Opportunity, Growth & Reform

An alternative to proposals for structural reorganisation in Oxfordshire

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Foreword

As the leaders of District councils in Oxfordshire, we are committed to improving the quality of life for our residents, investing in our communities and ensuring that our area secures the level of investment that is needed to meet the current and future challenges of sustainable economic growth, dealing with congested transport networks and the need for new homes.

It is for these reasons that we do not support the proposals put forward by other councils in Oxfordshire to abolish the current local authority structures and create a large, remote Unitary County Council. The bid for a Unitary County Council is irrelevant to tackling the major issues facing Oxfordshire and securing the transformation of our infrastructure that is sought by our business community, residents and our many visitors. It puts at risk our efforts to deliver against the government’s policy objectives that are set out in the Industrial Strategy Green Paper and the Housing White Paper. If pursued, it would create a costly, messy and unpopular distraction from these priorities and will undermine the significant progress that is being made through collaboration and partnership working within the existing structures. It will take local government’s eye off the ball when partnership, focus and pace are most needed.

The business case presented for the County Unitary is poorly evidenced, the financial assumptions are flawed and the savings claimed are doubtful. It also fails to address the serious financial challenges of meeting the increasing demand for adult social care and children’s services which have led to overspends in the County Council’s budget. Embarking on fundamental and long term changes to local democratic structures on such weak foundations would put at risk valued local services, and investment in our communities would be swallowed up to meet the County Council’s spending gap. Local democracy would be weakened with decisions about local services in Chipping Norton and Henley on Thames, Rosehill and Blackbird Leys taken by a remote County Unitary.

Deep divisions have been caused by the Unitary County proposals. They are widely and fiercely contested and are not supported by our local residents. Three of the six councils, representing 60% of the population, and which are responsible for a substantial proportion of the forward housing and employment growth, are firmly opposed to this structural change.

This submission advocates a better way forward for Oxfordshire, building on the existing structure of collaboration and joint working, and one which is already and delivering positive results in other parts of the country. Where the case for large scale local government reorganisation has been ambiguous, contested and distracting (places like Cambridgeshire and Peterborough, Suffolk, Derbyshire, Devon, Somerset and Gloucestershire), Counties, Districts, and their partners have committed to a shared vision of the future, aligned their efforts, and agreed plans and delivery arrangements to tackle their local economic and social issues and achieve public sector reform. We propose to do this in Oxfordshire.

Our proposal is for a Combined Authority as a statutory partnership body bringing together the leaders of the Districts, City and County, the LEP and other key partners to build on and strengthen existing collaborative working arrangement and provide the focus, resources and local accountability needed to deliver Oxfordshire’s significant economic potential along with a more ambitious joint approach to public service reform. This will provide a faster route to achieving better outcomes without the cost, disruption and risks to local services that would result from the Unitary County proposal.
Delivering economic and housing growth

Councils in Oxfordshire are strongly focussed on the national priorities of economic growth and meeting housing needs. The unique potential offered by our knowledge-intensive economy means that support for growth in Oxfordshire is vital to the national economic interest and to implementing the government’s industrial strategy and ambitions for accelerating the pace of house building. The current focus on investment in the Oxford to Cambridge Corridor is a once-in-a-generation opportunity to improve connectivity, address infrastructure and housing challenges and unleash the maximum economic potential of our area.

Oxfordshire councils and the LEP are working together on collective proposals for infrastructure, planning and housing, including a joint infrastructure investment strategy and a statutory joint spatial plan, one of the first in the country. We are also collectively involved in positive and productive discussions with government about how we can increase the pace and extent of house building. Our approach has been well received by the National Infrastructure Commission which recognises the Oxfordshire Growth Board as a sound foundation and anchor for the western end of the Oxford to Cambridge corridor. We cannot afford for this progress to be thrown off track by a structural reorganisation which will damage the quality and pace of this work and suck capacity and focus away from these priorities.

A Combined Authority, embracing a statutory LEP, would enable us to build on the Districts’ track record of delivering high levels of local growth and housing and build on our successful partnership working by strengthening the existing Growth Board. This will ensure that our collective efforts are focused on the opportunities offered by the Oxford to Cambridge strategic growth corridor, increased levels of housing delivery and progress with the statutory joint plan that all Oxfordshire councils have signed up to.

