

Making Counties Count: Weaving a New Tapestry for Local Government

August 2020



Disclaimer

Henham Strategy were commissioned to produce this report by the County Councils Network (CCN). We were asked to explore the current and future role of counties – and both county councils and county unitary authorities – in the context of the devolution of powers away from Whitehall.

As part of this report we have spoken to a number of Leaders and Chief Executives of county authorities, both unitary and two-tier, to help understand the current operating environment for county and unitary councils across England. Off the back of those conversations, wider research and our background experience in and around local government, we have produced a series of recommendations for policy makers to consider.

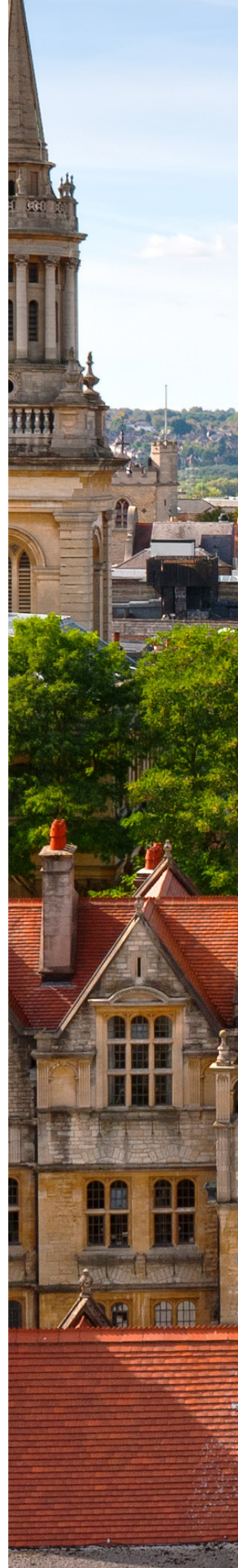
The work, ideas and recommendations contained within this document are, except where indicated, those of Henham Strategy and Henham Strategy alone.

Acknowledgments

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Executive Summary:

Weaving a New Tapestry



We find the world as it is, not as we might wish it to be. That is certainly true in English local government, where a smorgasbord of different organisations and authorities wield typically inconsistent powers over geographies which rarely match.

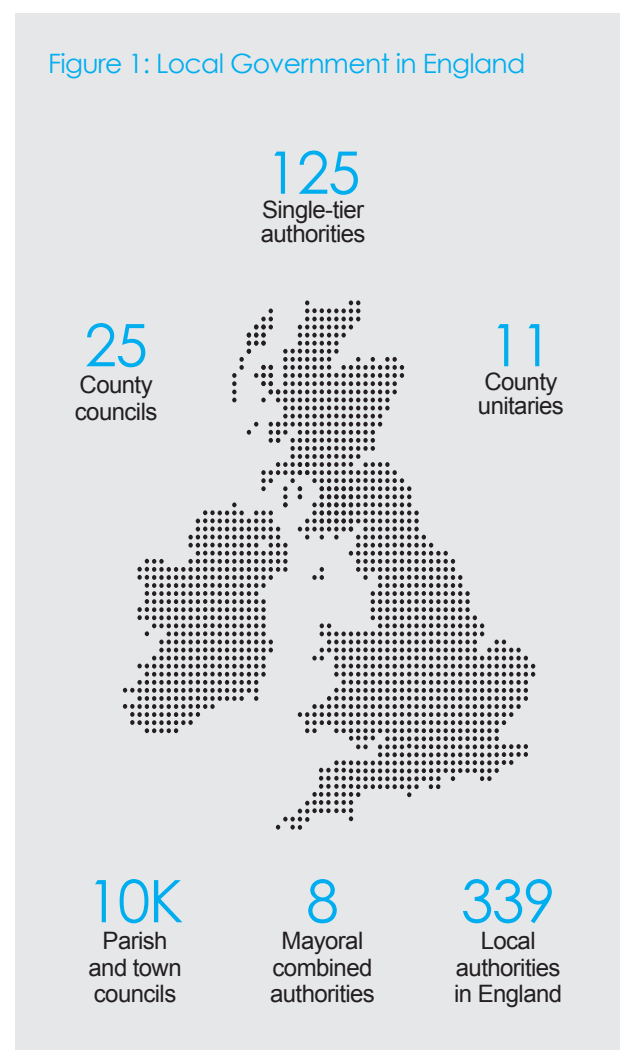
There are 339 local authorities in England, of which 25 are county councils, 188 district councils and 126 single-tier authorities – 11 of them county unitaries. There are 8 mayoral combined authorities sitting above some of these local authorities (as well as the Mayor of London and the Greater London Authority) and some 10,000 parish and town councils which sit beneath.

In total, ten devolution deals¹ have been agreed in the last ten years, covering just over a quarter (26.7 per cent) of the population. Taken together with London this still leaves almost 60 per cent of English people uncovered by any kind of devolution deal.

There are 38 Police and Crime Commissioners across England and 38 Local Enterprise Partnerships, which operate along different geographies. There are also a number of different health bodies, such as HWBs, CCGs, STPs and ICSs.

It is small wonder that the average resident is confused about local government. Polling data bear this out. A recent survey conducted by YouGov, commissioned specifically for this report, showed that fewer than one in five (18 per cent) of those surveyed thought it was easy to understand who was responsible for what across local government. That confusion leads, we believe, to a wider apathy. More than two-thirds of those surveyed said they that knew nothing or not very much about how local government is structured in their area.

Figure 1: Local Government in England



1. House of Commons Briefing Paper (2020), *Devolution to Local Government in England*, p7

The 'patchwork quilt' form of English local government, and its adequacy in respect of meeting the requirements of local government, was already being considered by the Government before the Covid-19 pandemic struck. The Government was also considering how they might best level up the economy, stimulating growth and providing opportunities right around the country.

Both these issues, which are not unrelated, have been brought into sharp relief by the implications and the repercussions of the pandemic. Those areas which have been untouched by devolution are typically those where the need for greater economic opportunities is the most pronounced. To secure these opportunities, and the associated economic growth, the Government needs to ensure the right powers are in the right hands, and that its local government partners are suitably structured to grasp the opportunities that might exist.

This Government has clearly articulated its determination to make progress on this agenda. The Prime Minister, a former City Mayor himself, said during his first week in office that:

*'We are going to give greater powers to council leaders and to communities. We are going to give more communities a greater say over changes to transport, housing, public services and infrastructure that will benefit their areas and drive local growth.'*²

The Government has been clear that it sees the devolution of certain powers as a vital part of the levelling up agenda and a Devolution White Paper is promised later this year which is intended to make good on its ambition in that regard. This is the means by which the Government should ensure that devolution is more widely and more deeply deployed.

Whilst delivering that wider and deeper deployment, in our view, the White Paper must aim to provide three things above all else: clarity, consistency and fairness.

One CLARITY

Clarity is fundamental because, for too long, local authorities have been left in the dark about what central Government really wants to see. Invitations to bring forward devolution proposals have led to flurries of activity from across English local government only for the trail to go cold in Marsham Street.³ The ironic Army phrase 'hurry up and wait' could easily have applied to the Government's devolution policy from 2015 onwards as counties rushed to submit proposals but were then left facing a stony silence.

Two CONSISTENCY

Consistency is required because that same devolution policy was predicated on 'devolution deals' with ministers negotiating with some leaders, but not others, and willing to provide some powers, but not others, depending on who they were talking to. This has exacerbated the 'patchwork quilt' effect but to little obvious gain. A more uniform approach and set of structures is required.

Three FAIRNESS

Finally, the White Paper must promote fairness. In recent years devolution of greater powers and responsibility has, by and large, passed counties by in favour of urban areas. One might argue this shows some consistency of approach but it is hardly fair: almost half of England's population live in counties⁴ and, irrespective of the inclination of economists and policy-makers to focus on 'functional economic areas', England's non-metropolitan areas account for nearly half of overall economic output.

2. Boris Johnson, 27 July 2019, *Speech at Manchester Science and Industry Museum*

3. The site of the main office of the Ministry of Housing, Communities and Local Government

4. ResPublica (2017), *Devo2.0 The Case for Counties*, p12



Our approach to this report is principle-led. That is why we argue that the Devolution White Paper should have the principles of clarity, consistency and fairness at its heart. The polling we conducted suggested that there would be popular support for these principles. Only 22 per cent of those surveyed said that they thought there should be different types of authorities across England, as opposed to there being a more consistent approach and, as we mention above, nearly seventy per cent of those surveyed said that they knew nothing or not very much about how local government is structured in their area. Clarity for local government should lead to clarity for local people – enhancing local democracy and accountability.

Our principle-led approach, therefore, goes further. Ultimately local government is there to serve local people. That is why, within this report, we put forward recommendations for a system which is simplified, provides better services, delivers with greater efficacy and efficiency and which is more readily understood by local people.

That final point is vital.

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The disconnect between people and politicians is large and growing wider⁵ with only 42 per cent of the population trusting politicians to represent them.

Local government can help overcome this disconnect and the concomitant cynicism: recent LGA polling found that 71 per cent of respondents singled out local councillors, as opposed to members of parliament (14 per cent) or government ministers (eight per cent),

as the individuals they most trust to make decisions about how services are provided.⁶

But local government needs to be made more accessible and more easily comprehensible to local people and it needs to work more effectively, with powers devolved to the right level.

As this report will set out, our counties are natural and fundamental local government structures across large parts of England. They are, and should be regarded as, the most obvious building blocks upon which the Government can build its devolutionary agenda and achieve its levelling up ambitions. The Government should use counties as the principal vehicle by which devolution can be more widely spread and more deeply deployed. Polling carried out for this report shows the public back this: only nine per cent of those surveyed said that mayors and combined authorities should have more powers than county councils, whereas more than half said that county council leaders should have power equal to, if not greater than, those held by mayors.

We argue that counties require strengthening and empowering to achieve their full potential in delivering economic growth – a challenge that has become all the more urgent in light of Covid-19. We call for county councils to be given responsibility for spatial planning but we go further and contend that, if the Government is of the view that those powers which it has devolved to mayoral combined authorities are the right ones to stimulate economic growth, it should provide them to upper-tier county authorities forthwith.

5. Edelman (2020), *The UK: A parable of distrust*

6. LGA (2020), *Polling on resident satisfaction with councils*, p.5



This report scrutinises the current structure of local government in England and finds it is not fit for purpose – and has not been for some time. Not only is the two-tier system confusing for many local residents, but it also renders public service delivery less effective, less efficient and less sustainable.

This has long been understood by local government specialists. The Redcliffe-Maud Commission, considering this issue more than fifty years ago, put forward recommendations accordingly.⁷ More recently Lord Heseltine outlined the 'baffling' nature of our current system and suggested how we might improve it.⁸

Various Governments have embarked upon 'waves' of local government reform, or of devolution, yet the net result has simply been that the 'patchwork quilt' nature of local government has become even more complicated.

Covid-19 has laid bare some of the most concerning elements of our current local government structures and the patchwork quilt is now coming apart at the seams. Rather than repair it, the Government should seek to weave a new tapestry for local government. Specifically, we argue the Government should use the Devolution White Paper to set out a clear agenda for how it intends to take devolution forward and an easily understandable framework within which local actors can operate.

This must tackle the issue of local government reorganisation head-on. The simple answer is to have unitary counties wherever possible. The evidence we have seen shows that unitarisation

allows counties to deliver better public services and to make cost savings whilst providing local people with accountable leadership and sustainable governance.

Of course, this solution raises as many questions as it answers... what is the ideal size for a unitary? What should be done about existing unitaries? Should county unitaries be led by Mayors? Are there any reasonable exceptions to a pro-unitarisation policy? We aim to provide answers to these questions and more besides.

The public understands what a county is and can easily identify with it. Counties provide such obvious local government units because they are more than just local government units. They have existed for centuries and play a key role in shaping our sense of place, our common history, our culture and our understanding of ourselves. Counties provide reference points, they give their names to clubs and societies, sporting teams, regiments, dialects, culinary dishes, local traditions and much more. In essence counties are places in the minds of the English people – places where people live and come from, where they "belong".

The Government should work with the grain of public thinking. It should recognise these counties, just as the millions of people who live in them do. For too long counties have been the forgotten child of English devolution but we cannot afford to neglect them any longer. Now is the time to weave a new tapestry for local government. Now is the time to make our counties count.

7. Lord Redcliffe-Maud and Bruce Wood (1974), *English Local Government Reformed*

8. Lord Heseltine (2012), *No Stone Unturned: in the pursuit of economic growth* p.30

Summary of Recommendations

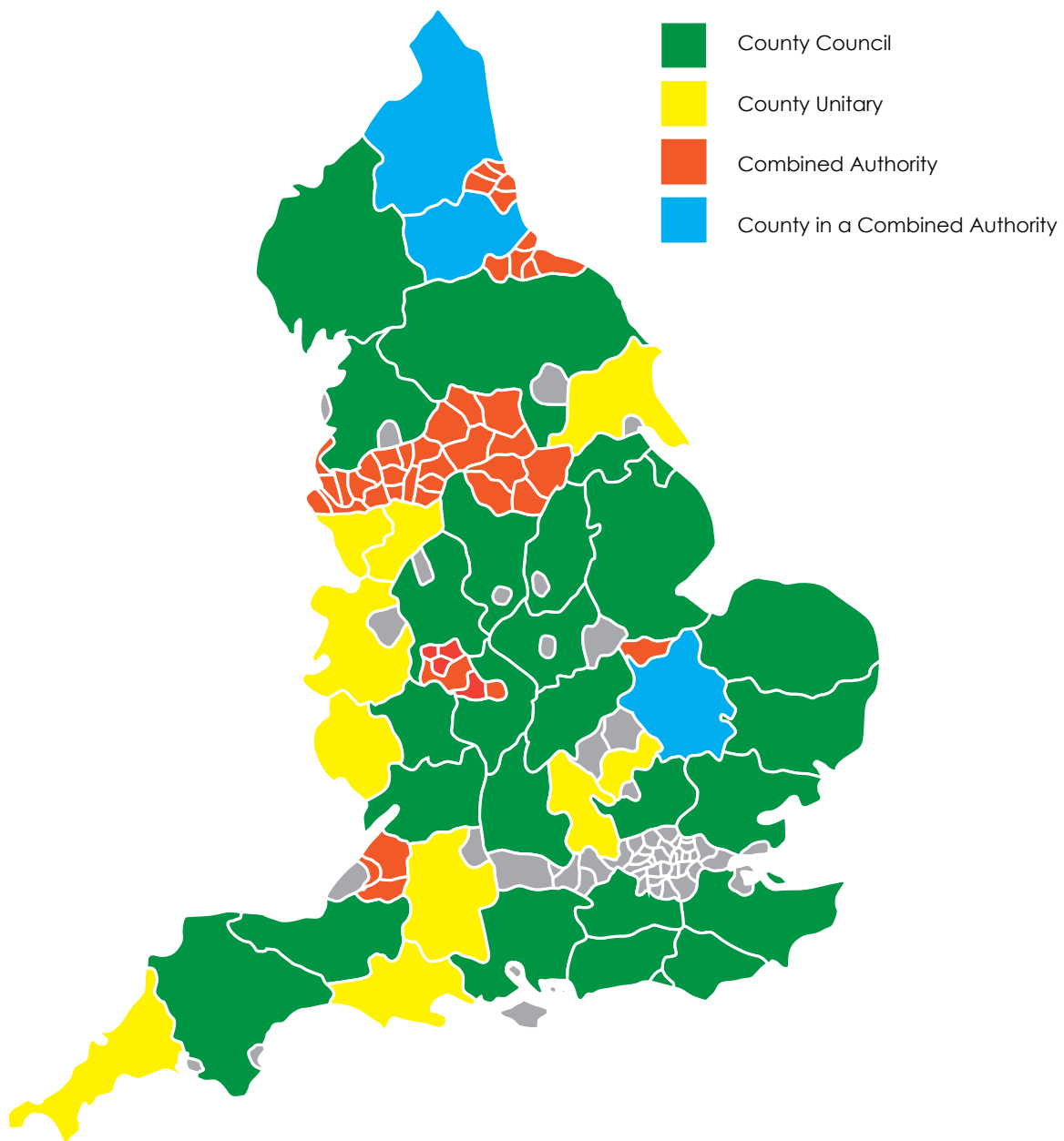
This report covers a broad range of issues, from the fragmented and confusing nature of local government through to the role that counties can play in helping drive growth and securing our economic recovery. It also considers the problems that exist within two-tier local government and the positive case which can be made for unitary authorities and more joint working.

