

## Risks and Concerns

There are many risks and concerns that will result from the options set out in the interim plan. The four set out below are just a selection of them.

### **1. Sub optimal outcomes as a result of the Government's timetable for reform**

The timetable for local government reform imposed by the Government (interim plan by 21 March, final plan by 28 November) does not present the best opportunity for a solution for local government reorganisation that will stand the test of time. The timetable and non-statutory advice given by government officials

- Precludes taking any approach which strays outside County boundaries;
- Precludes any other approach than using existing district, unitary and county building blocks and
- Precludes proposals which are based on boundary alterations as there is insufficient capacity within the Local Government Boundary Commission to conduct them within the timetable.

All of the shortlisted – so called “core” options for consideration are therefore sub optimal and do not enable the creation of a new city based unitary authority which contains all of its conurbation area with a reasonable degree of hinterland to accommodate growth.

All the so-called “core options” are sub optimal in three key areas of

- Planning (cohesive planning for housing growth across the whole housing market area, and creating a coherent geographical planning area for economic growth),
- Housing (land and housing availability to effectively manage the stresses and strains of accommodating the significant number of homeless people in the City and neighbouring areas) and
- Transportation (planning for and ensuring integrated bus and tram transport networks and active travel, interconnected green and blue infrastructure across the whole conurbation area.)

This means that if any of the core options are selected, whilst some efficiencies may be gained from the integration of currently fragmented services across two tiers, the reorganisation will still not result in a satisfactory new local government management system across these three key domains, and effective planning will rely on piecing together geographies through meetings and partnership arrangements as at present, and the “two tier problem” the reorganisation is designed to solve will simply become a different “two tier problem” due to the existence of the EMCCA ,with strategic decision making taking place at a representative level which is more removed from the people it serves.

Not only are all the core options sub optimal but the third core option arguably should not be an option at all, as it does not meet the government's criteria of meeting the 500,000 minimum population limit.

Furthermore, the timetable for implementation of new structures is such that there is insufficient time for a sensibly managed programme of convergence of services. This will lead to

- Economic shocks to residents (council tax levels, rent levels and council tax support arrangements to name but three)
- System misalignment (separate ICT systems vital to the efficient running of co-ordinated services). Experience in other areas of reorganisation demonstrate it takes between 6 and 10 years to achieve alignment across reorganised areas. This means that there will be a delay in achieving optimal efficiency and cost saving, and an intervening period during which there is still scope for inefficiency, inconsistency and having to service legacy systems.
- Policy lag – it will take time for the creation of new policy and strategy for any new authorities. During that time discontinuity could put at risk vital programmes such as housebuilding work.

## **2. Financial risks and uncertainties**

The government's programme for local government reorganisation is premised on the suggestion that it will result in more financially viable and resilient local government. Unfortunately, the current situation with demand led services relating to adult social care and children's services and the tight fiscal situation for local government funding generally, means that

- Disaggregating adult social care and children's services (the two most financially demanding service areas of all local government budget heads) will produce diseconomies in all core options apart from option 2, which will work against increased financial resilience and cost effectiveness. These diseconomies have to be viewed alongside some undoubted financial efficiencies which will result from the bringing together of district and unitary services within a single structure.
- The costs of transition assumptions are not sophisticated enough to take account of actual costs and are very crude estimates and therefore not completely reliable.
- It is difficult to assess the accuracy of the suggested net savings after 5 years resulting from restructure as they are not broken down in a way which enables them to be interrogated.
- There is no certainty or plan with regard to the servicing of historic debt, which at £1.6bn is a considerable cost to the Nottinghamshire local government sector. The Government have so far made it plain it does not intend to support the cost of servicing historic debt. Nottingham City has benefitted from £40m of additional grant as part of the most recent settlement, but still had to request an additional £20m of support from Government backed by asset sales to balance next year's budget. There would be significant concerns

about how historic debt will be managed and shared out across the local authority areas. This may put at risk in future, assets which the Council has prudently invested in (and which generate a significant income stream) which a future Council may decide to sell to finance debt.

- The Government intends to undertake a fair funding review. However it intends to carry out this review as part of a completely separate stream of work from local government reorganisation. This means that the careful financial assumptions on which our reorganisation plans are based may be rendered nugatory by the more fundamental problem of disconnection within central government itself which it could be argued is a greater problem than the issue of local government service delivery.

