

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Second Delegated Legislation Committee

DRAFT NORTHAMPTONSHIRE (STRUCTURAL  
CHANGES) ORDER 2019

*Monday 10 February 2020*

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**Friday 14 February 2020**

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**The Committee consisted of the following Members:**

*Chair:* JAMES GRAY

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|--|--|
| † Aldous, Peter ( <i>Waveney</i> ) (Con)                           | † Hall, Luke ( <i>Parliamentary Under-Secretary of State for Housing, Communities and Local Government</i> ) |
| † Atherton, Sarah ( <i>Wrexham</i> ) (Con)                         | † Huddleston, Nigel ( <i>Mid Worcestershire</i> ) (Con)  |
| † Baker, Duncan ( <i>North Norfolk</i> ) (Con)                     | Johnson, Kim ( <i>Liverpool, Riverside</i> ) (Lab)   |
| † Bell, Aaron ( <i>Newcastle-under-Lyme</i> ) (Con)                | Lynch, Holly ( <i>Halifax</i> ) (Lab)  |
| † Bowie, Andrew ( <i>West Aberdeenshire and Kincardine</i> ) (Con) | † McMahon, Jim ( <i>Oldham West and Royton</i> ) (Lab/Co-op)   |
| † Bradley, Ben ( <i>Mansfield</i> ) (Con)                          | † McGinn, Conor ( <i>St Helens North</i> ) (Lab)   |
| † Buchan, Felicity ( <i>Kensington</i> ) (Con)                     | † Sobel, Alex ( <i>Leeds North West</i> ) (Lab/Co-op)  |
| † Colburn, Elliot ( <i>Carshalton and Wallington</i> ) (Con)       | Ben Sneddon, <i>Committee Clerk</i>  |
| † Cruddas, Jon ( <i>Dagenham and Rainham</i> ) (Lab)               | † <b>attended the Committee</b>  |
| † Foy, Mary Kelly ( <i>City of Durham</i> ) (Lab)                  |  |

**The following also attended (Standing Order No. 118(2)):**

Lewer, Andrew (*Northampton South*) (Con)

## Second Delegated Legislation Committee

Monday 10 February 2020

[JAMES GRAY *in the Chair*]

### Draft Northamptonshire (Structural Changes) Order 2019

4.30 pm

**The Parliamentary Under-Secretary of State for Housing, Communities and Local Government (Luke Hall):** I beg to move,

That the Committee has considered the draft Northamptonshire (Structural Changes) Order 2019.

It is a pleasure to serve under your chairmanship, Mr Gray. The order was laid before Parliament on 28 October 2019. If approved by the House of Commons and the other place and made, it will implement the proposal to replace two-tier local government in Northamptonshire with two new unitary councils. The proposal was made on 31 August 2018 by seven councils in Northamptonshire in response to an invitation from the then Secretary of State.

The order provides for the establishment of new local government areas: a new district and a coterminous county to be known as North Northamptonshire, covering the existing districts of Corby, East Northamptonshire, Kettering and Wellingborough; and a new district and a coterminous county to be known as West Northamptonshire, covering the existing districts of Daventry, Northampton and South Northamptonshire.

The order establishes for each new district a new unitary council, to be known as North Northamptonshire Council and West Northamptonshire Council. It provides that from 1 April 2021 all eight existing local government areas—the county of Northamptonshire and the districts of Corby, Daventry, East Northamptonshire, Kettering, Northampton, South Northamptonshire and Wellingborough—are abolished. The councils for those areas will be wound up and dissolved.

Finally, the order provides for transitional arrangements. It includes provision to replace the district council elections in May 2020 with elections to new unitary councils, which will be shadow authorities until 1 April 2021. The existing district councillors' terms of office will be extended to when the authorities are abolished.

The new unitary councils will create a new start for local government across Northamptonshire. The need for it was identified in the best value review of Northamptonshire County Council undertaken by Max Caller CBE. The review was commissioned by the Government in response to concerns about financial management at the county council. In his report of 15 March 2018, he recommended that local government in Northamptonshire should be reorganised into two unitary councils: one covering the areas of Corby, East Northamptonshire, Kettering and Wellingborough; and the other covering Daventry, Northampton and South Northamptonshire. That is exactly what the order provides.

Max Caller also recommended that commissioners should be appointed to stabilise the position of the county council until the new structures could be established. The Government responded to the recommendations and put in hand the necessary processes for establishing

unitary councils. They also appointed Tony McArdle and Brian Roberts as commissioners. Working closely with the county council's chief executive, Theresa Grant, they have ensured that the county council's finances, while still fragile, will be a stable platform on which to establish the new councils.