In total the report sets out twenty recommendations for consideration. Rather than repeat those recommendations here, we have attempted to summarise them for the benefit of the reader.

Our key recommendations are as follows:

- Counties are a natural unit of local government for non-metropolitan England. Counties have the size, scale and perspective to be strategic bodies and can play a vital role in delivering economic growth, especially post Covid-19. They should be backed by the Government as a principal mechanism by which to level up the economy.
- Counties should be provided with the necessary powers and resources to make good on their potential and to fulfil their part in the mission to level up the economy. They have missed out on the major benefits of devolution for too long. If the Government think the powers they've devolved to mayoral combined authorities are the right ones to deliver economic growth, those same powers should be devolved to county and unitary authorities.
- The Government needs to be clearer and more consistent in its approach. Rather than doing individual, bespoke deals the Government should use the Devolution White Paper to set out a national framework for devolution, outlining the powers it's willing to devolve and the structures it wants to see.
- Wherever possible, unitary authorities should be established. The Government, through the Devolution White Paper, should set out its preference for unitary authorities. It should set out a new clear and consistent set of criteria for how unitary proposals will be judged and provide clarity about the process for taking such proposals forward. If the Government is not willing to insist on unitary structures, it should incentivise their creation through a range of means, including fiscal incentives.
- Size and scale lead to cost savings, better service delivery and a coherent approach to economic development. The Government should insist that new unitaries have a population in excess of 400,000 but there is no reason to impose a maximum size. The Government should aim to avoid splitting counties wherever possible and should insist on new local governance arrangements, such as empowered local Town and Parish Councils, to guarantee local representation and ensure local voices are heard.
- More joint working between upper-tier authorities would be beneficial. There are various options for how might occur, including the creation of more combined authorities, working with or under pan-regional bodies or using informal joint working to deepen collaboration.
- There is an argument to be made for directly elected leadership, such as mayors, over new combined authorities which sit above a number of large unitaries but the Government should not impose elected mayors on individual counties. County council leaders are already accountable to their local population.

Figure 2: Map of different local government structures across county areas in England (CCN)



Chapter One:

Our Starting Point



Over the last few decades, the devolution debate has been dominated by arguments about where power should lie between London, the devolved nations and large metropolitan areas. The devolution models that have been proposed by central Government have, therefore, been largely shaped around what works in, and for, these areas. Mayoral combined authorities have become the principal means by which Government has delivered devolution, typically shaped around 'functional economic areas' which mean little to local people.

As a result, huge swathes of our country have been untouched by devolution and the devolution agenda has not been progressed as deeply, widely or as consistently as it should have been. In particular, the c.26 million people who live in the counties of England have been overlooked.⁹

But the Government's recent and welcome emphasis on levelling up foretells a more promising approach as far as the counties of England are concerned. Implicit within that is the sense that this Government knows it needs to do much more to help local and regional economies. If there was any doubt about that, it has surely been overcome as a result of the Covid-19 pandemic, which could have a disproportionately adverse effect on non-urban economies.

In our view counties can provide the vital building blocks upon which this Government can construct their economic reform agenda. Indeed, in our view, if the Government is serious about the levelling up agenda, it simply must give counties a more explicit economic role.

1.1 The Case for Counties

The public understands what a county is and can easily identify with it. Counties have existed for centuries and played a key role in shaping our sense of place, our common history, our culture and our geographic understanding of ourselves. They provide reference points, they give their names to clubs and societies, sporting teams, regiments, dialects, culinary fayre, local traditions and much more. Counties provide such obvious local government units because they are more than just local government units.

In essence counties are places in the minds of the English people - places where people live and come from, where they 'belong'. As one Government minister told us, 'people have an understanding of and an affinity for their counties which we should mess with at our peril.'

Our counties already provide a natural and fundamental part of local government across large parts of England. But they have been denuded of much of their significance and status, as the zeitgeist has been to focus on cities and 'functional economic areas' to the detriment of the centuries-old structures which many people relate to and identify with.

⁹. ResPublica (2017), *Devo 2.0 The Case for Counties*, p.12

Counties are diverse places, featuring idyllic villages and areas of outstanding natural beauty but also with towns and communities that have fallen behind in recent decades. Poverty and deprivation are not issues only faced by those within metropolitan areas.

Counties therefore require strengthening, empowering and restoring to their natural place at the heart of English governance and economic growth.

The economic potential is enormous. England's non-metropolitan areas already account for just under half of overall economic output and population.¹⁰ As the Non-Metropolitan Commission outlined (Non-metropolitan England) is the real engine-room of UK Plc, driving communities as well as Britain's competitiveness in the global marketplace.¹¹

The devolution agenda has largely passed counties by in recent years, but this has principally been because of an exaggerated focus on urban areas, and the lack of clarity, consistency or fairness shown in the pursuit of 'devolution deals' by Government.

Within this report we argue for a principle-led approach, which should have clarity, consistency and fairness at its heart. We make no bones about the fact that this will benefit counties, because we believe – and argue – that counties should be at the heart of the devolution agenda.¹²

Counties: The case for action

Counties have been largely overlooked by the Government's efforts on devolution and their growth has been hampered as a result. Recent research by Grant Thornton has shown that 30 of the 36 county authority areas have productivity levels below the England average. They also suffer from slow economic growth with counties averaging growth at under 8 per cent over the last five years, compared to the national figure of more than 15 per cent.

That same report showed that councils in London can spend more than 50 per cent more per person than counties on growth related services (£506 per person compared to £333) and that, taken together, the core cities can invest 35 per cent more (£448 per person).

Covid-19 risks counties falling further behind. New modelling for CCN by Grant Thornton, published alongside this report, suggests that far more workplace employment is in 'at risk' sectors in county authorities and the estimated reduction in annual GVA is 15.2 per cent, compared to a national figure of 14.3 per cent.

10. Ernst and Young (2016), *Independent Analysis of Governance Scenarios*, p.11

11. Local Government Association (2015), *Independent Commission on Economic Growth and the Future of Public Services in Non-Metropolitan England*, p.4

12. Grant Thornton, *Place-Based Growth: Unleashing counties' role in levelling up England*, pp. 5-6

1.2 Devolution and levelling up

The 2019 Conservative manifesto stated that:

'The days of Whitehall knows best are over. We will give towns, cities, and communities of all sizes across the UK real power and real investment to drive the growth of the future and unleash their full potential.'¹³

With a sizable parliamentary majority secured – delivering a clear mandate to deliver tangible improvements in infrastructure and public services for the entire country – this Government will be judged on its ability to re-shape the political and economic landscape. It has set itself that mission, using the phrase 'levelling up' as shorthand way of articulating its ambitions in that regard.

A number of recent projects and reports have articulated the clear role that devolution can play in helping deliver the levelling up agenda. Perhaps most notably, the UK2070 Commission, chaired by Lord Kerslake, called for the approach of central Government, if keen to secure a brighter future fifty years hence, to be built on a 'presumption of devolution'.¹⁴

The Government has already suggested it recognises the potential for devolution to help level up the country and its Devolution White Paper, due to be published later this year, is expected to outline how it will take this agenda forward. The direction of travel has already been set at the highest level with the Prime Minister, talking in the context of Brexit, explaining:¹⁵

'Taking back control doesn't just apply to Westminster regaining sovereignty from the EU. It means our cities and counties and towns becoming more self-governing.'

The need for an approach to devolution which was more sympathetic towards, and appropriate for, non-metropolitan England was already urgent at the time of the General Election. Indeed, we would argue it has been urgently needed for many years. But that need has become all the more pressing in light of the Covid-19 pandemic.

Even before the pandemic it was often said that the UK is the most centralised state in the western world – but during the current crisis the Government has felt compelled to take control of large segments of the

Covid-19: A time to re-evaluate?

This report has been written during the greatest crisis faced by any Government since the Second World War. The enormity of the Covid-19 pandemic will, in all likelihood, change the fabric of our country for decades to come.

Covid-19 certainly provides a moment to pause and think again about how our economy, our politics, and our country are structured - and how we might better deliver services and create prosperity in the future.

Ministers should consider the way in which local government – and county councils in particular – have responded to Covid-19. County councils have done some of the heaviest lifting in the national effort: ranging from shielding the vulnerable and protecting the NHS, putting in place infection control plans for care homes, sourcing PPE, and helping secure local businesses' futures. We have heard many stories articulating how county councils have risen to the challenge that Covid-19 has presented.

However, we have also heard about the challenges of operating in a two-tier system of local government. From our discussions with councils, and Government representatives, it is clear that the two-tier system has added additional burdens in responding to the crisis compared to unitary counties. Whether in the case of local shielding arrangements, local track and trace systems or the distribution of funding to deal with the financial impact on local councils we have heard about the complexities inherent in a two-tier system.

Due to their streamlined structures, unitary councils have been able to act more decisively and rapidly to the unprecedented challenges that all local councils have faced. For example, Government data shows that the most responsive authorities to distributing business grants over the initial period of the crisis were county unitary authorities, using their scale and capacity to put in place arrangements much earlier on to get grants out of the door to local businesses.

As we move from response to recovery, the fragmentation of growth powers – discussed later in detail – could hamper the ability of two-tier areas to put in place recovery plans at the necessary place and scale. This is a state of affairs we can ill afford.

13. Conservative Party Manifesto 2019, page 29

14. UK2070 Commission (2020), *Make no Little Plans: Acting at Scale for a Fairer and Stronger Future*, p.66

15. Boris Johnson, 27 July 2019, *Speech at Manchester Science and Industry Museum*

As the Government considers how we bounce back from the Covid pandemic, how best to stimulate growth and boost the economies of the nations and regions, it has an opportunity to think more carefully about the size, scale and nature of the local government units needed to help secure our economic recovery. Clearly that thinking has already started, with Local Government Minister, Simon Clarke, recently stating that:

*'Covid-19 has... underlined the reality that an overly centralised state is not, and never will be, best placed to respond effectively to the challenges that individual communities face.'*¹⁶

We talk elsewhere in this report about the role that counties can play in driving growth, and how size and scale can help in that endeavour, but our starting point is that the Government should rely upon, and work constructively with, counties to ensure every part of our country is able to focus on growth in the future.

If the Government wants to secure economic gains around the country, it needs to embrace devolution more readily. A recent speech by the Secretary of State for Communities, the Rt Hon Robert Jenrick, at the Local Government Association virtual conference was hugely encouraging in that regard. He told the audience:

*'Local government will be at the heart of our economic recovery... when it comes to devolution, we'll be building on what we know works... empowering local councils to lead the economic recovery.'*¹⁷

Counties are the most obvious means by which devolution can be more widely spread and more deeply deployed. Ultimately, counties are the natural and obvious place for significant powers to reside at the local level and the levelling up agenda can only be achieved if counties are equipped with the necessary powers to make it happen.

Recommendation 1: Counties are a natural unit of local government for non-metropolitan England. They should be backed by the Government as the principal mechanism to deliver future devolution, to help secure growth and to level up the economy post Covid-19.

1.3 A devolution settlement for the long term

Although Covid-19 has made the short-term need to get local government structures right more obvious, that does not mean the measures put in place should be short-term. On the contrary, the Devolution White Paper should start the process of agreeing a new, long-term settlement between national and local government. It is time to move beyond the language of 'deals' and commit to a settlement that establishes, beyond doubt, where power and responsibility should lie.

If the White Paper is to be a seminal moment it needs to set out an approach and a framework which will mean devolution of powers to local authorities is more widely spread and more deeply deployed. If devolution is to take place across all parts of England, the Devolution White Paper needs to present a common range of powers and capabilities which will be made available on a consistent basis. The easiest way of delivering the desired consistency is by making devolution to counties the principal means.

In short, the Devolution White Paper should look to be the definitive position of central Government and settle the terms of devolution for the next decade. To achieve this Ministers will need to be bold and clearly set out the direction that they want to move in. History tells us that long-lasting reform will require a resolute and consistent approach from central Government – over a prolonged period of time – to ensure that everyone is clear about the future role of local government. It is time to weave a new tapestry for local Government in England, and the Devolution White Paper provides the means to do that.

16. Simon Clarke, 2 July 2020, *Speech to the Local Government Association*

17 Robert Jenrick, 3 July 2020, *Speech to the Local Government Association*

Previous failed devolution attempts

A number of county councils we spoke to still bear the scars of previous difficult, drawn-out and ultimately unsuccessful attempts to secure a devolution deal with the government. MHCLG has emphasised that there was 'no one-size-fits-all approach, with every deal bespoke and providing arrangements that are relevant to each local area.' The overwhelming evidence shows that this approach has hindered the progress of most devolution deals, particularly because there has been a lack of clarity from government on their actual criteria and red lines.

Almost 40 areas around the country responded to an invitation from the Government to bring forward devolution proposals five years ago. Only around a quarter of those expressions of interest led to a devolution deal and, with the exception of Cornwall and Cambridgeshire & Peterborough, they have all been based around metropolitan areas.

Future devolution discussions with councils must proceed from the basis of a consistent approach from government, with a clear understanding on all sides of what conditions are necessary, so that the mistakes of previous mayors, which have become sticking points years into talks, must be approached with absolute certainty from all sides.

Recommendation 2: This Government needs to be much clearer about its ambitions. It should use the Devolution White Paper to set out the powers it's willing to devolve and the structures it wants to see.

Recommendation 3: Rather than doing individual, bespoke deals the Government should adopt a more consistent approach and set out a national framework for devolution.

Chapter Two:

English Local Government – a fragmented and confusing picture



The structure of English local government is far from straightforward. Today's 'patchwork quilt' has emerged as a result of numerous reviews and re-organisations over the years. The result is a confusing picture over where powers and responsibilities lie.

Imagine the following scenario: a local resident meets his local MP asking for the road sign at the end of his road to be repaired, cleaned and the grass mown around the base of the sign. The MP undertakes to look into the matter and when she replies, she writes:

'the highways sign is the responsibility of the county council, but the district council has the contract to cut the grass around it, whilst the parish council is in charge of cleaning the sign. I have therefore passed on your comments to all of the above and you will hear from them in due course'.

