

**UNIVERSITY OF  
BIRMINGHAM**

**School of Public Policy**  
Institute of Local Government Studies

**An Independent Review of  
the Case for Unitary Status**  
*for*  
*Oxford, Norwich, Exeter and Ipswich*

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### About INLOGOV

The Institute of Local Government Studies (INLOGOV) is more than thirty years old and been in the vanguard of applied research, policy/practice development and practitioners education from the outset. It staff of around thirty academics have exceptionally strong reputations for their work on local governance both in the UK and around the world and are regularly commissioned by government departments, local authorities and a range of other public, private and voluntary sector bodies.

We have undertaken a considerable stream of research and consultancy specifically on the subject of this review – that of local government organisation and structuring. In the late 1970s, for example, the Institute was involved in the ‘Organic Change’ debates about local authority structure. A decade later we undertook a series of independent consultancy reviews for different counties and districts during the period of the Banham Commission on Local Government. In 1998 we reviewed the evidence around unitary status for a consortium of larger district local authorities (the Local Government Review Group) and in 2002 we undertook a full review for the Districts of County Durham in the context of the forthcoming referendum on an elected North East Regional Assembly. We have also recently reviewed the evidence on size of local authority for the Electoral Commission.

As a University department the Institute is committed to the highest standards of ‘independence’ and ‘objectivity’ in its research-consultancy work. We are also strongly motivated by our mission to improve policy and practice in local governance and in public management more generally for the benefit of citizens and communities.

## SUMMARY

This report reviews the case for unitary local government status for the four city councils of Exeter, Ipswich, Norwich and Oxford. Until 1974 each of these historic, yet very dynamic, cities enjoyed County Borough status, and provided a full range of services. But for the last thirty years their influence in city governance and public service provision has been constrained by the two tier local government system which was established in 1974 for their counties and which the Local Government Commission decided to retain when it reviewed options two decades later in the early 1990s.

Recently a new debate about local government structure has been opened nationally. At the same time new attention is being focused on the distinctive circumstances of and contribution made by our English cities. Together, these two developments provide the context within which this particular review of the case for unitary status for the four cities has been examined. .

The review has been based on a careful examination of the evidence concerning local government structure. First it concludes that the case for unitary local government in general is a strong one. Second, having examined the research about size and performance, it finds no evidence to support the commonly cited presumption that 'larger is better'. From data analysed, it is very clear that, while economies of scale may sometimes be important, other factors, such as the quality of leadership and management, are likely to be more reliable predictors of performance. Indeed, in CPA terms, there are currently rather more excellent performers among the smallest sized new unitaries and correspondingly more poorer-performing ones among those with larger populations. In any event, however, as the review highlights, there are other ways in which any economies of scale can be achieved. For example, commissioning/contracting and shared service arrangements offer the prospects of economies of scale without undermining the basis of sound democratic local governance or close identity with, and engagement between, citizens, local communities and their councils.

The study identifies four key elements that, it is argued, represent the most important criteria for judging the case for unitary status in the contemporary context. These are: first, the quality of partnerships for strategic and joined up leadership; second, the strength of bonds with local communities and neighbourhoods for democratic local governance; third, the effectiveness and efficiency in the operation of council responsibilities (in terms of both governance and service delivery); and fourth, the economic vitality and impact of the city on its regional hinterland.

The analysis finds that all four cities are already demonstrating strong credentials and aptitude with regard to each of these four elements. However, with the additional burst of energy and imagination, and the more concerted framework for leadership and development that unitary local government status would engender, each could achieve much more, both for their own communities and for those in their wider regional hinterlands.

# **An Independent Review of the Case for Unitary Status** *for Oxford, Norwich, Exeter and Ipswich*

## **1. Introduction**

This report is the outcome of a consultancy undertaken on behalf of four city councils – Oxford, Norwich, Exeter and Ipswich – each of which wishes to pursue a case for unitary status in the light of the forthcoming White Paper on English local government.

Specifically, we were asked to review the arguments that might apply to all four local authorities – and as such might represent a generic case for creating four new unitary authorities with all service and governance responsibilities for their areas. We visited each of the councils and gathered a range of information on the circumstances, performance and prospects for each. We also reviewed the literature on local government reorganisation, and paid particular attention to the various statements and comments made recently on the subject by ministers and public servants. And we held two workshops with leading members and senior officers from each authority and with contributions from two existing unitaries (Hartlepool and Telford & Wrekin).

From the outset of the commission we were very clear that it would be for the four authorities themselves to develop and present their individual cases for unitary status to government at the appropriate time. As an independent university-based organisation, our role has been to examine the evidence with due rigour and impartiality and to provide the four cities with an analysis of the main arguments for unitary local government as they are most relevant to their situation. We hope our report is of value both in providing a framework for thinking about unitary status in general and for charting specifically how this applies in the four council areas.

### *The four cities*

No two cities are alike and in many respects, Oxford, Norwich, Exeter and Ipswich differ markedly from one another. But they also have much in common too. Importantly, each is the ‘county town’ for its administrative county, and as such is home not just to county government but also to a range of other bodies of sub-regional and regional significance. All four are important heritage centres and attract very significant numbers of visitors on account of their fine historic centres, vernacular architecture and many other tourist attractions within their cores as well as in their wider hinterlands. But all four also have pockets of deprivation and share a common agenda of urban economic, social and environmental problems. Each faces considerable challenges here, but they already have a strong track record of success, for example, in attracting jobs and inward investment by commercial, industrial and other private and public service organisations. There have also been considerable successes in enriching the cultural life of the cities and in developing a more diverse activity base for residents and visitors from the wider regions and beyond. There is, of course, much more that could and should be done. And this report focuses on how unitary local authority status might assist in meeting that challenge and in ensuring these cities play a still more positive role in the lives of those they serve.

## **2. Unitary vs Two-Tier Local Government**

There have now been more than thirty years of experience of two-tier local government in England – of county councils responsible for the provision of some of the major public services such as education, social services, highways and waste disposal; and district councils having responsibility for a range of other local service responsibilities, for example, local planning, benefits, housing, environmental services and leisure and recreation services.

However, we have also had some twenty years of experience of unitary local government in the major metropolitan areas (West Midlands, Merseyside, Greater Manchester, Tyne & Wear, West Yorkshire, and South Yorkshire) and, to a large extent, London too, at the borough level. More than this, there has been almost a decade of experience of unitary local government across both Scotland and Wales, and of particular relevance to this study, in certain parts of England – in some forty-six unitary authorities formed under the Commission for Local Government during the 1990s.

Since then, local government across the UK has developed considerably in terms of prevailing social and economic context, the scope and possibilities for service delivery, and its whole ethos and culture. We have seen, for example, a significant shift in the direction of executive-style political management, of much stronger citizen and customer focus and on more integrated approaches to service planning and delivery and of course there has been huge preoccupation with the management of performance. We have seen the growing influence of external inspection and review processes, the increased emphasis on ‘governance’ issues and responsibilities, with greater prominence now given to the community leadership role and to the importance of working in partnership with a range of other organisations in the public, private and voluntary sectors to address cross-cutting problems. Particularly important, too, we have also seen the strong development of regional governance, for example, with a much expanded role for government regional offices, the establishment of regional development agencies and the institution of a significant regionalising of strategic decision-making for planning, housing and other public services (with a corresponding diminution in the strategic planning role of the counties). A number of other key reforms have also reduced the range of activities governed under the auspices of county councils over the past decade. The police are now governed by separate police

authorities; magistrates courts have become part of the national HM Courts Service; probation too has been rationalised and nationalised under separate probation boards; further education has come under the auspices of the Learning & Skills Council, and under the policy of 'Local Management of Schools' (LMS) there has been a very significant and continuing reduction in the role of the county councils in education management too. Meanwhile the role of the districts has widened in terms of scope of responsibility – for example, into community safety, into a wider street management role, and into liquor licensing. Without any formal structural reorganisation, the landscape of local government has come to look and feel very different today than in 1997 when New Labour came to power.

During that time, and to a large extent a consequence of such transformations in local government, the case for unitary councils has grown ever stronger. While acknowledging the practicalities, particularly for rural areas, and indeed, the effective interaction that has been established both between the counties and districts and between neighbouring districts in many areas of the country, there is now a fairly widespread view that, in principle, at least, a single tier of principal councils – as in Scotland and Wales (and of course most of England as well on the basis of population) - represents the better model.

More than anything, the dominant view in favour of unitary councils derives from the reduction in complexity, disjointedness, duplication, ambiguity, inconsistency and disagreement that many associate with two-tier local government. In an era when issues of 'joined-up' services, transparency and accountability in governance processes are so much to the fore it is hardly surprising that the question of reorganisation is again back on the policy agenda, and that counties, groups of neighbouring districts and individual districts are now marshalling their arguments as to

why they should become unitary authorities and why they are best placed to serve their communities as single all-purpose councils.

In fact, of course, in large parts of the country there are not just one or two tiers, but three – as most rural counties have a long-established tier of ‘local councils’ (parish and town councils). Moreover, these days, as with principal councils, local councils are expected and encouraged to play a strong and dynamic role in community leadership and to oversee the provision of a range of public services on behalf of their communities.

### ***An Inconsistent Structure for English Local Government***

Since the 1974 restructuring of local government – when a nationwide two-tier structure was created, of districts and counties (regions and districts in Scotland) – several reorganisation initiatives have taken place resulting in what today can only be described as a piecemeal structure for local government in England (unlike Scotland and Wales which were reorganised comprehensively on to a unitary model in the 1990s).

The steady creep from the 1974 two-tier model towards a more complex (and inconsistent) structure in England commenced in 1986 when the Greater London Council and the six metropolitan counties were abolished – making each of the London Boroughs and each metropolitan district a unitary council, albeit establishing certain county-wide functions under joint committee arrangements (Leach & Barnet, 1997). A Commission was established in 1992 to undertake a Local Government Review process in England which, in various phases, resulted in a series of recommendations over a period of four years affecting various tranches of counties (Davis, 1997). The Commission adopted a consultative approach and, significantly, went about their work in a county-by-county manner, which almost inevitably meant that the recommendations in different counties reflected rather different criteria. Moreover, the process became

highly political, was widely criticised, and ultimately largely discredited on account of the apparent inconsistency in the approach applied in different parts of the country (Filkin & Moor, 1997).