Our approach is entirely consistent with the government’s agenda.

Focusing on public service reform priorities

Providing an affordable, sustainable health and social care system that guarantees people quality care and dignity in old age is a major policy challenge facing the country. In Oxfordshire, insufficient progress has been made on tackling these challenges as can be seen by the record on delayed transfer of care and slow progress on integration with health services. There are models emerging elsewhere that have not been explored in Oxfordshire and the task must be to work with health partners to develop a more effective approach.

Local government reorganisation in pursuit of questionable savings will distract and delay progress towards developing the solutions needed to put health and social care on a sustainable footing. This needs to be the priority, not restructuring successful local services that are already delivering efficiencies and improved outcomes for local people.

Our councils are national leaders in shared working arrangements and in public sector transformation and commercialisation. These arrangements are delivering substantial efficiencies and cost reductions. There will be a substantial financial cost to councils within Oxfordshire and outside the county in dismantling the intricate established pattern of shared service arrangements.

Here again there is a better way forward. We have the knowledge, skills, experience and governance arrangements to work collaboratively with the County Council and our partners to deliver economic growth and financial sustainable public services and are willing to collaborate for the benefit of local users and start delivering now.
The way forward

We share the government’s ambition to support further local growth in our area through the creation of a Combined Authority which will provide the most effective route to delivering our economic potential and better outcomes for local residents and businesses.

We ask for government’s support for creating a Combined Authority for Oxfordshire to strengthen collaborative governance and build on the significant progress that is being made through the Oxfordshire Growth Board in joint planning for infrastructure, housing and growth.

This will go alongside a commitment to moving forward with the work that is already in train with the National Infrastructure Commission on the Oxford to Cambridge Corridor and current discussions with DLCG on how we can increase housing delivery in line with the government’s agenda.

An early and unambiguous decision to reject the County’s unworkable proposals will allow Oxfordshire’s councils to stop devoting resources to an unproductive local conflict, support the newly-elected government’s plans for national economic growth post Brexit, and focus on securing vital reforms in our public services in the interest of local residents.

Councillor James Mills
Leader
West Oxfordshire District Council

Councillor Bob Price
Leader
Oxford City Council

Councillor Barry Wood
Leader
Cherwell District Council

Opportunity, Growth & Reform – an alternative to proposals for structural reorganisation in Oxfordshire
Executive summary

This paper is a response to the Oxfordshire Unitary County proposal by Cherwell, Oxford City and West Oxfordshire Councils. It sets out alternative proposals for the way forward based on the needs and opportunities in Oxfordshire.

Successfully navigating the UK exit from the European Union, securing sustained economic growth, improving productivity and competitiveness and significantly accelerating housing delivery are key priorities for Government. Creating the right conditions to support growth and secure the transformation of infrastructure that is sought by our business community, residents and our many visitors is the top priority for the county. The biggest and most obvious public service challenge in Oxfordshire, as elsewhere in the country, is to develop an integrated and financially sustainable health and social care system.

The County Unitary proposals fail to address these two key challenges and would instead focus resources on an inward looking structural change. The proposed reorganisation would distract attention from these priorities, lead to decision making that is more remote from our communities, stifle innovation and lead to poorer outcomes for local people. As we explore in the final section of this report, the business case underpinning the unitary bid is seriously flawed and does not meet the criteria set out by government. The financial assumptions behind the proposed savings are inadequately evidenced and the complexity of implementation will have problematic consequences for local government, not just within Oxfordshire but over a much wider area where a number of Oxfordshire councils have established successful joint organisational arrangements.

Furthermore there is a clear absence of consensus or support for the proposals among local authorities and key stakeholders and demonstrable public opposition, as is evidenced in the final section of this report. The proposals are not supported by the three District councils who are responsible for a substantial proportion of the housing growth and economic activity in the county, and which represent 60% of the people in Oxfordshire.

Oxford City Council, Cherwell District Council and West Oxfordshire District Council support a fundamentally different and collaborative way forward. We wish to build on our strong track record of innovative transformation which is delivering significant savings whilst improving services for our residents. We believe that our current collaborative and proactive approach is already starting to deliver transformation in meeting the immense challenges of the growth agenda. Learning from this recent successful experience convinces us that deeper and long term collaboration is most likely to secure service transformation that will meet user needs, and deliver better value for money without the cost, disruption and loss of local accountability that will result from the proposed structural change.

