

A Fresh Start for Oxfordshire: Proposals for a new Unitary Council

A document for discussion

January 2017



A fresh start for Oxfordshire Executive Summary

Key points

- The 'One Oxfordshire' proposal abolishes the existing two-tier structure of six councils (County Council plus five city and district councils) and replaces them with one, new district-based unitary council. The benefits would be:
 - simpler for residents and business
 - better, joined up services
 - more local accountability
 - lower cost to run
- As the government continues to reduce council funding, savings cannot continue without structural change or further cuts to services.
- Separate studies by Grant Thornton and PwC show a single county unitary saves around £100m over five years by removing 'back office' duplication.
- Savings would be used to improve services and keep council tax low.
- Joining up planning, transport and housing would support economic growth. Council services would be funded locally from council tax and business rates.
- Budgets and powers such as local planning would be delegated to five 'area executive boards' based on the existing district boundaries.
- The overall number of Oxfordshire councillors more than halved. (There are currently 282 councillor posts, which would go down to 100-125). Each councillor would be a single point of contact and accountability.
- Parishes and town councils will have more influence
- Environmental services such as street cleaning and maintenance would be grouped together under local management.
- Lack of housing and transport infrastructure is slowing business growth by making it hard to recruit staff.
- A single county plan would align housing, jobs and infrastructure planning, and deliver urgently needed homes.
- Unless growth is managed, local communities will be subjected to opportunist development without the necessary infrastructure.
- There is a £1.7bn gap between planned infrastructure and the actual investment needed. An innovative public/private investment fund would close the gap.
- Rising demand for children's and adult social care puts an increasing pressure on budgets. Joining up social care, housing and benefits would improve prevention to reduce care costs and improve wellbeing.
- Joining up services such as town planning and leisure would encourage active lifestyles and improve health and wellbeing
- Partnership working with a single council responsible for safeguarding and community safety, making communities safer.
- Community hubs based in libraries, leisure centres, fire stations and health facilities would deliver more joined-up services.

A fresh start for Oxfordshire

Oxfordshire has six local authorities – one county council plus five district and city councils. This proposal is to abolish all six councils and replace them with a single new unitary council for the whole of Oxfordshire.

Joining up the key strategic functions of planning, transport and housing is the best way to unlock Oxfordshire's nationally significant economic growth potential.

The significant savings made by eliminating duplication from running six councils could be used to improve public services and protect them from future cuts.

As a result of changes in central government funding, English councils will soon be funded mainly from council tax and business rates. Local government in Oxfordshire should be in a strong position to fund public services locally, but reorganisation is needed urgently if we are to manage the big challenges:

- Meeting the demand for care services from a growing and ageing population
- Tackling an acute housing shortage
- Closing a £1.7bn gap in infrastructure funding.

To ensure the new council could respond to different local priorities, significant powers and funding would be delegated to five 'executive area boards' based on the existing district boundaries.

Two-tier local government confuses residents, and they want services improved as a result of any change. A new unitary council that would be:

- **Simpler** for residents and business: a single point of contact with strong and locally accountable leadership
- **Better for services:** by joining up key functions like housing and social services, and planning and transport;
- **More local** by devolving local decisions and funding to area executive boards and enabling parishes and towns to influence the decisions that affect their own communities
- **Lower cost** by releasing £100m of net savings to protect and improve services in the first five years by eliminating duplication and waste

There is strong local support for change. These proposals have been developed with stakeholders, including an independent advisory group from other public service and business organisations; central government; parishes and town councils, and - most importantly – the people who live here.

Blueprint for a new council

We want to create a council with the scale and strategic scope to take the decisions required to meet future challenges, while remaining local enough to respond to the needs and aspirations of our diverse local communities.

In the current two-tier system, decisions in the interests of the whole of Oxfordshire are often not taken because council responsibility is unclear. There is no adequate mechanism currently for resolving differences. Housing allocation is a good example of this.

A single unitary council for Oxfordshire will ensure strong and democratically accountable political leadership, with decisions taken at the most appropriate level.

A council for the whole of Oxfordshire would serve a single economic area that aligns with the boundaries of major partners including the local enterprise partnership (OxLEP) and the NHS.

Savings to protect public services

There is strong local and national evidence that two-tier local government (county and district councils) is inherently inefficient, with costly duplication of back office functions.