From the outset, it seemed clear that many key figures in government favoured the unitary local authority model. This became particularly apparent in the middle of the process in 1993 when, in the wake of growing criticism of the Commission's initial work, the Government re-drafted its Policy Guidance to strengthen the presumption in favour of unitary local government. However, this re-drafting was successfully challenged in the High Court in January 1994. A key sentence in the Guidance – strengthening the case for unitary councils - was deemed illegal, and the result paved the way for more emphasis on the status quo and hybrid arrangements (of 'island' unitary councils within otherwise two-tier counties).

By the end of the review process in 1998 a total of forty-six new unitary authorities had been created in England. The old counties of Avon & Somerset, Humberside, Cleveland and Berkshire had been entirely replaced by unitary councils; but elsewhere, the picture of change was much patchier. Hereford and Worcester, for example, was split back into its pre-1971 two counties, with a small whole-county unitary council for Herefordshire, but with two-tier arrangements continuing in Worcestershire. Most of the remaining larger non-metropolitan cities, such as Derby, Leicester, Nottingham, Plymouth, Southampton and Stoke on Trent, became unitaries within largely or wholly two-tier counties. Several smaller, but fast growing, towns and cities were also granted unitary status, for instance, Swindon, Milton Keynes, Luton, Blackburn, Thurrock, and Telford & Wrekin. And particularly pertinent to this review, the historic cathedral cities of York and Peterborough were also

granted unitary status. Subsequently in 1998 a new Greater London Authority was created with the first directly elected mayor in the country.

By the time the Commission completed its work in the late 1990s, it had become quite difficult to understand the rationale for the new pattern of English local government organisation. Certainly the pattern seemed characterised as much for its anomalies and inconsistencies as anything else, and even now, nearly a decade on, it remains difficult to comprehend why some authorities were awarded unitary status and some others – of not dissimilar character and circumstance - were not (Snape & Raine, 2000). As Leach & Stoker (1997) have commented,

*‘if the establishment of a unitary Northampton in Northamptonshire is problematical on grounds of centrality, is not the establishment of a unitary Leicester in Leicestershire... ‘Also, if Luton and Nottingham, why not Exeter and Norwich?’*

(Leach & Stoker, 1997, p13)

*Also, ‘There is the anomaly of Berkshire, where all six district councils have been granted unitary status, inspiring questions such as, if this solution is appropriate in Berkshire, why not in Buckinghamshire, Bedfordshire, Cambridgeshire, Hertfordshire or Surrey?’*

(Leach & Stoker, 1997, p18).

Particularly given their largely rural geography and very small populations, the granting in 1995 and 1997 respectively of unitary status to the Isle of Wight and to the old county of Rutland was especially hard to understand.

As indicated, it appears that different criteria have been to the fore in different parts of the country and at different times. And while

considerable efforts were certainly made to gauge local public opinions on the preferred models for local government in each area, the pattern of findings from the particular surveys hardly seemed the decisive factor in shaping the various decisions in the review process either.

In the light of all this, then, it was hardly surprising that the Local Government Review process left a significant number of district councils unhappy and puzzled as to why they had failed to win the argument for unitary status when others, with no obviously stronger cases, had succeeded.

Oxford, Norwich, Exeter and Ipswich were four such councils. All four cities were left wondering, for example, why the arguments of the similarly compact and historic cities of Peterborough and York, and several similarly fast growing population centres such as Milton Keynes, Swindon and Telford & Wrekin were deemed strong enough to make the case fit for unitary status while theirs were apparently viewed as insufficiently convincing.

### 3. What Prospects now for Local Government Reorganisation?

For six years following the election of New Labour in 1997 there has seemed little appetite at the heart of government for further reorganisation of local government. Moreover, the resounding ‘no’ to the idea of regional government from the electorate in the North East referendum has only served to underline any concerns in Westminster and Whitehall about the political risks and the electorates’ lack of enthusiasm for structural change at the sub-national level.

More recently, however, and particularly within the Office of the Deputy Prime Minister, a new groundswell of opinion has emerged which is now in favour of at least exploring options for structural change – this being led by the Minister for Communities and Local Government, David Miliband MP. We must await the promised White Paper in June to know for sure what the Government’s official position on the subject turns out to be and how matters might proceed. But a strong sense of what is in the Minister’s mind at least is evident in his recent articles, speeches and other media pronouncements. A few quotations indicate the direction of thinking here.

*‘...This is not to be a ‘sterile unitary vs. two tier debate – we need to look at innovative governance options and arrangements...’*

*‘...The question is, what is the best way of securing efficient and effective public services...?’*

*‘...Too many districts are too small to be strategic and yet too big to be local...’*

*‘...The arrangements will need to provide strong, visible and accountable leadership; empower people as individuals,*

*communities of place and of interest; deliver efficiently integrated and co-ordinated high quality public services...'*

*'...I'm not concerned with structure for its own sake nor with the battle for supremacy between counties and districts. This is part of a wider debate about governance in the 21st century'...embracing...'Neighbourhood governance, incremental reorganisation of the shire counties (with the potential for some to become unitary) and city regions for the largest metropolitan cities...'*  
(Miliband, LGC, Jan 12<sup>th</sup> 2006)

It is clear that David Miliband is interested in innovation in local government form – there is no sense in his speeches of a ‘one-size-fits-all’ approach. A key – and for the local government organisational debate at least, the fresh - element is the dual concern with effective neighbourhood governance and with strategic leadership of communities. And it is the linkage between these two levels of functioning that is different this time around from previous reorganisation debates. The Minister has expressed interest in more elected mayors as an option, for directly elected executives to run councils, and for a clearer role for ward councillors as leaders of communities and as engagers of stakeholders from the community sector. He has also suggested the option of area-based scrutiny and that a local authority might perhaps take on a role in managing a PCT. Nothing, it seems is ruled out in terms of the search for more effective governance of local communities and the delivery of more efficient public services to citizens. And there are of course some strong resonances and linkages here with the agenda of ‘stronger and safer communities’ which has been developing within the Home Office and which has recently found expression in the Crime & Disorder Act Review – which proposes a new role for local government scrutiny in relation to community safety and in holding the Crime & Disorder Reduction Partnership to account.

#### **4. The Case for Unitary Local Government**

There is, as indicated, a generally strong body of support in principle for unitary local authorities as the ideal model for local government. The experience in Scotland and Wales has been generally very positive, as has been that in the metropolitan districts and among the new unitaries created in the 1990s. Only in London, where the abolition of the GLC in 1986 left the capital with little strategic capacity to address Pan-London issues, has there been any groundswell in favour of a two-tier structure being re-instated (and the new GLA is a very different body from the older Greater London Council). Even in relation to the recent debates about the concept of ‘city regions’ – for the larger metropolitan areas – the suggestion so far as local government structure is concerned appears to favour a single tier strategic authority covering the city and its regional hinterland than a return to two-tier structures as in 1986.

As indicated, the unitary model was generally favoured in principle by the Conservative Government during the 1990s in the Local Government Review process, and the election of New Labour in 1997 changed nothing in this respect. Indeed, the new Government’s preference for unitary local authorities was underlined in the plans made for regional government when it was decided that this would be the only acceptable model to accompany the establishment of elected regional assemblies. In the event, the referendum in the North East generated a strong vote against a regional tier of government, but by then much work had taken place on developing proposals for a unitary council sub-structure for the area (Raine, Dunstan, Griggs and Watt, 2003).

Moreover, the arguments in favour of the unitary model seem all the stronger today than they did in the 1990s – with all the emphasis now devoted to ‘joined up’ governance, greater integration and efficiency in

service delivery, more customer focus, stronger community engagement and sharper accountability. Indeed, in almost every sense, the New Labour modernisation agenda and the more recent Gershon efficiency requirements have lent further weight to the arguments in favour of unitary local government, particularly in the light of developments in contracting and in ‘shared services’ arrangements.

The Minister himself has been very clear in his analysis of the shortcomings of the two-tier structure, criticising it because it:

- *Creates fragmented and fractured leadership*
- *Causes public confusion over responsibility*
- *Leads to duplication, inefficiency and co-ordination failures, resulting from split responsibilities*
- *Complicates partnership working and makes it harder*

It follows, then, that unitary local government in principle at least, enables more cohesive and integrated leadership; it ensures clearer accountability and clarity over responsibilities, thus supporting stronger customer focus. It also follows that in principle at least it is more efficient because it lessens the scope for duplication and overlap – for example – in relation to back-office administration – it allows for a reduction in the number of senior management posts, and it promotes better co-ordination through easier linkages within one council than between the tiers. And particularly important in the contemporary context, it simplifies and supports partnership working more effectively, most obviously by avoiding the overlap and potential inconsistencies between county-level and district-level community strategies and partnership structures.

## 5. What criteria for Unitary Status?

As indicated, over time various criteria have played their part in shaping decisions about local government structure. Some of the key criteria, summarised in Snape & Raine (2000) have been as follows:

- Population Size
- Savings in administrative costs
- Scope for Increased Efficiency
- Potential for Increased Effectiveness on particular services (e.g. education, social services and housing)
- Conflict between the tiers
- Sharper accountability
- Clarity and simplicity for the Public
- Public preferences (e.g. as expressed through public surveys)
- Community identity
- The centrality principle (i.e. reflecting patterns of movement for work and leisure)
- Geography & homogeneity of area – e.g. urban or rural
- Obsolescence of functions (e.g. management of a housing stock)
- Unpopularity of particular authorities (e.g. Hereford & Wores amalgamation in 1974)
- Future needs (e.g. taking account of the implications of new planned development or communications routes)
- Status of the pre-1974 County Boroughs

A number of these criteria now seem of more historical interest than being pertinent to the contemporary context. But others certainly remain relevant, in particular those concerning community identity, geography, accountability and clarity for the public, scope for savings, and capacity for more efficient and effective service delivery. Population size is also much discussed in this context although, as we will proceed to show, this does not deserve the significance that has tended to be afforded to it.