### 3. The risk of not improving local government services

If options 1b or 1e are preferred the deprivation table on page 4 of the interim plan shows the very stark differences between outcomes currently experienced for City residents compared with residents living in Broxtowe and Gedling and Rushcliffe. The risk associated with options 1b and 1 e may be a “lowering of boats” for people living in those non City areas. It is inevitable that any new authority will be principally focused on addressing the needs of those in the most deprived areas. It is a significant concern that areas such as Eastwood, and lower super output areas such as Chilwell and parts of Beeston will be overlooked yet again in favour of areas of more concentrated deprivation within the main City area. This would be a tragedy for the people of Eastwood and these other areas.

Even in the early days of the creation of the new EMCCA, funding allocations have been prioritised to the “usual” higher areas of deprivation – Ashfield, Mansfield and City areas. The newly announced “Neighbourhood plan” investment programme once again allocates ( subject to process) funding to Ashfield, Mansfield, City, Gedling, Bassetlaw and Newark and Sherwood, but Broxtowe, and Rushcliffe are not included and not even invited to bid for it.

The significance of this lack of funding will be seen in particular in relation to the three service areas mentioned below.

- **Housing/Homelessness:** options 1b and 1e will put a very considerable strain on the existing housing resources of Gedling and Broxtowe and Rushcliffe and Broxtowe respectively due to the considerable pressures of homelessness experienced by residents with a City connection. This will inevitably impact on current housing waiting lists in our area, and in Gedling and Rushcliffe. If option 2 is pursued it will spread this problem across a wider geography which would be welcome. However, option 2 is simply an option which is not feasible as it does not meet the government’s criteria.
- **Housing/condition and rents:** Options 1 b and 1 e will require the setting up of a single HRA across the new local authority area. The City Council has

historically used its Housing revenue account to prop up its failing financial medium term strategy (failing due to risky and reckless commercially ill-founded decisions such as the funding of the bankrupt “Robin Hood” energy company), and the payback of these resources has adversely impacted its general fund. This means the City’s housing stock now requires an enormous amount of investment to reach regulatory standards of compliance. There are significant risks that investment in stock condition within areas such as Broxtowe, will be disadvantaged because of the “catch up” programme currently required in the city.

- **Community support, arts culture and heritage, community safety.** The severe cutbacks the City Council has had to engage in because of its historical financial failures and constraints of local government funding settlements has hollowed out all manner of discretionary service areas. The city has necessarily had to focus on its statutory services. This is in contrast to the approach which Broxtowe has taken to funding these service areas, which we regard as protective factors for communities, enhancing quality of life, supporting communities, and supporting citizens through voluntary organisations such as the Citizens Advice bureau. Any new City based local authority which subsumes either Broxtowe and Gedling or Broxtowe and Rushcliffe will inherit this situation. It will also inherit the challenge of funding adult social care and children’s services, both of which still currently require improvement. When it comes to choices about funding statutory and non-statutory services, statutory services necessarily always win. The government has decided it will delay introducing fundamental reform to funding these vital statutory services. Even when it decides to do it, it will take years to implement. During the intervening time it is non statutory services that will be squeezed out. To some extent these non-statutory services are protected because of the two tier system. They will not be under local government reform. This problem is not going to be solved by Unitarisation.
4. **Concerns about the location of future growth.** Broxtowe knows all too well the constraints that the City Council’s current boundaries has placed on planning for housing growth within the City area for the years up to 2041. Broxtowe knows this because Broxtowe has worked for years in partnership with planning colleagues in the city. The Strategic Housing Land Availability studies that have been conducted across the City area and in all areas within the Greater Nottingham housing market area demonstrate that literally every square inch of developable land within the city has already been allocated for growth within the next planning period. Over densification results in poor quality housing, inadequate amounts of green space and inadequate space standards. Less liveable communities. Poorer quality housing for families and less attractive areas to live in. Option 2 simply cannot solve this problem for the City. It is impossible. Partly the problem is the government’s planning system, which, despite its continual processes of reform still cannot imagine a system which is based on anything other than communities servicing their own growth needs, regardless of the geographical constraints, quality of the

landscape, or availability of transport networks, allied to non-evidence based arbitrary increases and reductions of housing targets imposed on local areas at a moment's notice linked to short term political expediency. Looking to the future, with an extended City boundary, future growth will be pushed into remaining green areas of Broxtowe and either Gedling or Rushcliffe. This will inevitably result in Broxtowe's community losing all its green space and its transport networks becoming steadily more congested. On this criterion alone option 1e is preferable as Rushcliffe has a larger land area across which to accommodate growth. It will be "lop-sided" growth because the whole conurbation area is not the coherent planning focus. The future loss of green space is a considerable sacrifice and one which will meet huge public resistance from local people. This council has worked hard to negotiate growth with local people (for example the Toton strategic area of growth). If any of these options are chosen as preferable it will be incumbent on Broxtowe to spell out in detail the consequences of these choices in ways that are relatable to both local people and the government.