The process for establishing unitary councils is set out in the Local Government and Public Involvement in Health Act 2007. As a first step, the then Secretary of State issued on 27 March 2018 an invitation to all eight of the Northamptonshire councils to submit a proposal for local government restructuring. The invitation set out that the proposals should meet our long-standing criteria that restructuring should, if implemented, improve local government; be based on a credible geography; and command a good deal of local support. The invitation specified that a proposal should take account of the recommendation of the best value review that the two unitary, west and north, model is the preferred way forward, and wider regional issues such as how a new authority might be able to contribute to the Cambridge-Milton Keynes-Oxford growth corridor.

On 31 August 2018, seven of the eight authorities submitted a proposal for the two new unitary councils of North and West Northamptonshire. The councils' submission included the results of the consultation exercise that had been undertaken. As required by the 2007 Act, the Government then launched on 29 November 2018 a further consultation on the proposal, which finished on 25 January 2019—386 responses were received.

On 14 May 2019, the then Secretary of State decided, subject to parliamentary approval of the necessary secondary legislation, to implement the proposal for the two new unitary councils. In reaching the decision, he carefully considered the material submitted by the councils, the results of the statutory consultation and all other relevant material.

The Secretary of State was satisfied that the unitary proposal met the three criteria that we have consistently applied when considering unitary proposals. First, he was satisfied that, if implemented, the proposal was likely to improve local government in Northamptonshire. In particular, it would: help to align infrastructure, housing and environment services to drive local growth; provide a clear point of contact for residents to access all council services; deliver advantages in health and wellbeing by enhancing social care and safeguarding services; improve education and skills provision; and deliver savings of an estimated £12 million per year within two years of the establishment of the new councils.

The Secretary of State's judgment about the proposal improving local government was made on the basis of a children's trust being established to cover the whole of Northamptonshire. That would ensure that children's social care will not be disaggregated, with the trust discharging functions on behalf of both new councils. On 10 June 2019 the Secretary of State for Education issued a statutory direction requiring the county council to establish such a trust.

The Secretary of State's judgment was also made on the basis that work continues in Northamptonshire to do more to integrate adult social care and health services. Health partners and councils continue to develop detailed health and adult social care integration plans. They

have proposed outline system design principles and governance as a precursor to any possible formal integration.

Secondly, the Secretary of State was satisfied that the proposed two new unitary councils represent a credible geography to meet our assessment criteria. Thirdly, he was satisfied that the proposal, if implemented, would command a good deal of support. He reached that view having regard to the results of both the councils' consultation and the statutory consultation. The results of the councils' consultation included the fact that more than 67% of the 5,831 respondents agreed that the number of councils should be reduced. A representative residents survey demonstrated that absolute majorities of residents throughout the county and in each of the proposed unitary areas agreed with the proposal, with 74% overall, and 77% and 74% in west and north Northants respectively.

Furthermore, both the police and crime commissioner and the Northamptonshire Healthcare NHS Foundation Trust are supportive of reducing the number of councils. The results of the consultation demonstrated that seven of eight councils in the area, all public sector partners and the local enterprise partnership support the two-unitary proposal.

The draft order provides for a range of measures to manage the transition to the new unitary councils. The measures have been discussed with all the Northamptonshire councils, and drafts of the order were shared with them. As far as possible, the order reflects the requirements of the area and local preferences.

The most significant details of the transitional arrangements are that the draft order will provide for the establishment of shadow authorities in May 2020, to which members will be elected in May 2020. The elections will be on the basis of three-member wards along the existing county electoral division boundaries. Those elected will serve as members of the shadow and new councils until May 2025. Subject to approval of this order, the Local Government Boundary Commission for England is expected to review the wards after April 2021, in time for the 2025 elections.

Until the shadow authorities are set up, a North Northamptonshire joint committee and a West Northamptonshire joint committee will lead the implementation. The membership of the committees specified in the order reflects local preferences and formalises existing arrangements.

The shadow authorities will be responsible for steering the transition to April 2021, including setting the 2021-22 budgets for the new councils. On 1 April 2021, the shadow authorities will take over all local government roles and responsibilities and be the new councils. This order specifies that the functions of the shadow authority are largely to be exercised by the shadow executive. The implementation phase is well under way and the existing joint committees are working hard to prepare the ground for the new shadow authorities and to ensure that the new councils are able to hit the ground running.

In conclusion, we are seeking to create a new start for local government for the people of Northamptonshire. Reorganisation provides an excellent opportunity to ensure that local people receive the high-quality services that they deserve, providing a fresh start and restoring faith in local government in Northamptonshire. All the

existing councils have made it clear that they share those aims and are committed to the best services for their communities. The order delivers this and, on that basis, I commend it to the Committee.

