AUDIT AND GOVERNANCE COMMITTEE
16 JULY 2025

LOCAL GOVERNMENT REORGANISATION PROGRESS UPDATE

Report of the Executive Director of Resources and Section 151 Officer

RECOMMENDATION

The Audit & Governance Committee is RECOMMENDED to:

a) **To note the Local Government Reorganisation process to date.**
b) **To note the County Council's preferred option of a single unitary council for Oxfordshire.**
c) **To note the benefits, areas of development and current assessment against the statutory invitation of the County Council's preferred option.**
d) **To note the risks and issues created by the disaggregation to key services including those identified by government as 'high risk'.**

Executive Summary

1. 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.

2. Since then, Oxfordshire County Council has been engaged in responding to the statutory invitation, having received feedback from the Ministry for Housing, Communities and Local Government (MHCLG), to prepare a proposal for local government reorganisation. This report sets out the activity of the County Council so far and a high-level assessment of the County Council's position against the statutory invitation (**Annex 1**).

Background

Local Government Reorganisation Proposals

3. Since the receipt of the statutory invitation, all councils across Oxfordshire have been working together on initial options accompanied by a single interim plan. This plan for Oxfordshire's proposals was submitted to Government on 21 March 2025.

The plan set out **three** proposals:

- A single unitary council for Oxfordshire (comprising the County Council and all five district councils in Oxfordshire), the County Council's preferred option.

- Two unitary councils – Oxford and Shires Council (comprising Oxford City, West Oxfordshire and Cherwell District Councils) and Ridgeway Council (comprising South Oxfordshire and Vale of White Horse District Councils and West Berkshire Council).

- Three unitary councils – Greater Oxford Council (covering Oxford and its Green Belt) ; Northern Oxfordshire Council (covering most of the existing Cherwell and West Oxfordshire districts) ; Ridgeway Council (covering most of the existing South Oxfordshire and Vale of White Horse districts combined with existing West Berkshire unitary based on the proposals being developed by those councils, but with those villages within the Green Belt closest to the city becoming part of Greater Oxford)

Internal and External Engagement

4. Since June 2025, there has been internal engagement on Local Government Reorganisation and the single unitary council for Oxfordshire proposal including with senior managers, colleague inclusion networks and values champions. This depth of engagement has also extended to councillors of the Council with all councillor briefings, Place Overview and Scrutiny Committee (September 2025) and at this Committee.

5. There has also been external engagement on the proposals, which is a requirement from the statutory invitation. The County Council's approach has been the creation of:

- An open online survey, with paper copies available on request and in libraires: [One council: Your Oxfordshire | Let's Talk Oxfordshire](#).. At the time of drafting the report, there had been just over a thousand responses. This survey is complemented through the council's representative residents' survey, sent to 6,000 households selected by stratified random probability sampling. This is a postal survey, with an option to respond online.

- That method will be amplified by up to 18 on-street interview shifts at various county locations to target 18–44-year-olds who are traditionally less likely to respond to speculative surveys.

- Nine residents' focus groups exploring both strategic plan and Local Government Reorganisation with residents segmented by various demographics but largely based on life stage and type of geography including 3x groups in areas of higher deprivation.

- Three or four in-secondary school focus groups exploring both strategic plan and Local Government Reorganisation, with a citizenship element where students learn about how democracy works in Oxfordshire/nationally involving co-presentations/Q&A with the Chair/Deputy Chair of the council for the citizenship element only.

Local Government Reorganisation Criteria and Timescales

6. The Government has set out its intention to significantly reform, at great pace, local government structures and implement devolution across England.

7. 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[1]-structured councils of England must join a Strategic Authority.

8. 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.

9. 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 as a guiding principle must be a minimum of 500,000 with exceptions on a case by cases basis;
    (b)   Deliver high quality and sustainable services;
    (c)   Enable devolution to a Strategic Authority;
    (d)   Empower neighbourhoods and;
    (e)   Be informed by a level of engagement.

10. The Government has requested that Councils commence work to reorganise in two phases. The first phase was to share outline proposals to Government by 21 March 2025. Feedback was received on all three proposals and are working through that feedback. The second phase is to commence the development of final business proposals, and the Government expects all Councils to respond by no later than 28 November 2025.

11. The Government has not suggested that the features of the guidance, evidenced in paragraph 9 above are weighted in any way, to prioritise one over the other. Therefore, the ultimate decision will be the Secretary of State's after the submission on 28 November 2025 based on the relative merits of each proposal and matters arising from the statutory consultation which the Secretary of State, via their department, will launch, manage and may report the findings of.