### *Community identity*

This latter criterion is one that chimes strongly with contemporary concerns for local authorities to be more in touch with the communities they serve, to build up community engagement and develop their community leadership roles more thoroughly. But as Cope et al (1997) point out, the phrase ‘community identity’ can be understood in at least three different ways:

- a) affective community identity – identities being formed by what people feel about the communities to which they claim to belong
- b) effective community identity – identities formed by what people do, based on functional activities (e.g. travel to work patterns)
- c) deliberative community identity – based on expressed preferences for particular structures of community governance

Being clear as to the respective priority given to these different ideas seems an important first step to considering community identity as a key criterion in the debate about local government structure.

### *Geography*

In some senses related to community identity – indeed often a shaper of it – the geography of an area is inevitably another key factor in any question about the territorial dimension to local government organisation. For such reasons, there is a strong case to be made for unitary authorities to be based on generally homogenous areas, for example, the higher density built up area of city, as opposed to a more suburban or semi-rural area of small towns and villages. While the concept of the ‘city region’ (i.e. the city and its sub-urban and rural hinterland) as a basis for unitary local government (as advocated some forty years ago in the Redcliffe Maude report) has a certain attractive logic about it, and of course has recently been revisited in relation to the largest metropolitan areas of Britain, the

associating risk is of an imbalance in resourcing between the city area, with its potentially higher needs for public spending, and the rural hinterland. In practice, the map of unitary local government in England is dominated more by geographically concentrated town/city areas (for example, Reading, Luton, Brighton & Hove, as well as the larger non-metropolitan cities such as, Bristol, Leicester, Nottingham and Plymouth) than by cities together with their surrounding counties/regions (e.g. Herefordshire).

### ***Accountability and Clarity for the Public***

‘Accountability’ has become one of the watchwords of contemporary public management and there is now pressure on public organisations as never before to be answerable to their various public and stakeholders. As contemporary life has seemed to become ever more complex, the clamour has grown for more clarity, transparency and simplicity in governmental organisation and processes. And of course the emphasis now afforded to customer orientation underlines all this and reinforces the arguments for forms of local government organisation that minimise the scope for confusion in the public’s mind (for example, concerning ‘who does what?’). The accountability/clarity issue in relation to council tax bills (i.e. the blurring of accountability caused by precepting) is regularly raised when the council tax bills are issued, and one strong argument for unitary local government of course is that it does sharpen the sense of accountability of the council to its community and electorate.

### ***Scope for savings***

Governments have always been interested in the scope for savings and considerations of economics have always formed at least part of the case for reorganisation in the public sector. But particularly in the context of the Gershon agenda of greater efficiency and with the prospects for public spending beginning to look more constraining than for some time now, the

issues of cost and savings associated with any further reorganisation of local government will obviously be critical to the final balancing of decisions in this context. Whatever the enthusiasm for change on the part of the Minister for Communities and Local Government, it will certainly be necessary to convince Treasury colleagues that any moves to create new unitary authorities will at least be cost-neutral in the early years and that they will engender significant savings in the longer term.

### *Capacity for more Efficient and Effective Service Delivery*

Related to the savings question is the broader question of the capacity that reorganisation would create for more efficient and effective service delivery. Again, this has been of long-standing interest to governments, although over time the main attention has tended to widen from an essentially efficiency-centred perspective (of how, by streamlining, might more units of service (outputs) be achieved from a limited budget or how might the work be undertaken for less money?) to one more concerned with the attainment of intended outcomes, to improving quality standards and to raising customer satisfaction in relation to service delivery.

While, as indicated, the concern for local government to become more cost efficient, and generate more savings would certainly be a key factor in decision-making about reorganisation, arguably, quite as high a priority for the Government is to ensure more effective services that are responsive to local needs. Also of vital importance in this context is the capacity to be effective in responding to the new, more joined up, framework of local public services – notably the more integrated form of children’s services, through the proposed Children’s Trusts, the waste management agenda that better co-ordinates materials collection, recycling and waste disposal, and the more broad-based ‘street management’ agenda that similarly encompasses a variety of functional responsibilities currently divided between several different organisations.

### ***Population Size***

Some years ago, John Stewart (1999) commented on the resilience with which ‘sizism’, as measured through population, had retained its influence over structural reviews. And in the current debate, well before the White Paper has been prepared, there have been several references to the idea of a minimum size criterion for unitary status of between 250-300,000. This population range is asserted in terms of the requirement to act strategically. However, the idea has no reliable evidence base in scientific research and should really not be seen as any more than one viewpoint on the matter.

Much the same point has been made recently in relation to the debate about strategic police forces – the Government having declared that a minimum of 4,000 police officers was required for efficient and effective operation. Here, the basis of the criterion has recently been robustly challenged in a paper from Warwick Business School (Lawrance, 2005) as follows:

*‘...There are spreads of effectiveness at each (level of) size, probably due to many complicated reasons. I cannot believe that this will not still be so if (areas) were amalgamated into larger (ones) and the variability might well be more...’ (Lawrance, 2005 p3)*

*‘...to believe that size is causative of good performance just because the graphs look that way is untrue; size is likely to be just one of many factors...’...Statistical correlation is not a measure of causation, rather it is a descriptive measure of the strength of the linearity of a relationship between a scatter of points on a graph, even though the actual relationship might be quite different...’ (Lawrance, 2005 p4)*

*‘...Effectiveness of smaller (areas) depends on arrangements they have to deal with...matters which out-stretch their resources by collaborations with adjacent (areas). If these are good then they are effective...’.* (Lawrance, 2005 p4)

*'...It cannot be presumed that there is a causative relation between...effectiveness and size from rough trends on simple graphs. The conclusions drawn almost totally ignore the variability of service performance at each size. In short, there will be an unknown number of good and poor performers in re-formed larger (areas)...'* (Lawrance, 2005 p6)

Such arguments are without doubt quite as applicable in the context of local government structure and an analysis of the CPA scores of the existing unitary authorities shows very clearly that size is a very poor determinant of performance and capacity to be effective as an authority (as measured by the number of stars awarded and the rating for 'direction of travel'). As the data overleaf shows, there are plenty of examples of smaller unitaries proving to be among the best performers in England. For example, Hartlepool and Darlington, the second and third smallest of the forty-six newest unitaries, were each awarded a 'four star rating' (the maximum) and were deemed to be 'improving well'. Indeed, there were slightly more strong performers in CPA terms among the councils below the median population size than above. Whereas just three councils with populations of more than 165,000 gained 4 stars and were judged to be improving well or strongly, some seven of those with smaller populations achieved this same high level of performance. And whereas only *one* of the thirteen largest new unitaries (Derby City, with a population of 235,000) was judged with 4 star performance and *five* with 3 star performance, at the other (lower) end of the population rankings, *six* councils of the smallest seventeen gained 4 stars and *six* other gained 3 stars.

Probably it is realistic to imagine a minimum size below which it is hard for a multi-purpose public body to perform effectively – for a variety of reasons, including difficulties in accessing good staff through national recruitment competitions, the heavy fixed costs involved in all service delivery bearing heavily on unit costs and efficiency etc. Indeed, Rutland

– the smallest unitary in the country with a population of just 32,000 and just a two star rating in its CPA – may be illustrative of just this point. However, the main conclusion to be drawn from analysis of the CPA data is surely that any suggestion of a minimum size criterion of 250-300,000 population for unitary status has no basis in statistical terms and that significantly smaller sized councils demonstrate both the actual and potential capability to perform as effectively and efficiently as the best.

In order to demonstrate this more fully, we used regression analysis to investigate whether any systematic relation exists between population size and CPA score for existing unitary authorities. The regression analysis in fact revealed a weak but negative relationship between size and CPA score, as can be seen graphically in Figure 1 where CPA performance star ratings are regressed on population size for the unitary authorities. The squares on the graph show the ‘best fit’ prediction for CPA score while the diamonds plot the actual observations.

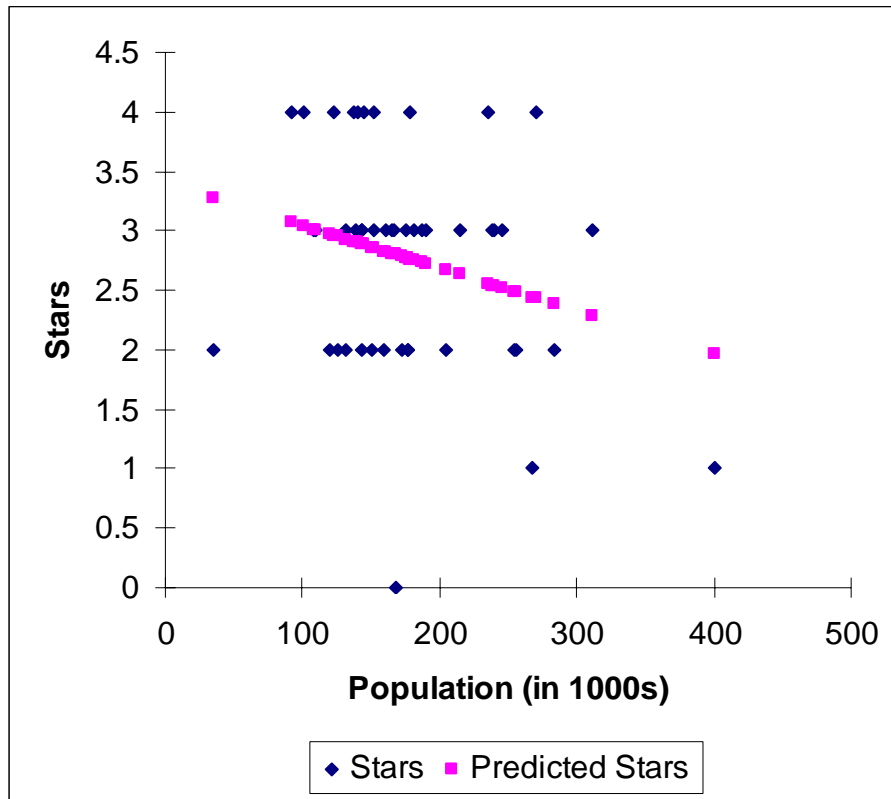
The regression equation is:

$$\text{CPA stars} = 3.401 - 0.00359 \times \frac{\text{Population}}{1,000} \quad R^2 = 0.06$$

(8.722)    (-1.748)

The key finding of a negative regression coefficient (i.e. implying that star rating is *inversely* correlated with population size) was found to be statistically significantly at the 5 per cent level (in a one-tailed significance test).