Little wonder that most people scratch their heads in bewilderment.

Of course, the delivery of key local public services goes beyond the remit of local councils. Local NHS services, policing and public transport – to name but three policy areas – are governed and managed by other bodies. Often the geographic boundaries will vary for the delivery of these different services, confusing members of the public and local administrators alike. Indeed, the YouGov polling commissioned for this report reveals that more than two thirds (69 per cent) of those surveyed knew either not very much or nothing at all about local government was structured in their area.

We have heard of many examples of businesses, members of the public and even local councillors not being clear which tier of local government is responsible for what. In Leicestershire the county

council recorded that in 2018 more than 140,000 people called the wrong council when lodging a complaint or query.

This confusion creates huge inefficiency, and a lack of clear accountability.¹⁸ Small wonder, then, that barely one in five (22 per cent) of those surveyed favoured the current model, with different types of authorities across England. A clear majority expressed a preference for a more consistent approach.

2.1 Hardly a new problem

More than 50 years ago The Redcliffe-Maud Commission recommended a system of single-tier unitary authorities for the whole of England (apart from three metropolitan areas of Merseyside, Greater Manchester and the West Midlands). The Wilson Government accepted its recommendations but lost the 1970 General Election before being able to implement its findings.

The Heath Government rejected the idea of uniform unitary authorities and instead adopted a different approach, that resulted in widescale changes delivered through the Local Government Act 1972. Many of these reforms were controversial and unpopular but they remained in place until the Local Government Act 1992 started the process of reversing some of the measures – for example by abolishing Cleveland, Humberside and Avon. This Act introduced some new unitary authorities but it broadly preserved the 'mixed bag' or 'patchwork quilt' nature of local government.

18. Leicestershire County Council (2019), *Unitary Business Case*, Appendix A, p.18

It is perhaps worth adding that the local government reorganisation in the 1970s was to seen by many to be the result of a political compromise necessary to pass the relevant legislation.

With such a comfortable majority, the current government can afford to do what's principled, not what's pragmatic.

The last Labour Government encouraged the creation of unitary councils during its final years in power and as a result nine new unitaries were established in 2009. Since then only modest advances have been made, with areas facing an uphill battle if they want to become unitaries. The most recent counties to achieve unitary status were Dorset and Buckinghamshire – local leaders talk openly about the issues they faced bringing these proposals forward.

2.2 Recent devolution attempts have created more confusion

Lord Heseltine's No Stone Unturned report summarised the situation for local government in 2012:

'Today, England has 353 principal authorities.¹⁹ Some of these are single unitary authorities, others operate in tiers of district and county councils. The number of different councils doing similar things remains costly and confusing. For many, the range of different systems is baffling too.'²⁰

The report went on to conclude that:

'The English system of local government is not suited to the demands of the 21st century and in particular our need to pursue economic growth.'²¹

Partly off the back of Lord Heseltine's report, the Government set out its proposed criteria for future devolution deals in 2015. It received expressions of interest from 38 separate parts of the country. 12 deals were accepted by central Government although three of these (in the North East, Lincolnshire and Suffolk/Norfolk) failed to materialise – the North East was taken forward in an amended form.

The successful deals, with the exception of Cornwall (and perhaps Cambridgeshire & Peterborough), have been mainly based around metropolitan areas.

Table 1: Distribution of responsibilities across local governance structures

Local Economic Power	Two-tier				Single-tier	
	District	County	LEP			Metro Mayor/LEP
Education and Skills						
Transport						
Parking						
Passenger Transport (buses) and transport planning						
Highways, Street Lighting and Traffic Management						
Concessionary Travel						
Planning						
Housing						
Planning						
Building Regulations						
Economic Development						
Economic Development						
Licensing						
Tourism						
Income						
Council Tax						
Business Rates						

19. The number has subsequently fallen to 339 due to various changes to local government structures as of June 2020 with the unitarisation of Buckinghamshire. HM Government (2019), *List of Councils in England by Type*, p.1

20. Lord Heseltine (2012), *No Stone Unturned: in pursuit of growth*, p.30

21. *Ibid.*, p.30

22. Centre for Cities (2020), *Where next for devolution in England?* p.17 (Henham Strategy edit)

So now, in addition to the blurred lines of responsibility that previously existed between districts and counties, we also have combined authorities and metropolitan mayors to contend with. As the table below from the Centre for Cities demonstrates, where powers lie is not a simple picture.²²

Alongside county and districts, there is yet another tier of local government, covering more than a third of England and concentrated largely in its rural counties. The 10,000 or so town and parish councils are in many respects the real 'grass roots' of local government, based at a community level; they exercise a range of discretionary powers on everyday issues such as street lighting, litter, community safety and footpaths. Their powers were extended by the Localism Act 2011 to include jurisdiction on neighbourhood planning. All towns in England have had the option of establishing a town council as a result of the 1972 reforms, but not all have taken this step – there still remains the anomaly of large towns (with a population of 60,000+) without a town council to intervene on local matters.

2.3 Local Enterprise Partnerships

In addition to the different tiers of local government, Local Enterprise Partnerships (LEPs) were created in 2011 with an explicit aim to promote and lead economic development in specific areas. They were intended, where possible, to be created on the basis of functional economic areas.

As the Business Secretary (Vince Cable) and the Communities Secretary (Eric Pickles) said whilst launching the idea of LEPs:

'We have been concerned that some local and regional boundaries do not reflect functional economic areas. We wish to enable partnerships to better reflect the natural economic geography of the areas they serve and hence to cover real functional economic and travel to work areas.'²³

A decade on from their creation and the jury is still out on how effective LEPs have been, with even their most ardent supporters accepting there is a high degree of inconsistency in terms of performance.

The Chair of the Public Accounts Committee said in 2019 that:

'LEPs are supposed to be an engine room of local economic growth but they have been dogged by a lack of local accountability and there is little evidence that they have levered in the promised private sector funds.'²⁴

LEPs are not uniform and vary in their size and governance. Some businesses complain that they do not represent the business community properly and some politicians argue that LEPs lack the necessary oversight and accountability to ensure they spend public funds effectively. In many cases the issues that exist are exacerbated by LEPs not sharing the same geographic areas as counties, for example the South East LEP crosses over a number of county boundaries.

Not only does this create confusion for local businesses, but it also makes joint planning harder between businesses and local authorities. This confusion about how LEPs fit within or complement local government structures is a serious issue given the amounts of public money that LEPs have been entrusted with in recent years. There can be a natural tension between business leaders and politicians, but it should be incumbent upon the LEPs to work with locally democratically elected politicians wherever possible.

In our view counties should be given more powers and specific responsibility for driving economic growth in their local areas. LEPs can play a useful function in bringing business interests closer to the public sector but they lack the democratic mandate required to oversee billions of pounds of public money.

Recommendation 4: If LEPs are to be maintained, county councils should take on a formal oversight role, ensuring economic growth and prosperity are in their rightful place, at the heart of local government thinking.

2.4 Another (elected) layer — Police and Crime Commissioners

Another creation in the last decade has been the introduction of Police and Crime Commissioners (PCCs) – which are directly elected positions. They were intended to provide a greater degree of accountability into local policing yet have failed to make much of an impact – especially if judged by the pitifully low turnout levels when they have been up for election.

23. HM Government (2010), *Letter issued to Local Council and Business leaders about establishment of LEPs*
24. House of Commons Public Accounts Committee (2019), *Local Enterprise Partnerships: Progress Review*

Police and Crime Commissioners represent police force areas which are not, always, coterminous with county boundaries (as the map below illustrates). So, for example there is a PCC for West Mercia, Thames Valley and Sussex, which inevitably means these PCCs have to deal with a number of local authorities. In addition, some PCCs have assumed responsibilities for fire and rescue services in recent years, but others have not.

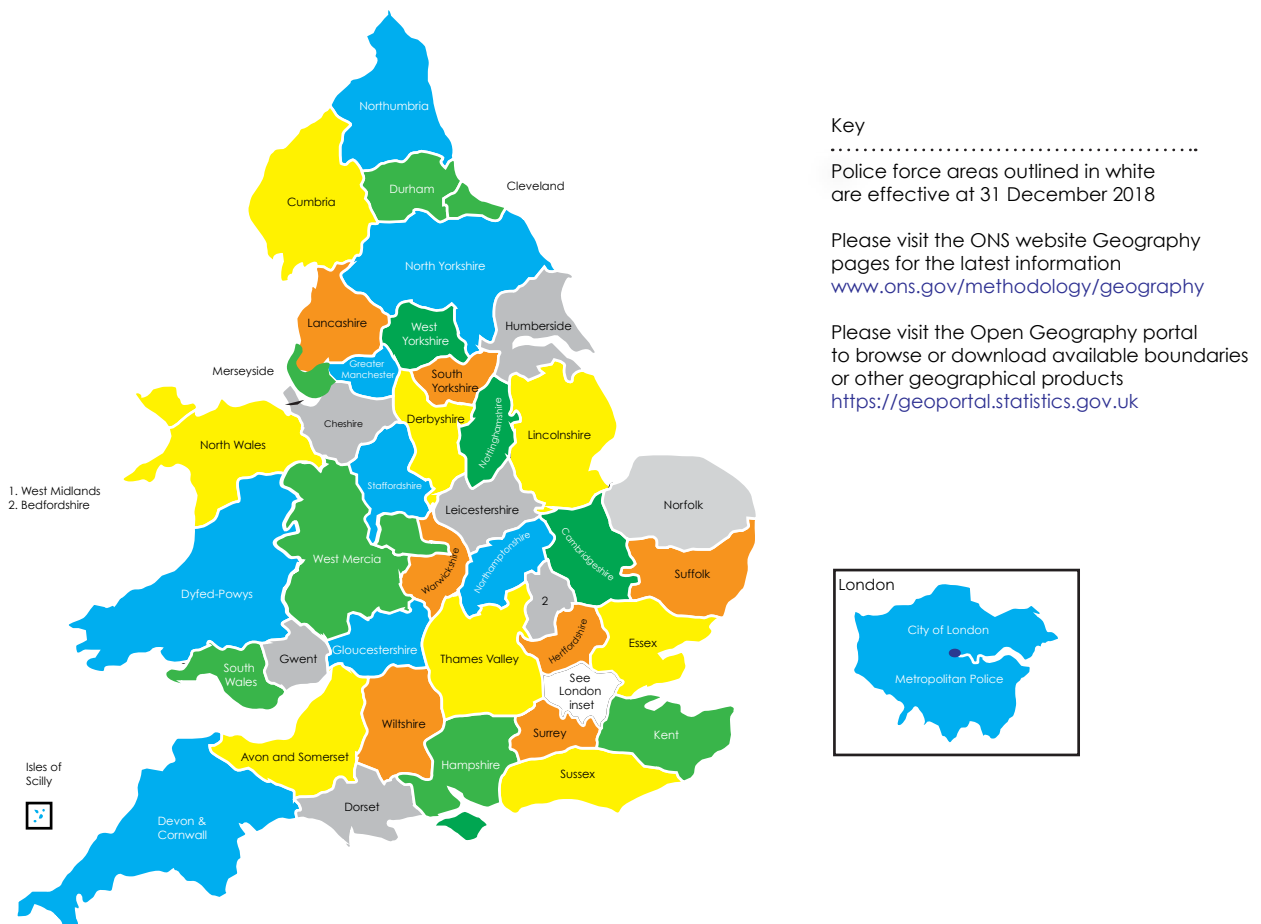
In London and Greater Manchester the directly elected mayor has assumed the responsibilities of a police and crime commissioner – providing added stature to the role and making it clear where responsibility rests. There is reason to think that the forthcoming Devolution White Paper might extend this model across England, following the announcement of a government review into the role of the PCCs. The document launching that review said that:

'Mayors of Combined Authorities should be powerful local figures with the ability to drive public safety, as well as economic growth and local recovery. We plan to develop the role of PCCs with that longer-term trajectory in mind, building on the models in London and Greater Manchester.'²⁵

Chief Constables used to be held accountable by local councillors on police committees or authorities. Creating the new structure of a PCC has not delivered on the Government's objectives and simply added to the disjointed nature of where power and responsibility lies within and between counties.

Recommendation 5: The Government should review whether PCCs work in non-metropolitan England and consider whether their role would be better delivered by the Leader of the County Council.

Figure 3: Police and Crime Commissioner Boundaries across England²⁶



25 Hansard, 22 July 2020, Written Statement – HCWS416
 26. Office for National Statistics (2017). ONS Geography – Police Force Areas Map

2.5 Health and social care adds to the confusing mix

The split between the delivery of health and social care adds to the confusing picture facing upper tier councils, and their residents, across England. In recent years, whilst the NHS has received modest but real terms funding increases, local councils have been forced to provide social care services with ever decreasing funding settlements. The result has been that for most county councils, the delivery of social care is taking up an increasingly large share of their annual budget.

The Covid-19 crisis has compounded the pressures that both the NHS and the social care system were already facing. Perhaps more importantly it has also shone a light on the disconnect between the two systems. For too long local authorities have been left to deal with social care without receiving the level of funding required.

Clinical Commissioning Groups (CCGs) were created as part of the reforms introduced by the former Health Secretary, Andrew Lansley, and have a mixed track record. In many parts of the country CCGs are merging into larger units and basing themselves on upper tier local authority boundaries as they form Sustainability and Transformation Partnerships (STPs). STPs are designed to oversee how services can be delivered in a more coordinated and holistic way. In some areas STPs are evolving into Integrated Care Systems (ICSs) which are designed to bring together NHS and local government leaders.

The development of ICSs is a very welcome step forward in increasing integration and buy-in from local leaders. It is also welcome that in some areas the leader of the county council is also the Chair of the ICS. Yet in other parts of the country there have been cases where local authorities have withdrawn from their local ICS due to concerns around governance and accountability.²⁷

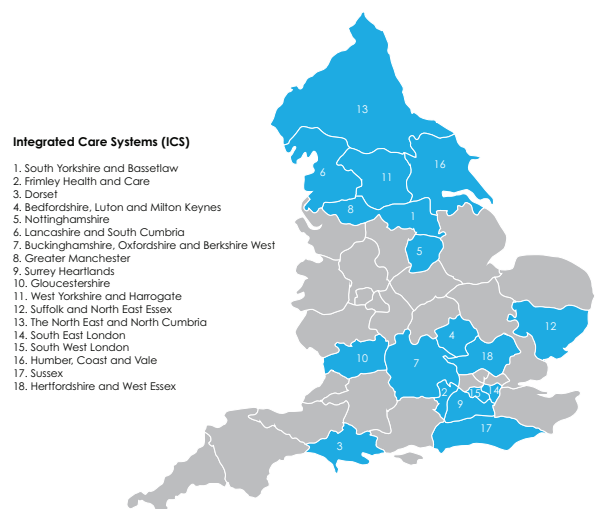
ICSs are due to be rolled out across the whole country but their boundaries are not always coterminous with county boundaries. Although there can be good reasons for this from a health delivery perspective – it does run the risk of impeding their effectiveness. Wherever possible ICSs should follow county boundaries.

Health and Wellbeing Boards (HWBs) have been for some time another useful forum for local leaders to bridge the gap between the different providers of health and social care.