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[1] A unitary council is one which delivers all the functions of local government eg. Social care services, planning and licensing, libraries, housing, environmental health, waste collection and disposal etc.

12. Timescales are not yet known for any statutory consultation post submission of the business case in November 2025, 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.

Single Unitary Council Option

13. A single unitary council would create a single front door for all local authority services across the historic and recognised County of Oxfordshire, delivering high quality, value-for-money, resilient and responsive services to residents, visitors, businesses, institutions and investors.

14. This proposal has been developed in clear alignment with the Government's White Paper and disaggregation of all high-risk people and public safety services avoided.

15. It has been independently verified that this new council would save the taxpayer an estimated £27m annually and that the payback period, taking into consideration one off costs to transition, would be less than twelve months. Taking a five-year view for illustrative purposes, this would create savings of up to £109m for our residents.

16. A single Oxfordshire unitary will be an important anchor institution for the establishment and sound operation of a strategic authority with our partners in Berkshire and for the Oxford to Cambridge Corridor and Oxford Growth Commission.

17. The devolution white paper was clear that Government wishes to 'complete the map' and ensure that all parts of England are covered by a Strategic Authority. Maximum powers, funding and influence across the functions of strategic transport, housing and strategic planning will go to those Strategic Authorities with a Mayor.

18. The government is seeking a strategic authority to operate at a much greater scale to local government and should cover a resident population of approx. 1.5 million residents.

19. The County Council, in concert with its district council partners, are working with all Berkshire Councils to bring forward a devolution agreement and commence the necessary work and, in time, decisions in which to establish a strategic authority.   This aligns with the County Council's response s to the white paper and our statutory invitation to local government reform.

Benefits of a Single Unitary Council

Closer to Communities

20.   A brand-new council provides the opportunity to fundamentally revisit delivery, decision making and democracy at different spatial levels to ensure efficacy and equity using, as a starting point, fifty years' experience of delivering services across Oxfordshire.

21.   The County Council has commissioned a piece of work from the Centre for Governance and Scrutiny to look at locality working and neighbourhood governance and ensure this new democratic structure works at a range of different spatial levels. District Council colleagues and councillors, as well as a range of partners have contributed to this work.

22.   The new council has an opportunity to enhance the role of Town and Parish Councils, and the County Council is working with Oxfordshire Association of Local Councils (OALC) to consider this in the single unitary council proposal.

Connected

23.   A single unitary council option provides a single front door which creates ease of access for residents, businesses and investors to the full suite of council services.

24.   It allows Oxfordshire to remain as a distinct and functional county area – highly connected through travel to work, housing markets and home to school transport. Furthermore, stakeholders, including early insight from the public, are feeding back that they wish to keep this county together.

25.   It creates opportunities to cluster, on a functional basis, connected services e.g. housing, transport, planning, economic development and energy, alongside, public health, wellbeing and leisure, parks and open spaces, libraries as well as fire and rescue, trading standards, environmental health, anti-social behaviour, community engagement. Enabling these functions and the public sector reform available to be unlocked at scale.

26.   This option allows a single clear voice for the county to be heard locally, regionally and nationally.

Cost Effective

27.   A single unitary council will have fewer councillors, fewer senior managers, fewer systems and fewer, better utilised, buildings.

28.   It would enable maximum levels of workforce consolidation, which is under great strain, especially in the South East. A single council could maximise available resources for all types of service delivery including front line service delivery.

Financial Modelling

29. PwC UK provided each individual two-tier county council with a high-level analysis across the different scenarios based on the national modelling approach to inform their local discussions with partners.
    PwC considered the following costs and benefits:

- Benefits of aggregation: Weightings applied to three types of spend, with percentage reductions then applied. Democracy benefits use the number of districts multiplied by an average cost.

- Transition costs: Fixed costs and proportional redundancy costs incurred (excluding disaggregation). These are the one-off costs of reorganisation.

- Cost of disaggregation: Recurring costs of splitting countywide services into multiple unitaries. This would also include the reduction in benefit from reorganisation to multiple unitaries, as opposed to a single unitary option.