Figure 1: CPA performance star rating regressed on population



<b>CPA PERFORMANCE FOR THE UNITARY AUTHORITIES CREATED IN THE 1990s</b>			
<b>The New Unitaries</b>	<b>Population (in 1000s)</b>	<b>CPA judgement</b>	
		<b>Stars</b>	<b>Rate of Improvement</b>
Rutland	35	2	Adequately
Hartlepool	92	4	Well
Darlington	101	4	Well
Slough	108	3	Well
Bracknell Forest	110	3	Well
Torbay	120	2	Adequately
Halton	123	4	Well
Isle of Wight	126	2	Adequately
Thurrock	132	2	Well
Windsor & Maidenhead	132	3	Well
Blackburn & Darwen	137	4	Well
Poole	139	3	Well
Redcar & Cleveland	140	4	Well
Reading	143	3	Adequately
Wokingham	143	3	Well
West Berks	144	2	Well
Middlesborough	145	4	Well
Blackpool	151	2	Well
N Lincolnshire	152	3	Adequately
Telford & Wrekin	152	4	Well
Peterborough	160	2	Well
Bournemouth	161	3	Adequately
Bath & NE Somerset	165	3	Adequately
Herefordshire	167	3	Adequately
N E Lincolnshire	168	0	Inadequately
Southend on Sea	172	2	Adequately
York	176	3	Adequately
North Somerset	177	2	Well
Swindon	177	2	Well
Stockton on Tees	179	4	Well
Luton	182	3	Adequately
Warrington	187	3	Well
Portsmouth	190	3	Adequately
Milton Keynes	204	2	Adequately
Southampton	215	3	Well
Derby	235	4	Well
South Gloucestershire	239	3	Well
Medway	240	3	Well
Brighton & Hove	245	3	Well
Stoke on Trent	254	2	Adequately
Plymouth	256	2	Adequately
Kingston on Hull	267	1	Adequately
Leicester	270	4	Well
Nottingham	284	2	Adequately
East Riding Yorks	311	3	Strongly
Bristol	400	1	Adequately

Of course one possible limitation that might be levelled at this analysis is that it is based on only one set of measures of success – the CPA ratings. However, further evidence to challenge the assertion that ‘larger is better’ is to be found in various published research on the efficiency of local government service provision. A survey by Bramley, for example concluded:

*“There is a large literature on scale economies in local services ... the results of these studies are confusingly inconsistent”*

(Bramley, 1990, p117)

More recently, a survey by Boyne concludes

*“There is, as yet, no useful evidence on the key questions concerning economies of scale” (Boyne, 1995, p220)*

Indeed, Boyne has examined correlations between scale and a range of performance measures and concludes that:

*“Six of the eight significant correlations indicate that performance declines with scale. At higher levels of output, less household waste is recycled, more planning decisions are appealed against, and more of these appeals are successful. Thus the quality of these services appears to decline as the scale of operations rises. The speed and administrative effectiveness of the housing service also fall at higher scales. Authorities with a larger housing stock take longer to re-let vacant dwellings, have a higher proportion of empty dwellings, and a bigger percentage of rent arrears. More detailed figures for the biggest 5% of housing authorities show they take 40% longer than the average district to re-let dwellings, and have twice as many tenants in arrears than average. The remaining two significant correlations indicate that the performance of the refuse collection service improves with scale”*

(Boyne 1996,p58)

Moreover, a survey of evidence on economies of scale has also been carried out by Australian authors Byrnes & Dollery (2000) who reviewed the international evidence, mainly from the UK and USA. They concluded that:

*“Given the mixed results which emerge from the international evidence, it seems reasonable to conclude that considerable uncertainty exists as to whether economies of scale do or do not exist” (Byrnes & Dollery, 2000, p20)*

In commenting on the impact of the evidence on the case for amalgamations of Australian local authorities they have further commented that:

*Advocates of amalgamation have premised their arguments on the proposition that substantial efficiency gains would flow from the formation of larger local authorities. It seems clear that the extant literature on economies of scale in municipal governance does not support this proposition” (Byrnes & Dollery, 2000, p 20)*

From all this it is clear that size should not be regarded as a determinant of capability and potential for efficiency and therefore cannot reasonably be considered as a key criterion (or threshold) for deciding eligibility for unitary status. Indeed, on the evidence presented here, it would be perfectly logical for the Government to consider a range of proposals from different sized districts interested to be considered as candidates for unitary status. More than this, even if there were such evidence of economies of scale in practice, for example, in relation to the delivery of services currently delivered by the largest authorities (e.g. county councils) such as education and social services, it does not of course follow that the benefits could only be achieved through larger organisational units. Particularly in an age of network governance and partnership-working, the ‘shared services’ model probably provides a more persuasive and certainly more flexible alternative approach, because it allows for joint working where it is deemed best, rather than through a ‘one-size-fits-all’ approach.

## 6. A Framework for Developing the Case for Unitary Status

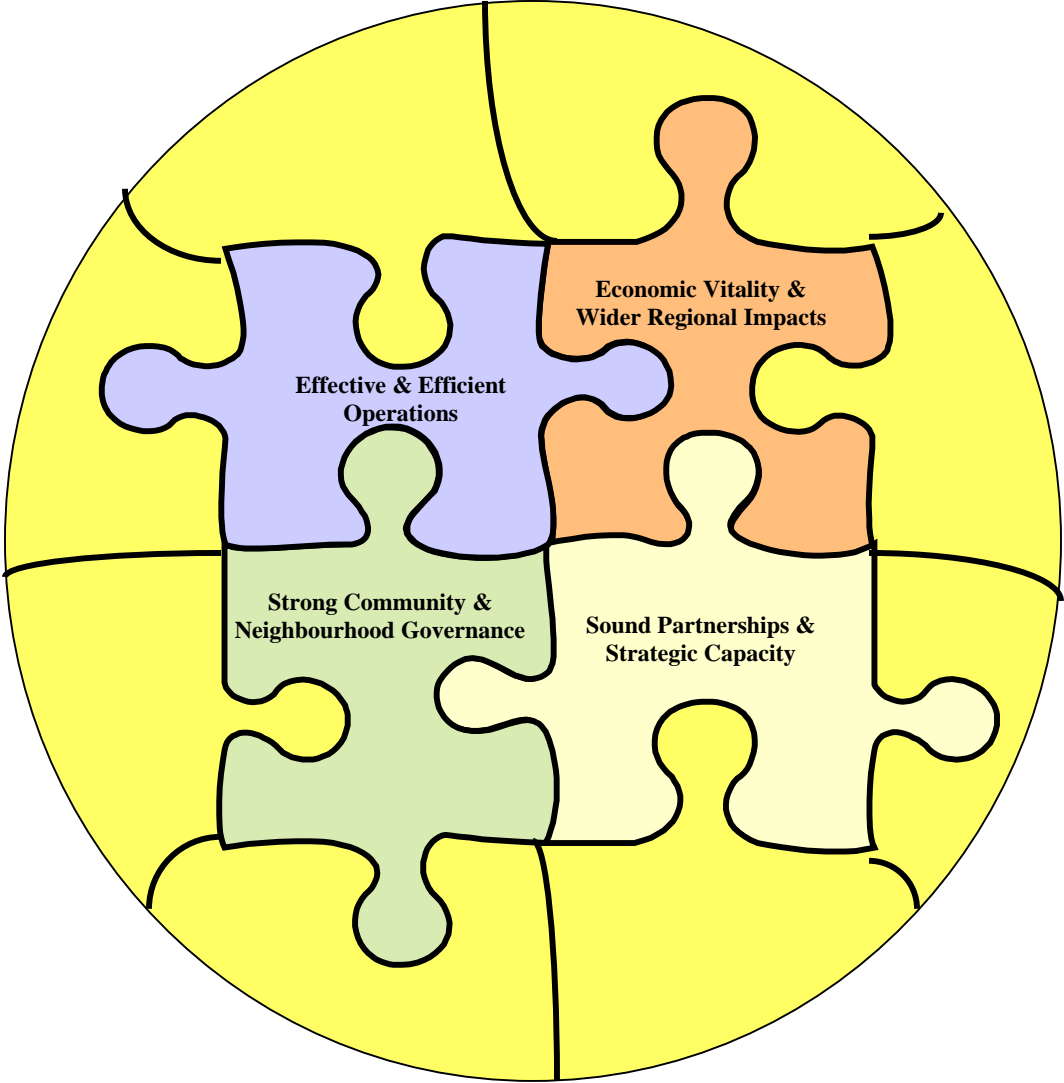
So if the idea of a minimum threshold of population size as a determinant of eligibility for unitary status has no sound basis in science, how in practice might the question of ‘eligibility’ be more appropriately framed? What really should be the key criteria for governments to apply in this context? In addressing this question three years ago in relation to the case for unitary authorities in County Durham, it was argued that, for twenty first century local government, the crucial requirement was to balance the traditional responsibilities of *service delivery* with those of *governance* (Raine, Dunstan, Griggs and Watt, 2003). More than this, it was argued that two further balances had to be struck as follows: First, in relation to service delivery, balance was needed between, on the one hand, capability to undertake current *operational* responsibilities efficiently and effectively and, on the other, capability to be *strategic* in planning current service needs and developing the vision to shape and inform future provision. Second, with regard to governance, a balance was needed between, on the one hand, provision of strong *community leadership* to ensure positive improvement in the quality of life for the whole community, and on the other, effective engagement with individuals as customers and citizens in the interests of securing their active participation and confidence in governance at the local level. A fuller elaboration of all this is provided in Annex A where the relevant sections of the County Durham review are reproduced.

