

COUNCIL  
08 OCTOBER 2020

Report of the Chief Executive

## **VISION DERBYSHIRE AND LOCAL GOVERNMENT REFORM**

### **PURPOSE OF REPORT**

This report provides an update on the 'Vision Derbyshire' project and considers sign-off of the Vision Derbyshire case for change. The report also provides an update on the imminent publication of the Government's Devolution and Recovery White Paper and approves 'Vision Derbyshire' as the Council's preferred option of local government reform in Derbyshire at the current time.

### **RECOMMENDATION**

1. That Council acknowledges the progress work that has taken place with Derbyshire Councils on the development of Vision Derbyshire.
2. That Council notes the imminent publication of the Government's Devolution and Local Recovery White Paper and the potential implications in relation to potential local government reform.
3. That Council notes the potential offered by the White Paper to secure a devolution deal for the East Midlands and the resultant benefit to the Derbyshire Dales through additional investment in the county.
4. That Council approves Vision Derbyshire as the Council's preferred option of local government reform in Derbyshire at the current time.
5. That authority be delegated to the Chief Executive to participate in discussions with authorities across Derbyshire in regard to any alternative propositions for local government reform that may emerge and present an updating report to Council as appropriate.

### **WARDS AFFECTED**

All

### **STRATEGIC LINK**

The non-structural reform initiative will enable the Council to explore more collaborative forms of working across traditional boundaries in an effort to improve the outcomes for Derbyshire Dales' residents and businesses.

## **1 BACKGROUND**

- 1.1 At the meeting of Council on 16<sup>th</sup> January 2020, Members were appraised of the work commissioned by all Derbyshire Councils, to work in partnership with Price Waterhouse Coopers (PwC) to undertake a programme of work to explore the appetite for future collaborative working in Derbyshire. It was agreed that the new approach should look beyond traditional partnerships towards a new collective and ambitious

vision and model of collaboration, integration and shared leadership focused on achieving the greatest public value for local people and communities.

- 1.2 At the meeting of Council on 15th July 2020, Members were updated on Phase 2 of the project and endorsed the Council's ongoing participation in the project. The remainder of this report provides a further update on progress and recent events.

## 2 VISION DERBYSHIRE CONTEXT

- 2.1 In June 2019, the Council embarked on a programme of work with all Derbyshire Councils to explore the appetite for future collaborative working. Fuelled by a desire to secure better outcomes and achieve the greatest public value for local people and communities across Derbyshire, Councils agreed that the new approach should look beyond traditional partnerships, towards a new collective and ambitious vision and model of collaboration, integration and shared leadership.
- 2.2 Price Waterhouse Coopers (PwC), were commissioned to support the development of the approach and programme of work which has been undertaken in two phases over the last eighteen months, as follows:

**Phase 1** - All ten Councils in Derbyshire – the County Council, City Council and eight District and Borough Councils – worked together during the first phase to identify shared priorities and agree to strategically collaborate on the improvement of outcomes for people and places. This phase aimed to identify and explore the existing level of ambition and appetite of stakeholders to progress non-structural reform in Derbyshire and resulted in the development and agreement of:

- **Principles for collaboration** to guide future working such as improve outcomes, speak with one voice, better coordination, provide a visible alternative to unitarisation and deliver to be sustainable
- **Areas for future collaboration** to provide a potential focus for future working such as climate change, tourism, skills and employment, social mobility, economic prosperity etc
- **Critical success factors** to drive a step change in approach/ways of working to accelerate a truly different model of local government in Derbyshire, including working at pace and building on momentum, working as a collective in a different physical and mental space from business as usual and strengthening and role modelling collaborative and collective leadership behaviours.