	Single Unitary
Total annual benefit (£m)	27,011,103
One-off transition costs (£m)	-19,232,468
Annual disaggregation cost (£m)	N/A
One-year impact of disaggregation (£m)	N/A
Fire-year impact of disaggregation (£m)	N/A
Net benefit after five years (£m)	109,070,273
Recurring benefit after five years (£m)	27,011,103
Payback period	Less than one year

Consolidation and Disaggregation

30. In any scenario of local government reform, there will be a significant amount of change required to support a transition to new arrangements. Consolidation of existing services and their workforce, estate, processes, systems and cultures will all need to be effectively led and managed into a new authority or authorities so they can commence their 'vesting day'2 in a safe, legal and confident form.

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[2] Vesting Day is the name given to the first day a new authority 'goes live'.

31. The statutory invitation requests the avoidance of disaggregating 'high risk' services such as adults, children's, SEND and homelessness and public safety. As the upper tier authority and with the responsibility for the majority of those services, disaggregation would need to take place to varying degrees to create successor councils depending on the proposal taken forward.

32. All of the County Council's services are planned on a county-wide footprint and therefore not necessarily distributed evenly across new areas, for example in-house children's residential homes plus other providers the council commissions. In addition, the council has a highly integrated set of budgetary and commissioning arrangements with NHS commissioners, the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board.

33. In advance of any submission, significant conversations will be needed with district colleagues on the model of disaggregation which was to follow in the event that a two council or a three council option was selected by the Secretary of State. It would be reasonable for NHS commissioners, the Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board, to have oversight / involvement in those conversations given our shared and highly embedded commissioning arrangements and pooled budgets which total £0.5bn.

34. There may be costs of duplicating single statutory posts/systems that will have to exist under each new unitary authority. For example, senior managers within Children's Services who hold various statutory functions. These include the Agency Decision Maker (ADM), Local Authority Designated Officer (LADO), Safeguarding Children Partnership lead and principal social worker. Such workforce challenges also extend to specialist roles that prove difficult to recruit to in adult services, such as Mental Capacity Act/Deprivation of Liberty Safeguarding professionals, safeguarding specialists and brokerage officers in adult services.

35. This also extends to the additional servicing costs associated with multiple authorities with social care responsibilities attending and participating in Multi Agency Safeguarding Hub, Special Educational Needs and Disabilities Information Advice and Support Service, virtual school, schools' forum, Youth Offending service, adoption and fostering panels.

36. The council has developed a robust and strong local market for social care which balances the cost challenges of delivering care within both a rural and urban environment. There is a risk of market management being fragmented as a result of disaggregation. The council commissions services on an Oxfordshire wide basis with providers being able to flex resources without location being an issue.

37. There are a number of specific Public Health initiatives where effectiveness is directly related to scale, for example the impact of becoming a Marmot County with focus that is county wide to maximise impact.

38. Outside of the Council's 'people and care' related functions, some form of disaggregation would still have to take place.

39. The Council is the lead local flood authority which in principle is straight forward to disaggregate but in practice, many of our borders (principally parish boundaries) run along water courses that, if disaggregated, will have more authorities responsible either side of streams and rivers.

40. The County Council is also the minerals and waste planning authority. The Minerals and Waste Plan is set out on an Oxfordshire wide basis. Cooperating across multiple areas to develop a new plan will create additional levels of avoidable activity. In the meantime, taking decisions on the legacy plan would likely require some form of joint committee.

41. The County Council delivers specialist services with a small and in some cases, very small, workforce making it challenging to disaggregate. Examples include the coroners service, registration (births, marriages, deaths, citizenship), archaeology, trees and our nature/biodiversity and ecology teams. The full extent of disaggregation of any of these services requires additional work alongside district council colleagues.

42. Oxfordshire Fire and Rescue service is one that is hosted by the council – the County Council is the legally determined Fire Authority. As part of the devolution white paper, there is an expectation that fire and rescue service and police and crime commissioner responsibilities will be the responsibility of the Mayor where geographies align.

43. The disaggregation of the existing Fire Authority is highly complicated due to the number of unknowns and lack of control that the County Council has over decisions which affect it. Those decisions being the eventual form of local government across Oxfordshire, the local agreement to create a Strategic Authority and the Government's endorsement of that and the laying and passing of legislation to allow that organisation to come into effect. It would be highly advantageous to be able to consult the proposed legislation to allow this, the Devolution Bill, which is yet to be laid in parliament. As part of future discussions on a model of disaggregation, the future of the Fire Authority and its services to Oxfordshire is a clear priority.

44. With respect to highways, maintenance inefficiencies could be created when on a smaller scale. This also extends to contractual challenges, potentially requiring several contracts rather than one, an increase in depot requirements and several teams managing these all adding to costs. There are varied risks with road and

bridge conditions across the county, and some successor authorities could be left with considerable liabilities.

