

CABINET
20 MARCH 2025

**INITIAL RESPONSE TO GOVERNMENT: STATUTORY INVITATION
FOR LOCAL GOVERNMENT REORGANISATION AND DEVOLUTION**

Report of the Chief Executive Officer

RECOMMENDATION

1. The Cabinet is **RECOMMENDED** to:
 1. Note the receipt of the statutory invitation received from the Minister of State for Housing, Communities & Local Government on 5 February 2025;
 2. Agree to submit to Government the interim plan as set out in Appendix 1 and each option for local government reorganisation set out in Appendix 2 to 4;
 3. Agree that Oxfordshire County Council proposes and supports as its optimal model for re-organisation – a single county unitary for Oxfordshire as set out as option 1 in Appendix 2.
 4. Agree that as the constituent member of any future Mayoral County Combined Authority, the Cabinet's preferred geography for a Mayoral Strategic Authority is Berkshire, Oxfordshire and Buckinghamshire.
 5. Endorse the Leader of the Council to correspond with Government, setting out the County Council's position with respect to local government reorganisation and devolution, and to hold meetings with Ministers on such matters in due course.

Executive Summary

2. On 16 December 2024, the Government published the Devolution White Paper. The paper sets out the most significant reforms to local government since the Local Government Act 1972.
3. At its meeting on 9 January 2025, Cabinet resolved to respond to Government to request a place on the local government reorganisation fast track and a request to only postpone the elections in May 2025 if Oxfordshire could be fast tracked on the most ambitious timescales.

4. On 5 February 2025, the Government shared that the County Council had not been successful in obtaining a place on the fast track and that elections would go ahead as scheduled on 1 May 2025. At the same time, the County Council and all other Councils in Oxfordshire were sent the statutory invitation in which to prepare a proposal/s to reorganise local government across Oxfordshire.
5. Since the receipt of the statutory invitation, all Councils across Oxfordshire have been working together on initial options accompanied by a single interim plan. That plan, and the three proposals, along with the statutory invitation are enclosed at **Appendix 1,2,3,4 and 5**.
6. The purpose of this report is twofold; to submit interim proposal/s by no later than 21 March 2025 and agree the position of the County Council with respect to a Strategic Authority geography.

Background - Local Government Reorganisation and Devolution

7. The Government has set out its intention to significantly reform, at great pace, local government structures and implement devolution across England.
8. The Government wishes to see successor councils emerge from the current two-tier system of district and county councils and that those successor councils and the existing unitary structured councils of England must join a Strategic Authority.
9. The Government has stopped short of instructing places on how to reorganise local government, and arrive at successor councils, but instead has been clear that areas must work together on a proposal/s for the benefit of residents.
10. The Government has set out guidance within the statutory invitation to support local government reorganisation. That guidance includes:
 - (a) Size/council footprint to achieve efficiency saving – new Councils must be a minimum of 500,000 with exceptions on a case by case basis;
 - (b) The delivery of high quality and sustainable services;
 - (c) Enable devolution to a Strategic Authority;
 - (d) Empower neighbourhoods and;
 - (e) Be informed by a level of engagement.
11. The Government has requested that Councils commence work to reorganise in two phases. The first phase is to share outline proposals to Government by 21 March and it is understood that Government will share feedback with Councils at some point after the local elections. The second phase is to commence the development of final proposals and the Government expects all Councils to respond by no later than 28 November.
12. Onward timescales are not yet known for any statutory consultation but the Government has confirmed that a new Council or Councils will go live in May 2028 with shadow elections to a Council or Councils in May 2027.