Our proposal is for a Combined Authority, embracing a statutory LEP, that can build on and strengthen existing collaborative working arrangement and provide the focus, resources and local accountability that are needed to deliver Oxfordshire’s economic potential and promote an ambitious approach to public service reform.
Driving economic and housing growth

Oxfordshire has a £22billion economy, with leading global universities and a unique concentration of major scientific facilities and knowledge intensive businesses. The county has a nationally significant role to play in securing the UK’s economic prosperity. This is recognised by the National Infrastructure Commission’s work on the Oxford to Cambridge Corridor as a national priority for growth.

For the Oxfordshire authorities, maximising the once in a generation opportunity created by the investment in the Oxford to Cambridge corridor to secure the future success of the area and ensuring that the benefits are captured for local communities must be the absolute priority. We should focus on making further rapid progress with a joint strategy for growth and investment in infrastructure combined with increased pace in delivery of infrastructure and housing. This will require governance arrangements that provide the optimum leadership and accountability to secure our economic potential and build confidence with business, investors and government.

The Oxfordshire Councils and LEP have made great progress, working together through the Oxfordshire Growth Board to achieve economic growth. This has led to a shared commitment to deliver 100,000 new homes and 85,000 jobs by 2031, expressed in the recent Oxfordshire Strategic Economic Plan, and in our successful City and Local Growth Deals. The Growth Board has made significant progress in resolving planning issues, including the allocation of unmet housing need across the District areas. The move towards greater joint strategic planning is strongly supported by West Oxfordshire, Cherwell and the City who are responsible for the majority of housing delivery and economic activity. The three councils are working on a joint approach to growth to the north of the city which will see significant investment in transport and housing development.

Building on this track record, work is already underway in Oxfordshire on a statutory joint spatial plan, an Oxfordshire Infrastructure Strategy, and positive and productive discussions with DCLG about accelerating housing delivery. Our approach has been well received by the National Infrastructure Commission which recognises the Oxfordshire Growth Board as a sound foundation and anchor for the western end of the Oxford to Cambridge corridor.

The reorganisation proposed in the county unitary submission will detract from this progress and hinder the city and districts’ efforts to maximise economic growth. Reorganisation would disrupt and detract focus and energies away from securing our economic potential for several years during transition and once established, growth would be competing for airtime with other priority services. Furthermore, the unitary proposal fails to recognise the important role that the Districts and City are playing in supporting local economies and housing growth. The proposals would replace the districts which are successfully championing growth, with a complex patchwork of governance arrangements which will not have the accountability or the remit to drive local economies. The bid also lacks a coherent proposal for the governance that can focus on driving the global economic powerhouse of Oxford City – a critical omission given the City’s role as the driver of economic growth of the wider region.

Moving forward there is an opportunity to strengthen and enhance joint governance arrangements through a Combined Authority embracing a LEP with new statutory powers to drive a joint economic strategy. This would provide a governance vehicle with a single and strategic focus on growth and the ability to build confidence with business, investors and government whilst ensuring even greater focus on delivery and supporting distinct local economic opportunities across a diverse economic area.
A new model of health and social care

The health and social care system in Oxfordshire, as in many other parts of the country, faces three fundamental challenges: rising demand from an ageing population; constrained resources; and, a fragmented system with misaligned objectives and incentives. The proposals for a Unitary County council will not solve the funding deficit in health and social care and the submitted proposal does not address these key challenges.

The scale of the health and social care challenge needs to be tackled on a collaborative basis and cannot afford to be thrown off track, as it would be by a wholesale restructure of local government in the county. In Oxfordshire, insufficient progress has been made towards tackling these challenges and moving towards the integration of health and social care. Models are emerging elsewhere that have not been explored in Oxfordshire and priority should be given to working with health partners to develop a successful and effective approach.

We present a proposal here to reset the current approach and work in partnership with the CCG, County and District Councils to develop new models for collaboration that will tackle the health and social care challenges associated with an ageing population and focus on prevention, more extensive joint commissioning and service integration.

