



ABOLISHING 201 LOCAL COUNCILS WILL END “NEEDLESS CONFUSION” AND GROW ECONOMY BY £31BN, SAYS THINKTANK

Abolishing 201 local councils in England and giving the rest London-style powers could benefit the economy by £31bn over 5 years, a report by influential think tank ResPublica has found.

ResPublica said the reform could result in huge improvements for businesses, housebuilding, and public services in the counties of England, home to 47% of the population.

Most counties use the ‘two-tier’ system of local government. This means that each individual area has two separate councils - a County Council (27 in total) and a smaller District Council (201 in total). Each type of council is responsible for both economic growth and public services.

Cities have largely abandoned this system in favour of single ‘unitary’ local councils responsible for all plans and public services. The counties should now adopt single councils too, says ResPublica in its new report *Devo 2.0: The Case for Counties*.

The report highlights the vast economic disparity between different parts of England, with workers in Surrey producing around 55 per cent more output per hour than their counterparts in Cornwall. This means that it takes workers in Surrey 3 days to produce the same value that takes workers in Cornwall 5 days.

The report will be launched at the County Council Network’s Annual Conference on Monday 20th November, where the Secretary of State for Local Government will be speaking alongside council leaders.

Adopting the proposed reforms, followed by handing the English counties devolved powers similar to London and Manchester, could enable additional growth of £31bn over five years. This is a result of savings from single local councils of £2.9bn, and efficiencies of £11.7bn gained from devolving powers, being reinvested in local growth.¹

Phillip Blond, Director of ResPublica, said:

“The needless confusion that frustrates the ambitions of business and government alike in our county areas must end now. With Brexit on the horizon and our city-regions already benefitting from devolution, we can’t afford the waste and complication that the current system creates. Single councils at the county scale are the future and we call on the Government to move rapidly to encourage them”

Some areas are already attempting to move to single councils, with Dorset and Buckinghamshire having submitted plans to the Government.

The report argues further unitary councils are vital to stimulating the economy in county areas that have been ‘left-behind’. Current arrangements cause confusion for businesses and developers, who can find their operations frustrated by parochial decision making on important strategic issues. Reform would

allow investors to have one point of contact, a consistent framework for regulations, and clear input to strategic planning.

Delivering new housing is a particular weakness in the current system. Figures show only 30% of two-tier areas are delivering enough houses to meet their growing populations,² as opposed to 60% of unitary counties. Houses may be permitted by District councils in areas with no available schools, meaning County councils must provide free transport from home to schools in other areas, at an average cost of £1,500 per child.

The report says that with uncertain economic conditions after Brexit, it is vital that counties are in the strongest position possible to weather the storm. This is particularly the case in the counties which voted most strongly for Brexit. Recent data shows these counties tend to be more economically reliant on the EU than the cities, and therefore would be hardest hit by any trade reductions with the bloc.³

Baroness Jane Scott OBE, County Councils Network Reform Spokesperson and Leader of Wiltshire Council, said:

“All elected councillors and local MPs, would agree that the move to unitary for Wiltshire has been a huge success.

“In 2017 the need for change has never been greater, with the real risk of counties being left behind.

“ResPublica’s report highlights that streamlining counties will contribute billions to the national economy and will be good for business; but the real winners are local residents who will benefit from improved public services, less bureaucracy, and access to more housing and facilities that meet local need and demand.”

Chris Richards, Head of Business Environment Policy at EEF, the manufacturers’ organisation, said:

“Today’s ResPublica Devo 2.0 report is another hammer blow to the columns holding up the outdated two-tier local government system in England. Its central recommendation - that District councils should be abolished and functions merged into larger unitary councils - will be well received by England’s manufacturers.

“Today’s report echoes EEF’s Manufacturing Local Growth report in identifying the benefits from moving to larger unitary councils including allowing businesses to benefit from a reduction in the number of voices and competing visions for their local area, speeding up decision making and better supporting growth through Devolution Deals.

Report author Tom Follett, Policy Manager for Cities and Devolution at ResPublica, said:

“Central government finds itself struggling to deal with the complexity of the demands placed upon it, hemmed in by limited resources and national difficulties of unprecedented scale. Local government offers an alternative, but is being called on to take up a role which is unsuited to its current structure and design.”

“Adopting these reforms is a matter of urgency. Local government in the counties, as it currently stands, is simply unable to rebalance the economy, or provide the homes we need”.

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MEDIA ENQUIRIES:

For further details and to request a hardcopy of the report please contact Brendon Marsh at press@respublica.org.uk or call 020 3857 8310.

Notes for Editors

'Devo 2.0: The Case for Counties' will be available to download from Monday 20th November 00.01 from the following link: <http://www.respublica.org.uk/our-work/publications/devo-2-0-case-counties/>

The county areas in England

ResPublica looked at the 27 County areas of England. These correspond to the traditional 'shire' areas, outside those cities run by separate city councils.

About ResPublica

The ResPublica Trust is an independent non-partisan think tank. Through research, policy innovation and programmes, ResPublica seeks to establish a new economic, social and cultural settlement.

Footnotes

1: Refers to gain in GVA (Gross Value Added). First, if local government in the counties was streamlined, the government could give devolved public services powers to local communities. Devolving public services in this way could save up to £11.7bn per year nationally. Half of these savings - £5.8bn - could be invested in local growth, creating economic gains of £26.3 billion. Second, added to this is further economic gains of £4.8bn, created by investing £1bn of the £2.9 savings from making all current two-tier county areas become unitary areas. A multiplier for each year's investment of 1:4.5 is assumed, based on spending by the pre-2010 Regional Development Agencies.

2: for at least 95% of new population growth (New Household Formation)

3: The UK Regional-National Economic Problem: Geography, Globalisation and Governance. Philip McCann. Routledge. 2016