These key arguments are essentially about the priorities of twenty-first century local government and as such, are certainly of direct relevance to the four historic cities in the southern part of Britain as to the communities of County Durham. They also contain strong resonance with the vision for local government that has more recently been articulated by ministers. Indeed, the key dimensions of ‘service delivery’ and ‘governance’ outlined above (Raine, Dunstan, Griggs & Watt, 2003) and the balances

between strategic and operational responsibility on the one hand, and between community-wide and individual citizen interests on the other, serve to highlight four key elements (or pieces of the jig-saw) that we argue provide the most appropriate criteria for the structuring of twenty-first century local government. These are depicted in Figure 4 (page 29).

One such jig-saw piece is '*sound partnerships and strategic capacity*' (which links with a theme that has been increasingly strongly emphasised by government and in the CPA process as critical to success) - the key questions here being 'how well developed is strategic capacity?' and 'how much stronger might it be under unitary status?'. A second jig-saw piece concerns the agenda of '*strong community and neighbourhood governance*' (again, a subject that has gained new momentum recently with all the focus on sustainable communities, active citizenship and community engagement) - with the key questions here being 'how effectively are communities engaged with the council?' and 'how well developed is the sense of stake and identity with the city and with the council's pursuit of unitary local government?'. The third piece of the jig-saw concerns the familiar theme of '*effective and efficient operations*' but with a contemporary focus in the wake of the Gershon and Lyons Enquiry agendas – the key questions here being 'how good and efficiently provided are the functions at present?', and 'how much better might they be as a result of the enhanced scope that unitary status might unlock?'. And the final jig-saw piece concerns the '*economic vitality of the area and the wider regional impacts*' (again picking up on a significant strand of current interest in governmental circles) - with the key questions being 'how influential in economic and other terms are the cities within their regional context and settings?' and 'how much more influential might each be if they were to have the additional benefits and opportunities of unitary status?'. In the succeeding sections we will explore the arguments relating to each of these elements in turn.

**Figure 4** Proposed Elements of the Case for Unitary Status for City Authorities



## **7. Four Criteria: Four Cities**

### **Sound partnerships and strategic capacity**

In some respects the overarching challenge confronting local authorities in the early twenty first century is hardly different from that confronted by the City Fathers in Victorian England more than a century ago – namely to transform the quality of life and life chances for all. Health, education, housing social care, crime and the environment remain among the key concerns here. Typhoid may have been eradicated but obesity and heart disease now require similar attentions. Literacy and numeracy rates have greatly improved, but there are worries about a socially excluded under-class of young people dropping out of school without basic skills and for whom prospects seem bleak. The proportion of unfit dwellings has fallen sharply but the waiting lists for housing remain huge and homelessness and rough sleeping remains a blot on our civilisation. The welfare state provides a vital shield and support for many of the most disadvantaged in society, but scandals and tragedies of abuse and neglect continue to prick collective consciences. Surveillance technology and forensic science may have transformed the capacity of the police to track and trace offenders, but many communities remain blighted by the effects of crime, drug abuse and intimidation. City centre air may be cleaner and more smoke free than in the Industrial Revolution, but the looming effects of climate change serve as a new and overdue reminder of just how little distance we have travelled in the direction of sustainability.

Many of the old problems persist, then, albeit in more modern manifestations. What perhaps is different now is our stronger appreciation of the inter-relatedness of many such problems and of the importance of concerted attentions by many different parties in addressing such ‘wicked issues’. No more is the responsibility seen as simply that of the council or of just one or other of its departments. Network governance and

partnership working are now the recognised modes for public management and much emphasis is now placed on getting the collaborative infrastructure right as a prerequisite to addressing the more intractable problems of our time.

Much progress has been made in the past decade towards a more outcome-focused approach by local authorities. This has particularly been achieved since 1997 through the work on community planning and community strategies and has subsequently been reflected in the development of new, and more outcome-driven funding mechanisms – first, Local Public Service Agreements, and more recently Local Area Agreements. These initiatives have moved the funding process on from a preoccupation with financing individual agencies to undertake their particular responsibilities to a more concerted and joined-up approach that recognises the importance of multi-agency working, and of shared responsibilities in addressing the more intractable challenges.

Local Area Agreements seem ideally designed for unitary local authority areas. In two tier areas, the Agreements are forced to sit at the county level – but as a result inevitably lack the area-specific focus that is crucial to success. Indeed, without such focus there are significant uncertainties as to what the funding stream really provides for the cities in particular – as opposed to the rest of the counties – and the resource allocation details and implications are inevitably complex and hardly yet worked through, unlike in unitary council areas where the resources of course are entirely dedicated to the particular locality's needs. This has been consistently emphasised in the experience of the new unitary councils within county areas, for example Telford & Wrekin within Shropshire.

Exeter, Ipswich, Norwich and Oxford each have good track records in partnership working and have the strategic capacities to work at many

different levels and in variety of fora, as illustrated in the following two examples.

### **Example 1: Partnership Working and the Exeter LSP**

Exeter City Council has consistently taken a proactive and innovative approach to its strategic and community leadership role, having introduced a local strategic partnership and community strategy well in advance of statutory requirements.

The Exeter Vision Partnership can be traced back to the mid 1990s when the Council built on a number of successful economic development initiatives and encouraged partnership working across a wider range of issues. The Council sounded out a range of key partners on the formation of a group to provide a long-term perspective on the future direction of the city. The response was very positive and “Vision 20:20” was formed in 1998 from a range of public, private and voluntary partners. The overarching ambition that emerged from the discussions was the desire to achieve the widespread recognition of Exeter as the ‘Regional Capital’. The Partnership also identified key themes and a range of associated actions which should form the focus for time and investment:

Vision 20:20 was launched in 2000 and progress with key initiatives has been impressive. There is now a more diverse employment base, lower unemployment, higher wage levels and investor confidence. Vision 20:20 was the key instigator of the education review leading to a re-structure of the city’s schooling system and to the successful bid for Government funding for implementation.

The success of Vision 20:20 gave the city the confidence that it could quickly embrace the creation of a Local Strategic Partnership (LSP) and prepare a new community strategy. Vision 20:20 formed the core of the Vision Partnership, but with the membership widened to include greater social, environmental and community representation. The current Vision, or community strategy, builds on Vision 20:20 and sets out a framework for tackling the economic, social and environmental well-being of the city.

### **Example 2 Partnership Working and the Greater Norwich Housing Partnership**

The Greater Norwich Housing Partnership (GNHP) of Norwich City Council, Broadland District Council and South Norfolk Council, has a 5 year history of collaborative working, information sharing and joint bidding and funding arrangements for tackling key housing priorities in the sub-region.

A joint Housing Strategy was published in 2005 which includes an Action Plan that has been facilitated by a unique structure to the Partnership, comprising a Corporate Directors Group and a Members Policy Group, made up of Leaders of the Council and Portfolio Holders for Housing from the 3 districts. In addition the 3 Councils host a Greater Norwich Housing Forum on a quarterly basis which is largely made up of Registered Social Landlords (RSL), statutory partners and the voluntary sector; indeed all partners who have a role to play in delivering the Greater Norwich Housing Strategy.

In 2005/2006 alone these efforts have secured significant funding for the sub-region including £100,000 for a sub-regional Choice Based Letting System, £900,000 for a sub-regional Empty Homes Project and £50,000 for a sub-regional Night Stop Scheme for young homeless people.

The Sub-region has been asked to produce a new Sub-Regional Housing Strategy by GoEast, instead of individual Housing strategies, which can then be used to demonstrate best practice nationally.

The Sub-Region has formed a bidding partnership with a group of RSLs so that there is a sub-regional approach to development and bidding for funding.

### **Example 3 Partnership Working for Community Safety in Oxford**

The promotion of community safety forms a central component of Oxford City Council's commitment to improve the quality of life for people who live in and visit the city. To this end, the Council works in close conjunction with Thames Valley Police through the Oxford Community Safety Partnership. This partnership has a strong record of achievement and has funded drug support workers, 'sharps bins', lighting improvements, alley gates, improved locks and bolts for people's homes., and other crime diversionary activities.

Sub-groups and casework groups target particular issues such as burglary of dwellings, auto-crime, drug dealing, domestic violence, race crime and anti-social behaviour.

In the latter case – problems of anti-social behaviour within the city centre have been addressed by:

- introducing alcohol-free zones (and included in the plans to regenerate Bonn Square, a particular problem area)
- expanding Oxford's CCTV system to the value of £1/4 million
- chairing a multi-agency initiative to address robbery and other street crime in the city
- implementing 'street scene' initiatives to tackle rough sleeping, begging and street drinking.

Similarly, in local neighbourhoods, anti-social behaviour problems have been addressed by:

- introducing street wardens into Oxford's residential areas and supporting the Police in increasing local beat patrols, including officers on bicycles
- implementing a range of measures to reduce crime in neighbourhood shopping areas.
- supporting 'CANact' a council-provided specialist team working with the Police to address nuisance neighbours and other neighbourhood level problems

This work has all been influential in shaping the 'Neighbourhood Policing' model for Oxford, with the broad approach and many of the specific initiatives being replicated as "best practice" across the Thames Valley Police Area.