The County Council has made significant savings over the last six years, the majority of which have been used to fund growing demand for adult and children's social care. District and city councils have also made significant savings across this time period including through innovative commercial, partnership and contracting arrangements. However, savings cannot continue to be made in this way without structural change or cuts to services.

Two independent studies by Grant Thornton and PwC commissioned by the county and the districts estimate that creating a single unitary would save around £100m over five years, after the one-off costs of £16m for reorganisation. This is money that could be used to improve services and protect them.

Savings could be achieved by removing duplication and integrating local government transformation – for instance, investment in a single digital platform to improve efficiency and customer service, and by joining up public health, housing and community services.

This picture is supported nationally by research commissioned by the County Council Network that highlighted savings of £2.9bn from reorganisation of two-tier counties. Their research has also shown a positive impact from the last round of reorganisation which created county unitaries in Wiltshire, Durham and Cornwall.

Realising these savings is crucial when the government is removing the revenue support grant to councils by 2019/20 when services will mainly be funded through growth in local business rates as well as council tax.

Managing demand for social care

Rising demand and cost of children's and adult social care, is an increasing pressure on upper tier council budgets. We know that demographic change will increase demand for care for vulnerable adults and very elderly residents, with the number of people in Oxfordshire over 85 expected to grow by 95% between 2016 and 2030.

Social care services will be more financially resilient with a new single council. This is critically important for the effective running of local health services. The County Council already works closely with the health sector, with substantial areas of service integration and a 'pooled budget' approach.

A large new unitary council will bring important services such as housing, leisure and benefit payments alongside social care services. This will enable a more effective approach to prevention so that individuals' needs are less likely to increase.

Savings from reorganisation alongside cost reductions through joined up services focussing on prevention and demand management will combine with the prospect of increased tax revenues from economic growth.

Taken together, these factors offer our best chance of managing the long-term demographic pressures on social care locally, in turn ensuring a resilient 'whole system' approach to linking health and social care with better outcomes for residents.

Improving services for local communities

Rising demand for children's and adult social care has meant county councils across England have been forced to reduce services for local communities – including road maintenance and subsidies for rural bus services – so they can meet statutory caring and safeguarding responsibilities.

In Oxfordshire, the County Council has found more efficient ways to maintain local areas, ranging from a roads maintenance partnership with Skanska, through to supporting towns and parishes that are prepared to take on local environmental services.

The district councils have been innovative in their approach to sharing services, joint contracting and - in the case of the city council – providing commercial services such as waste and grounds maintenance.

However, inefficiency is built in by the duplication of contracts, assets and management between the two tiers of government working across the same geography.

A single, locally accountable organisation would take a 'whole place' approach. Environmental services would be grouped together under local management, empowered to organise delivery in the most effective way for a given area.

The savings that would come from abolishing six councils could fund improved maintenance of local areas and secure these services in the longer term.

The new council would build on the expertise of the district and city councils in procuring and directly delivering environmental services, and increase the high levels of satisfaction with local services.

Meeting Oxfordshire's housing needs

The local planning system has proved unable to deliver the homes that residents need. Oxfordshire's Strategic Housing Market Assessment (SHMA) identified a need for 100,000 new houses by 2031.

The district councils' well-documented difficulties agreeing local plans around the county are both a symptom and cause of the housing problems. On current projections, Oxfordshire is likely to miss its target by 40,000 homes.

In part, the problem stems from the current separation of local, strategic and transport planning powers, and the fragmentation of local planning responsibility across five district and city councils.

The huge economic importance of Oxford combined with an unsustainably small city boundary means that the City Council cannot meet its own housing needs and must rely on the surrounding districts' help.

With no single authority responsible for meeting housing needs, there is no political incentive for collaboration or joint problem solving. In contrast, a single, democratically accountable authority would be responsible for a single plan.

This would align housing, jobs and infrastructure planning across the county – and set the statutory framework for locating new housing.

There would be no 'unmet need' between areas – where districts cannot agree where development can go - and no opportunity for councils to block decisions that need to be taken in the interests of the whole county. The challenges of meeting housing demand in an area where there is significant concern about balancing environmental protection and economic growth do not go away.

