

27 March 2007

Chief Executive
Chester City Council

Our Ref:
Your Ref:

BY EMAIL

Dear Chief Executive,

PROPOSALS FOR FUTURE UNITARY STRUCTURES: STAKEHOLDER CONSULTATION

In response to the Invitation to councils in England issued by the Secretary of State on 26 October 2006, your council submitted on 25 January 2007 a proposal for future unitary structures. I wrote to you on 8 February informing you that your council's proposal conformed to the terms of the Invitation. Subsequently, you supplemented the proposal with further information to explain and clarify it, including information that you provided in response to the questions e-mailed to you on 9 February, and to my letter of 9 March. I am now writing to inform you that, having regard to your council's proposal, the further information that you have submitted, and any other relevant information available to her about the proposal, **the Secretary of State has decided that your council's proposal will proceed to stakeholder consultation.**

The basis of this decision, as described in the Invitation, is the Secretary of State's assessment of your council's proposal, including the supplementary explanatory and clarifying information that you have submitted, against the five criteria set out in the Invitation. These criteria are:

- I. the change to the future unitary local government structures must be:
 - o affordable, i.e. that the change itself both represents value for money and can be met from councils' existing resource envelope; and
 - o supported by a broad cross section of partners and stakeholders; and
- II. the future unitary local government structures must:
 - o provide strong, effective and accountable strategic leadership;
 - o deliver genuine opportunities for neighbourhood flexibility and empowerment; and
 - o deliver value for money and equity on public services.

P Rowsell
Deputy Director Local Democracy
Department for Communities and Local Government
5/E8 Eland House
Bressenden Place
London
SW1E 5DU

Tel

The proposals which in the Secretary of State's opinion meet these criteria are those that are proceeding to stakeholder consultation.

Each of those criteria specify an outcome that either the change to unitary structures must achieve, or that the new unitary structures once established must deliver. Any assessment of the proposals against the criteria is, therefore, necessarily a process of judgement, reaching a view as to the likelihood of a proposal if implemented achieving the outcomes specified by each of the criteria.

Having regard to the available relevant information the Secretary of State's judgement is that the likelihood of your proposal achieving the outcomes specified by the criteria is as follows.

ASSESSMENT

CRITERIA	Likelihood that proposal will achieve the outcomes specified by criteria
Affordability	R
Cross section of support	R
Strategic Leadership	H
Neighbourhood Engagement	H
Service Delivery	R

where

- **H** is the judgement having regard to the available information that there is a high likelihood that the proposal if implemented will achieve the outcomes specified by the criterion concerned.
- **R** is the judgement having regard to the available information that there is a reasonable likelihood that the proposal if implemented will achieve the outcome specified by the criterion concerned.
- **L** is the judgement having regard to the available information that there is little likelihood that the proposal if implemented will achieve the outcome specified by the criterion concerned.

In reaching this assessment the Secretary of State recognises in particular that –

- The payback period for the proposal is estimated to be less than 5 years and that the revenue costs of transition should be financed from reserves and other savings.
- The proposal has the support of some local stakeholders.

- The proposed corporate structure arranged around three cross-cutting directorates, supported by programme advisory boards, is likely to contribute to strong strategic leadership.
- The proposal to devolve area and neighbourhood arrangements with clear roles for councillors and accountability, is likely to deliver neighbourhood empowerment.
- The proposed reconfiguring and co-ordinating of services across three themes (people, places and performance) is likely to provide opportunities for improved service delivery.

In all the circumstances, therefore, the Secretary of State concludes that there is a reasonable likelihood that your council's proposal if implemented would achieve the outcomes specified by the five criteria, and hence should proceed to stakeholder consultation.

The stakeholder consultation on your council's proposal begins today and will conclude on 22 June 2007. I enclose a copy of the consultation paper that the Government is issuing today. That consultation paper lists the consultees whom we are approaching in the first instance, and explains how others are to be informed of the consultation and how they may make their representations. You will also see that consultees are invited to obtain information about the proposal from your council, in particular from your council's web-site. You have confirmed in response to my letter of 16 March that the following information is as a minimum available on your web-site;

- (i) The full business case (as submitted for the 25 January 2007 deadline).
- (ii) The substance of the development of your business case following questions posed by the Department on 9 February 2007 and more recently on 9 March 2007. This could include a summary of your written responses and meeting note.
- (iii) The detailed financial analysis - ie the financial framework and supporting documents - which should be consistent with the 'developed' business case described in (ii).

The Secretary of State is currently prepared to implement the proposals that she is putting forward for stakeholder consultation if, but only if, when she comes to take final decisions she remains satisfied having regard to all the further information received during the consultation that the proposals meet the criteria, and that the overall use of reserves as then estimated is affordable. Since the Secretary of State considers, on basis of the information presently available to her, that the number of proposals is not more than the Government is likely to be able to implement, it is not necessary to prioritise proposals prior to stakeholder consultation as provided by paragraph 5.17 of the Invitation.

However, the Secretary of State is clear that her final decisions may be affected by the prevailing fiscal position and the risks around the estimated costs of implementation. Accordingly, should the need arise, she will prioritise the proposals. We intend to consult separately during the period of this consultation on the basis of any such prioritisation.

If you have any questions about this letter please in the first instance contact your case officer. You may also wish to discuss this letter and its implications for your council with your Regional Deputy Director of Practice.

Yours sincerely,

P Rowsell