13. Councils across Oxfordshire have been working together to arrive at a set of initial options in which to reorganise local government and move away from the two-tier system. In summary those options are below. The names of those Councils at (b) and (c) are descriptive at this stage:-
14.
 - (a) A single unitary Council – Oxfordshire Council;
 - (b) Two unitary Councils – City, West and Cherwell Council and Ridgeway Council (derived from existing boundaries of South Oxfordshire District Council, Vale of White Horse District Council and West Berkshire Council);
 - (c) Three unitary Councils – Greater Oxford City Council, West and Cherwell Council and Ridgeway Council (all with varying degrees of boundary changes driven by an extension of the existing boundaries of Oxford City Council).
15. All options are in varying stages of preparedness owing to receiving the Devolution White Paper on 16 December clearly signalling fundamental change to local government structures and the statutory invitation being received confirming that change and commencing the reorganisation process on 5 February.
16. The Government has not suggested that any of the criteria are weighted in any way, to prioritise one over the other, and therefore the ultimate decision will be the Secretary of State's based on the relative merits of each case against the criteria set and matters arising from the statutory consultation which the Secretary of State, via their department, will launch, manage and may report the findings of.
17. The Government has been clear within the Devolution White Paper that it wishes to ensure total coverage of Strategic Authorities across England. Whilst not an express policy objective, it is clear through the devolution framework that Mayors are encouraged through a significant number of additional powers, funding and influence compared to those Strategic Authorities without a Mayor. To that end, it is in the interests of Oxfordshire residents, businesses, institutions and investors to not just progress, but take an active role in the shaping of a future Mayoral Strategic Authority.
18. Two summits have already taken place inviting partners across Oxfordshire, Berkshire, Buckinghamshire and Swindon. A further summit is scheduled to take place at the University of Reading on 24 March. There have been several discussions within Oxfordshire, and representations received from District Council leaders and the majority of its Members of Parliament, about the geography of the Strategic Authority and the position of Swindon.
19. Existing partnership and public sector delivery arrangements are in place across Berkshire, Buckinghamshire and Oxfordshire, as well as a coherent economic geography. It is therefore considered that a Strategic Authority covering

Oxfordshire, Berkshire and Buckinghamshire represents the most suitable Strategic Authority geography.

20. The Government has been clear that local government reorganisation must not be a barrier to devolution and the establishment of a Strategic Authority. In existing two-tier areas, that will take the form of a County Combined Authority or a Mayoral County Combined Authority.
21. The constituent, or voting, membership of either forms of County Combined Authority will be drawn only from unitary councils or the upper tier. In the case of Oxfordshire, that council is Oxfordshire County Council and this will be the only constituent member representing Oxfordshire in a future County Combined Authority.
22. Whilst Buckinghamshire are yet to engage in such conversations regarding the creation of a Strategic Authority it is hoped that this will change after local elections and/or following legislative change proposed in the forthcoming English Devolution Bill.

Alternative Options

23. Cabinet may not wish to submit any proposals to Government in which to reorganise local government. Given Government's stated expectation that areas should submit proposals, and it has received the statutory invitation, this option is not recommended.
24. Cabinet may not wish to express to Government its preferred Strategic Authority geography. It is unclear at this stage whether local government reorganisation, and the vesting day of a new authority or authorities will occur at the same time as a Strategic Authority. In the event that decisions by Government are made on the Strategic Authority first, the stated preference in the White Paper is for a County Combined Authority in two-tier areas. In that scenario, Oxfordshire County Council would be the only constituent member (and therefore able to express a vote) across Oxfordshire. It is therefore reasonable at this stage to correspond with Government about its devolution ambitions and geography as part of its submission with respect to local government reorganisation.

Corporate Policies and Priorities

25. The Council has agreed strategic priorities in which to:
 1. Play our part in a vibrant and participatory local democracy;
 2. Invest in an inclusive, integrated and sustainable transport network;
 3. Work with local businesses and partners for environmental, economic and social benefit;
 4. Tackle inequalities in Oxfordshire.

Progression of reorganisation ambitions will provide a successor Council or Councils with new responsibilities in which to progress social, economic and cultural objectives on a much greater footprint.

Local government reorganisation will require partners to ensure democratic participation and voice is protected and where possible, strengthened as part of this process. Consideration should be given to a clear workstream on governance / democratic participation as part of reorganisation efforts.

Financial Implications

26. None immediately arising from this report but resources will be required to reorganise local government. Based on experiences from previous reorganisations, the costs are expected to be in region of £19m. In light of this, Cabinet agreed to the creation of an earmarked reserve in January 2025 with an initial £5m allocation. At its meeting in March 2025, Cabinet will be recommended to increase this reserve to £10m.
27. From work undertaken back in 2017, it was identified that savings would arise from the move to a successor unitary authority /authorities from the removal of duplication and rationalisation across a range of services. Factors considered related to senior and middle management, duplication of back-office functions, the cost of elections, streamlining costs associated with delivery of services and optimising the way services are currently assembled.