Unless Oxfordshire can resolve its systemic failure to plan for and manage growth effectively, local communities will be subjected to unplanned, opportunistic development. They will not get the necessary infrastructure while the growth potential of a nationally important economy will be stunted.

Managed economic growth needs joined-up planning

Oxfordshire is primarily a rural county incorporating significant areas of outstanding natural beauty, the historic city of Oxford and thriving villages and market towns.

Balancing protection of the county's much valued environment with strong economic growth and meeting future needs for housing and infrastructure is a significant challenge.

The county has the fastest growing economy outside of London since the financial crisis of 2008 and makes a vital contribution to the national exchequer, contributing £21.9bn to the nation's Gross Value Added (GVA) output. Employers tell us that lack of housing and transport infrastructure are placing significant brakes on business growth by making it hard to recruit staff.

Oxfordshire is best understood as a single functioning economy. The current county administrative boundaries relate to a single strategic housing market area with a distinct labour market.

Many of Oxfordshire's growth opportunities stem from a high-tech knowledge economy centred on the University of Oxford. The university recently topped the global rankings for higher education institutes, and is one of the UK's most significant drivers of innovation.

Many of the university's own research sites as well as those of national and international scientific facilities and the premises for high-tech businesses that together form a dynamic eco-system are outside the city of Oxford. Enabling and managing economic growth requires urgent investment in transport infrastructure to keep these sites connected with each other and with the wider economy.

The County Council is a founder member of the England's Economic Heartland Alliance, focused on infrastructure investment linking Oxfordshire to Cambridge. We are already committed to the development of this economic corridor which is a government priority and subject to a development review by the National Infrastructure Commission.

A unitary Oxfordshire would be a stronger player in the development of the regional economy.

Investment fund for transport infrastructure

Oxfordshire's roads are already heavily congested, with the A34 regarded by Highways England as operating beyond its capacity.

We estimate there is a £1.7bn gap between planned infrastructure investment in Oxfordshire and the actual amount needed to support the scale of predicted growth up to 2030. This gap can only be addressed by paying for investment through future growth revenues such as developer contributions.

Our unitary proposal includes plans for an innovative investment fund that could use locally raised public and private money, including council reserves, to fund the infrastructure gap.

Devolution proposals

Along with the city and district councils, Oxfordshire County Council is actively developing a devolution proposal to government which within current arrangements would require an additional combined authority to sit above the six existing councils, with a mayor.

A single unitary council would provide a strong platform for devolution to the county, with robust and accountable leadership. We are confident this would be the case with either a directly elected mayor, or a strong leader and cabinet model.

We think that a unitary council is a better and simpler option that links planning and transport more effectively, without needing another layer of local government.

Planning for health and wellbeing

The planning system is not just failing to deliver housing; efforts to improve public health and wellbeing are also being held back.

Lack of affordable housing has an impact on the local economy and ultimately leads to the increase in homelessness and the number of families in unsuitable, temporary housing, which is already in short supply. Good housing is fundamental to giving children the best start in life.

For older people, 'extra care' housing offers a way of living independently for longer, which is better for wellbeing and costs the public purse much less than meeting assessed care needs. In Oxfordshire, bringing together local planning and social care responsibility would increase the incentives to develop extra care housing.

Two-tier local government artificially separates a number of services that could be joined up to improve wellbeing. For instance, linking town planning and leisure facilities in ways that encourage walking, cycling and active lifestyles would have an enormous impact on public health, including the increasing childhood obesity problem.

In Oxfordshire, hard lessons have been learned about the importance of partnership working to keep children safe from abuse and neglect. Significant improvements to safeguarding have been made, which have been recognised through several inspections.

Partnership working with a single council responsible for safeguarding and community safety for the whole council would be much simpler, therefore more effective and ultimately safer.

Oxfordshire Fire and Rescue Service, which is part of the County Council, is responsible for emergency planning and works with district council teams with similar responsibilities. A unitary council would manage risk more consistently across the whole county.

Better use of publically owned properties

Oxfordshire's six local authorities manage well over £1bn of land and property, which could deliver greater public value through more effective management.

Creating a single unitary council would allow substantial asset rationalisation generating capital receipts or revenue income and freeing up property for redevelopment as housing or commercial sites in support of the growth agenda.