Counties have been widely receptive to HWBs and recognise the role they can play in providing a joint up approach – but frequently cite their lack of executive power as a key issue.

There is a broader debate about the future of health and social care – and the historic split between the NHS and social care – that sits outside the scope of this report. The fallout from Covid-19 is likely to focus a lot of political attention, quite rightly, on resolving this split once and for all, with much emphasis being placed on local reorganisation of health and social care provision. Regardless of the specific nature of health and social care delivery in the future, policy makers should ensure that local accountability is built into the system. This can most effectively be achieved by ensuring that local councils and leaders are at the heart of the commissioning process.

Figure 4: Integrated Care Systems across England²⁸



Recommendation 6: County Council leaders should hold leadership roles in their local ICS to ensure counties are a core component of planning localised healthcare services and shape all forms of care provision across their county.

²⁷ HSJ, 12 February 2019, 'ICS forced to agree new governance after the council quits'
²⁸ NHS (2020), *Integrated Care, Integrated Care Systems* (Henham Strategy edit)

Chapter Three: Counties – ready to lead

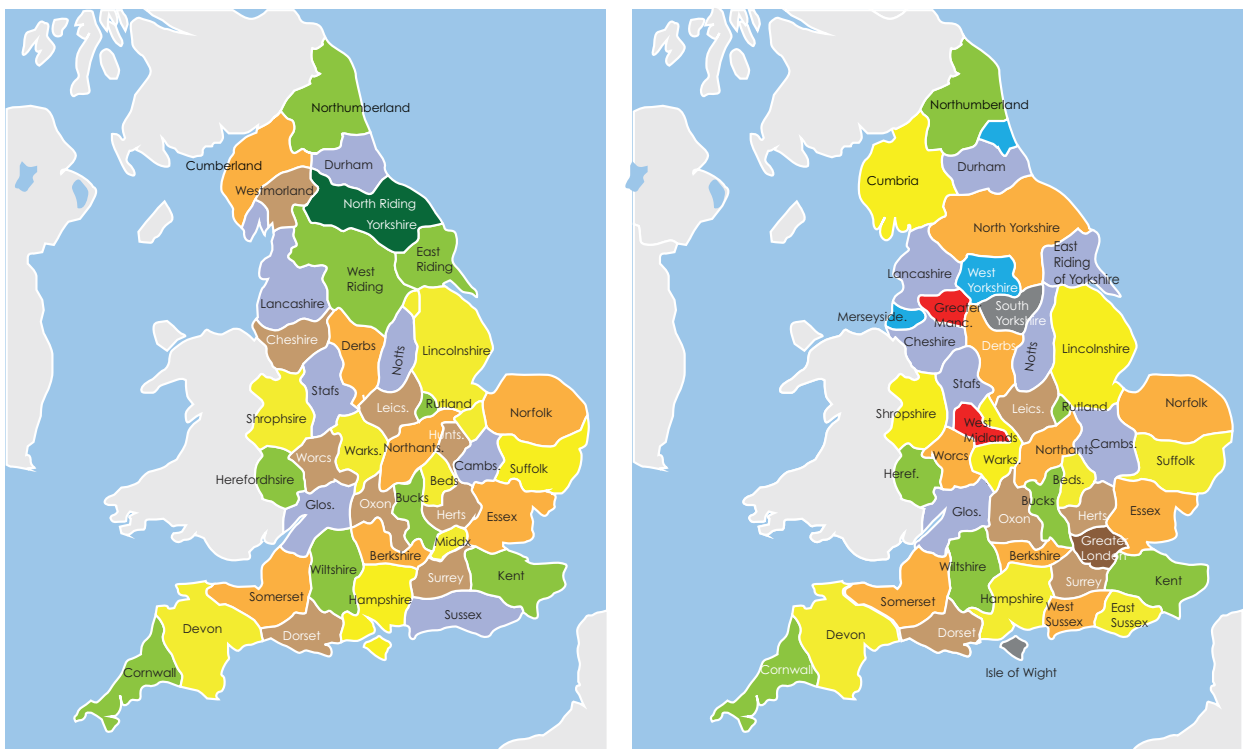


Counties are the historic and natural unit of local government for most of England. In many cases their boundaries go back centuries and they have helped to define the country that we recognise and live in today. Whereas many districts have artificial borders and a name that people cannot relate to, the county is an entity that is easily and widely understood.

Today there are 36 county authorities in England, 25 two-tier and 11 unitaries. These county authorities vary in size and population. But looking at a county map of England from the mid-19th century (on the left) and from

2010 (on the right) underlines the fact that our counties have largely remained consistent units – in coherent forms – for a long time.²⁹

Figure 5: Comparison of historic Ceremonial Counties and current County boundaries³⁰



29 City Metric (2017), Where did England's counties get their names?

30. Association of British Counties (2020), County Profiles Historic vs Present

Counties have been largely overlooked in recent pushes towards devolution. In large part that is because economists, public policy experts and politicians have suggested that cities are where the greatest economic benefits are to be gained and, therefore, where they think they should focus their attention. Combined authorities and LEPs have both been shaped around conceptions of 'functional economic areas'.

But to focus on these, to the detriment of counties and those who live within them, is wrong on a matter of principle and on a matter of practicality. The principle is clear: millions of people live in counties, readily identify with them, and don't deserve to miss out on devolved power just because they haven't decided to live in a major city.

But the practical argument is just as compelling and stems from the fact that counties represent the backbone of the English economy. In 2020 Grant Thornton undertook a major study of the economics of county areas which outlined that, across England, counties account for 46 per cent of the population, 39 per cent of GVA, 47 per cent of its homes and 48 per cent of its businesses.³¹

Counties also generate, according to a 2017 report by Oxford Economics, almost half of total tax revenue in England and provide an overall net surplus to the Treasury – in 2015/16 £54bn more was raised from counties in taxation than was spent on public services.³²

In other words, counties are already important economic bodies but, given the right role and equipped with the right resources, there is much more that they can do.

3.1 The role of counties in economic growth

As we come out of the Covid-19 pandemic, the obvious challenge facing our country, and the counties of which it is mostly comprised, is how we return to economic growth. The problems we have to overcome are manifold, including supply-side reform, rebuilding domestic supply chains, developing infrastructure, increasing business investment and ensuring we have the skilled workforce that modern businesses require.

But although many of these problems have become more serious in recent months, many of the issues are long-standing ones. Low-skill, low-wage jobs have become all too common across large parts of the country, both causing and caused by a lack of productivity growth over recent years. Various initiatives, not least the best endeavours of the 38 Local Enterprise

Partnerships, have been unable to improve productivity levels, or tackle the structural issues which beset much of the English economy, over the last ten years.

It is for those reasons that this Government has, rightly, made levelling up one of its most important policy positions. And the central ambition of the levelling up agenda is improving regional economies. Counties have a vital role to play in helping realise that ambition.

Counties can drive economic growth at the necessary scale because they know their local areas, including their local economies, better than anyone else. They understand the unique growth challenges their areas face and are best placed to come up with the right solutions.

Counties already play a role in delivering growth, making a significant contribution to growth related expenditure. Between 2015/16 and 2018/19, county authorities put more than £19 billion towards growth related activities. But with a more explicit focus, supported by stronger powers and reforms to allow them to do more, counties can play a more assertive role in securing growth in the future.

We recommend some potential reforms later in this chapter but it is just as important that counties are given the explicit role, and the right structures, to allow them to 'go for growth'. We therefore believe that counties' essential role in driving growth should be formally recognised as part of the Devolution White Paper.

A number of counties, such as Hertfordshire and Oxfordshire, use Growth Boards as strategic bodies and as a means of aligning priorities across the county, bringing together all the relevant local players around the same table. We think they should be rolled out much more widely.

The leader of the county council, many of whom have had long and successful business careers, is the natural person to chair a Growth Board and these Boards should become key instruments in the management and delivery of funds, as recently looked at in more depth by Grant Thornton.³³ Growth Boards would clearly need business input and engagement. With Growth Boards in place, we think the function of LEPs could be performed at a county level but, if LEPs continue to exist, we think they should be part of Growth Boards alongside other key players from the business, academic and public sectors.

31. Grant Thornton (2020), *Place Based Growth: Unleashing counties' role in levelling up England*, p.12

32. Oxford Economics (2017), *Understanding County Economies*, p.51

33. Grant Thornton (2020), *Place Based Growth: Unleashing counties' role in levelling up England*

Recommendation 7: Counties' essential role in securing economic growth should be formally recognised as part of the Devolution White Paper.

Recommendation 8: Growth Boards should be seen by the Government as a key delivery mechanism for securing economic growth across the country. The Government should consider making Growth Boards compulsory in each county and ensure they are governed by a national framework which would cover the 'building blocks for growth' – their powers, governance, funding and capacity.

3.2 Spatial planning

It is vital for any organisation which is trying to secure growth to be able to pull the most useful levers and there are few more important tools at local areas' disposal than planning powers.

For counties to be able to drive forward place-based growth, they require the ability to shape the planning framework across their county area and set out, in broad terms, where housing, employment and infrastructure should be based. Having oversight of, and responsibility for, spatial planning will help counties forge their own path – and one which is appropriate for the local area.

The Building Better, Building Beautiful Commission stated that:

'Councils should be encouraged to masterplan for new and extended places and zone for possible intensification of use.'³⁴

It went on to set out where power should lie and why, arguing that:

'...the default authority for the local planning authority should often be the county as opposed to the district. The county has more capacity to think at the larger-than-local scale, has more historic local identity and does not require extra layers of government.'³⁵

Counties holding such powers would be a welcome return to the past. The 2004 Planning and Compulsory Purchase Act moved sub-national strategic planning away from counties and put it on a regional basis by scrapping county-led structure plans and replacing them with Regional Spatial Strategies (RSSs). The Coalition Government subsequently abolished RSSs (alongside Regional Development Agencies) but failed to grasp the opportunity to restore the

role of counties in strategic planning matters. Examining this back in 2011 the Communities and Local Government Select Committee warned that abolishing RSSs would create a potential hiatus in planning matters and that:

'...this is giving rise to an inertia that is likely to hinder development - making it much harder to deliver necessary but controversial or emotive 'larger than local' facilities.....it will also make it more difficult to ensure that our national need for new housing is met'³⁶

Sure enough, England has failed to deliver enough homes in the near-ten years since that report came out. Housing has become increasingly unaffordable and the dream of home ownership has faded for far too many people.

The Government's ambition to build more homes has been evident for some time but was particularly clearly articulated in the Prime Minister's 'New Deal' speech in June 2020. In that speech he called upon the country to 'build, build, build' and argued that the planning system was largely responsible for the shortage of homes built.³⁷

Giving counties the ability to plan strategically for housing growth, by ensuring its matched by the right infrastructure and is complemented by employment opportunities, can help ensure more homes are built whilst growth is secured. Strategic plans can set a vision for the future of county areas, facilitating sustainable economic growth and increased housing supply at the same time.

Recommendation 9: Strategic spatial planning is essential to delivering place-based growth. The Government should ensure that all county leaders (and all metro mayors) have a decisive say in spatial planning and are entrusted with the responsibility for developing spatial plans.

3.3 Counties as strategic bodies

Asking all counties to create Growth Boards and giving them all responsibility for spatial planning would show that the Government is serious about counties playing an important role in helping secure growth. But to allow them to contribute to the levelling up agenda as powerfully as they might, the Government must go further and ensure that counties become vital strategic bodies. They must be tasked with convening, setting a vision and then delivering on it – and given the appropriate tools to allow them to do just that.

34. Building Better Building Beautiful Commission (2020), *Living with beauty*, p.59

35. *Ibid*, p.86

36. House of Commons Housing, *Communities and Local Government Committee (2011), Abolition of Regional Spatial Strategies: A Planning Vacuum?*

37. Boris Johnson, 30 June 2020, *Economy Speech*

Some might argue much of this activity already takes place: we heard many examples of how counties, thanks to their clear sense of identity and place, can bring local leaders and organisations together with positive results. In Cornwall, for example, the LEP and Integrated Care System effectively report into the council with representatives from both organisations sitting within the county's unitary structure. The Chair of the Health and Wellbeing Board is also the Deputy Leader of the Council. Being able to bring all key players around the table - and with the county as the recognised lead in a unitary structure - has enabled Cornwall to maximise the powers it has and respond quickly to challenges.

Being able to bring all key players around the table – and with the county as the recognised lead in a unitary structure – has enabled Cornwall to maximise the powers it has and respond quickly to challenges.

But convening, setting a vision and facilitating delivery can only take county areas so far. Creating Growth Boards and asking counties to take on spatial planning will help, but this is still not enough. The limitations of these powers is, of course, exactly why the Government has extended greater powers and new responsibilities to mayors in mayoral combined authorities (MCAs). It has asked the mayors and these MCAs to act as strategic bodies, tasked with levelling up their local economies, and given them (some of) the tools to do it.

The local government think tank, Localis, identified the vital importance of strategic bodies in local economies and defined a strategic authority as:

.....
 'democratically-elected authorities spanning geographies over which people live their lives, economies function and businesses operate.'³⁸

It is our view that in non-metropolitan England, counties are the natural vehicle to be strategic bodies. Counties have the ability to reach into district and parish economies, but also work constructively across borders at a strategic scale with sub-national and national bodies. Counties should be the key local driver for place-based growth. As the UK2070 Commission argued, many councils are already using their influence and convening power to intervene in the

economy and drive innovation and economic development.³⁹ But there is more that they can do provided they're given the means to enable them to deliver.

The Local Government Minister, Simon Clarke, used a recent speech to the Local Government Association to say that mayors

.....
 'each have the powers to stimulate job creation, build homes, improve transport and reduce local carbon emissions.'⁴⁰

These are tasks which are just as important in county areas – so why are the elected local councils and their leaders not given the same tools to do the job?

They have the necessary knowledge and expertise to deliver not just world-class public services but also growth-related expenditure and capital investment. For counties to act as strategic bodies – and to help the Government level up the economy – we believe that the Government must entrust county areas with as many as possible of the powers devolved to mayoral combined authorities. This view is shared by the public. Of those we surveyed fewer than one in ten (nine per cent) said that mayors of combined authorities should have more powers than leaders of county councils, with more than half saying that leaders should have equal, or more, powers.

If the Government believes these are the right tools to deliver local growth, as one can only assume it does given it has devolved them to MCAs, it should allow county authorities to wield them as well. Otherwise it is putting those areas, and the people who live in them, at a disadvantage. That is an act of national self-harm.

The chart overleaf shows some of the various powers which have been devolved to different MCAs. We think each of these should be considered within the Devolution White Paper (obvious candidates for devolution include control over Adult Education Budgets and a joint assets board) and the default assumption is that they should all be devolved to county authorities – and those mayors who don't currently have them – unless a good reason is provided to the contrary.

