

25 July 2007

Chief Executive  
Bedford Borough Council

Our Ref:  
Your Ref:

BY EMAIL

*Dear Chief Executive,*

## **PROPOSALS FOR FUTURE UNITARY STRUCTURES**

In response to the Invitation to councils in England issued by the Secretary of State on 26 October 2006, your council submitted a proposal for future unitary structures before our 25 January deadline. I wrote to you on 8 February 2007 informing you that your council's proposal conformed to the terms of the Invitation and on 27 March 2007 informing you that your proposal, together with the further information that you provided to explain and clarify it, would be proceeding to stakeholder consultation.

I am now writing to inform you that, in the Secretary of State's judgement, there is a reasonable likelihood that, if implemented, the proposal would meet the outcomes specified by each of the criteria set out in the Invitation. However, the Secretary of State recognises that there are risks to the two-unitary proposals achieving the outcomes specified by the affordability criterion. You will therefore be invited to undertake further work and to submit additional information on the financial viability of your proposal. The Secretary of State will have regard to this information, together with any other relevant information, before taking a final decision if and when the Local Government and Public Involvement in Health Bill is enacted.

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The Secretary of State similarly took the view that in respect of the proposal for a single unitary authority for Bedfordshire, there was also a reasonable likelihood that, if implemented, the proposal would meet the outcomes specified by each of the criteria set out in the Invitation. However, she took the view that, on balance, your proposal would deliver to a greater extent the long-term outcomes specified by the criteria around strategic leadership, neighbourhood empowerment and value for money and equity on public services. Consequently, she is minded to implement your proposal if and when the Local Government and Public Involvement in Health Bill is enacted, rather than that for a single unitary authority – subject, of course, to being satisfied about the risks to your proposal's financial viability.

These decisions were reached having regard to your council's proposal, the further information that you have submitted, the responses to the stakeholder consultation and all other relevant information available. In relation to each of the five criteria, the Secretary of State reached the following views on your proposal.

#### Strong, Effective and Accountable Strategic Leadership

The Secretary of State recognises that Bedford Borough has already implemented a directly elected mayoral model which has proved successful and that there is alignment between the cabinet portfolios and the corporate directorates. Accordingly, she concluded that there is a reasonable likelihood of your proposal achieving the outcomes specified by this criterion.

#### Neighbourhood Engagement

The Secretary of State notes that ward councillors will have an enhanced role as local champions and there will be a portfolio holder with cabinet responsibility for neighbourhood engagement. Taken together with proposals for comprehensive neighbourhood plans, which will act as a framework for local service delivery, she concluded that there is a reasonable likelihood of your proposal achieving the outcomes specified by the criterion.

### Value for Money and Equity on Public Services

The Secretary of State acknowledges there are concerns that as a unitary authority the Borough would be taking on new responsibilities with regard to children's services and adult social care. However, she notes that Bedford Borough are planning to work with Central Bedfordshire in the area of children's services and more generally that the Borough Council has a very strong track record of delivery and exceptionally high CPA rating for "use of resources". This gives her considerable confidence that a unitary Bedford, based on the Borough could provide high-quality "county" services. Accordingly, she concluded that, on balance, there is reasonable likelihood of your proposal achieving the outcomes specified by the criterion.

### Affordability

The Secretary of State notes that the creation of 2 unitary authorities from the 4 councils that currently exist should produce savings. She thus concluded that there is reasonable likelihood of your proposal achieving the outcomes specified by the criterion. However, she considers that there are risks to the financial case set out in the proposal. These relate to the potential diseconomies of scale inherent in disaggregating county services and the identified potential savings that the new unitary councils could achieve. As set out above, you will therefore be asked to undertake further work and to submit additional information on the financial viability of your proposal.

### Supported by a Cross Section of Partners and Stakeholders

The Secretary of State acknowledges the concerns raised by key stakeholders in the public sector with regard to co-terminosity and that many have said that as they currently only deal with the County Council, having to liaise with two authorities will be burdensome as they would have to manage multiple interfaces. However she also notes the support for the proposal from within Bedford, where local businesses and people see Bedford's interests being best served by a single council with all the local government levers at its control. In particular she notes that almost 30,000

people have expressed a view in favour of the proposal including a petition signed by over 20,000 people. She therefore concludes, on balance, that there is a reasonable likelihood of your proposal achieving the outcomes specified by this criterion.

### Conclusion

In judging between the two proposals for Bedfordshire, the Secretary of State considered which of the proposals were likely to deliver to the greatest extent the outcomes on leadership, neighbourhood empowerment and public services. The Secretary of State took the view that, in particular, the creation of a unitary authority for Bedford would enable strong concentration on the differing needs of Bedford and the mid and south of the county, and hence would result in your proposal being more able to meet these criteria.

Your proposal was, of course, based on the proposition that the rest of Bedfordshire should also become unitary. We agree that if Bedford is to become unitary the remainder of the two-tier County would be unviable. Since there is no acceptable, substantive proposal for the rest of Bedfordshire, the Secretary of State will be inviting Bedfordshire County Council, along with the district councils of South and Mid-Bedfordshire to submit proposals for a unitary solution meeting the five criteria for the remainder of the Bedfordshire county area.

If you have any queries about the substance of the decision you should write in the first instance to Mark Barnett at [mark.barnett@communities.gsi.gov.uk](mailto:mark.barnett@communities.gsi.gov.uk) .

*Yours sincerely,*

**P Rowsell**