised draft proposals. In the absence of a clear case for either a Unitary Devon or a two Unitary option, and the Boundary Committee's reluctance to consider the Rural South Devon and Dartmoor option, then this Council would recommend retention of the status quo which involves the authorities in Devon at all three tiers working together to improve services and reduce costs under the 'Integrated Devon' banner. Considerable progress had been made, and costs would have continued to be reduced without undermining local democracy and without recourse to disruptive reorganisation.

The Council hopes that the matters raised will be given careful consideration by the Boundary Committee when it considers its recommendation to the Secretary of State.

Finally, I would be grateful if you could acknowledge this letter has been received within the consultation deadline.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Tucker'.

Cllr John Tucker  
Leader of the Council  
South Hams District Council