



Association of **Council Secretaries** and **Solicitors**

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Association of **Council Secretaries** and **Solicitors**

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Dear Sir, Madam,

LGR Stakeholder Consultation Response

The Association of Council Secretaries & Solicitors (ACSeS) is pleased to have been invited to contribute to the Government's consultation on the short-listed proposals for local government reorganisation under the arrangements to be allowed under the Local Government and Public Involvement in Health Bill.

ACSeS is the professional association for managers of corporate governance (legal, administrative, democratic, scrutiny and standards functions) and statutory monitoring officers and their deputies in local authorities in England and Wales.

The Association plays a leading role in developing governance arrangements in local government and works closely with other associations, Government Departments and agencies. Members of the Association have been involved with previous local government reorganisations and have experience to bring to the consideration of proposals in different areas and to the delivery of structural change.

Having said that, the Association cannot offer any insight or conclusions as to what might be the best local governance arrangement in particular areas. These are matters for the local communities and their elected representatives to resolve and to be held to account for. It is not appropriate for an association of appointed officials to express any view on those choices. The Association therefore does not wish to express any support or opposition to any of the proposals which are now being pursued.

The Association would however make general comments on the proposals that it has seen.

- A feature of the proposals seen is a general assumption that where functions are being amalgamated or transferred between authorities that it is an existing authority which will accrue the additional functions. It seems to the Association that where there is a desire to make a step-change in the governance of services in any particular area then a new authority should be formed rather than allowing an existing one to continue with additional or extended functions. This enables the new authority to have a pick of the best practices, procedures and talent of the contributing authorities.
- However, the Association can suggest that there should be great care taken in evaluating the financial cases made in proposals. Members of the Association have considerable experience in delivering and being part of reorganisational change. It is a frequent experience that the claimed benefits of reduced costs through amalgamation of administrations are, in practice, difficult to achieve and can prove entirely elusive. Equally, where there is a disaggregation of administrations; there are inevitable transitional costs and, frequently, additional costs through loss of economies of scale.
- Evaluating the financial cases made in proposals should also have regard to the potential for savings to be made, other than by LGR, through use of new technology and shared services.
- Local government history suggests that going bigger does not of itself produce a better quality of local democracy and evaluation of proposals should include careful consideration of their likely impact on local democracy.
- Evidence is that residents and service users are rarely concerned about the governance arrangements for the services which they use or receive. Care must be taken that the fact of a governance reorganisation itself does not disrupt the provision of services at the point of reorganisation.
- On reorganisation, there is a transfer of legal rights and responsibilities. Experience of previous reorganisations shows that the transfer of property by statutory order can create uncertainties which can take many years to resolve. Staff affected by reorganisation will be looking to the Acquired Rights Directive and Transfer of Undertakings (Protection of Employment) Regulations to safeguard their employment rights. It should be noted that even where staff are apparently unaffected by a change in council governance (eg staff in schools, care homes, etc.) there can be emotional uncertainty which has a temporary effect on performance.
- In current circumstances, there seem to be some considerations which will need to be taken account in this round of reorganisation which did not arise previously. The allocation of Pension Fund deficits and funding liabilities between preceding and subsequent employers and Pension Funds will be a novel feature of the currently proposed reorganisations given the prevalence of under-funded pension liabilities at the current time. Another novel feature on this round will be the existence of relatively long term contractual arrangements for the delivery of services (either support or direct) which will need to be re-negotiated with suppliers. In our estimation, the councils who will be required to renegotiate such arrangements will be in a relatively weak bargaining position with the suppliers who will want to protect their projected profit levels in the existing contract as well as ensure that they are fully paid for any service changes which reorganisation requires.

ACSeS will support its members who are tasked to deliver governance change in particular areas and is available to assist the Government in drafting the required secondary legislation and guidance.

Yours faithfully,

Tony Kilner
Policy and Development Officer

On behalf of Meic Sullivan Gould, President.