Comments checked by:

Lorna Baxter
Executive Director of Resources and Section 151 Officer

Legal Implications

28. The Local Government and Public Involvement in Health Act 2007 (the '2007 Act') is the legislative basis for creation of unitary councils. Under section 2 of the 2007 Act, the Secretary of State ('SoS') may invite either a county council or district council to put forward a proposal for a single tier of local government. This proposal can comprise:
 - A single tier of local government for the whole of the county (Type A proposal);
 - A single tier of local government for a district (or more) within the county (Type B proposal);
 - A single tier of local government for one of the above that also includes one or more relevant adjoining areas (e.g. all or part of an adjoining county area) (Type C Proposal);
 - A combination of the above Types B or C proposals.
29. Until 25 January 2008, the SoS was able to direct principal councils to bring forward a proposal, which meant that the SoS could effectively force unitarisation where proposals were not made voluntarily. However, this

provision expired on 25 January 2008. The indications in the White Paper are that the Government will reintroduce this power of direction in due course – although the 2007 Act will need to be amended to enable this. This is likely to be done in the English Devolution Bill, which is expected to come into force sometime in 2026.

30. Proposals under section 2 of the 2007 Act do not require a consensus from every authority affected by it. However, where a proposal is made jointly by every authority, the requirements on the SoS to consult are reduced to exclude consultation with every authority affected.
31. Subject to consultation requirements, following the receipt of a proposal under section 2 of the 2007 Act, the SoS may implement the proposal, with or without modification under section 7 of the 2007 Act. They may also seek advice from the Local Government Boundary Commission for England ('Commission') who may make an alternative proposal which the SoS may implement with or without modification. As the SoS has indicated that feedback on these initial proposals will follow, it is likely that the powers under section 7 may only be invoked following the submission of further proposals by 28 November 2025.
32. There are no other specific timescales which the SoS must adhere to when taking a decision, but the SoS must consult with authorities affected by the proposal (other than those which made it) and such other persons as they think appropriate before reaching a decision.
33. Combined Authorities may be established under the Local Democracy, Economy and Construction Act 2009 ('2009 Act'), whilst for the establishment of Combined County Authorities, the relevant legislation is the Levelling up and Regeneration Act 2023 ('2023 Act').
34. A key difference between a CA and CCA is the nature of the areas that are combined. CCAs can be established for areas consisting of the whole of one two-tier county council area and at least one other county council area or unitary area. The White Paper makes clear that CCAs will be the preferred model in two-tier areas and that CAs will not be used in these areas. Both a CA or CCA can be mayoral or non-mayoral. A CCA is established by regulations made by the SoS under the 2023 Act.
35. Proposals regarding the creation of a new authority (unitary or combined county authority) are executive functions. There is a statutory presumption that all local authority functions not reserved to the Council in Regulations will be the responsibility of the executive (section 9(D)(2) Local Government Act 2000).
36. These proposals are submitted in response to an invitation by Government and in accordance with the White Paper. White Papers are policy documents that set out Governments intention to create new legislation. The English Devolution Bill is expected to support existing legislation for the creation of new authorities.

Anita Bradley
Director of Law and Governance and Monitoring Officer

Staff Implications

37. None immediately arising from this report, however significant resources (Member and Officer) will need to be made available to progress the changes outlined in this paper.
38. It is expected that there will need to be a separate team to progress the impacts on the county council and beyond drawn from governance, communications and engagement, finance, programme management, other professionals and subject matter experts. This is to maintain, as far as is reasonably possible, business as usual.

Equality & Inclusion Implications

43. None immediately arising from this report.

Sustainability Implications

39. None immediately arising from this report.

Risk Management

40. None immediately arising from this report however reorganisation on this scale presents significant risks and issues. A risk log will be opened at an appropriate point in which to gather, monitor and manage a full suite of risks and issues. The list below is indicative at this stage: -
 - There will be one off costs for reorganisation;
 - Council tax harmonisation will be required;
 - Loss of management time engaged in the reorganisation process;
 - New Council or Councils will require refreshed decision-making arrangements;
 - Contract harmonisation will need to take place to ensure value for money;
 - During the implementation period some Councils may take decisions that could impact on the resilience and sustainability of the new Council or Councils;
 - Risk of local government funding reform impacting on the sustainability of all Councils.

Consultations

41. Political Group Leaders at the County Council were appraised of the White Paper and fully acknowledge the needs of it and the pace of change proposed. All Political Group Leaders are supportive of the need for local government reform.

Head of Public Affairs and Strategy

Annex:

Plan

Option 1

Option 2

Option 3

Letter From His Majesty's Government – 5 February 2025

Background papers:

Devolution White Paper - Power and Partnership: Foundations for Growth

Other Documents:

None

Contact Officer:

Helen Mitchell – Head of Public Affairs and Strategy

March 2025