

Division(s):

PERFORMANCE SCRUTINY - 13 SEPTEMBER 2016

REPORTS INTO THE FUTURE OF LOCAL GOVERNMENT IN OXFORDSHIRE

Report by County Director

Introduction

1. On the 25 February 2016, the city and district councils of Oxfordshire launched a proposal to abolish the existing county and district councils and replace them with four unitary councils and a combined authority; the proposal included extending the county boundaries to include Cotswold District Council and South Northamptonshire Council.
2. In response to the city and districts' proposal the County Council proposed a joint independent review of local government structures in Oxfordshire. Instead the city and district councils commissioned a study from PricewaterhouseCoopers (PwC) into the future of local government. As reported to Cabinet on 20 July, the districts were unable to offer assurances of independence, objectivity, and involvement of stakeholders which would have enabled the County Council to join with their study.
3. Therefore in early May Oxfordshire County Council appointed Grant Thornton UK LLP to consider how local government could be reorganised to reduce costs, improve service outcomes, support economic growth, enhance local engagement and empowerment, and provide strong and accountable leadership.
4. Grant Thornton's brief was to undertake an objective, evidence-led review of all options - 4, 3, 2, or 1 unitary authority, or the status quo. It initially also was to cover the multi-county 4-unitary option proposed by the Districts, however on 19th May the Districts announced that this option had been ruled out.
5. The County Council asked Grant Thornton to consider the local government structures that would address the following criteria:
 - **Service Delivery and Outcomes:** reforms should improve local service delivery and outcomes, particularly for the most vulnerable,
 - **Cost Savings and Value For Money:** reforms should deliver significant cost savings and drive value for money and long-term financial sustainability,
 - **Stronger Leadership:** reforms should provide stronger and more accountable strategic and local leadership,
 - **Economic Growth and Infrastructure:** reforms should drive economic growth and meet the infrastructure challenge, and,

- **Local Engagement and Empowerment:** new structures should engage with communities and empower local areas
6. Grant Thornton undertook this work between May and August, including engagement with a range of key local stakeholders, and a public call for evidence. The terms of reference were agreed by an independent advisory group made up of stakeholders drawn from public, private and voluntary sectors, who advised Grant Thornton on the review. Their final report was published on Wednesday 17th August, as was the district report.
 7. The Grant Thornton report informs not only the debate on structures, but is already being drawn on actively by officers in considering the wider transformation agenda for the County Council.
 8. There were a number of areas of agreement between the two reports, in particular the finding that a single unitary authority for Oxfordshire would save a little over £100m net over its first five years, and that such an authority as the third largest unitary in England would require structures to ensure effective local engagement and devolution within the county. Both reports conclude that the status quo is not a viable option.
 9. One way to achieve this would be through Grant Thornton's "Option 6" proposal, under which the district boundaries would continue to be recognised within a strategic authority for a range of decision making purposes, in the wider context of a single set of elections and officer corps.
 10. Since the publication of these reports there has, broadly, been a 'pause' in public advocacy relating to preferred options, for both the county and the district councils. This has enabled useful conversations to take place both bilaterally and with DCLG, and the County Council is keen to continue discussions with all interested parties, including the districts.
 11. Throughout the review process, DCLG has provided guidance and advice to the county and districts separately, and at a joint meeting. The formal power to make a decision on any reorganisation rests with the Secretary of State.
 12. Both reports are appended to this covering report, with Grant Thornton at Appendix 1 and PwC at Appendix 2. It is important to note that a further document described as a summary of the PwC report is in circulation. This was produced by the district councils, not PwC, and is therefore not included with these papers.
 13. **RECOMMENDATION**

The Committee is RECOMMENDED to consider the reports and make any such comments to Cabinet as they consider should be taken into account in responding to the reports.

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