Delivering service transformation and quality

The Oxfordshire Districts have demonstrated a collaborative approach to out-of-county partnerships, alternative business models for the delivery of shared services and vehicles to drive transformation and commercialisation. This innovation within delivery models has successfully achieved significant savings, substantial income generation and improved outcomes for our residents.

Not only would the Unitary County proposal undermine this transformation, it would also have a damaging direct financial impact and affect service delivery in other councils outside Oxfordshire (Cotswold, Forest of Dean, South Northamptonshire District Councils and Cheltenham Borough Council). These councils alone have identified and planned for savings in excess of £7m per annum before 2020 which have not been recognised in the Unitary County proposal and would be put at risk.

Our alternative proposal is for a collaborative programme of transformation, built on the Districts’ experience and designed around user needs to deliver more ambitious efficiency savings than those set out in the Unitary County proposal. We believe that this approach will offer better value for money without the cost, disruption and loss of local accountability that will result from structural change.
**Leadership, accountability and local engagement**

The strong direction of travel from government has been to stimulate and foster localism and devolution to local authorities. Government has encouraged local authorities to develop channels of accountability to their local communities and to understand the needs and priorities of the residents that they serve. Looking to the future, we need arrangements that balance the need for strategic decision-making on issues such as wide area planning, housing, transport and the integration of health and social care, with the need for accountability in local decision-making that can focus on the different needs and priorities of local areas.

The proposed Oxfordshire Unitary County would be too large and remote to achieve this, covering a population of 900,000 by 2031 if the planned housing growth is delivered, a level that would also exceed government guidelines. Even at its current size it would be the third largest council in the country and would cover a very diverse socio-economic geography. In Oxfordshire’s case, such an authority would lack the flexibility and understanding to reflect the different needs of sparse rural communities, historic market towns and a fast growing global city with all the opportunities and challenges that urban areas face.

The proposal from the County Council proposes between 15-20 area boards to take decisions on community services. There is a lack of clarity about how these bodies would work and the functions they would have, but it is clear that they will lack the independence, democratic and local accountability to match the role that the district councils currently play in driving growth, housing delivery and investment in local priorities. The approach appears to be based on the Wiltshire model, but fails to recognise that Oxfordshire is a very different context. Oxfordshire has a strong and fast growing economy with both rural and urban communities. Wiltshire has no equivalent to Oxford City as a major urban core; indeed, Swindon is a separate unitary authority because of the need for governance to reflect its socio-economic characteristics. The absence of coherent governance proposals for Oxford City is a critical weakness in the Unitary County case since this is crucial both to the continued economic success of the city as a national economic asset and to the financial assumptions of the entire model.

The best way forward for Oxfordshire is to retain the successful leadership of place and flexibility to design services around the different needs and challenges that Oxfordshire’s communities face and to work in partnership through a Combined Authority to improve strategic decision-making on issues such as strategic planning, housing, and transport along with the integration of health and social care.
Financial sustainability

As local government is moving away from the model of central government grant funding to a self-funding model of council tax and business rate income, the Unitary County proposal puts at risk the three main sources of income that will support the long term financial sustainability and high quality services – increased council tax and business rate income that will come from growth, and trading income.

The business case presented for a County Unitary authority is undeveloped and backward-looking. The savings are questionably evidenced and the costs are significantly underestimated. As such, the bid lacks the substantial body of evidence that would be required to justify fundamental long term changes to local democratic structures. Over the past decade all parts of local government have delivered very substantial efficiencies and cost reductions and Oxfordshire councils have led the way in driving transformation and new delivery models. These efficiencies which were available in previous local government restructures have already been delivered and they cannot be made again. Indeed there will be a substantial financial cost to dismantling the intricate pattern of shared service and joint delivery arrangements to other councils outside Oxfordshire. These costs have not been factored into the unitary county submission.

The proposals for council tax are poorly developed and will be highly problematic to implement. The proposal envisages establishing some form of precept raising authority for Oxford City to avoid harmonisation, but does not address legal and practical barriers to this. With the lack of a coherent or implementable proposal for the city, harmonisation of council tax across the districts means council tax will increase dramatically in some areas (up to 16% over 4 years is suggested by the Grant Thornton report commissioned by the County).