There is no doubt that unitary status would facilitate further advancement in these track records. Effectiveness would be immediately enhanced by reducing a key organisational boundary which currently needs to be crossed in the co-ordination of activities (i.e. between county and district). Unitary status would also add weight to the voice of the cities and increase their strategic capacity. At present a great deal of time and effort is dissipated in trying to co-ordinate work across the tiers of local government and in attempting to support complex and at times contradictory governance arrangements. Under unitary status, the cities would be able to concentrate more on the partnership relations that really should matter – with the community and voluntary sector, with the business community and with other statutory agencies, rather than with

another tier of democratically-elected politicians and the associated administrative organisational divides.

### **Strong Community and Neighbourhood Governance**

A stream of research from the 1970s to the present day in many different countries has consistently shown that people identify more closely with smaller councils than with larger ones. It has also shown that people from smaller local authority areas are more likely to vote in elections and to have confidence in their councils. This is probably as much about geography and territorial extent as population size, and again, the relative compactness of the four cities – and particularly the fact that the administrative boundaries encircle the built-up area of the city quite tightly – is bound to augment the strong sense of ‘place’ and personal identity with the city among residents and businesses alike.

And while the agenda of efficiency and effectiveness remains a strong priority for all public services, it is obvious from all the emphasis now given to issues of community leadership, neighbourhood governance and citizen engagement, that the really significant challenge now confronting local authorities is to achieve the kind of ‘double devolution’ of which ministers speak and to transform council relationships with citizens so that they work more comprehensively with communities to identify and address issues of collective importance, rather than simply providing a range of public services. This is the challenge for all local authorities but it should be a particular priority for any new-forming unitary council. Designing in this purpose from the outset is vital if a real difference is to be made.

As indicated, scale is likely to be all-important in facilitating among local communities the desired sense of identity with, and confidence in, the council. In previous structural reorganisations ‘service management’

arguments have often been given priority over ‘community governance’ considerations and, at some cost in terms of weaker bonds between the public and their councils. Here it is also worth bearing in mind just how large UK councils are compared with their counterparts elsewhere in Europe, and where much higher priority tends to be given to the community governance agenda.

In France and Switzerland, for example, where the boundaries of the lowest tiers of local government predate Napoleon, the councils are all very familiar with the idea of collaboration with neighbours and with ‘shared service’ arrangements as mechanisms for delivering basic services, such as road maintenance and refuse collection. As a result, they are able to focus more firmly on their community leadership roles and their relationships with citizens and operate at scales with which people identify, in which they have a stake and feel a real sense of ownership, involvement and confidence.

And while it may be unrealistic in the UK contemporary context to expect national government to countenance any shift towards smaller local government units to be more in line with our European counterparts, it does all at least emphasise the case for caution in acceding to further rationalisation of boundaries and the creation of fewer but larger local authority units in England. In fact the four cities in question – Oxford, Norwich, Exeter and Ipswich - are not far from the UK average size at present and, with their compact geographical scale and city status, provide good geographical bases for building strong community governance structures and in this way fostering a positive identity among communities and citizens.

All four councils have certainly embraced the neighbourhood governance agenda as the two examples below illustrate. And much progress has been

made in building up the infrastructure and processes for more effective engagement at the community level.

#### **Example 4 Neighbourhood Governance and Community Engagement in Ipswich**

Ipswich Borough Council manages a programme of community engagement at a neighbourhood level on behalf of 'One-Ipswich', the local strategic partnership. This work recognises the importance of making the links between strategic decision-making and operational issues at a local level, and involving partners throughout the process. The current arrangements are as follows:

**Area Forums** – these are open access meetings involving residents and service providers, operating through both semi-formal agendas and ward-based workshops to identify local issues and solutions, as well as setting priorities for future development. The meetings – normally 4-6 per year - often include formal consultation on local plans and developments, and are typically attended by between 80 and 100 residents.

**Neighbourhood Panels** – these have been established in association with Suffolk Police and reflect the need for a more structured link between community engagement and policing at both the strategic and operational levels. The Panels, which meet quarterly, have a restricted membership - including service providers, councillors and residents - and bring together community intelligence (crime statistics, health data and community views) to provide an accountability steer for local policing.

**'Tasking meetings'** - these currently take place in three out of five areas in the Borough, and deal with very detailed operational issues in relation to the broad community safety agenda. The meetings – at fortnightly or quarterly intervals - involve personnel directly responsible for services in the areas plus councillors acting in their community leadership role. The meetings seek resolution to specific problems and cases in a confidential but action-oriented manner.

#### **Example 5 Neighbourhood Governance in Oxford**

##### ***Tenant involvement***

For many years Oxford has involved its council housing tenants in the management of the service through tenants' forums. Tenants' recent decision to retain the Council as their landlord reflects satisfaction with their level of involvement. The city is setting up a new Tenants' Resource Centre so that tenant representatives can do their jobs more effectively. Management of housing services is also being restructured to be better able to respond to tenants' requirements.

##### ***Area Committees***

Area Committees were introduced in 2001 and there are now six across the city. Their benefits include:

- involving local communities in decisions that effect their local areas
- increased accountability of elected members
- increased visibility of partner agencies
- improved transparency of decision-making
- more appropriate allocation of resources by responding more effectively to the different needs of each area
- devolved budgets for local projects.

The city is increasingly aligning its services to area-level delivery, with area based contacts for key services. 'Streetscene' .for example, provides a more locally-responsive service in relation to litter, parks and street cleaning.

Area Committees cover comparatively large areas and since 2004 the City has been exploring the idea of 'neighbourhood working'. Following a pilot project in one area - Blackbird Leys – the Council has now set up a Neighbourhood Action Team to examine how the concept might best be taken forward in other parts of city.

But there can be little doubt that unitary authority status would be a major facilitator for further progress still, not least because it would ensure a simpler balancing ‘under one roof’ of the responsibilities on the one hand for engagement on strategic issues (one community strategy rather than two, for example) and, on the other, for interaction at the neighbourhood level on service delivery issues of local concern (and which are currently split between two tiers). As already indicated, a single tier of elected councillors would also sharpen accountability and provide local communities with a clearer sense of where to take their problems – which is critical to the empowerment of communities at the local level. Most important, it would simplify and give focus to the process of channelling funding support to local areas in pursuit of outcomes that are tailored to local needs and circumstances. Again as already emphasised, the four Local Area Agreements (LAAs), being vested at the county strategic partnership level, speak little in the direct sense to the neighbourhoods and communities of the four cities and, as a result, it is hard to know what difference they will make for the people of Oxford, Norwich, Exeter and Ipswich.

### **Effective and Efficient Operations**

For many people, the most compelling case for unitary status lies in the potential it is perceived to provide for unlocking functional inefficiencies and realising more effective performance than is possible within a two-tier structures, not least through the avoidance of duplication, overlap, confusion and inconsistency between county and districts.

These efficiency and effectiveness arguments apply equally to the issue of political representation and political decision-making as to service delivery. Two-tier local government inevitably means complex structures of political representation with two different sets of electoral divisions (wards) and two sets of councillors for each area and two cycles of

elections (each on their own time-table). Inevitably confusion and misunderstanding is widespread among the public. Councillors also find the arrangements confusing and time-consuming – regularly having to refer items raised by their constituents to their counterparts at the other tier and, in the process, often having to spend significant amounts of time tracking down the appropriate officer within the other tier.

A single tier at any scale suggests considerable advantages in this respect. However, at the city scale – of a relatively compact and densely populated territorial area – there are likely to be particular advantages in terms of smaller sized wards and closer proximity between the electorate and their elected representatives. There are also better chances for candidates from smaller parties to be successful in elections and for a more diverse pattern of representation, which usually means a richer form of democracy (e.g. the Green Party has consistently attracted a strong vote in city council elections, and holds several seats on both Norwich and Oxford City Councils).

In much the same way, decision-making in the political arena can also be disjointed and complicated by two tiers. For example, in relation to procurement of waste management technology, the investment cycles of the county – as reclamation/waste disposal authority – may not synchronise with those of the districts - as collection authorities. Moreover, the investment decisions made at county level about the location of waste management facilities and of the specification of the plant involved, may well imply operational difficulties and additional costs for the districts.

This, of course, is just one example of the potential for service delivery inefficiencies that can flow from a two-tier structure. But it is one that amply underlines the potential benefits of unitary local government in terms of scope for joined-up investment decisions and overall efficiency.

The scope for similar benefits can be identified in relation to street cleansing/environmental health and highways; housing and social care; and children's services and sport and recreation services for young people.

Despite that fact that, for all the above reasons, two-tier working generally conspires against efficient and effective service provision, the cities of Oxford, Norwich, Exeter and Ipswich have each managed to make considerable progress in improving their performance, particularly in their own service delivery functions. But there is little doubt that, as unitary councils, each could be much more efficient and effective for their communities by avoiding duplication, and overlap and, indeed, the more general time-consuming process of supporting two-tier working.

More than this, unitary status would provide a far better fit for the new context of more integrated and 'joined up' public service delivery. For example, the need today, is hardly for the kinds of large-scale hierarchical organisational structures characteristic of traditional 'education' and 'social services' departments and which have in the past dominated county budgetary and policy-making processes. Instead, the requirement is for 'children's services' that link the responsibility for educational progression in the schools sector with concern to ensure the attainment of other important outcomes – notably, healthiness, safety, social development, enjoyment and fulfilment in life, economic well-being and ability to make a positive contribution to society. Accordingly the main focus needs to be on the development and implementation of imaginative and comprehensive service plans that address the wider agenda of needs of children and young people, embracing support services for the early years, pre-school provision, out-of school child-care, schooling, life-long-learning, leisure and recreation, provision, children's social services, youth services, public health education, youth justice and much more besides.