- 2.3 The work undertaken as part of the first phase marked a statement to develop a fundamentally new way of working together, to deliver differently for the people of Derbyshire and following successful completion of Phase 1, Councils agreed that further work to turn the vision and ambition into a viable alternative to structural reform through a second phase, was required.
- 2.4 Derby City Council, who participated in Phase 1 of the approach, declined to participate in Phase 2, although the opportunity to work collaboratively on the further development of the approach has remained open.
- 2.5 **Phase 2** - Phase 2 of the programme, which commenced in March 2020, has subsequently resulted in the development of an ambitious approach to non-structural

reform – Vision Derbyshire - and the development of a case for change and proposition to central government focused around four key ambitions as follows:

- **Seize innovation** - pioneering skills and technologies for a sustainable future economy
- **Establish relentless ambition** - creating opportunities for everyone in Derbyshire and making these visible:
- **Build proactive communities** - harnessing the energy in Derbyshire's communities and empowering people to make change:
- **Live and work sustainably** - committing to a zero-carbon footprint in our tourism, wider economy and ways of working:

- 2.6 The case for change is a compelling, shared argument that a collective commitment to strategic collaboration across Councils which will realise significant benefits and is the most effective way to improve outcomes for Derbyshire people and places.
- 2.7 Phase 2 of the programme has coincided with the onset of the recent coronavirus pandemic which has provided even greater incentives for Councils to work collaboratively to support recovery and renewal activity across the county.
- 2.8 A number of enablers to support and embed collaboration, such as leadership, culture, technology, workforce, customers, assets have been identified as key components of the approach and these will underpin the potential organisational (£20 million to £66 million) and wider system benefits (£1.08 billion) that could be achieved if the new approach were to be taken forward.
- 2.9 A new formal governance model to support effective decision making has also been identified as being crucial in taking the approach forward. The new governance model would see the creation of a new Joint Committee for Vision Derbyshire comprising the Leaders of all participating Councils. Discussions on this scope of this are ongoing.
- 2.10 A number of asks and offers to central Government to support the realisation of ambitions have been identified. The asks request specific freedoms, flexibilities and resources to delivery identified priorities, whilst the offers outlined the role the partnership will play in delivering better, more ambitious outcomes for less resource.
- 2.11 With a shared commitment and strong governance across all Derbyshire Councils, the case for change argues that, collectively, Councils can rapidly transform the way they work together and what they offer to local people. At the heart of the case for change is the belief that strong commitment to strategic collaboration can improve outcomes and realise financial efficiencies, delivering the benefits of reorganisation without the administrative burden, financial cost, time delays and political upheaval.

- 2.12 A high-level proposition to Government has also been developed alongside the case for change as a statement of intent from Councils for Ministers and senior officers at the Ministry of Housing Communities and Local Government (MHCLG). This statement of intent, is a key step in the engagement process with Government in respect of Derbyshire Councils wish to take Vision Derbyshire forward.
- 2.13 The Vision Derbyshire case for change which is in the final stages of preparation, will be presented back to members in due course.

### **3 DEVOLUTION AND LOCAL RECOVERY WHITE PAPER**

- 3.1 The Government announced its intention to publish a White Paper on Devolution and Local Recovery, as a means to 'level up' all parts of the country and reduce regional inequalities, during the final stages of the development of the Vision Derbyshire case for change. Whilst the formal content of the White Paper is not yet known, it is widely expected that the Government will set out its proposals for local government structural reform in England along with setting out the role which greater devolution will play in national recovery. It is anticipated that the White Paper will be published in early October 2020.
- 3.2 Many councils across the country are currently exploring the potential offered by the White Paper to secure a devolution deal for their areas. A devolution deal for the East Midlands is likely result in significant additional investment in infrastructure, skills, transport and housing in Derbyshire which would have potential resultant benefits to the Derbyshire Dales. In light of the continued pressure on public finances and the current and continuing impact of Covid19, such investment would be of vital importance in supporting the economy to recover from the pandemic for the benefit of local people.
- 3.3 Intelligence suggests that local government restructuring is likely to be viewed as a prerequisite to future devolution deals. It is also anticipated that the Government will invite a small number of councils to take part in the 'first tranche' of local government reform. Whilst this is an emergent process, intelligence also suggests that councils who are able to submit their case for local government reform by the Government's agreed date will be considered for inclusion in the first or early tranche of areas pursuing devolution deals
- 3.4 The imminent publication of the White Paper, has resulted in a pressing need to present the Vision Derbyshire case for change, as a viable alternative to local government structural reform, at the earliest opportunity whilst also supporting regional ambitions for a streamlined and coherent East Midlands. A letter to Government, signed by all Derbyshire Councils, requesting a meeting to discuss the approach was sent to the Secretary of State on 4<sup>th</sup> September 2020, with a meeting yet to be arranged (Appendix 1).
- 3.5 It is not yet known whether any alternatives to local government reorganisation and structural reform, including collaborative models for non-structural reform such as Vision Derbyshire will be palatable to Government or if there will be any scope for these to be accommodated in the White Paper once published.
- 3.6 However, due to the time, effort and considerable engagement that Derbyshire Councils have taken over the last 18 months to develop Vision Derbyshire, it is important that the Council remains committed to this approach. It is, therefore,