The way forward

The most pressing priority for Oxfordshire is creating the right conditions to maximise the economic potential of the area and secure the improvements to infrastructure and much needed housing that will ensure growth is inclusive and sustainable and enhances the quality of life for the people of Oxfordshire. For public services the biggest challenge is to develop a new model of health and social care that delivers improved health outcomes within a financially sustainable model. Local Government reorganisation in pursuit of questionable savings puts at risk the progress on these priorities. Form should follow function and a County Unitary will not create the optimum governance arrangements to deliver the right outcomes for Oxfordshire.

The three districts are confident a Combined Authority and collaborative programme of transformation will:

- improve the effectiveness, efficiency and delivery of strategic functions
- help break down the silos of local government and other public bodies within Oxfordshire;
- drive stronger public/private sector collaboration to focus on maximising opportunities for growth
- promote better service delivery; enable greater joint working;
- provide a forum for strategic decision making;
- enhance public accountability;
- assist with delivering transformational change and efficiency savings;
- provide conditions for economic growth and investment in infrastructure; and
- focus the energy of county council leadership on tackling the social care challenge.

Given the current circumstances, a clear and early decision to not proceed with any unitary proposal in Oxfordshire will allow for the opportunity to “reset” relationships and start a fresh approach to reform public services in and around Oxfordshire whilst maintaining the focus on driving further housing and economic growth.
Vision for local government in Oxfordshire

Our ambition is to build a broad consensus with public and private sector partners for the future of public services in Oxfordshire. The focus of which will be on challenges and opportunities we face: tackling the infrastructure constraints that are holding back our economic potential and dealing with the rising demand for public services, particularly in health and social care. Our aim is to build on the strengths of the key economic sectors and local economies, with the City of Oxford at its heart, to strengthen productivity and to be a nationally significant source of economic growth.

This vision is built on the following principles:

- Local government rooted in communities, with residents influencing the design and delivery of services that better serve the needs and interests of local people.
- Creating the conditions that accelerate and will drive further sustainable economic growth and housing delivery.
- Strengthening collaboration between local government and with partners in the public and private sector to build confidence of business, investors and government.
- Retaining and building on innovative and efficient delivery models, partnerships and shared service arrangements whilst supporting joint working on strategic planning for growth and a collaborative programme of transformation and public service reform.
- Building on the track record of sound financial management while reducing dependence on government funding and securing investment to close the £7.2bn infrastructure gap and ensure long term financial sustainability.
- Creating an integrated health and social care framework for commissioning and service delivery with greater collaborative support with our health partners to refocus services on our residents, to reduce variance in the level of care and provide greater emphasis on ill health prevention and wellbeing.

The proposals for a unitary county council by Oxfordshire County Council, South Oxfordshire and the Vale of White Horse District council focus on structural change in local government and detract from solving the urgent challenges we face. There is a better way forward for Oxfordshire which will preserve local accountability and responsiveness whilst enabling a dedicated focus on economic growth.

Combining a new focus on growth, a Combined Authority with a collaborative approach to public sector reform will, in our view, secure the best outcomes for the residents of Oxfordshire and optimise our contribution to the UK as an important high growth, high productivity area.
Routemap for public sector reform

Our vision for public sector reform will:

- improve the effectiveness, efficiency and delivery of strategic functions
- help break down the silos of local government and other public bodies within Oxfordshire;
- drive stronger public/private sector collaboration to focus on maximising opportunities for growth
- promote better service delivery; enable greater joint working;
- provide a forum for strategic decision making;
- enhance public accountability;
- assist with delivering transformational change and efficiency savings;
- provide conditions for economic growth and investment in infrastructure and thereby maximise our contribution to the Government’s key priorities; and
- focus the energy of county council leadership on tackling the social care challenge.

The three districts are confident the effectiveness and delivery of strategic functions would be improved through a Combined Authority embracing LEP with new statutory functions exercising devolved powers from central government or another public authority and pooled powers from the constituent local authorities.

We wish to work with Government as it develops the new framework for local authorities and LEPs to create this single strategic body for collective decision making in Oxfordshire with a clear focus on delivering an the government’s Industrial Strategy and Housing White Paper. A clear aim must be to drive closer collaboration of public and private sectors to build confidence with investors and business and work closely with government to champion Oxfordshire’s interests.

