

# County Council



## Modernising Local Government in Buckinghamshire

Thursday 22<sup>nd</sup> September 2016

Report of the Cabinet

### Recommendation

Subject to the meeting of the Cabinet on 17 September 2016, the County Council is recommended:

1. To approve the draft business case at Appendix A; and
2. To authorise the Leader to approve minor amendments to the document as required and then to submit the business case to the Secretary of State for Communities and Local Government for a decision

### Background

The Cabinet took a decision on 9 May 2016 to:

- a) prepare an outline Business Case which explores the benefits of a new model of local government for Buckinghamshire, looking at all options for modernising local government;
- b) authorise the Leader to write to key partners in Buckinghamshire, including the four District Councils, together with strategic stakeholders, such as Bucks Thames Valley LEP, to invite them to collaborate with the County Council in discussions on how local government in Buckinghamshire might be modernised.

The debate about local government in Buckinghamshire has been ongoing for a number of years. In September 2014, Bucks Business First commissioned EY to produce "The Strategic Financial Case for Local Government Reorganisation in Buckinghamshire". This study suggested that, over a five year period, there was an opportunity for net



savings of £13.4m - £26.9m from a two unitary model, and £44.6m - £58.3m from a single unitary model for Buckinghamshire.

Aylesbury Vale District Council subsequently published a study of the financial opportunities arising from a two unitary council model for Buckinghamshire. Whilst this study demonstrated some potential financial benefits for the Vale, the County Council considered that a study needed to be undertaken to produce a solution which meets the needs of the county as a whole.

### **Stakeholder Engagement**

The County Council has fully recognised that a meaningful business case could not be developed in isolation. Any model for redesigning local government should seek to engage all partners, both those currently providing local government services as well as those working in close partnership to deliver benefits for Buckinghamshire residents and businesses. These include District Councils, Town and Parish Councils, local businesses, the Local Enterprise Partnership, and other public sector agencies.

The County Council has engaged with a wide range of partners and other stakeholders through a series of workshop sessions which were facilitated by external organisations, rather than the County Council, in order to provide an independent voice. These stakeholders included:

- Town/Parish Councillors and Charter Trustees
- Town and Parish Clerks
- Buckinghamshire residents
- Local businesses
- Voluntary and Community Sector organisations

The valuable insight and feedback received from the extensive engagement work carried out has informed the development of the Business Case.

The County Council Leader wrote to the four District Councils on 11 May 2016, proposing that the District Councils work together with the County Council to explore all potential options for local government reorganisation, including District-based unitaries. The County Council received a response to this request from the District Councils on 21 June, declining the invitation to collaborate.

The District Councils subsequently issued a statement on 5 September, announcing that they had commissioned Deloitte to undertake a separate review on the future of local government in Buckinghamshire.

The Leader of the County Council has undertaken to write to the District Council Leaders to seek consensus on the findings of the County Council's Business Case.

### **Business Case Development**

The County Council has developed a Business Case, using available data as well as data shared by the four District Councils. The Business Case development work was carried out in-house to minimise cost and to draw on existing expertise; however, external validation has been carried out to ensure the Business Case and its findings are even-handed and robust.

The Executive Summary of the Business Case is attached and the full Business Case is available on the County Council's website.

A full Options Appraisal has been undertaken which examines all options for modernising local government, and includes each option's benefits, both financial and non-financial, and disadvantages. The evaluation criteria were based on discussions with officials from the Department for Communities and Local Government, together with similar studies that have been undertaken elsewhere within the country.

The Business Case identifies the following:

- Change is essential for Buckinghamshire in order to manage future growth requirements such as housing need, as well as changing demographics including increasing numbers of older people and people with disabilities. By 2033, there could be an additional 60,000 residents, plus a further 50,000 houses if the emerging local plans are approved.
- Fiscal constraint needs to be addressed; by the end of 2016/17, the County Council will have delivered £145m savings since April 2010. Collectively, the County and Districts have to deliver £30m further savings by 2020.
- There is a growing demand for a new form of civic leadership that works in true partnership with communities, whilst being a powerful advocate on the national stage; at the moment, across the County and District Councils, 21% of Councillors are accountable for 86% of the local government resources.
- Residents want better quality services that are easier to access, and they want a real say in services and decisions that affect them.

The Options Appraisal and Business Case have identified the following savings opportunities from the different models:

| Model  | Net 5 Year Revenue Savings      | Options Appraisal Ranking |
|--|---------------------------------|---------------------------|
| One Unitary Authority                          | £45.4m (£18.2m annual savings*) | 1                         |
| Two Unitary Authorities                        | £17.3m (£10.3m annual)          | 2                         |
| Three Unitary Authorities                      | £5.6m (£5.5m annual)            | 4                         |
| Three Unitary Authorities + Combined Authority | £11.1m (£5.4m annual)           | 3                         |

\*for the single unitary option, the annual savings would be fully realised from year 3

### Proposal

From both the Options Appraisal and the Business Case, it is clear that a Single Unitary Authority will deliver the most effective combination of overall benefits for residents, businesses and all public services organisations in Buckinghamshire. A Single Unitary Authority offers the greatest financial savings of all potential models as well as offering a highly effective framework for ensuring that the local voice of residents and businesses is embedded within how a new Unitary Authority would operate.

### Other options available, and their pros and cons

The consideration of the Business Case could be delayed until the District Councils have completed and published their study. However, further delay is not desirable given the pressing and urgent challenges facing all public services organisations in the county. Furthermore, there would be no certainty that a full consensus would be reached with the District Councils, based on the outcome of previous discussion.

### Resource implications

The Business Case conclusion sets out an identified net revenue savings opportunity over five years of £45.4m (£18.2m annually from year 3). One off transition costs of

£16.2m plus £2.2m for council tax harmonisation would be affordable within existing sources and repayable within three years.

**Legal implications**

A proposal to implement unitary government would be for the Secretary of State for Communities and Local Government to determine.

**Property implications**

Opportunities for property rationalisation are set out within the Business Case.

**Communication issues**

Regular, proactive communication should be carried out with employees, contractors, key partners and residents about the progress of the outline Business Case and the opportunities arising.

**MARTIN TETT  
LEADER OF THE COUNCIL**