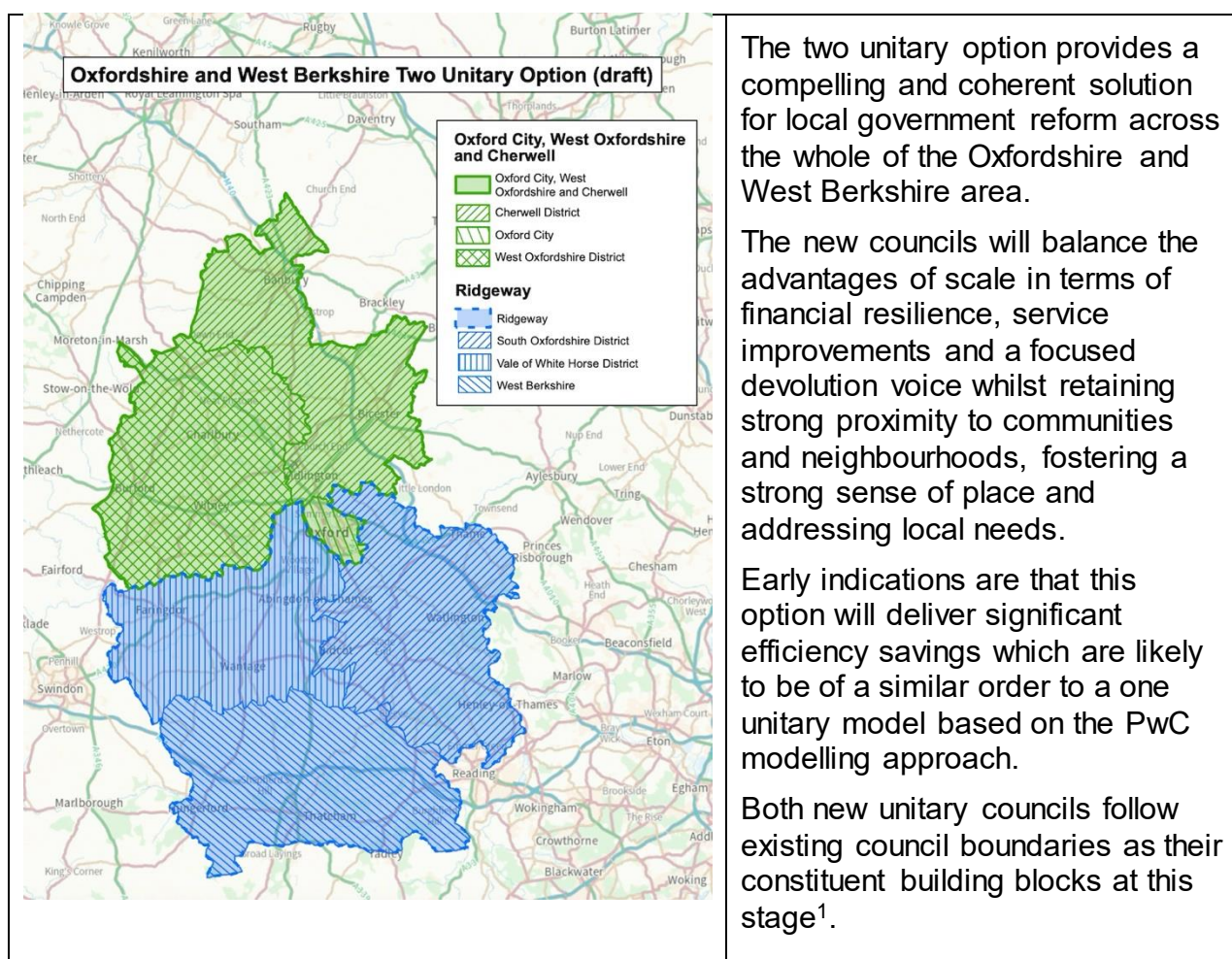


## Interim Plan Update to MHCLG - March 2025

### Oxfordshire and West Berkshire Two Unitary Option

- Oxford City, West Oxfordshire and Cherwell
- South Oxfordshire, Vale of White Horse and West Berkshire (“Ridgeway”)

This document provides an interim plan update on a two unitary council option for Oxfordshire and West Berkshire, covering the two areas of “Ridgeway” and Oxford City, West Oxfordshire and Cherwell.



Population (rounded to nearest '000s)	Oxford City, West Oxfordshire and Cherwell	“Ridgeway”
2023	451,000	463,000
2050 – Demographic Led Projection	509,000	524,000
2050 – Housing Target Led Projection	601,000	658,000

<sup>1</sup> There may be potential value in revisiting boundaries to help with growth and housing delivery, once the two new councils are established. The proposing councils believe that this should be led by the new unitary authorities themselves.