Similarly, in relation to adult social care, the new context demands a fresh approach that links traditional social services functions with other key responsibilities, for example, concerning protection of vulnerable adults, access to health and welfare services, provision of housing and transport services, and ensuring a decent quality of life for all. From the experience of unitaries such as Telford & Wrekin and Hartlepool, it is clear that this is much more likely to be effectively and efficiently achieved within a single tier local authority framework; without a spilt in responsibilities and without the associated scope for confusion, overlap and for gaps and failures in provision. Here too, within the confines of compactly-defined cities, there is particularly good opportunity to establish those links and to ensure the provision of a more simplified and strongly integrated set of services to meet the range of contemporary needs. In the future, this seems as likely to be achieved through commissioning and contracting as by in-house provision, and of course such decisions are themselves likely to be made in a more strategic and far-sighted manner by a unitary authority.

### **Economic Vitality & Regional City Impact**

The case for unitary status needs to take account of the strength of the economic base of the area and its capacity to sustain itself as an economically viable unit. This seems especially important in relation to smaller and more territorially compact council areas and those that are essentially urban (residential, commercial and industrial) in character and with little or no rural hinterland.

That said, no city is ‘an island’ and two key issues that need to be taken into account in assessing the case for unitary status are, first, the current economic vitality and impact of the city on its wider regional and sub-regional surroundings, and second, the potential for strengthened economic vitality and regional impact were unitary status to be achieved.

As indicated, several important research reports about cities and city regions have recently been published (ODPM, 2006; ODPM, 2006 IPPR, 2006) and many of the conclusions of these studies have relevance to the issue of unitary local government status;

To be sure, there are differing views among the researchers and other experts as to what makes for successful and prosperous cities and as to the significance of administrative boundaries and governance structures in this context, but there is general consensus around the idea that

*'... cities need more powers to promote economic development' and that '...greater financial autonomy would improve cities' economic performance and their leadership...'* (IPPR, Centre for Cities, 2006, p1)

The report commissioned by ODPM 'The State of the English Cities' provides a thorough analysis of the progress made, and prospects for, some fifty-six major towns and cities – including Oxford, Norwich and Ipswich (and should also have included Exeter as well, but for an error, subsequently acknowledged by the Minister of Communities and Local Government). The report's key conclusion is that

*'...England's cities are better placed than at any time since the end of the 19<sup>th</sup> century to become engines of national growth, creating a unique opportunity to close the economic performance gap between England's cities and the very best cities in Europe...'*  
(ODPM, 2006, p1)

The report also highlights the need to address key drivers of economic success – transport, skills and land use, and emphasises the value of the concept of the 'city region' (i.e. including the economic area beyond municipal boundaries. The authors of the report also acknowledge the contribution of 'local leaders' in driving the recovery of many cities, and argue that

*'...we should provide more powers and resources to our cities so they keep the work going...'* (ODPM, 2006, p 2)

All four cities under review in this study – Oxford, Norwich, Exeter and Ipswich – are very significant urban centres, and the economic, social and cultural hubs for sizeable geographical areas.

**Oxford** has a global reputation for a diverse range of industries - education, health, bioscience, information technology, publishing, the motor industry and tourism. The City is home to almost 3,800 businesses providing almost 100,000 jobs. Seven of the ten largest employers in Oxfordshire are in Oxford. While there has been little change in the total number of jobs in Oxford over the last 30 years, the decline in manufacturing jobs has been closely matched by growth in employment in health, education and the service sectors (87 per cent of employees now work in services, including 18% in retail, hotel and catering).

**Norwich** and its immediate hinterland is the largest economic unit within the Eastern region and has been identified in the Norfolk Employment Growth Study as having particularly high growth potential. It has the largest financial services and creative industries clusters in its region – with more than a quarter of the workforce employed in financial services. The city has also been ranked the 9<sup>th</sup> best retail centre in the UK and the best in its region. Tourism accounts for around 5.5 million visitors – the historic cathedral city and the nearby Norfolk Broads being two top attractions in the region. More than 50 national firms have their UK or regional headquarters in the city and the city's economic growth potential is enhanced by excellent rail and air connections to London and other parts of the country and to Europe.

**Exeter** is the regional capital for the South West, serving a hinterland, not just of adjacent communities, but of much of Devon, Cornwall and parts

of Somerset as well, with quality retail and cultural facilities. Some 86,000 jobs are provided in the city and the local economy has grown increasingly buoyant through significant inward investment over the past decade, including the Met Office. Indeed, recorded employment growth here was the third highest in Britain in the period 1998-2004, and the South West Regional Assembly sees the city as playing a critical role in the regional growth agenda over the next two decades and as one of the major growth zones in the south west.

*Ipswich* is similarly a major regional centre for financial services, hi-tech industries and administration as well as a hub for transport and distribution. Like Exeter, the city has seen very rapid growth over the last few years and significant further growth is planned (the current population of about 126,000 is expected to rise to around 150,000 by 2021, and an extra 15,500 dwellings will be provided). Key developments include the Ipswich Waterfront and University Campus Suffolk. Ipswich is also a key part of the Haven Gateway Partnership and the Regional Cities East initiative – which enjoys strong support from the East of England Development Agency.

#### **Example 6 Ipswich & Norwich and ‘Regional Cities East’**

Launched by David Miliband MP in March 2005, Regional Cities East (RCE) is an alliance of six cities in the East of England, supported by the East of England Regional Development Agency (EEDA) and the Government Office for the East of England (GO East).

The six cities, Ipswich, Norwich, Peterborough, Luton, Colchester and Southend-on-Sea, have agreed to share best practice, collaborate on joint ventures and set joint priorities, because they believe by working together in these ways they can create more jobs and affordable homes than by working alone. They share a common belief - that medium sized cities can deliver economic growth in a sustainable way. And they face common challenges - to improve infrastructure and skill levels.

Regional Cities East has set out to achieve five goals by 2021

- \* To add £10 billion to the UK economy
- \* To create 140,000 new jobs
- \* To be recognised across Europe as a centre for innovation and creativity
- \* To build 160,000 new homes, with 80-90% of them on brownfield land
- \* To deliver a 3% reduction in carbon emissions for the whole of the UK

Each of these four cities, then, has a very strong economic base and makes a very considerable impact within their regional and sub-regional settings. But what is also apparent is how much stronger the economic, social and cultural influence and achievements of these cities could be if the governance arrangements were such as to support a more strategic and comprehensive approach to planning and development of the infrastructure and the delivery of related services in a more integrated manner. For example, the ability to develop and work to a single spatial strategy would itself encourage and support more economic dynamism and nurture the growth of stronger, sustainable, communities and avoid the time-consuming endeavours involved in co-operating and co-ordinating across two tiers of local government. Working as a single all-purpose unitary authority would enable land use, transport and investment strategies to be joined up and built on related timescales which would directly enhance prospects of both attracting new external investment and retaining and supporting existing firms.

Unitary authority status for the cities would also make for more straightforward relationships with the Regional Development Agencies and again facilitate further success in attracting new investment and support. Similarly there would be clear regional economic spin-off benefits from unitary local government in these cities through the boost it would give in the culture and leisure sectors simply through bringing together county and city facilities and ensuring more mutual support and interactivity.

## 8. Conclusions

The case for unitary authority status for the four cities of Oxford, Norwich, Exeter and Ipswich, is persuasive indeed. Until 1974 these important seats of local governance and administration enjoyed County Borough status, and provided a full range of services. Only the (now very questionable) arguments about uniformly tidy two-tier structures across the map of English shires can explain their demotion in 1974 to shire district council level. In the succeeding thirty years each city has grown markedly and flourished as an economic, civic and cultural centre for its county and region.

All four might well have been granted unitary status in the 1990s when the Local Government Commission was reviewing structures on a county-by-county basis. This was a period in which some forty-six more councils became unitary authorities. Oxford, Norwich, Exeter and Ipswich were not among them only because the Commission, when reviewing the respective county areas of Oxfordshire, Norfolk, Devon and Suffolk, took a pragmatic view in favour of retention of a uniform approach based on the two-tier model. As such the decision was almost certainly premised more on the needs and circumstances of the rural parts of each county than on those of their capital cities.

That the debate about local government structure has recently been reopened nationally only serves to underline how unsatisfactory some of the past decisions have been seen. But according to the comments of the Minister for Communities and Local Government, there seems at last to be recognition of the case for a more diverse pattern of local government structure - tailored to different local contexts and preferences. At the same time, the recent research on cities, and on their distinctive contribution at both regional and national levels, suggests further recognition of the case for all-purpose single-tier local government in cities like Oxford, Norwich,

Exeter and Ipswich. The time seems right indeed to recognise the anomalous position of these most historic and dynamic cities by returning to them the all-purpose city governance status they have previously enjoyed.

This review has been based on a careful examination of the evidence concerning local government structure. It has concluded that the case for unitary local government as a design principle is a strong one indeed and one that is now widely supported as the better model. The review has examined the arguments about size and found no evidence to support the common presumption in this context that ‘larger is better’, and that councils with smaller populations could not be expected to perform as well as their larger counterparts simply because they cannot realise the economies of scale.

From the available data, however, it is very clear that the key determinants of performance are more subtle and various in nature than size-related. Indeed, in CPA terms, there are currently rather more excellent performers among the smallest sized new unitaries and rather more poorer performing ones among those with larger populations. Even so, it is pertinent to note that all four cities in question have significantly larger populations than a number of existing unitaries and each is experiencing strong growth.

That said, the matter of population size, in any case, seems quite inappropriate as a criterion to be used in deciding eligibility for unitary status, not least because there are well-established alternative means such as commissioning and contracting or shared service arrangements with neighbouring councils that would secure the same economies of scale in service provision as larger authorities, and would do so without undermining the basis of sound democratic local governance and of closeness to the people. The pre-eminence of these latter issues has

traditionally been better understood in mainland Europe, where, as a result, local authorities are generally much smaller than in the UK. But seemingly, the importance of ‘community governance’ responsibilities, not just those of ‘service delivery’, are at last being recognised and respected more positively here too.

Having reviewed the range of criteria that have been variously taken into account in debates on local government structure, and having paid particular regard to contemporary circumstances and policy priorities, four key criteria have been identified as providing an especially appropriate basis for considering the case for unitary local government. These respectively concern the soundness of partnerships and strategic capacity; the strength of community and neighbourhood governance; the efficiency and effectiveness of operations (both service delivery and governance); and the economic vitality and wider regional impacts.