38. Localis (2017), *The Making of an Industrial Strategy*, p.17

39. UK2070 Commission (2020), *Make no Little Plans: Acting at Scale for a Fairer and Stronger Future*, p.67

40. Simon Clarke, 2 July 2020, *Speech to the Local Government Association*

Table 2: A mixed picture: powers that Combined Authorities (including Cornwall) have been granted by Government⁴¹

		Greater Manchester	Sheffield	Tees Valley	Liverpool	West Midlands	Cambridgeshire & Peterborough	West of England	Cornwall	North of Tyne	West Yorkshire
Transport	Devolved consolidated transport budget										
	Bus Franchising										
	Joint working with Highways England and NR										
	Local Road Networks										
Skills, Health, Employment	Joint working with UKTI										
	Business support services										
	Adult Education Budget										
Land and Housing	Work and Health										
	Public Land Commission/Joint Assets Board										
	Housing Loan Fund										
	Compulsory Purchase Orders										
	Mayoral Development Corporations										
	Planning call in powers										
	Consultation on strategic planning applications										
Public Services	Housing Grant Fund										
	Spatial Strategy										
	Health and Social Care Integration										
	Children Services										
	Offender Management, Probation, Prison estate										
Finance	Troubled Families/Working Well										
	Police and Crime Commissioner										
	Fire Service										
	Investment Fund (per year)	£30m	£30m	£15m	£30m	£36.5m	£20m	£30m		£20m	£38m
Finance	Pilot retention 100% business rates revenue										
	Business rates supplement										
	Community Infrastructure Levy										

NB: Cornwall County Council holds a number of the powers set out here in its capacity as a unitary authority (marked in a pale blue) Devolution of police and fire to West Midlands and police to West Yorkshire is under discussion (marked in grey)

Recommendation 10: Counties are the natural vehicle to drive place-based growth across the whole of England and have the scale and perspective to be truly strategic bodies. They should be backed with the requisite powers, responsibilities and funding streams to make good on their potential.

Recommendation 11: If the Government believes that the powers it has devolved to mayoral combined authorities are the right ones to help local areas secure growth then they should devolve as many as possible of those powers to county areas as a matter of priority.

3.4 Local leadership

A minister or an official might read our previous recommendation and respond that those powers are not appropriate to be held in any area where a mayor isn't present. They might think that only those areas which have the 'enhanced accountability' generated by a mayor should be able to take advantage of extra powers and new funding.

That seems to us unreasonable. If these powers

are actually ones which are going to create opportunities, generate wealth and change lives then surely the Government ought to extend them to all areas – especially given some of those areas are in such desperate need of economic growth.

But even if that argument is not accepted, we would question whether mayors are required to deliver 'accountable' leadership.

The desire for accountability on the part of Government is perfectly understandable. Local people should know who is collecting taxes, spending money and making decisions, on their behalf. Moreover, if central Government is going to devolve responsibility for key areas and potentially billions of pounds of public funds, it should also know who to hold responsible.

But this does not require the creation of yet another new elected position. As described above, the example of Police and Crime Commissioners shows that simply creating a new elected position does not guarantee that they have a democratic mandate or even the scope of powers to make a difference.

41. House of Commons Briefing Paper (2020), *Devolution to local government in England (Henham Strategy edit)*

Instead it should be the leader of the county – either the county council or unitary – who is acknowledged by central Government as an accountable and responsible figure, the devolution deal agreed for Cornwall being an important example of precisely this. Leaders already have a strong political mandate given that they draw their political strength from the fact they head up the largest grouping of councillors (in exactly the same way the Prime Minister is leader of the largest group of MPs).

Many leaders end up being in their position for a long period of time and have served as councillors for many years before they become the leader. Often they are business figures in their own right and they tend to understand their local area better than any minister or civil servant in Whitehall could. They are ready made ambassadors for their area.

Public opinion supports this view. Polling conducted by Populus in January 2020 showed that less than a quarter of people supported the creation of mayors across England and very few thought that mayors could speak up for their area more effectively than council leaders: only 12 per cent disagreed with the statement that a council leader would be a better voice for their area than a mayor.⁴²

We think that part of the reason the Government likes the idea of mayors is because they are readily identifiable by local communities. But one of the reasons why they're more likely to be identified is because local people care more about who holds those positions. And part of the reason they care more about who holds the position is because the position carries more powers and responsibility than the leader of a county council enjoys.

If the other recommendations in this report are carried forward, and county councils are given the same set of powers enjoyed by mayors and new oversight over policing, integrated care systems, and LEPs, local populations will start to care more about those who hold the highest office within an individual county. In turn, a set of powers, responsibilities and the necessary funding to really make a difference to a local area will encourage more, and even higher quality, people to get involved in local government.

Recommendation 12: The Government should not insist upon elected mayors in non-metropolitan, English counties. County council leaders should be regarded as what they already are: established, recognisable figures, accountable to their local populations. There is an argument to be made for directly elected leadership, such as mayors, over new combined authorities which sit above a number of large unitaries.

42. Populus (2020), *Democracy and Mayors Survey*

Chapter Four:

The Two-Tier System — creaking at the seams



This report has already outlined the fragmented and confusing nature of local government across England, with different parts of the country being divided up into combined authorities, unitary authorities or two tier areas, with county and district councils co-existing.

The most common structure to be found is that of 'two-tier'. As we discussed in Chapter Two, it is that structure which is likely to lead to the most confusion amongst local residents and which has the biggest question marks looming over its effectiveness.

Earlier in this report we outlined the ability of Cornwall to play a strategic role by virtue of it working closely with the various public service organisations which exist within the county and thanks to its unitary structure. We can compare Cornwall's experience with that of another county – Leicestershire.

We heard that there are 22 partnership bodies across Leicestershire, and a further 80 multi-agency partnerships in which both the county council and its district councils are involved. The lack of a single strategic voice causes challenges and makes it difficult for partners to engage in a coordinated way with local government services. This leads to a lack of accountability and less effective public service delivery.

We came across numerous examples of where the two-tier structure creates inefficiencies, poor governance and failures in terms of service delivery. The recent efforts to deal with

the Covid-19 pandemic have brought some of these challenges into sharp relief.

4.1 Confusing and expensive

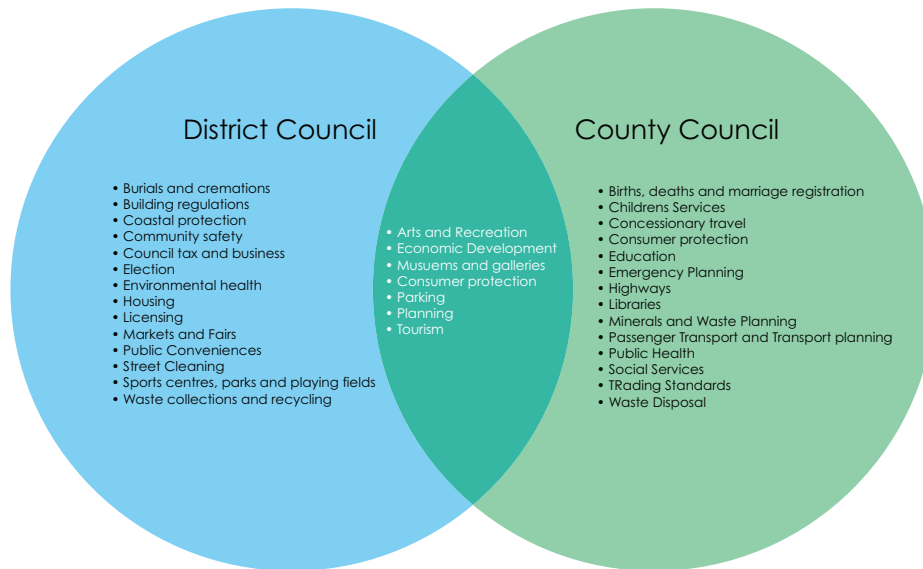
In Chapter Two, we offered an imaginary example of a local resident concerned about the sign at the end of a road to demonstrate the confusing nature of responsibilities being divided between different authorities.

Although this example was made-up, there are more than enough examples in the real world to make the same point. For instance, the cases where the district council deals with off-street parking, while the county council deals with on-street parking; similarly, abandoned cars are reported to district council, but subsequently removed by the county council.

The 'baffling' situation, as Lord Heseltine aptly put it,⁴³ is ably demonstrated by outlining the different responsibilities allocated to different authorities:

43. Lord Heseltine (2012), *No Stone Unturned: in pursuit of economic growth*, p.30

Figure 6: Functions of local authorities in England



Not only is this situation confusing for local residents, but it also costs more money. When you add together the costs incurred by individual district councils, all with their own staff, councillors and premises, you are faced with sizable administrative costs to deliver a two-tier system across a county.

As a case in point of unnecessary waste we heard that in Somerset one of the district councils chose not to share their HQ with Somerset County Council, and instead allocated funds to renovate their own building just down the road.

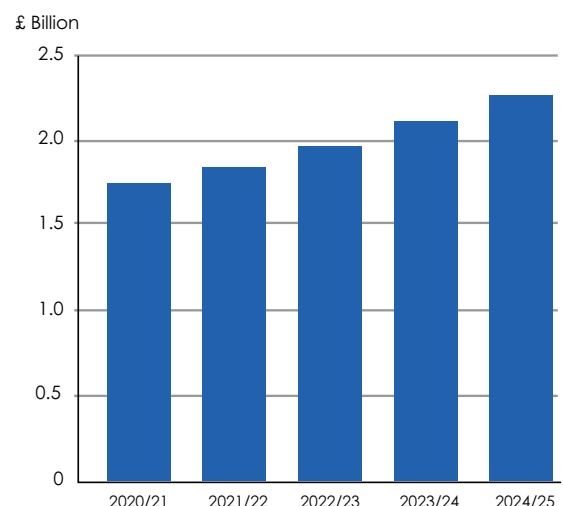
Local councillors are dedicated and committed to serving their local communities. But their allowances are a significant cost centre for a local authority. Where two-tier structures are in place, with more councillors as a result, the costs quickly add up.

4.2 Covid-19 has exacerbated matters

The inefficiencies inherent in the two-tier system is nothing new; nor are the funding challenges that face local government. But the funding pressures have undoubtedly been made much worse by the pandemic.

Even before the pandemic struck, shire counties areas were facing an acute funding shortfall. Pre-crisis modelling by CCN and Pixel Financial Management showed that the combined cumulative funding shortfall for county and district councils amounted to £9.97bn over the next five years. That was over half of the total £19.1bn shortfall facing all local authorities in England.⁴⁴

Figure 7: Funding gap for local authorities in two-tier authorities over the next five years⁴⁵



44. CCN & Pixel (2020), Local Government Funding Forecast Update - Scenario 1, p.9

45. CCN & Pixel (2020), Local Government Funding Forecast Update - Scenario 1, p.9

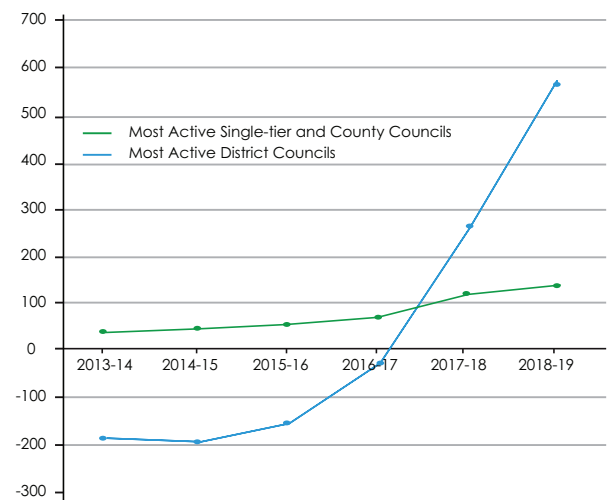
The impact of the pandemic, through increased cost pressures and lost income, has dramatically worsened the financial outlook. Before the announcement of the latest Covid-19 funding support for councils,⁴⁶ it was estimated CCN member councils faced an additional £2.5bn funding shortfall over the next two years due to the pandemic. The same modelling by Grant Thornton showed that, due to this shortfall, all 36 of these councils would technically be unable to balance a budget by the end of 2021/22.⁴⁷

District councils have also faced additional acute funding challenges due to the impact of Covid-19. Although recent funding announcements have provided district councils with funding allocations in excess of their reported cost pressures,⁴⁸ their reliance on fees, charges and other sources of commercial income have severely impacted their financial resilience. Districts are reporting potential losses of £865m this year from these income sources,⁴⁹ with the government's recent compensation scheme not providing cover for the full level of losses incurred, leaving a further significant financial blackhole.

This lost income is particularly concerning for district councils, for whom such income acts as a financial crutch. Some district councils are in even worse financial straits thanks, in part, to their becoming over-exposed to debt as a result of controversial investments into commercial property over the past few years.

A recent NAO report analysed the performance of county and district councils in making commercial property investment and found that district councils have accumulated vast debts compared with county councils and unitaries.

Figure 8: The exponential rise in debts accumulated by district councils (as a per cent of their purchasing parity)⁵⁰



A recent report from the Public Accounts Committee found that among the group of district councils that have been most active in acquiring commercial property, the median level of external debt as a share of spending power increased from 3 per cent to 756 per cent from 2015–16 to 2018–19. By the end of this period, one borough council had borrowed £1.1 billion against annual core spending power of £11 million, a ratio of almost 100 to 1.⁵¹

Not only does this demonstrate the gap that exists between district councils and county councils or unitary authorities, but it also illustrates an exponential rise in a worryingly short period of time. The ambition behind this strategy has been to generate new revenue through commercial rents. Yet many district councils have become significantly indebted as a result.

46. MHCLG, 16 July 2020, 'Government confirms allocations of £500 million additional funding for councils'

47. CCN and Grant Thornton, Analysing the impact of Covid-19 on County Authority Finances, p.6

48. Local Government Chronicle, 17 July 2020, 'New 'fair funding' style Covid formula covers 83% of cost pressures'

49. MHCLG (2020), 'June financial information survey – breakdown of results'

50. National Audit Office: Local Authority Investment in Commercial Property (2020)

51. Public Affairs Committee (2020), Local authority investment in commercial property

The two-tier system has been under severe financial strain for decades and Covid-19 has highlighted the vital need for large, strong units of local government to improve resilience and deliver efficiency savings which can help meet the projected funding gaps facing both tiers of councils.

4.3 Concerns around delivery

As well as the two-tier system costing more, and the growing concerns around the sustainability of certain district councils, the two-tier system also has question marks hanging over it in terms of delivery and performance.

The common refrain from business leaders is that the two-tier system leaves them without a clear point of contact or a clear place to input into strategic planning. This confusion over, and duplication of, responsibility can lead to economic stagnation. The OECD have estimated that when you double the number of governments or decision-making bodies within a local area there is a 6 per cent drop in productivity.⁵² Moreover, there have been examples given to us by county leaders of crucial investment opportunities being missed by failures of delivery in two-tier councils: in one case, arguments by district councillors over business rates retention led to tens of millions of pounds of investment being missed out on.

Housing provides another salutary example. The two tier system simply doesn't create the right incentives to deliver more housing. A report by ResPublica highlighted the 'disconnect' between district and county councils around planning, infrastructure and funding. It reported that whereas 60 per cent of unitary councils are meeting their housing targets (at least 95 per cent of new population growth), this fell to just 30 per cent in two tier areas, despite them having, on average, significantly smaller population growth.⁵³

There have been concerted attempts by Government to address this disconnect between the local planning authority (the district) and their county council through the Housing White Paper 2017, the Neighbourhood Planning Act 2017 and the Housing Infrastructure Fund. But the essential problem remains – districts tend to be too small and parochial in outlook to take strategic planning decisions

Just how small district councils are in terms of their ability to take on projects and deliver at scale can be seen when examining their net revenue expenditure: when looked at as a proportion of total spend across district and county councils, districts' share of the total was only 15 per cent to counties' 85 per cent in 2018/19. Such a fundamental mismatch in spending power illustrates vividly the inadequacies of the current system: while county councils have the financial capacity to act decisively and deliver across a wide area, districts do not have the scale to act as effective partners.