Improving customer services

Residents say they would welcome a council that was made simpler by removing the confusing two-tier structure.

Oxfordshire's councils have considerable customer service assets across the county. However, access to one service all too often does not enable access to related services.

A network of Community Hubs based on libraries, leisure centres, fire stations and health facilities would improve access to services and enable professionals to deliver more joined-up and appropriate interventions. They would also help customers to access digital services.

Bringing local government services across Oxfordshire into a single new organisation offers the opportunity to deliver significant improvements through better use of data to improve customer service and insight.

A single unitary council will be able to establish a single secure customer account at a resident, household or business level with a single, trusted, customer record.

Area executive boards: local accountability for communities

There is public support for the simplification and savings that would come from a single county unitary. This support is tempered by concern about a perceived loss of local accountability.

To combine the benefits of economy of scale and strategic function with local accountability, we have developed a model which builds on the success and familiarity of the existing district areas.

Area executive boards serving current district and city areas would be made up of all the unitary councillors in that area. Boards would have formal decision-making powers to address local priorities and provide local accountability, with each area represented on the unitary council's Cabinet.

These executive boards could have the power to raise and spend a local precept raised as part of council tax according to local priorities if agreed by government.

Decisions on local planning could be taken up to a significant size of development within a countywide strategic policy focused on housing, infrastructure and jobs.

Councillors with clear responsibility and accountability

In the new unitary council, there would be between 100-125 councillors compared to the current 282 councillor posts in the six councils (county plus five district/city councils).

Every councillor would take decisions on the unitary council's budget and policies. As members of their area executive board, councillors would take local decisions too.

There would be one set of councillors, with every councillor supported by a single organisation to take the decisions at local and county level.

Area executive boards will also work closely with parishes and town councils to give communities a strong voice in executive decisions.

Parishes and town councils would play a stronger role for their communities by influencing the decisions of area executive boards, with more devolution of power and responsibility for those that want it.

Conclusion: the status quo is not an option

We believe there is a compelling case for change. With a single new council for Oxfordshire identifying and addressing the opportunities and challenges for the future, delivering resilient and sustainable public services for residents and businesses, while remaining responsive to the needs of communities.

This proposal brings together evidence for change and innovative policy ideas for making local government reorganisation work in Oxfordshire.

These proposals are now being published in draft form to provide the basis for an informed and engaged debate locally and nationally.

Read the full proposals on line at www.oneoxfordshire.org or at your local library and have your say.

What will a new unitary council mean for me?

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| <p>For residents</p> | <ul style="list-style-type: none"> • More efficient, so more money spent on frontline services • One website, one phone number, one council for all services • Single customer account, so you give your details once • One councillor for your local area |
| <p>For businesses</p> | <ul style="list-style-type: none"> • Single voice for Oxfordshire nationally and internationally • More investment in infrastructure • Joined up business services: planning, licensing, public protection • Business account manager for all council services |
| <p>For councillors</p> | <ul style="list-style-type: none"> • Clear mandate as single elected representative for your area • Residents welcome accountability for all council services • Greater influence over area and county decisions • Joined up support from council staff to help residents |
| <p>For public sector partners</p> | <ul style="list-style-type: none"> • Single point of contact and decision-making • Boundaries that make sense (e.g. NHS, Police, OXLEP) • Single strategies and policies for whole county • A strategic partner with more influence on government |
| <p>For parishes and town councils</p> | <ul style="list-style-type: none"> • A real voice for your community • Better support for neighbourhood planning • The opportunity for more devolution of powers for those that want them |
| <p>For central government and regional partners</p> | <ul style="list-style-type: none"> • A coherent vision for Oxfordshire with accountable leadership • A financially resilient council managing budget pressures locally • Infrastructure investment partner focused on housing and sustainable growth • Regional leadership for the Oxford-Milton Keynes-Cambridge growth corridor |
| <p>For the voluntary and community sector</p> | <ul style="list-style-type: none"> • A more stable funder and commissioner • Improved partnerships at community and strategic level • Single organisation focusing on improving lives of people |
| <p>For staff</p> | <ul style="list-style-type: none"> • Make a greater difference to people and communities through joined up services • Greater financial stability enables innovation and long-term planning • Pride in working for a new, vision-led organisation • Clearer lines of accountability and responsibility |