The new governance arrangements will include a clear role for the LEP as a constituent, voting member in view of its existing role in economic strategy, skills and investment and new statutory responsibilities for industrial strategy. The local authorities through the Combined Authority will strongly support the LEP in delivering its new powers and responsibilities to drive economic growth through housing and infrastructure delivery.

The Combined Authority will build on the strengths of the Oxfordshire Growth Board and LEP to:

- Develop stronger governance and decision making powers to drive the Oxfordshire statutory plan to effectively plan for economic and housing growth
- Engage effectively in pan-corridor governance and strategic planning for infrastructure
- Effectively manage infrastructure and housing investment programme for Oxfordshire aligned to the Oxford-Cambridge corridor National Infrastructure Commission

Alongside this we will work with the CCG, County and District Councils to develop new models for collaboration to tackle the health and social care challenges associated with an ageing population with a focus on prevention, greater joint commissioning and integration.

Building on the experience of Districts we will create a new partnership approach to drive a collaborative programme of public service transformation to deliver significant efficiency savings better services, joint budgets, better use of the local public estate, opportunities for income generation.

Ongoing uncertainty about the future of local government is already damaging relationships and detracting focus away from partnership working. A clear and early decision to not proceed with any unitary proposal will allow for the opportunity to “reset” relationships and start a fresh approach.
Driving economic and housing growth

- A Unitary County council runs the risk of diluting the current effectiveness of locally developed and successful economic and housing growth strategies and it undermines and delays housing delivery, which is counter-productive to economic growth
- A Combined Authority embracing a statutory LEP, together with the local activity of the districts in local areas, creates the optimum arrangements to accelerate economic growth and housing delivery, and
- A contested, inward looking restructure will put at risk Oxfordshire’s growth potential as well as the strong progress made to-date.

Why Oxfordshire is important

The United Kingdom faces a range of challenges at present. Successfully navigating our exit from the European Union, securing sustained economic growth, improving productivity and competitiveness, and delivering more housing are undoubtedly going to be key priorities for the new Government.

Oxfordshire, as one of the leading global economies and with a concentration of knowledge-intensive businesses, has a nationally significant role to play in securing the UK’s economic stability. As highlighted by the Centre for Cities, Oxford and Cambridge were the only UK cities in the top 20 European cities for Innovation. GVA in Oxfordshire is 22% ahead of the national average and has had the highest rate of growth of any LEP area since the recession. In terms of employment, Oxford has shown the strongest private sector jobs growth - 17.8% over 5 years - the fastest outside London.

The economic potential of the area is recognised by the NIC highlighting the Oxford to Cambridge Corridor as a national priority for growth. In its interim report the NIC stated that the corridor could be the UK’s Silicon Valley and described it as: “a national asset that competes on the world stage and can fire the British economy but only with an integrated and ambitious strategy to deliver new homes, connectivity and opportunities can it realise its full potential.”

For Oxfordshire, the focus on investment in the corridor is of critical importance to UK plc and a once in a generation opportunity to improve connectivity and address the big infrastructure and housing challenges that are currently constraining the economic potential of our area. It is also an opportunity to address Oxfordshire’s huge potential to grow knowledge-intensive jobs, science and technology and to deliver a step change in house-building to tackle affordability issues and meet current and future needs of residents and business.

For the Oxfordshire authorities, maximising this opportunity to secure the future success of the area and ensuring the benefits are captured for local communities must be the absolute priority. Our focus must be on making rapid progress with a joint strategy for growth and investment in infrastructure, combined with an increased pace in delivery of infrastructure and housing. This will require governance arrangements that provide the optimum leadership and accountability to focus on maximising the economic opportunities and build confidence with business, investors and government.

Significant progress towards this has been made in recent months by all local authorities and the LEP who have committed to developing a statutory joint strategic plan, (one of the first in the country), and an infrastructure investment strategy for Oxfordshire. Moving forward, there is an opportunity to strengthen and enhance joint governance arrangements to create a Combined Authority from the existing Oxfordshire Growth Board, embracing a LEP with new statutory powers, to drive a joint strategy whilst ensuring even greater focus on delivery and supporting distinct, local economic opportunities across a diverse economic area.
Oxfordshire’s economic geography is not defined by a single functional economic area but is multi-faceted with multiple linkages. The city and districts in Oxfordshire have a key role to play in securing accelerated economic growth and improved productivity. Oxford City is demonstrably the functional engine of the city region economy and the research and innovation engine of the ‘Knowledge Spine’ which connects major research centres and housing and employment areas stretching from Bicester in the north to Science Vale in the south. The market towns in Oxfordshire have important cross-boundary functional links, for example, the Cotswold tourism offer extends across West Oxfordshire and Gloucestershire. The north of the county is part of the Midlands economy and Banbury, in the north, has a travel-to-work area that extends into Northamptonshire. The south of the county is part of the Reading travel-to-work area, the Thames Valley IT cluster and links to Heathrow and west to the M4 corridor.