Although there are some limited cases where the two-tier system can deliver, these appear to be in large part thanks to inspiring county leadership and high levels of mutual trust with their individual district councils. They represent the exception not the rule. It is hard to believe anyone would invent the two-tier system if given a blank piece of paper. As Local Government Minister, Simon Clarke, recently said:

.....
 'the British state needs to become fully match-fit...' ⁵⁴

The situation is unsustainable and reform is needed.

Recommendation 13: Local authorities in two-tier structures should consider the lessons learned from Covid-19 and assess whether they would be more efficient and more effective in a unitary structure.

Recommendation 14: If a unitary structure is not pursued, there should be much more joint-working at a county level with shared facilities and shared services wherever possible, and with collaboration overseen and reviewed by the Government.

52. OECD Regional Development Working Papers (2016), *Why Metropolitan Governance Matters a Lot More Than You Think*

53. ResPublica (2017), *The Case for Counties*, p.38

54. Simon Clarke, 2 July 2020, *Speech to the Local Government Association*

Chapter Five: The Answer is Unitarisation



If two-tier local government is the problem then what is the solution? We are emphatic in our belief that it is a move towards more unitary councils across England.

It would appear ministers in Government share this point of view. The Secretary of State with responsibility for local government, Robert Jenrick,⁵⁵ is on the record as saying he doesn't think the two-tier model 'has got a long term future' and suggesting that

'we need to move towards a model (that) provides better value for money for taxpayers and able to look much more strategically at challenges like housing and transport.'

Going further, an MHCLG minister said:

'...the Government recognises that unitary councils can facilitate more integrated decision-making, better service delivery, greater local accountability and empowered local communities.'⁵⁶

But if Government ministers maintain that the two-tier model is flawed, and believe that more widespread unitarisation can bring about such obvious benefits, why does two-tier remain the default approach of so much of England?

The reasons for this are manifold but include the limitations of the current legislation which applies to the unitarisation process, the lack of clarity and consistency provided by Government in recent years, the local politics and vested interests inherent in local government and some people's genuine, but typically misplaced, concerns about the consequences of adopting a unitary structure.

Before we come onto what the Government might do to make the unitarisation process more straightforward for local areas we should, therefore, consider the concerns that people might have, as well as the merits of unitary structures.

5.1 The case for unitaries

As outlined in the previous chapter, there are various causes for concern within the two-tier structure but perhaps the most fundamental is the cost of its administration.

At both a macro level and in individual areas, there are huge savings to be made by a move towards unitarisation. PricewaterhouseCoopers (PwC) is currently conducting financial modelling on behalf of the County Councils Network and will soon be setting out in more detail the financial implications of unitarisation. When EY undertook a similar exercise in 2016, they suggested a move to unitary structures across the board could save as much as £2.9 billion.⁵⁷

These savings would, of course, be made up of savings in individual county areas, which is borne out by business cases already produced. Nottinghamshire have undertaken detailed financial assessments that show a move to a unitary structure would save £27 million per year⁵⁸ and financial assessments in Cumbria estimate the potential for a unitary structure there would save up to £28 million per year.⁵⁹

55. Local Government Chronicle (2019), Jenrick: 'no long term future' for districts in devo push

56. Hansard, 28 April 2020, HCWPQ 901983

57. Ernst and Young (2016), *Independent Analysis of Governance Scenarios and Public Service Reform in County Areas*, p.30

58. Nottingham County Council (2018), *Councillors to consider plan to consult on a new unitary council for Nottinghamshire*

59. Ernst and Young (2016), *Cumbria Financial Case for LGR*, p.3

These forecasts are supported by assessments of what has happened in those places which have achieved unitary status in recent years. Analysing those counties who became unitary bodies in 2009 EY calculated that they managed to achieve, in less than two years:⁶⁰

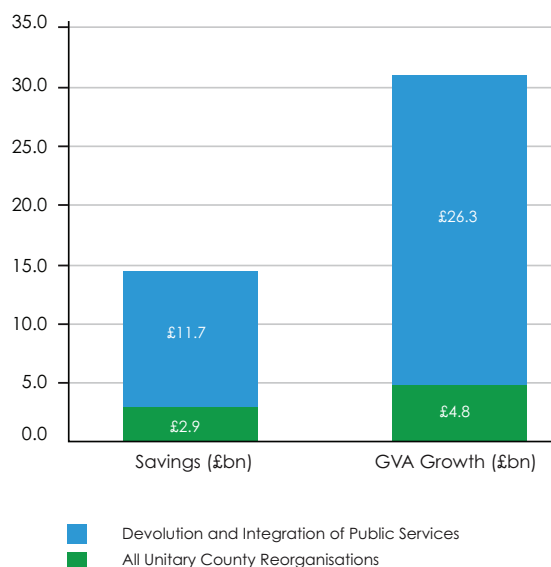
- A 27 per cent reduction in housing benefit administration costs (£8.2 million)
- A 30 per cent reduction in running costs (£51 million)
- A 2 per cent reduction in waste collection and disposal costs (£6 million)

Looking at individual counties tells a similar, compelling, story. Wiltshire Council, for instance, saved £120m in its first six years post-unitarisation through having a single, less wasteful system⁶¹ and Cornwall is delivering ongoing savings of £15.5 million a year since becoming a unitary.⁶² This is hardly surprising given the disparity of management and support services between district and county councils: in 2015-16 (the most recent year for which relevant data exists) 'back office' spend such as this made up 62.6 per cent of the total for district councils, but only 6.6 per cent for county councils.⁶³

Yet the positive case for unitaries goes beyond cost savings and value for money. As outlined in Chapter 3, giving an upper-tier authority responsibility for spatial planning can lead to higher housing numbers and a greater contribution to economic growth. The potential for upper tier authorities to drive growth, off the back of devolution and unitarisation, was considered by Oxford Economics as part of a 2017 ResPublica report.⁶⁴

They calculated that if the savings that devolution and unitarisation would generate were reinvested into local initiatives then they could create potential growth of £26.3bn over five years – even if half the savings were returned to the Treasury. Even if a more conservative estimate of savings was allocated for investment in growth, then this could raise GVA across all counties by an additional £4.8 billion over a five-year period and boost growth across all counties by 0.1 per cent per year.

Figure 9: Reform Savings and the Economic Gain from Reinvestment⁶⁵



There are, then, a range of different arguments that can be made to show the delivery potential of unitaries. We are convinced that unitarisation, if allied with giving county councils responsibility and a more formal role to generate economic growth, would turbocharge the benefits of devolving powers to counties and enable them to deliver on the Government's levelling up agenda.

5.2 Unitaries: causes for concern?

If there are so many benefits to unitaries, why do some people oppose them even in the light of the Government stating that they 'can lead to more integrated decision-making, better service delivery, greater local accountability and empowered local communities'?

Those who oppose the transition to unitary authorities would typically reject those comments by arguing that any reform which removes district councils would, by implication, lead to less accountability and 'disempowered' communities. They would argue that service delivery cannot possibly be better if the local authorities which are 'closer to the people' (i.e. district councils) are disbanded.

Again, looking at those counties that have

60. Local Government Chronicle (2019), Jenrick: 'no long term future' for districts in devo push
 61. Hansard, 28 April 2020, HCWPQ 901983
 62. Ernst and Young (2016), *Independent Analysis of Governance Scenarios and Public Service Reform in County Areas*, p.30
 63. Nottingham County Council (2018), *Councillors to consider plan to consult on a new unitary council for Nottinghamshire*
 64. Ernst and Young (2016), *Cumbria Financial Case for LGR*, p.3
 65. Oxford Economics (2017), *Understanding County Economies*, p.57
 66. Hansard, 28 April 2020, HCWPQ 901983

most achieved unitary status provides some valuable lessons.

In Durham, for example, Area Action Partnerships (AAPs) have been established to provide local links. Each AAP has 21 members – 7 councillors (6 county councillors and 1 parish councillor), 7 members of the public and 7 members of local services (e.g. police, fire service, education). AAPs have been shaped around the geographies put forward by local people, providing local accountability as well as a more joined up approach to service delivery.

Similarly, in Wiltshire, Local Area Boards bring decision making into the heart of the community. They meet regularly and give local people a chance to talk to Wiltshire Council staff and councillors. A key role of the Local Area Boards is to provide grants to community groups and youth funding in partnership with local youth networks.

Unitary councils can also lead to an uptick in the number of town and parish councils, with various counties we spoke to suggesting that they would want to ensure such bodies are adopted much more widely across their local area if they were to go down the unitary route. A report produced by Shared Intelligence found that large councils are more successful at devolving decision making to a local level,⁶⁷ which supports evidence that moving to unitary status can actually empower and revitalise town and parish councils. Helpfully, ministers have suggested that the White Paper will look to ensure that town and parish councils are 'genuinely empowered'.⁶⁸

Some critics have pointed to the upfront costs of moving to a unitary structure and the administrative costs involved in creating the new authority. It has been estimated that the transition process from two-tier local government to a unitary authority might cost around £12million in the first year.⁶⁹ Yet as can be seen from the savings outlined above, this will be paid back within short order. In Cornwall, the initial cost of moving to unitary status was £39.5 million but, as mentioned, it is now delivering ongoing savings of £15.5 million a year.⁷⁰

Enhancing town and parish councils under a unitary structure

As well as making the principal authority more responsive, unitarisation can mean power is passed to the historical representative bodies for rural places – parish and town councils. Originating in the manorial system of the feudal age, parish and town councils both represent real communities and are a flexible form of local government that can take on more or fewer powers as circumstances dictate. Unitary councils across the country have been offering parish councils new powers, assets and responsibilities, where they have the capacity to receive them.

These local councils bring many benefits to an area, particularly in relation to their ability to represent the community at a grassroots level, because they're composed of representatives elected by the people of the parish to make decisions and speak on their behalf.

They often have a higher level of responsiveness to community needs and interests. They can represent local interests to external bodies and have a responsibility for a single area or neighbourhood. Many of them work to enhance or improve local services, often in partnership with the county council and other partners.

Cornwall Council secured one of the first devolution deals, and Cornwall's success has been assisted by their devolution of further powers to town and parish councils. Cornwall Council's devolution framework offers local communities the opportunity to take on services, choosing their preferred level of involvement from a series of options, all of which come with support, including providing training for town and parish clerks and councillors.

67. Shared Intelligence Independent Study (2016), *Learning Lessons from Local Government Reorganisation*

68. Simon Clarke, 2 July 2020, *Speech to the Local Government Association*

69. Ernst and Young (2016), *Independent Analysis of Governance Scenarios and Public Service Reform in County Areas*

70. Lord Heseltine (2012), *No Stone Unturned in the Pursuit of Growth*, p.52

Critics, even if they accept that cost savings can be made, sometimes argue that these savings are a false economy because larger unitaries lead to poorer governance. Others say that some areas are too small to be unitaries. The question of size is one which deserves closer attention.

Recommendation 15: Wherever possible, unitary authorities should be established. The Government, through its Devolution White Paper, should set out its preference for unitary authorities.

Recommendation 16: Any new unitary structure should include proposals to create new local governance arrangements such as Local Area Boards, Area Action Partnerships and / or empowered local Town and Parish Councils.

5.3 Size of unitary authorities

Provided one has an adequate answer to the question of how to ensure local areas still have effective representation when adopting a new structure, there is little reason to worry about how big a population a unitary council might oversee. But size does still matter and there is a reasonable question to be answered regarding the minimum population size needed to form an effective unitary authority.⁷¹ This debate becomes very technical very quickly and there are different arguments for a minimum threshold of anywhere between a quarter and half a million.

The Government have previously set a minimum size of 300,000,⁷² however we think the risks of having new unitaries which are 'too small' is sufficiently worrying that this number is too low. In 2016, a report by Shared Intelligence looked at the lessons which could be learnt from the last two generations of unitary councils and their relative success. It showed that scale was one of the three most important factors in terms of determining success and found that:

*'there is no doubt that larger councils, those with a higher population, are better-placed to deliver economies of scale than smaller councils.'*⁷³

They went on to say:

*'The difference in the capacity of different sized unitary councils to respond to today's financial and service pressures appears to be stark.'*⁷⁴

It was therefore particularly welcome that the Local Government Minister, Simon Clarke, recently outlined in a written response to Simon Hoare MP that the Ministry of Housing, Communities and Local Government was working on the basis that unitaries should be 'substantially in excess of 300k-400k.'⁷⁵

As well as minimum thresholds, some have called for maximum sizes to be imposed upon unitary authorities. Typically their objections are either on the grounds that there would be a lack of local representation if councils oversee 'too large' a population or that those bodies which have to govern over a large population size are somehow 'destined to fail'.

We are unconvinced by these arguments.

As we point out above, there is a means of ensuring that strong local voices are built into the system.

In fact, our analysis has led us to conclude that large populations and sufficient scale should be mandatory for any new unitary. All the evidence shows that larger unitaries mean more effective local economic policy, not least by offering the opportunity for a single, defining vision for growth in an area.

Within England there are 6 non-metropolitan counties with a population of more than 1 million – are these too big for a single unitary authority to govern well? We don't think so. Just as the UK Government can govern our United Kingdom, made up of the four home nations and with 650 constituency MPs representing each corner of the land, so too can a unitary council govern a population size of 1.57 million. Indeed, a population of 1.57 million would barely make it into the top ten of French Départments by population size and would be third smallest of the German states (or Länder).

71. R. Andrews and G. Boyne. (2019), *Size, Structure and Administrative Overheads: An Empirical Analysis of English Local Authorities*. *Urban Studies*, p39

72. Local Government Chronicle (2016), *DCLG to unitary bidders: aim for a minimum population of 300,000*

73. Shared Intelligence Independent Study (2016), *Learning Lessons from Local Government Reorganisation*, p16

74. *Ibid*, p16

75. Hansard, 29 June 2020, HCWPQ 61741

Table 3: Non metropolitan 6 largest counties by population⁷⁶

Non-Metropolitan County	Population
Kent	1,568,623
Essex	1,477,764
Hampshire	1,376,316
Lancashire	1,210,053
Surrey	1,189,934
Hertfordshire	1,184,365

Size should actually help drive efficiencies and economies of scale. Some have pointed to the litany of failures at Birmingham City Council as proof of how difficult it is for local governments to govern over a large population size. But those who've looked most closely at those failures have concluded they have nothing to do with the population size of Birmingham.

Birmingham's size matters — and actually helps

In his 2014 independent review of Birmingham City Council, Lord Kerslake began by noting that with a population of 1.1 million residents, it was the largest council in the country, and that this large population was in many ways an advantage: 'it gives [the council] the capacity to take on significant projects that many Local Authorities would struggle to achieve alone.' He went on to say: 'This was undoubtedly a contributing factor that helped the council lead the successful physical regeneration of the city centre.'