4.39 pm

**Jim McMahon** (Oldham West and Royton) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Gray.

None of this is new. We have been anticipating a conclusion and, in some ways, I welcome the fact that we are now beginning to get to the end. At least the local authorities that will be created there can begin to rebuild public services in their area. As time has gone by, without doubt public services in those areas have been affected.

We ought not to forget why we are here in the first place: the financial crisis that was created in Northamptonshire and led to commissioners going into the council. We are now at the end of the process, but it meant that spending on all but non-essential services stopped completely on two separate occasions. To help fund the gap, £17 million of capital was given, which effectively involved a fire sale of the assets owned by the county council. The reason for that was pretty self-evident. A lot of the neighbourhood services, regulatory services, public protection services and housing, which are delivered by the boroughs in metropolitan areas such as London, have been squeezed to help fund adult social care and children's services. In a two-tier area, the county bears the pressure of adult social care and children's services without the ability to squeeze the neighbourhood services that are being decimated elsewhere around the country.

There were particular problems in two-tier areas. The order will not resolve those structural problems, and neither will the fair funding review. The truth is that there is not enough money in the system to fund adult social care. That is relevant, because the funding base was why we have ended up with the reorganisation that we are now discussing and reaching a conclusion on. The fair funding review will mean that money is just being shifted around the system.

**The Chair:** Order. The hon. Gentleman must stick to the statutory instrument that we are currently considering.

**Jim McMahon:** The Government will need to be able to convince not just the Opposition, but the residents of the two new unitary authorities, that there is enough money in the system to fund services. What is the point of reorganisation if it does not deal with the crisis that led to it in the first place?

I make this call whenever we discuss reorganisation, particularly in two-tier areas where there is not entire agreement among the component local authorities. When a new authority is created, there is sometimes a danger that, in order to assert its own identity, it almost tries to erase the identity of all that went before it. We need to make it clear that the people who administer public services in an area do not make the identity of the place. It is important that the historical identities of local communities are respected through the reorganisation, and that councillors keep an eye on that throughout the transition period.

*[Jim McMahan]*

I place on the record for *Hansard* my thanks to Councillor Tom Beattie, the leader of Corby District Council, for the fantastic work that he has done. I hope that one day Labour will control those two unitary councils, but I think that we are some way away from that. Councillor Beattie's sterling work in steering Corby District Council over a number of years has not gone unnoticed, and I place on the record that he is one of our best in local government.

It has been a very turbulent time for councillors, public officials and the people who work for the local authorities concerned. Although there is not entire agreement among local councils that this is the right move, it will at least settle the matter. Hopefully they can rebuild and move on.

4.43 pm

**Luke Hall:** I thank the hon. Member for Oldham West and Royton for his comments. I express my thanks to all members of the Committee and to you, Mr Gray, for chairing the debate.

In supporting the implementation of the proposal in Northamptonshire, we are helping the local authorities to serve their communities better and to deliver public services better for their residents. We are seeking to create a new start for local government in Northamptonshire by replacing the existing two-tier structure with two unitary councils. We are confident that the new councils will drive transformation in the delivery of local services and ensure the effectiveness of vital frontline services for the most vulnerable people through the establishment of the children's trust.

**Andrew Lewer** (Northampton South) (Con): I want to place on the record a perspective from a local Member. Although in some ways it was unfortunate that the

order was not introduced before the recent general election, at least there was an opportunity to debate the proposal in the course of the election. It received the endorsement of the seven Conservative MPs who at the general election stood on a platform of achieving this change.

**Luke Hall:** I thank my hon. Friend for that point and for his support, and I thank the Northamptonshire MPs for their constructive working throughout this process. Their engagement has been hugely helpful. I place on the record my thanks to all the council leaders who have been involved in the process.

Should it be approved on Wednesday, the local government settlement for next year means that core spending power in Northamptonshire will rise by 7.7%, or £32.9 million. There is a clear and strong case for implementing this locally led proposal. It meets our publicly stated criteria for local government reorganisation. The implementation phase is well under way, and we have full confidence in the area's ability to implement the unitarisation by April 2021. The extended period means that we can be confident of a safe and effective transition to all the new service delivery arrangements across the whole area. Throughout the extended period, our commissioners will be able to continue to support the county council. All the existing councils have made it clear that they share the aims and are committed to providing the best services for their communities. It is vital that local people and staff have certainty about the future of local government in the area. This order achieves that. I therefore once again commend the order to the Committee.

*Question put and agreed to.*

4.45 pm

*Committee rose.*