## **Interim Plan Update on the two unitary option**

### **Right Size to Achieve Efficiencies, Improve Capacity and Withstand Financial Shocks**

- Latest population figures demonstrate that both the proposed Oxford City, West Oxfordshire and Cherwell and “Ridgeway” councils are very close to the 500k population guidance figure and will rapidly achieve that figure based on projected growth projections.
- This size will improve capacity, increase financial resilience<sup>2</sup> and provide significant scope for achieving efficiencies.
- Councils of this size can achieve these benefits without risking the potential diseconomies of scale seen with some very large unitary councils.

### **Provision of High Quality and Sustainable Public Services**

- The size and capacity of the two new unitary authorities will provide an excellent basis for providing high quality and sustainable public services across the area. These will build on good practice in areas such as Revenues and Benefits (Cherwell), on collaborative ventures that are already underway on waste (City, West and Cherwell) and UK leading recycling levels in South and Vale and well-regarded Social Care Services in West Berkshire
- It is anticipated that the Children and Adults Services currently provided by the County Council would form the basis of continued delivery in the Oxford City, West Oxfordshire and Cherwell area, with an opportunity to forge complementary services around the existing provision in West Berkshire across the “Ridgeway” Council. This will take a degree of disaggregation and the opportunity for the two new services to work collaboratively in the new two unitary model will be fully explored in the full proposal. This will enable a strong focus on prevention and demand management, building on the excellent work of the existing services.
- There are a significant range of other opportunities to rationalise assets and get better value from commissioned services from the market that can improve service provision and suitability under the two unitary model (e.g. leisure contracts).

### **Enabling Stronger Community Engagement and Neighbourhood Empowerment**

- The geography of the city of Oxford, the towns of Cherwell and West Oxfordshire and the rural areas between all have distinct identities whilst

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<sup>2</sup> Whilst a number of smaller unitary councils have suffered in terms of financial shocks it is reasonable to note that neither scale, in terms of population served and/or spending power (e.g. Northamptonshire, Kent, Hampshire) nor unitary status, appears to offer significant protection in avoiding s114 notices or warnings (e.g. Birmingham, Somerset).

sharing a common sense of place. There are already very strong connections between the constituent parts of the area covered by the proposed Oxford City, West Oxfordshire and Cherwell area and the establishment of the new council would be able to enhance these further.

- South Oxfordshire, Vale of White Horse and West Berkshire already share deep historical, economic and geographical ties, and establishing a new unitary council on this footprint will create an opportunity to align and strengthen sustainable service delivery, whilst also reflecting the unique character of the rural area.
- The size of the two new unitary councils will mean that there is scale that enables the establishment of material and meaningful community engagement mechanisms, and funding, to enable increased neighbourhood empowerment without losing touch or connection with the local needs and places.
- The Area Oversight Boards currently in place in Cherwell are a good example of this and the new Oxford City, West Oxfordshire and Cherwell council would be able to provide a more comprehensive approach along these lines serving more communities and places. The “Ridgeway” councils have already developed work together on a community engagement plan, which demonstrates a commitment to jointly engage and understand the needs of local people and unlock community empowerment across the Ridgeway area.
- An opportunity also exists to strengthen the relationships with local communities. This could include reinvigorated roles for Town and Parish councils through a “double devolution” approach. Most of the area is fully parished, except in parts of Oxford City, where new approaches to further improve community engagement will be developed.

### **Indicative Efficiencies<sup>3</sup>**

- Detailed modelling of efficiencies has not yet been completed but there is an expectation that significant efficiencies can be achieved from moving from two-tier local government to a two unitary model as proposed here. These will need to be developed over the coming months. Given the size of the population being served and the number of councils involved, experience from recent LGR exercises would suggest benefits of between £20m and £30m p.a. across the two councils should be achievable, as well as the non-cashable efficiencies gained through single tier working, particularly with regarding planning and housing delivery. These indicative estimates are evidenced from the modelling approach used in the 2020 PwC/CCN paper and experience from other LGR programmes.
- The PwC financial modelling shows that annual efficiency benefits are lower for a two unitary option when compared to a one unitary county option, but it

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<sup>3</sup> It should be noted that estimates of indicative efficiencies do not take into account any potential future changes to council funding nor demand changes, at this stage.

is important to note that the gap between the options will be significantly smaller than in other areas. This is because the inclusion of an existing unitary council in the two unitary option means that:

- Overall benefits for the two unitary option (modelled as a % of existing costs) will be higher because the baseline of cost (spending power, assets, staff) includes West Berkshire, in addition to Oxfordshire councils.
- The ongoing costs of disaggregation will be much lower, compared to other LGR areas, as there are already two upper tier authorities providing services such as Children's Services, Adult Social Care and Highways, meaning that adopting the two unitary model will not incur ongoing additional costs
- It should also be noted that the ability of councils to make cost efficiencies over the medium term and ongoing financial resilience, will be determined by the extent to which transformation ambitions are achieved and the effectiveness of management in the new councils. The initial transition and structural difference are rapidly overtaken by these factors.