recommended that Council approve Vision Derbyshire as its preferred option for local government reform at the current time.

- 3.7 Whilst the approach to Vision Derbyshire is finalised, Derbyshire County Council has in addition resolved to progress the development of a viable alternative option for local government reform in the event that Vision Derbyshire is not able to satisfy the Government's requirements for reform and a subsequent devolution deal. At a meeting on 16<sup>th</sup> September, the County Council mandated its officers to prepare an alternative route for devolution, in the form of developing a case for a single unitary model of local government in Derbyshire, on a county footprint. The County Council has also resolved to approve the submission of a letter from the Leader to the Secretary of State for Housing, Communities and Local Government to request an invitation to submit a proposal for a single tier of local government for the county, in line with this approach and following the current legislative provisions. The County Council consider that this approach will ensure the Council remains agile and is prepared and able to move quickly if necessary, to keep pace with other areas and retain the opportunity be considered in the first tranche of devolution deals, following the publication of the criteria set out in the Local Recovery and Devolution White Paper.
- 3.8 The Leader of Derby City Council has also written to the Secretary of State to request a meeting to discuss the City Council's perspective on the potential for devolution, a new combined authority/regional elected mayor, and local government reorganisation in relation to the White Paper, referring to an opportunity to present to him the potential benefits of local government reorganisation to a wider Derby City area.
- 3.9 Whilst Derby is an existing unitary authority, the Government has stated that its preference is for new unitary authorities to serve a population of between 300,000 and 600,000, which is more than Derby's existing population. The City Council may therefore see this as an opportunity to review the local government arrangements in the City and the surrounding area and has referred to exploring all options with neighbouring councils and other stakeholders.
- 3.10 It is considered that this Council should remain committed to Vision Derbyshire but in the light of the above information it is recommended that officers should remain open to exploring other options should the conditions for Vision Derbyshire not be met or circumstances change in the interim. It is possible that alternative propositions to a single county unitary may emerge in the coming months and it is important that the interests of Derbyshire Dales are represented in such discussions. Council is therefore requested to delegate authority to the Chief Executive to participate in any such discussions and report back to Council on the details of any alternative propositions that may arise.

## **4 RISK ASSESSMENT**

### **4.1 Legal**

At present the proposals are at a consultative stage with Central Government to propose alternative to a government white papers. None of the proposals are at a legislative stage. Therefore the legal risk is low.

## 4.2 Financial

The cost to the District Council of supporting the Vision Derbyshire project is estimated to be circa £17,000 and has already been approved by Council to be financed from the General Reserve. The financial risk at this stage is assessed as low.

## 5 OTHER CONSIDERATIONS

- 5.1 In preparing this report, the relevance of the following factors has also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

## 6 CONTACT INFORMATION

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## 7 BACKGROUND PAPERS

- 7.1 Report to Council : New Vision for Derbyshire – Non Structural Reform 16<sup>th</sup> January 2020
- 7.2 Report to Council : New Vision for Derbyshire – Non Structural Reform (Phase 2) 15<sup>th</sup> July 2020

## 8 ATTACHMENTS

Appendix 1: Joint Leaders letter to the Secretary of State dated 4<sup>th</sup> September 2020