Maximising the economic potential of the city region requires governance structures that allow a focus on the unique assets of business, research and knowledge economy in Oxford, whilst making connections within and beyond Oxfordshire. This will require the continuation of councils that can work collaboratively on a common vision through a Combined Authority whilst focusing on the economic opportunities of different areas.

**The growth journey so far**

The three districts of Oxford City, Cherwell and West Oxfordshire have developed strong local plans which are not just a response to demand, but a powerful tool to support and shape growth in a planned way.

**Case study: Cherwell Local Plan**

The Local Plan for Cherwell sets out clear ambitions for the district which will secure growth in jobs, housing and productivity in a balanced and targeted way that strengthens town centres and places them at the centre of their rural hinterlands, as the most sustainable locations for growth.

The Local Plan leads with measures to strengthen the local economy, including a substantial release of 200 hectares of new employment land, much of which is already under construction or occupation.

As a result of the adopted Local Plan and the increasing business investment, employment has grown and the delivery of housing in Cherwell has significantly increased across the district in Banbury, Bicester and at the former USAF base at Upper Heyford. The increase in housing is such that ONS reported in November 2016 that for 2015/16 Cherwell had the fastest rate of housing building in England. The rate of economic growth in Cherwell over the last four years has been the highest in Oxfordshire using Business Rates as the measure.

All three councils work proactively to support growth, working with partners such as Oxford University and the LEP, as well as utilising council-led delivery vehicles (where necessary) to secure and accelerate development and balancing the needs and expectations of developers with social outcomes for existing communities.
Oxford City Council plays an active role in driving partnerships for housing and regeneration schemes. It is supporting and investing in a £4 billion programme of development and regeneration and is actively involved in 80% of housing development schemes in the city. It has established a wholly owned Housing Company with an initial investment of £61 million, and plans to deliver 1,000 new homes. It has set up joint venture LLP companies to deliver housing and regeneration schemes, including partnerships with Grosvenor, which will deliver 900 new homes at Barton Park, and, with Nuffield College, to deliver comprehensive regeneration of the West End of the city of 300 new homes in a £200 million mixed use scheme.

West Oxfordshire has a successful local economy with approximately 52,000 jobs and economic activity rates of 84.5%, well above the South East average. The district has particular specialisms in biomedical equipment manufacture and engineering, with significant employers including Abbott Diabetes Care, Siemens Magnet Technology and Owen Mumford. The district is also home to RAF Brize Norton, which is seeing continued investment as the UK’s main strategic military air transport base, employing around 4,000 people. The base is a national asset which acts as a magnet for related industries, particularly in the aviation sector, and joint working between all stakeholders led by the district council will ensure that the base fulfils its significant potential as a catalyst for economic growth. Tourism is an important and growing part of West Oxfordshire’s economy, contributing more than £280 million in 2014.

Jobs and housing growth is been seen across the rest of the county at significantly increasing rates, reflecting the work of all districts to secure economic and housing growth.

The increasing delivery of housing across the county is illustrated in the graph below:

This graph illustrates that across Oxfordshire:
- 2011/12 – 1827 units were completed
- 2012/13 – 1633 units were completed
- 2013/14 – 1843 units were completed
- 2014/15 – 3010 units were completed
- 2015/16 – 3710 units were completed
All the Oxfordshire councils work together through the Oxfordshire Growth Board with the LEP and other key stakeholders. Over time, this joint-working has matured and led to a strong joint vision, expressed in the Oxfordshire Strategic Economic Plan (SEP), and in our successful City and Local Growth Deals. Notably, the recently refreshed SEP builds on the local growth committed to through the Local Plans. The Growth Board has made significant progress in resolving issues of apportioning housing allocation, including 15,000 homes needed for Oxford that cannot be accommodated in the city. This is despite resistance from South Oxfordshire and the failure of the county council to support meeting Oxford’s unmet-needs in recent Local Plan enquiries (see case study below).