Together these four criteria provide a strong framework for good governance, reflecting contemporary priorities and the important balance between strategic and operational responsibilities on the one hand, and between collective community and individual citizen/customer focus on the other.

The four cities of Oxford, Norwich, Exeter and Ipswich are already demonstrating sound credentials and strong prospects in relation to each such element. With the additional burst of energy and imagination combined with the more concerted framework for leadership and development that the opportunity of creating an entirely new unitary council would bring, all four could achieve much more both for their own communities and for those in their wider regional hinterlands.

Finally, a point about capacity for change. In the course of compiling this report our attentions have been drawn to a variety of achievements and innovations by the four authorities. These, we are sure, are indicative of a wider capacity to manage change, which would be vital in mitigating any short-term negative impacts of establishing new unitary authorities for the cities in question. For sure, there are uncertainties to be faced in establishing four new authorities for Oxford, Norwich, Exeter and Ipswich respectively and work to be done to minimise the costs of transition and to avoid disruption to service delivery in the process. But the imperatives for unitary local government are now so pressing with all that is implied by the contemporary policy agenda of the Government that the time must be right to trust the councils to make a success of the transition and to realise quickly all the new opportunities that unitary status should offer their communities and those in the wider regions they serve."

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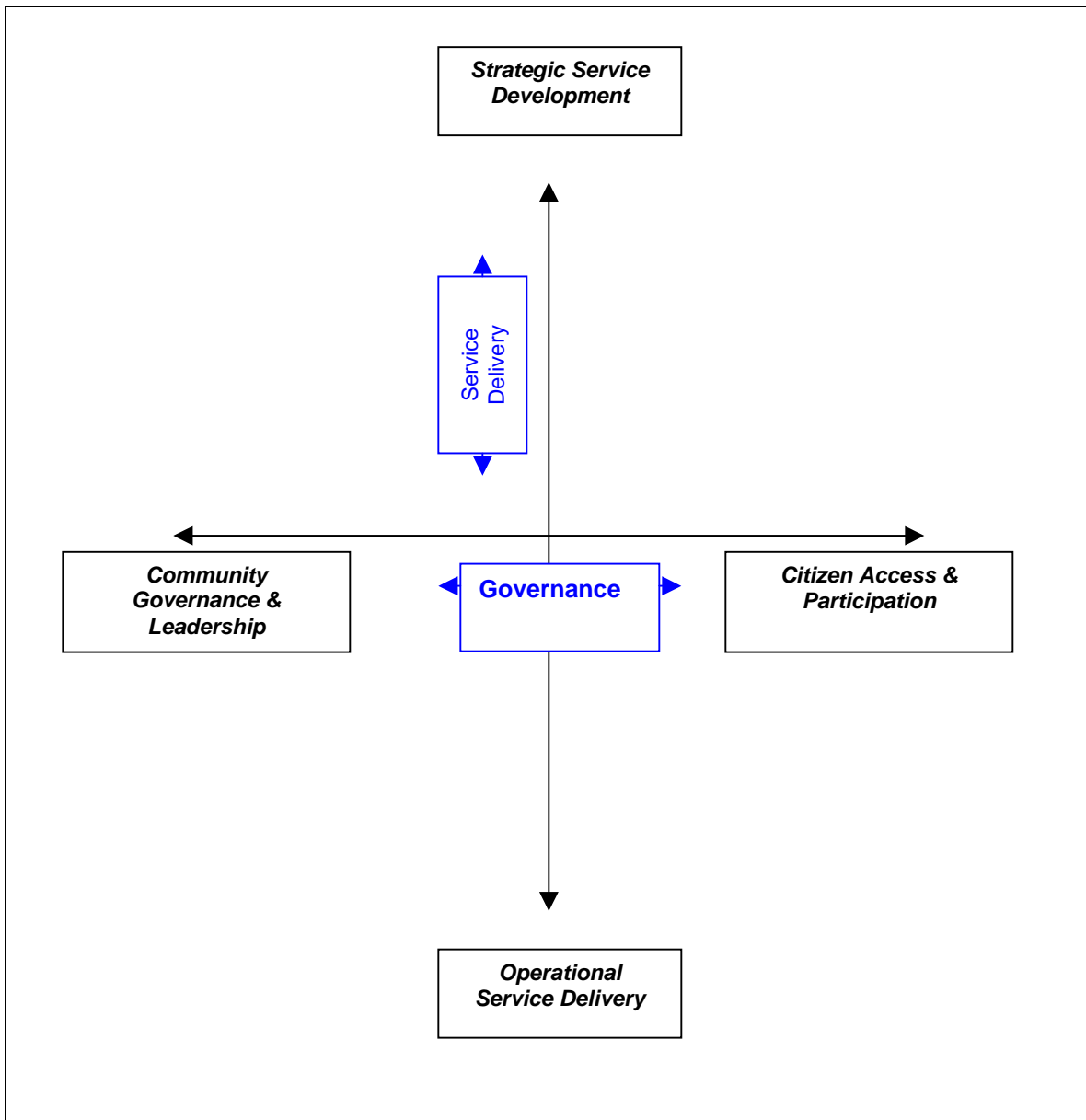
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## Annex 1

## Model for Effective Local Government Structure presented in the Review of County Durham (INLOGOV, 2004)



### *Service Management*

#### *Operational Service Delivery*

*The southern end of the North-South axis of the model focuses on a dimension of local government activity that is most often in the public eye and, as a result, where many of the common perceptions about local authorities are formed. The delivery of key local services, such as education, social services, highways and transport, public housing, refuse collection, street cleansing, leisure and recreation facilities, grounds maintenance and so on, put local government strongly in the public*

*spotlight and performance accountability in these respects is usually relatively strong. The implementation of the Best Value and CPA regimes in recent years – with their expectations about the excellent performance of services – has added to that sense of accountability. And in this context, the key issues are the ‘quality of services delivered’ and capacity to improve (in terms of effectiveness, efficiency and responsiveness to customer/citizen and community expectations and needs) as well as cost competitiveness. While, as indicated, it has usually been assumed that a larger scale of operation (i.e. large size of local authority) will facilitate the effective and efficient delivery of services, it is pertinent to note that there is little empirical research to support this in practice and our analysis based on CPA scores produced no evidence of positive association. More than that, several published academic studies emphasise the contrary - that small scale can be advantageous in giving local control and, through it, more responsive and accountable form of delivery. Not least for this reason, we believe that town and parish councils have considerable potential in this context. Many already play a very active role in local service management and delivery and, many others (though by no means all), seem capable of taking on more local service responsibilities from principal councils.*

### ***Strategic Services & Development***

*At the other end of the ‘service delivery’ (North-South) axis of our model, is the responsibility for more strategic level and co-ordination-based public service development. This, as indicated, has attracted more attention in recent years, particularly with the focus strongly placed on partnership working to address more complex, cross-cutting or ‘wicked issues’ that defy resolution by any one agency alone. As the modernisation agenda for local government demands, local authorities are increasingly expected to demonstrate their effectiveness on this agenda and to develop more ‘joined up’ approaches and solutions to such problems. Among the most familiar examples in this respect are the development of programmes to tackle crime and disorder problems, actions to improve the health of local communities and improvement in quality of life more generally, including the alleviation of poverty and other forms of deprivation. Possibly larger local government units will be best resourced (in terms of ‘influence’ as much as with ‘money’) to be effective in this respect. However, once again the evidence from experience suggests that large-scale organisation alone is certainly no guarantor of success. Indeed there is always a risk with larger (more heterogeneous) units that focus is lost, and as differing priorities compete with one another or cancel each other out. That said, while all of the district councils regarded their record in specific operational service delivery to be generally good, each also indicated having experienced ‘capacity problems’ in addressing the more strategic and ‘joined up’ public service agenda.*

## **Governance Issues**

### ***Citizen Access & Participation***

*The Governance (East-West) axis of the model focuses on the distinction between the responsibility for closeness to, and engagement with, individual citizens on the one hand and responsibility for providing public leadership and for articulating and pursuing vision and mission for the community as a whole on the other. The relationship between the individual citizen and local authorities has developed significantly over the past two decades – with far more emphasis now placed on the citizen as ‘customer’ and ‘consumer’ of public services and on the notion of ‘service’ per se. At least since the Citizen’s Charter initiative of the early 1990s, local authorities have been working hard to improve communications and ‘access’ for citizens (both psychological and physical) and to promote wider citizen involvement in debate and decision-making through formal and informal public participation initiatives. How successful such initiatives have been is still a matter for debate, and it has certainly not proved easy to ‘engage’ more effectively with the public’ (particularly young people and disadvantaged groups) except perhaps, when proposals have been seen as threatening or damaging to personal interests. Developments in Information and Communications Technology (ICTs), have the potential to help widen and promote more citizen engagement and to support more individual interaction with local authorities. But the importance of face-to-face communication in building public confidence and trust in local government also needs emphasis, not least because of the significant proportion of the population who lack the means of access to (or confidence with) the technology for interaction.*

### ***Community Governance & Leadership***

*At the other end of the Governance (East-West) axis of the model is the responsibility for leadership of the community as a whole and for serving the wider community interest in matters such as economic, social and environmental ‘well-being’. Making a difference in these regards continues to be a major challenge to local authorities, and particularly to improve significantly on the major quality of life issues of morbidity and mortality rates, educational attainment, housing quality, and other such fundamentals. While the efforts of local government have no doubt been making some difference in these respects, there is clearly much more work still to be done. While the district councils can claim the advantage in terms of closeness to, and therefore clearer focus on, the issues, their access to resources is inevitably limited. Conversely, the County Councils, while generally having more capacity/influence to bring to bear and wider networks to exploit, are perceived in many quarters as insufficiently local to provide the desired degree of public accountability and sense of responsibility for patch-specific structural adjustment agendas.*