

CABINET - 20 SEPTEMBER 2016

REPORTS INTO FUTURE OF LOCAL GOVERNMENT IN OXFORDSHIRE - UPDATE REPORT

Report by County Director

Introduction

1. Cabinet have been provided with a paper setting out the work of Grant Thornton to analyse the options for reform of local government in Oxfordshire, and the parallel work undertaken on behalf of the Districts by PwC. The Grant Thornton report was also supported by an independent advisory group bringing together a broad range of local stakeholders, chaired by Colin Fletcher, Bishop of Dorchester.
2. As noted in the substantive report to Cabinet circulated with the papers, there were a number of areas of agreement between the two reports, in particular
 - (a) Both reports conclude that the status quo is not a viable option
 - (b) Both reports find that a single unitary authority for Oxfordshire would save over £100m net over its first five years
 - (c) Both reports agree that key services and strategies including strategic planning, adult social care, housing, transport, infrastructure, and pooling of funding and redistribution to address current and future service demand would need to be planned and delivered on a countywide basis.
 - (d) Both reports take the view that a single countywide unitary would require structures to ensure effective local engagement and devolution within the county.
3. Grant Thornton set out a proposed sixth option for reform, based around a single strategic unitary with a retention of the district administrative areas as a platform for local decision making - by councillors from the unitary authority, supported by officers from the unitary authority.
4. Buckinghamshire County Council have recently launched proposals for a single unitary authority for the county area, calculating recurring annual savings of £18m a year, together with the ability to deliver better services and stronger local engagement.

District Position

5. The position of Oxfordshire's District Councils is increasingly difficult to ascertain with clarity, as a range of contradictory statements have been issued, beginning with the original launch of their 4-unitary cross-border unitary proposals in February.

6. The most recent events have been:
 - (a) A statement from Councillor Bob Price, Leader of Oxford City Council, to the Oxford Mail on 17th August that further discussion would be 'a waste of time' - "*[Consensus] is not likely to be achieved, so we are not going to carry on talking about it.*"
 - (b) A decision by Cherwell District Council's Executive on 5th September that District and City efforts would be focused on collaborative working and reshaping of devolution proposals, rather than local government reorganisation. This report specifically noted that "*To undertake stakeholder consultation on the district and city council leaders preferred model or indeed any other potential new structural model at this stage would risk wasting public funds when it is clear that the study undertaken by Grant Thornton, the county council consultants, has concluded that a county based unitary authority would be the strongest model for local government in Oxfordshire.*"
 - (c) A press release from Councillor James Mills, Leader of West Oxfordshire District Council, on 13th September, on behalf of all districts, claiming that it was the County Council which 'walked away' from the debate on reform of local government, and reinstating the 3-unitary proposal - "*We believe that local government should be for local people and that a three unitary authority model is the one that best serves all the needs of the residents, businesses and solves the challenges that lie ahead.*"
 - (d) A statement from Councillor James Mills to Performance Scrutiny Committee on 13th September, contending that the Grant Thornton research was flawed as it had not taken into account the detailed design of the district-backed model, with a promise that such detail would be available imminently.
7. Given (b) and (c) above it is therefore unclear whether West Oxfordshire District Council and Cherwell District Council have agreed to merge under the proposed "North Oxfordshire Unitary" option.
8. As outlined at (d), to date the county council has not seen the detail of the district proposal. Without this information it is very difficult for the county council to understand what is actually proposed and assess how this would meet the needs of residents, people who use services, and local businesses, and how it would deliver savings.

Government Position

9. Central Government's position has been to support reform of local government, while expressing an aspiration that this can be achieved through local agreement. The position appears recently to have softened with regard to how whole-hearted that consensus would need to be. Initially it appeared that this may require the agreement of all affected local authorities.
10. Most recently however, Local Government Minister Marcus Jones, replying on behalf of the Government to a Westminster Hall Debate on Local Government

Reform, set out that the requirement was simply for "a good deal of local consensus", and indications are that this may be demonstrated through the views of partner organisations and the public, not simply local authorities.

Performance Scrutiny Committee

11. Both consultants' reports were considered by the County Council's Performance Scrutiny Committee on 13th September, at which all members of Council were invited to speak. Members discussed a range of issues including:

- The importance of focusing on the needs of the residents of Oxfordshire and people who use Council services, not the needs of institutions.
- The areas of agreement in the two reports; that the status quo is not acceptable and that unitary government is the way forward.
- The need to have an open public debate around the best option in order to reach a position to put to Government.
- The risk that a pattern of smaller unitaries would not deliver the same scale of savings, and that individual areas, in particular Oxford City, could be rendered financially unviable due to their high levels of need and low levels of income.
- The need for joined-up planning of growth, land use, housing, and infrastructure for the county's functional economic area through a structure plan - noting for example that the Oxfordshire knowledge spine currently encompasses part of four separate district areas and therefore local plans.
- The irrational situation and poor perception created when districts and counties are making conflicting budget decisions.
- The importance of parishes and town councils as part of the local devolution offer.
- What evidence of local agreement is required by the Government in order to give a proposal the 'green light' and what change the new Prime Minister and Cabinet have brought to this agenda.
- The views of government on whether an elected Mayor was a requirement or not.
- How the Boundary Committee would operate to determine the number and apportionment of Councillors in a new unitary.
- How a multi-unitary option would function through a Combined Authority, including the lack of any clear precedent for delegating responsibilities for services to children, education, and families and schools.
- The importance of working together with the other Councils for the benefit of residents and stakeholders to create that broad consensus required by government
- The potential lack of visibility and accountability of a Combined Authority in a multi-unitary scenario.
- The decisions to be made by any new authority in relation to council tax, reserves and assets.

- Whether it is reasonable to argue that a unitary county would be too large given that the proposed Combined Authority in a multi-unitary scenario would cover just as large an area.
- The benefits and risks of the options and how Option 6 could address the need for the single unitary option to demonstrate local working and empowerment. The committee recognised that more work would be needed on the detail of Option 6.

12. The Scrutiny Committee made the following recommendation to Cabinet:

"Performance Scrutiny welcomes the report put forward by Grant Thornton. In light of the savings potential coupled with the localism inherent in the proposal that supports local democracy, the Performance Scrutiny Committee recommends that Cabinet directs officers to investigate thoroughly the proposal put forward by Grant Thornton as Option 6, including the detail of what powers could be delegated, such as setting of local precepts.

"Furthermore, Cabinet should make every effort to present Option 6 as a viable alternative to the District and City Councils, with a view to working with stakeholders to present a broad consensus to Government in order to move forward the process of transforming local government in Oxfordshire, for the benefit of local residents and people who use services."

RECOMMENDATIONS

Cabinet is **RECOMMENDED** to:

- (a) Consider the evidence set out in the PwC and GT reports, and the opportunity both reports present to save £100m over five years by moving to a single unitary for Oxfordshire, and the need for local structures within that;
- (b) Having regard to the recommendations of Performance Scrutiny, ask officers to work with stakeholders, including the public, to develop proposals for a single Oxfordshire unitary council, and in particular further explore the proposal set out in the Grant Thornton report known as option 6, whereby local areas within the county could make decisions for their own area, within an overall budget and policy framework set at the strategic level.

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