### **Opportunities for Service Transformation**

- In addition to the benefits of transition set out above, moving to two new unitary councils will provide a catalyst to achieve significant transformation in the way that services are provided and the council is run.
- Building on existing ambitions, plans and good practice across the existing councils, transformation opportunities will arise from implementing a new operating model focusing; enhancing customer centred service design; utilising AI and automation; strengthening community resilience, prevention and partnership working; and reconsidering commissioning, cost recovery and delivery models in a comprehensive way.
- Both the Oxford City, West Oxfordshire and Cherwell and "Ridgeway" unitary councils will be able to accelerate the transformation ambitions shared by the current councils benefiting from increase capacity and scale, in due course.
- Whilst detailed analysis of the scale of the benefits associated with these transformation opportunities has not yet been conducted, evidence from previous cases and implementation experience suggests that transformation benefits will be higher than transition benefits and may total £30m-£60m across the two new unitary councils. Transformational activity will be the responsibility of the new councils to lead but an indication of potential additional costs will need to be factored into the full proposal.

## **Councillor Numbers**

- More detailed analysis will need to be undertaken with input from the Boundary Commission, but early indications would suggest that if “member per elector” ratios were similar to Somerset, Dorset, Wiltshire and Cornwall you would expect to see between 150 and 180 members across the two new unitary councils. It is essential that the new councils establish strong democratic representation across the whole of the Oxfordshire and West Berkshire area, reflecting differences between rural and urban geographical areas. This can be achieved through engaging closely with the Local Government Boundary Commission process.

## **Supporting Devolution**

- The proposed Oxford City, West Oxfordshire and Cherwell and “Ridgeway” councils would provide strong and focused voices for their areas within a Thames Valley or similar devolution footprint, whilst maintaining strategic alignment into the Oxford-Cambridge Growth Corridor and East West Rail alignment.
- The new councils would be well placed to represent their areas in a balanced way, without losing the ability to reflect the distinct strengths and needs of the different communities and place across the current Oxfordshire and West Berkshire area.
- Oxford City, West Oxfordshire and Cherwell provides a strong platform for the delivery of growth to meet strategic needs with shared infrastructure needs well aligned within the boundaries and an impressive shared track record of growth to date. There is a real opportunity to enable potential to be unlocked across the market towns of the area and to build greater cohesion with the city of Oxford.
- The Oxford City, West Oxfordshire and Cherwell council would be pivotal player in driving this economic growth along the Oxford Knowledge Spine and in line with the Oxford-Cambridge Growth Corridor. The areas currently covered by West Oxfordshire and Cherwell District Councils complement the obvious economic focus and strong brand provided by the city of Oxford. Together they form a natural geography which is well suited to growth in the economy and in terms of housing delivery, particularly along the M40/A44/A40 growth corridors, whilst differentiating from the M4 corridor.
- There is strong potential to leverage the exceptional innovation community across “Ridgeway”, including Aldermaston, Lambourn, Newbury, Milton Park, Culham and Harwell to achieve benefits through the new unitary councils, working with others as part of a vibrant Strategic Authority footprint.

## **Indicative Costs (Proposals and Implementation)**

- Given the size of the population being served and the number of councils involved, it would be reasonable to expect one off transition costs of between £20m and £30m<sup>4</sup> across the two new unitary councils – which fall within the same range as the annual financial benefits. This would equate to £10m-£15m for each of the two new councils. These costs will be worked up in the full proposal and may be lower than indicated due to the pre-existence of key functions within West Berkshire.
- The initial cost of developing proposals for the two unitary option is estimated to be in the region of £400,000-£600,000 depending on the availability of suitable capacity and capability across the councils.

### **Working together**

- The councils across Oxfordshire and West Berkshire have put in place arrangements to support joint working and data sharing. The development of a joint full proposal for the two unitary option will require the continuation of such working arrangements.
- These working arrangements, include regular meetings of the Chief Executives and Leaders of all of the Oxfordshire councils and West Berkshire Council.
- The Future Oxfordshire Partnership has recently been renamed as the Oxfordshire Leaders' Joint Committee and has revised Terms of Reference to provide a forum for discussions on devolution and LGR and associated governance. This will provide a formal committee in place should it be needed for these purposes, although it should be noted that West Berkshire are not currently members of this body. However, a joint member forum has been established for the "Ridgeway" Councils.
- Given the timescales involved, there has been limited engagement with local communities and partners beyond the immediate local councils involved. This engagement would be fully developed through the March to November period to inform the exact nature of the two unitary proposals.

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<sup>4</sup> Estimates drawn from the PwC/CCN paper in 2020 and analysis of recent unitary council business cases. Detailed financial analysis will need to be conducted in support of a full proposal in November 2025