There had been some criticism raised concerning the size of Birmingham's wards, as well as a proposal to split the council into three, smaller areas of roughly 400,000 people each. The Kerslake Report rejected these proposals as unlikely to work, concluding that, 'the council's problems are not intrinsic to its size'.

The ability to work at scale can lead to efficiencies and create opportunities but, as the Kerslake Report pointed out, it has to go hand in hand with developing more effective relationships with local partners and service providers, rather than the 'council knows best' approach which was identified as being prevalent among Birmingham councillors.

The Kerslake Commission found that 'the size of the council is used as a shield to deflect criticism.' In a similar fashion people are now using the potential size of unitary authorities as a 'shield' to oppose county-wide structures. But the evidence suggests that counties' ability to act as strategic authorities would be diminished if they had to be split as part of the unitary process. The Shared Intelligence report cautioned against splitting up functions pointing to the 'resulting impacts on service outcomes...and their capacity to respond to mounting service pressure.'⁷⁷

The services which they were most concerned about were social care and children's services. These warning sirens were also sounded by EY in a report they conducted which cautioned against the disaggregation of services in sub county options, arguing that this could 'lead to inconsistent service provision and increased complexity'.⁷⁸ Forthcoming work by PwC for County Councils Network will further demonstrate the risks and costs associated with disaggregation.

We have heard many examples of how being able to act at a county wide level has provided political authority and enabled resources to be directed much more efficiently. Whereas disaggregation can lead to duplication, fewer ongoing savings and risky reorganisation.

Furthermore, splitting current county areas into two or more unitaries can risk creating geographies that accentuate economic disparity, rather than advance the government's agenda of levelling up. As part of our research, we worked with Policy Points to undertake an analysis of the impact of splitting up various counties and the economic differences, and likely consequences, which might exist in these various scenarios.

This analysis, a summary of which is set out in the table below, cautions about the duplication which would exist where there is disaggregation from current working practices. A good example is the transport plans produced by county councils, where infrastructure upgrades often cut across the boundaries of several lower-tier authorities. Should the upper-tier be replaced by a two-unitary system, the act of disaggregation would create two transport development

76. ONS (2019). *Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland*

77. Shared Intelligence Independent Study (2016). *Learning Lessons from Local Government Reorganisation*, p.17

78. Ernst and Young (2016). *Independent Analysis of Governance Scenarios and Public Service Reform in County Areas*, p.64

teams, reporting to two transport and planning committees. Neither would have formal responsibility for how plans are coherent with the wider geography.

The analysis also pointed to the relative appeal of larger bodies, both in the eyes of the public and the private sector. The recent consultation on the introduction of freeports is a good example, with the criteria for freeport bids set out by the Government referencing the need for effective local leadership and strong local relationships.⁷⁹ The same argument applies to institutional investors, such as pension funds, which are more willing to allocate capital to local economies where there is evidence of local cooperation and a coherent plan for the future growth.

But the real appeal of larger unitaries comes because of their ability to address economic disparities by operating at scale. Our analysis showed that splitting current counties into two unitaries, or more, risks creating geographies that separate the economic haves and have nots. Smaller unitaries with stronger economic performance will have no incentive to consider how to improve the economic performance of their poorer performing neighbours. Equally the service costs, perhaps to deal with higher deprivation levels or the consequences of an ageing population, will be higher in a poorer performing area, requiring more resources and not allowing that area to focus on building economic assets.

Our analysis relied upon identifying logical geographies for two new unitary structures and then collating economic data to make comparisons between the two different areas.

In Hertfordshire, for instance, if the county was split into two smaller unitaries of equal population – East Hertfordshire (comprising of Broxbourne, North Hertfordshire, Welwyn Hatfield, East Hertfordshire and Stevenage) and West Hertfordshire (Dacorum, Hertsmere, Three Rivers, Watford and St. Albans). We saw that there would be a considerable gap in productivity between the two, with the median GVA per hour worked being much higher in the west than the east (£44.70 vs. £32.15).

Similarly, if North Yorkshire were to be divided between a northern and a southern unitary authority of equal size, this would lead to a stark divide in economic prosperity: Craven, the district with the lowest GDP per head in the northern unitary (£29,100), would still rank higher than the best-performing district in the southern half (£27,122).⁸⁰

We are clear in our view that smaller unitaries will most likely lead to poorer economic performance and disaggregation will lead to duplication and inefficiency. Larger unitaries, on the other hand, have the potential to deliver economic projects of greater ambition and can provide a more compelling single vision for growth. Our analysis has led us to conclude that larger unitaries will lead to better outcomes, not least in terms of helping level up local areas.

But the principal reason we think that county unitaries should be pursued even when on a large scale is because this allows counties to retain their sense of place. Again, this factor came up in the work done by Shared Intelligence, in which they pointed out that 'place', although it is hard to capture in formal criteria, is something which relates to the allegiance that people feel. They pointed out that:

*'in many places local ties to historic counties are very strong... councils work best when their boundaries reflect the way in which people live their lives.'*⁸¹

This is not to say that there can never be a case for an existing county structure being divided into two unitaries. Such a case might be merited if, for example, it would allow the formation of new unitaries, which include existing small authorities within a historic county which already have unitary status. Each case must be taken on its merits. But our default position is that this should be avoided unless there is good reason.

Most important is the ability for any unitary structure to be able to work with, and within, natural boundaries that reflect the way that communities have developed, local economies that can drive growth and an identity which reflects how people live their lives.

79. HMT, February 2020, *Freeports Consultation*

80. Economic data taken from the ONS, government departments and Grant Thornton.

81. Shared Intelligence Independent Study (2016), *Learning Lessons from Local Government Reorganisation*, p.19

Recommendation 17: Size and scale matters so no new unitaries should be created with a population size below 400,000.

Recommendation 18: There is no reason to impose a maximum size for any new unitaries; the Government should aim to avoid splitting counties wherever possible.

Table 4: Current County and hypothetical unitary features⁸²

Current county and hypothetical unitary split	Characteristics of hypothetical unitaries	Historic economic disparities between hypothetical unitaries	Economic impact of COVID-19 within hypothetical unitaries
Unitarisation in Hertfordshire:			
<ul style="list-style-type: none"> East Hertfordshire consisting of: Broxbourne, North Hertfordshire, Welwyn Hatfield, East Hertfordshire and Stevenage. <i>2020 population: 593,651</i> West Hertfordshire consisting of: Dacorum, Hertsmere, Three Rivers, Watford, St. Albans. <i>2020 population: 598,814</i> 	<ul style="list-style-type: none"> While both hypothetical unitaries would be categorised as being mostly urban, West Hertfordshire would be home to more large conurbations than East Hertfordshire. Both West and East Hertfordshire would heavily rely on London for employment opportunities. Both West and East Hertfordshire have relatively young populations, with only one current district across the two hypothetical unitaries having a proportion of over 65s above the national average. 	<p>West Hertfordshire would be a much more productive unitary authority than East Hertfordshire.</p> <p>Roughly a third of the West Hertfordshire Unitary's population would live in areas where over £40 of GVA is produced for every hour worked. None of the East Hertfordshire Unitary's population do.</p> <p>Housing would typically be a more expensive asset in West Hertfordshire.</p> <p>The lowest median house price (£368,128) in what would be a West Hertfordshire can be found in Watford. But this is a higher median price than can be found in Broxbourne (£358,000), North Hertfordshire (£350,000) and Stevenage (£270,000) in what would be East Hertfordshire Unitary.</p>	<p>Hertfordshire as a whole is forecast to experience the least employment impact of any county.</p> <p>45.4% of jobs have been calculated as "at risk" from the economic effects of the pandemic.</p> <p>But the employment impact is expected to be more severe in East Hertfordshire than in West Hertfordshire.</p> <p>The labour market of a West Hertfordshire Unitary has 42.0% of employment at risk. East Hertfordshire Unitary has 49.1% of employment at risk. COVID-19 related falls in economic output are also expected to be more severe in an East Hertfordshire Unitary.</p>
Unitarisation in North Yorkshire:			
<ul style="list-style-type: none"> Northern North Yorkshire consisting of: York, Harrogate, Craven and Selby. <i>2020 population: 520,065</i> Southern North Yorkshire consisting of: Hambleton, Richmondshire, Ryedale, Scarborough. <i>2020 population: 309,938</i> 	<ul style="list-style-type: none"> Across both hypothetical unitaries the geography is extremely rural. Leeds is a major centre of employment for commuters from North Yorkshire. There are stark differences in economic performance between the Northern parts of the county and the Southern parts of the county. 	<p>GDP per head is much higher in Northern North Yorkshire than in Southern North Yorkshire.</p> <p>For instance, the lowest GDP per head in Northern North Yorkshire would be found in the current district of Craven, at £29,100. This is a higher GDP per head than any of the areas in Southern North Yorkshire (with the highest being £27,122 in Hambleton). Northern North Yorkshire also had less employment at risk from COVID-19 and is generally less deprived.</p> <p>Productivity is much higher in Northern North Yorkshire than it is in Southern North Yorkshire.</p> <p>Two current districts in what would be a Northern North Yorkshire Unitary record GVA per hour figures above £30. No current districts in what would be a Southern North Yorkshire Unitary record GVA per hour figures above £30.</p>	<p>The disparities between the north and south of the county are clear in terms of employment risk from COVID-19.</p> <p>Every current district in what would be a Northern North Yorkshire Unitary has an expected lower employment risk than can be found in any of the districts in what would be a Southern North Yorkshire Unitary.</p>

82. Henham Strategy and Policy Points used these county examples as a representative sample of county areas, both regionally and by population size. The authorities did not contribute towards the analysis.

Table 4: Current County and hypothetical unitary features

Current county and hypothetical unitary split	Characteristics of hypothetical unitaries	Historic economic disparities between hypothetical unitaries	Economic impact of COVID-19 within hypothetical unitaries
Unitarisation in Norfolk:			
<ul style="list-style-type: none"> West Norfolk consisting of: Breckland, King's Lynn and West Norfolk, and North Norfolk. <i>2020 population: 400,473</i> East Norfolk consisting of: Great Yarmouth, Norwich, South Norfolk and Broadland. <i>2020 population: 517,263</i> 	<ul style="list-style-type: none"> West Norfolk would consist of largely rural communities, while the East Norfolk Unitary would be much more urban. Norwich would act as a focal point for employment in an East Norfolk Unitary. The West Norfolk Unitary would also have an older population - a third of the North Norfolk district is over the age of 65. 	<p>Gross Disposable Household Income would be more unequal in an East Norfolk Unitary than in a West Norfolk Unitary.</p> <p>For instance, two current districts in what would be an East Norfolk Unitary record GDHI above £20,000, higher than any current district in what would be a West Norfolk Unitary. However, the other two unitaries that would make up an East Norfolk Unitary have lower GDHI than any current district in a West Norfolk Unitary.</p>	<p>The disparities within what would be an East Norfolk Unitary are evident in the expected impact of COVID-19.</p> <p>The current districts of South Norfolk and Broadland are expected to have lower GVA declines than anywhere else in the county. The GVA decline of both districts is expected to be around 12%. The GVA decline across other districts averages around 15%.</p>
Unitarisation in Leicestershire:			
<ul style="list-style-type: none"> North Leicestershire consisting of: North West Leicestershire, Charnwood, Melton. <i>2020 population: 344,507</i> South Leicestershire consisting of: Blaby, Oadby and Wigston, Hinckley and Bosworth, and Harborough. <i>2020 population: 370,610</i> 	<ul style="list-style-type: none"> A South Leicestershire Unitary would have a more accessible centre of employment than a North Leicestershire Unitary. In every district that makes up South Leicestershire, at least 15% of the population commute into the City of Leicester to go to work. That is only true of Charnwood in North Leicestershire. Both potential unitaries would have a mix of urban and rural populations. 	<p>The districts that would make up a North Leicestershire Unitary tend to be more deprived than those that would make up a South Leicestershire Unitary.</p> <p>Specifically, the current district of North West Leicestershire ranks much higher on deprivation than any other current district of those compared. Moreover, much lower ranks of deprivation can be found in the current districts of Blaby and Harborough, both of which would be found in a South Leicestershire Unitary.</p> <p>The most productive area and the area with the largest disposable household incomes can be found in what would be a South Leicestershire Unitary. These current districts are Blaby and Harborough, respectively.</p>	<p>A North Leicestershire Unitary is expected to experience a bigger economic hit from COVID-19.</p> <p>The current district that has the most employment at risk from COVID-19 is Oadby and Wigston, which would be part of a South Leicestershire Unitary. However, GVA declines are generally expected to be larger in what would be a North Leicestershire Unitary.</p>

5.4 Establishing new unitaries

It is the clear conclusion of this report that England and its residents would be better served by a more widespread deployment of unitary structures. But this feels nigh on impossible given the legislation which currently relates to the establishment of unitary authorities and the approach which the Government takes as a result.

Any bids to establish new unitary councils has to be made under the Local Government and Public Involvement in Health Act 2007 which insists on a relatively convoluted process for both the Secretary of State and for local authorities to follow.

The Cities & Local Government Devolution Act 2016 provided the Secretary of State with temporary powers to approve new governance arrangements in local government with a more streamlined process but the 'sunset clause' which permitted this expired in March 2019.

If the Government wants to see more unitaries established, it needs to provide a new framework, ideally embedded in legislation, which will make the establishment of unitary proposals more feasible. It is not enough for the Government to will the end, it must also will the means. The Devolution White Paper is the best way to do that.

We therefore believe that the Government should put forward a framework and a set of criteria within the White Paper which will allow unitary proposals to come forward and, ultimately, be successful. As we have said elsewhere in this report, we think that the Government, through this White Paper, must provide clarity, consistency and must deliver fairness. A new set of clear, reasonable criteria, which apply universally, can deliver on those ambitions.

Existing unitaries

Some unitaries are already smaller than the minimum size threshold we suggest above, of course. Rutland is a case in point. Furthermore, some counties have already split in two (for example Cheshire) and there are some unitary structures which already exist within the historic ceremonial boundaries of counties – such as Blackpool and Blackburn and Darwen in Lancashire, Derby in Derbyshire or Nottingham in Nottinghamshire.

In an ideal world, we think each of these would take its place within the historic and logical county structure which could readily be adopted by government as its main tool of local government. Cheshire East and West would recombine, the city unitaries within Lancashire would become part of a new Lancashire unitary authority and cities like Derby, Nottingham and Leicester could fold back into their counties and be the homes of the new county authorities overseeing each of these areas – these are hardly the only places where such logic might apply.

But we think such steps are probably a bridge too far for the Government and there is relatively little clamour for significant changes from local government actors. Our view at this point, then, is that these unitaries are best left as they are. But joint working should be encouraged as far as possible – a topic we consider more closely in the next chapter.

As well as providing clear criteria, the Government should be clear about its preference for unitary structures and should remain steadfast in support of their establishment in the face of near-certain opposition. A key lesson from the 'lessons learnt' document looking at the 2009 round of unitaries was the importance of:

'clear and committed leadership, particularly at the local level from those leading implementation (both members and officers), but also from Government.'⁸³

As part of our evidence gathering we heard various examples that reinforce this point – for instance the success of delivering unitary status in Durham and Northumberland in 2009 was made significantly easier by the clear and consistent support from ministers across Government (some of whom also represented the area).