45. Strategic transport would become a function of a future Strategic Authority. The functions which would sit at that level include local transport planning, light rail and concessionary fares. Remaining functions would sit with the unitary authority/authorities. Clarity on the full extent of local authority powers over bus franchising as part of the Bus Services Bill will assist in assessing the full extent and model of disaggregation for the Local Transport Authority which is Oxfordshire County Council.

46. Waste disposal could be challenging due to the locations and catchment of some Household Waste Recycling Centres. Contracts in place at Oxfordshire level would either need to remain with all councils signed up to, or contracts would need exiting (with some cost attached) and new contracts entered.

47. Different and conflicting transport policies and infrastructure plans could arise with more than one council across Oxfordshire, with recognition that there would be a need to deal with an increased number of boundaries creating additional activity.

Partnership Working

48. Significant levels of engagement with partnerships are done on an Oxfordshire wide basis and as such, having a county wide institution is an efficient mode of engagement. This is especially relevant for those organisations who are commissioned to undertake services aligned to children's, adults and public health. In a scenario where there are two or three authorities with the statutory functions associated with delivery of those services, those voluntary and community sector organisations may have several organisations commissioning them. Some of the partnerships and Oxfordshire organisations that the County Council currently engages with at a county wide level include, but are not limited to:

   • Oxfordshire Community & Voluntary Action (OCVA)
   • Oxfordshire Youth
   • Oxfordshire Mind
   • Age Concern Oxfordshire
   • The Oxfordshire Community Foundation
   • Communities First Oxfordshire
   • Homeless Oxfordshire
   • Wild Oxfordshire
   • The Oxfordshire Trust for the Environment
   • The Oxfordshire Lieutenancy
   • Armed Forces
   • CPRE Oxfordshire
   • Oxfordshire Careers Association
   • Oxfordshire Social Enterprise Partnership
   • Oxfordshire Inclusive Economy Partnership
   • Zero Caron Oxfordshire

- Responsible Oxfordshire Business Inclusion Network (ROBIN)
- Oxfordshire Playing Fields Association
- Oxfordshire Association of Local Councils

Next Steps

48. The council will continue to work with staff (including statutory officers), Councillors, district councils and wider stakeholders to understand their views on the County Council's proposal for a single council for Oxfordshire. Using this insight to develop a vision and high-level operating model for a future Oxfordshire Council.

49. The County Council's preferred proposal and accompanying business case will be prepared in line with the published CIPFA financial template and the council will draw on the support of CIPFA to assure the County Council and all district councils that the financial assumptions are consistent and accurate.

50. The submission of a proposal and accompanying business case to Cabinet for decision ahead of the 28 November deadline.

Corporate Policies and Priorities

51. The Council has agreed strategic priorities in which to:

    a) Play our part in a vibrant and participatory local democracy.
    b) Invest in an inclusive, integrated and sustainable transport network.
    c) Work with local businesses and partners for environmental, economic and social benefit.
    d) Tackle inequalities in Oxfordshire.

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

53. Local government reorganisation will require partners to ensure democratic participation and voice is protected and where possible, strengthened as part of this process.

Legal Implications

54. The legal basis for the statutory invitation having been issued is the Local Government and Public Involvement in Health Act 2007.

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Staff Implications

55. None immediately arising from this report, however considerable resource will be needed to progress the business case submission as outlined in this paper.

56. It is expected that there will need to be separate teams to progress with the implementation of a new council or councils and the wind-down of the County Council and the five district councils in Oxfordshire. This will need to be drawn from governance, communications and engagement, finance, programme management, other professionals and subject matter experts.

Equality & Inclusion Implications

57. None immediately arising from this report.

Sustainability Implications

58. None immediately arising from this report.

Risk Management

59. Service based risks have principally been highlighted as part of this report but further, financial and corporately focussed ones are outlined below and will be considered by Cabinet in due course.

- 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.

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Annex:

- Annex 1- Letter from His Majesty's Government – 5 February 2025

Background papers:

- Devolution White Paper - Power and Partnership: Foundations for Growth – December 2024 – English Devolution White Paper - GOV.UK

- Restoration and Resilience – South East Employers, published 5 December, 2024 - [Restoration and Resilience Report launched to support services across the South East - South East Councils](#)

- Evaluating the Importance of Scale in Proposals for Local Government Reorganisation, County Councils Network – August 2020 - [Updated financial analysis: evaluating the importance of scale in proposals for local government reorganisation - County Councils Network](#)

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