For the unitary process to stand the best chance of success, it requires the active and consistent support of ministers and civil servants from across Government. The issues involved extend far beyond the remit of MHCLG and it is therefore essential for all parts of central Government to speak with a united voice.

We feel so strongly about the merits of unitary structures that we think that the Government should consider insisting on unitary structures across the whole of England. But if they are not willing to do that, we would encourage them to think about the means by which they can incentivise unitary structures. We welcome Local Government Minister Simon Clarke's recent commitment that the upcoming Devolution White Paper would establish 'the unitarisation of councils as a vital first step for negotiating... devolution deals in the future.'⁸⁴

A new set of criteria

There are clearly various criteria which the Government can put forward and, through the Devolution White Paper, these will be subject to consultation. We would urge the Government to consider putting forward clear criteria which demand evidence-based responses, including that:

- Proposals for new unitaries do not have to be consented to by all 'affected' parties. No one local authority should be able to hold others to ransom.
- Unitaries need to be of a sufficient size and scale to deliver the outcomes that Government want to see, such as cost savings, enhanced delivery of critical services and the promotion of economic and housing growth. This should mean a minimum size of at least 400,000
- Unitaries must be put forward on the basis a credible geography and with a clear local identity
- Unitaries proposals must make a clear commitment to local accountability and decision-making, typically by working through Town and Parish Councils

83. Department for Communities and Local Government (2010), *Establishing Unitary Councils in 2009: Lessons Learned*
84. Simon Clarke, 15 July 2020, *Speech to the Northern Powerhouse Education, Skills and Employment Summit*

We would not want to be prescriptive about the incentives which the Government should put in place but fiscal incentives delivered through the Shared Prosperity Fund or the Local Public Transport Fund seem like obvious candidates.

The Government could also consider using long-term funding settlements to incentivise such behaviour, saying that only unitary authorities, or those moving towards this status, will be provided with long-term funding certainty through the forthcoming Spending Review process.

Creating a new unitary authority is not easy – as we have heard from a number of Leaders and Chief Executives who have led an authority through the process.

It can take a number of years and there will be pushback at every step. But perhaps the most important lesson to draw from those areas that have gone through the unitarisation process is this – would any of them wish to revert back to a two-tier structure? The answer they deliver is a resounding no.

Recommendation 19: The Government should deliver a new, clear and consistent set of criteria for how unitary proposals will be judged and provide clarity about the process for taking such proposals forward. If it is not prepared to insist on unitary structures, it should incentivise their creation through a range of means, including fiscal incentives.

Chapter Six: Beyond Unitaries



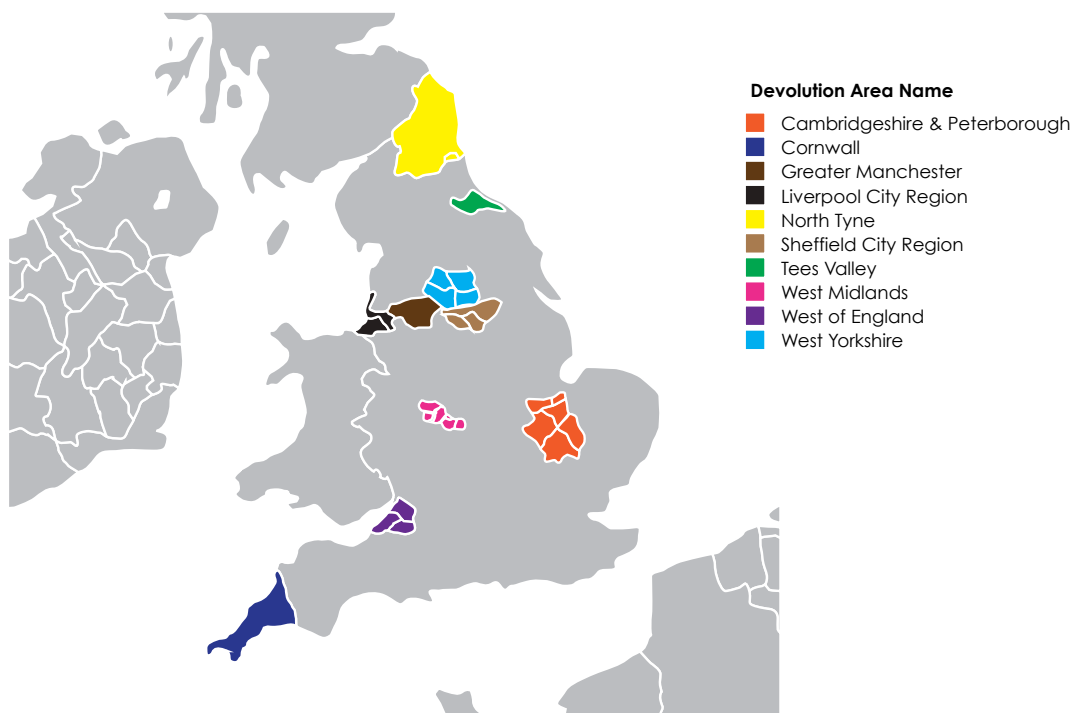
Our full-throated support for county unitaries does not mean we think that is where the story ends. Combined authorities and pan-regional partnerships can encourage and enhance joint working across areas. As one County Leader we spoke to said: 'no county is an island'. It is in this context that we recognise the potential for the establishment of more combined authorities and / or a more uniform approach to working within pan-regional partnerships.

6.1 Combined authorities

The creation of regional combined authorities, typically but not always overseen by an elected mayor, has been the principal means by which the Government has pursued its devolution ambitions over the last decade. As described elsewhere, these efforts have been

almost entirely aimed at city regions, with ten combined authorities having been established and covering more than 15 million people in terms of their scope.⁸⁵

Figure 10: Devolution deals across England⁸⁶



85. National Audit Office (2016), *English Devolution Deals*

86. Local Government Chronicle (2020), *LGC's latest devolution map reveals the scale of ambition*

But, for the reasons already outlined, we see little justification for a broad sweep of devolved powers being held at a combined authority level, or overseen by a Mayor, in non-metropolitan England. We would argue, and have argued, that it is county councils, ideally within a unitary structure and overseen by a local leader, who should hold such powers, in a similar model as the one adopted in the Cornwall devolution deal.

So where would it be feasible and practical to consider combined authorities? We set out three different scenarios below. Each of these have their own strengths and weaknesses but each seems to be worthy of further consideration.

- **Where unitary structures already exist alongside a county**

There are examples in places like the ceremonial counties of Lincolnshire and Lancashire, where there are already unitary authorities within a historic county boundary, which could then form a combined authority with a new unitary council. Elsewhere, in places such as Somerset or Warwickshire, unitary status could encourage authorities to join existing combined authorities in the West of England and the West Midlands. Whether these counties move to become unitary or not – and our clear recommendation is that as many of them as possible should – then a regional combined authority should be considered to ensure economies of scale are produced, best practice is shared and inefficiencies are avoided.

- **Where a county has already been divided into more than one unitary**

There has been a tendency of late to separate ceremonial counties into more than one unitary council, ripping asunder historic links and depriving both sides of the divide some of the benefits of aggregation

Although, in an ideal world, these councils might be brought back together (for example Cheshire West and Cheshire East), then a halfway house might be to form a combined authority between the two of them.

- **Where local areas wish to, or should, work more closely together**

Finally, there might be parts of the country who appreciate the benefits of joint working and wish to formalise that through the establishment of a regional combined authority. In putting forward their unitary ambitions, Leicestershire have proposed granting unitary status would encourage them to support the creation of a regional East Midlands combined authority, bringing together large county and city unitaries.

Having a system which allows decision-making to take place across a number of authorities can generate a better coordinated and more coherent approach to improving service delivery and to boosting regional economies. Where there is appetite to work together in a more formal fashion there is little reason for this to be rejected, combined authorities might well provide the model.

But formal models are not necessarily needed and greater joint working between unitaries is a good idea regardless of whether local politicians decide to progress to establishing a combined authority. Less formal routes to enhanced joint working include might include establishing an Economic Prosperity Board or a Joint Committee to ensure there is joint working neighbouring local authorities. These looser arrangements have many of the merits of combined authorities, although they lack the statutory basis of a combined authority.

Nevertheless, they do provide the means for different areas to come together. This is vital because some projects and policies can only be pursued at a scale which sits above an individual county. Here, at this wider regional level, the case for a mayoral authority, sitting above large county unitaries, makes more sense – bodies like the West Midlands Combined Authority works at scale to provide leadership over a large yet economic area, with a population of nearly 3 million. The East Midlands provides an obvious example of where the Government could, and perhaps should, look next when thinking of where a 'regional' mayor could most effectively operate.

6.2 Pan-regional partnerships

It is in that context that pan-regional partnerships require mentioning. The various pan-regional partnerships which exist across England are in different stages of development with the Northern Powerhouse and the Midlands Engine first out of the blocks and both having helped create a sense of purpose across wide geographies.

Both have brought together upper-tier authorities, as well as combined authorities, to focus on projects and policies which can stimulate economic growth at a regional scale.

The Western Gateway is a more recent attempt to bring together the economic hubs from the West

of England and South Wales to drive investment and connectivity. The Government appears keen to create analogous bodies across England, with the Ox-MK-Cam arc, the Thames Estuary and a South West Initiative all in various stages of their evolution.

A less formal option for county councils, whether in unitary form or not, to collaborate and work together is through these pan-regional bodies which provide a scale which even the most ambitious combined authority cannot.

Recommendation 20: More joint working between upper-tier authorities would be beneficial. There are various options for how this might occur, including the creation of more combined authorities, working with and under pan-regional bodies or unitaries using informal bodies to deepen collaboration.

Chapter Seven: Conclusion



This report has allowed itself to consider what an ideal world for devolution in England might look like: a consistent picture across the country, with wide-ranging powers devolved to the local level and historic counties taking their rightful place as the primary means of delivering effective local Government. Behind this idea is both principle and pragmatism. Only counties can provide the pre-existing structures, the scale, the sense of place, the historic links and the future potential which the English people want and deserve.

This Government has inherited a 'patchwork quilt' – or a 'thicket of complexity'⁸⁷ as Sir Andrew Witty more acerbically put it (the authors would suggest a 'bugger's muddle' might be closer to the mark) – and it would be no easy job to entirely unpick it, even if they wanted to. Our ideal world will, therefore, most likely remain precisely that: an ideal. We fear there are too many vested interests and too much local politics at play for our utopia to be a realistic goal.

However, even if there isn't the will, or the means, to bring about the uniform local government structures which England needs, the Government can bring about significant improvements to the current situation.

That must start with clarity. For too long the Government has hidden behind 'locally-led solutions' even though it has been obvious they've had their preferred options throughout. So, the Government should start by telling local Government what it wants to see – and what it is willing to give up in return.

In our view the Government should want to see strong counties, delivering world-class public services and providing value for money in a way which is accountable to local people, and easily understood by them.

Many of the ingredients for this recipe are already present. Counties have made huge savings over recent years whilst still delivering world-class public services and are already well trusted by their local populations. This despite operating within diminishing budgets and, typically, whilst working in a two-tier structure which we have shown to be no longer fit for purpose.

Something has to change and the most obvious means of improving the landscape is by helping counties move to unitary status, whilst consolidating as many powers as possible at that level.

If the Government makes this its mission, delivers a new wave of county unitaries and presides over a shift of powers to that level, it can enlist and rely on the hard work of the counties to help it achieve its ambitions. Each part of the country will be straining every sinew for growth and the Government's levelling up agenda can be achieved.

The Government should help counties now before it is too late. The 'patchwork quilt' is coming apart at the seams – but there is an opportunity for this Government to weave a new tapestry. It is time to make counties count.

87. HM Government (2013), *Encouraging a British Invention Revolution: Sir Andrew Witty's Review of Universities and Growth*, p. 4

Appendix: Polling Results



All figures, unless otherwise stated, are from YouGov Plc. The survey was carried out online. The figures have been weighted and are representative of all GB adults (18+)

Table 3: YouGov Polling Results

Sample Size: 3266 Adults in GB Fieldwork: 7th - 9th July 2020		Vote in 2019 GE		EU Ref 2016		Gender		Age				Social Grade		Region					County council area
Total	Con	Lab	Lib Dem	Remain	Leave	Male	Female	18-24	25-49	50-64	65+	ABC1	C2DE	London	Rest of South	Midlands/Wales	North	Scotland	
Weighted Sample 3266	1107	810	294	1212	1293	1587	1679	356	1362	787	761	1862	1404	392	1097	709	787	281	1131
Unweighted Sample	1186	885	326	1479	1316	1442	1824	227	1320	817	902	1962	1304	341	1136	695	798	306	1140
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
<p>There are different local government structures across England – including parish councils, district councils, county councils, unitary authorities, combined authorities and elected mayors. Before taking this survey, how much do you feel you know about how local government is structured in your area?</p>																			
Nothing	17	11	14	11	11	15	20	24	20	15	12	12	25	13	15	22	16	26	20
Not very much	52	53	54	50	52	53	49	54	55	54	51	47	50	54	57	52	50	54	48
A fair amount	26	31	27	34	31	28	30	23	16	22	28	37	31	20	24	29	24	25	27
A great deal	5	5	5	6	6	4	6	3	5	4	6	4	6	2	6	4	4	5	5
<p>Do you think there should be different types of authorities across England, or should there be a consistent approach across the country?</p>																			
Different types of authorities in different parts of the country	22	23	27	21	25	22	23	21	22	23	21	21	24	19	23	22	22	24	15
A consistent approach across the country	55	63	54	64	56	61	55	55	42	51	60	66	58	52	58	60	54	55	38
Don't know	23	14	19	15	19	17	22	24	36	26	19	14	18	29	19	18	24	22	47
<p>Still thinking about the different local government structures across England, do you think it is easy or difficult to understand who is responsible for what?</p>																			
Very easy to understand	1	1	2	1	1	1	1	1	1	2	1	1	1	1	1	1	1	1	1
Fairly easy to understand	17	20	19	16	19	17	18	17	18	16	15	20	18	15	16	17	16	19	13
TOTAL EASY TO UNDERSTAND	18	21	21	17	20	18	19	18	19	17	17	21	19	16	17	18	17	20	14
Fairly difficult to understand	47	52	50	59	51	48	47	47	40	46	48	52	51	42	53	52	45	47	28
Very difficult to understand	17	17	16	16	15	20	16	18	8	16	21	18	16	19	16	17	18	18	11
TOTAL DIFFICULT TO UNDERSTAND	64	69	66	75	66	68	63	65	48	62	69	70	67	61	69	69	63	65	39
Don't know	18	10	13	8	14	14	18	17	34	20	15	10	14	23	13	13	19	15	47
<p>Which of the following comes closest to your view?</p>																			
Leaders of county councils should have more powers than Mayors of combined authorities	21	27	21	19	21	25	22	20	18	20	23	23	23	19	18	22	25	21	12
Mayors of combined authorities should have more powers than leaders of county councils	9	11	11	10	10	8	12	7	9	11	9	7	11	7	12	8	7	12	7
They should both have the same powers	29	33	27	34	30	32	28	30	22	24	32	39	31	26	28	32	28	28	24
Don't know	41	30	41	38	39	34	38	43	51	45	37	32	35	48	42	37	41	39	57

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