Case study: Oxfordshire Growth Board

The 2014 Oxfordshire Strategic Housing Market Assessment (SHMA) (April 2014) established the need for 100,000 new homes across Oxfordshire, with 28,000 required to meet the housing needs of Oxford City and some 15,500 for South Oxfordshire. Evidence on the physical capacity of Oxford City to accommodate housing growth has been provided by Oxford City Council’s 2014 Strategic Housing Land Availability Assessment (SHLAA) and more recently in the 2016 Housing and Economic Land Availability Assessment (HELAA). Both confirm that Oxford is unable to physically accommodate the required number of homes.

In the wake of the SHMA, the Oxfordshire districts and county council have worked together to agree how best to meet Oxford’s housing needs. This work was led by the Oxfordshire Growth Board and considered detailed evidence of urban capacity, the Green Belt, options for growth, a sustainability assessment and transport impacts. In 2016, a Memorandum of Co-operation (MOC) between all Oxfordshire authorities (with the exception of South Oxfordshire Council) agreed the apportionment of Oxford’s unmet housing need across the adjacent districts as illustrated in the diagram right.

The challenge set for Oxfordshire by the recent Housing White Paper and the NIC Oxford to Cambridge Corridor proposal is: how will county-wide growth be maintained or accelerated and ensure that economic growth drives housing growth?

The Growth Board is developing a statutory Joint Spatial Plan, the concept of which has been positively received by Government officials who are now working with us to pilot approaches to develop policy set out in the Housing White Paper. Central to this, the move towards greater joint strategic planning is strongly supported by Oxford City, Cherwell and West Oxfordshire Councils who are working on a joint approach to growth in a development corridor to the north of the city which will see significant investment in university research, transport and housing development.
Northern Development Arc

The Northern Development Arc focuses on growth that will support the expansion of the Oxford University facility at Begbroke, consolidating the role of the Oxford Parkway Station as well as connecting with the Northern Gateway employment site and London-Oxford Airport.

Notably in planning for this growth significant transport gains will be secured but require funding, including:

- strengthened connectivity on A44 corridor, including new park & ride provision
- extended fast bus links
- extended rail connections & a new station on the Banbury-Oxford line
- ‘super-cycleway’ & new walking routes

There are also substantial community gains planned to include affordable housing, education and a green infrastructure corridor.

Ensuring a focus on housing delivery

Looking beyond the debate around strategic planning and housing need, the approach local councils are taking to delivering homes is also instructive on the best way forward for local government.

Each of the district councils and city council fulfils a unique role in shaping the places they have responsibility for to maximise their potential. They carry this out with a deep understanding of local USPs, strategic planning, local assets and partnership opportunities. Growth, social outcomes and commercial returns are objectives that can be balanced in the most sustainable way with a long-term view.

In Oxford, this is most evident with the ambition shown in the city centre’s West End, which will see an unprecedented level of city centre development for Oxford in modern times.

Led by the city council as land owner and planning authority, the vision for the West End has galvanised a partnership including the University, its associated colleges, private landowners and transport providers working closely together, including the county council. The city council’s leadership has mobilised a programme of development that could collectively create around 220,000 sq m of commercial space, around 10,000 jobs, and potentially 1,000 residential units in the West End in the next 10-15 years.
In Cherwell, the UK’s largest self-build housing scheme (1,900 units) at Graven Hill, led by a council-owned delivery company, together with the unique Eco-Town at NW Bicester (6,000 units) with its advanced sustainable housing, shows the scale of innovation and commitment to meeting local housing needs through well designed approaches to development.

**How do we build on this progress?**

There is no doubt that getting the right form of governance to access the funding needed to invest in much needed infrastructure, build on the recent success in accelerating housing delivery and in so doing achieve sustained further GVA growth and productivity improvements, is of critical national and local importance. This is made clear in the NIC report and has been recognised locally by the work on governance undertaken so far by the LEP and the councils in Oxfordshire.

The Unitary County proposals for planning and housing will inevitably detract focus away from developing the current progress being made by the Growth Board and significantly delay the process of developing a statutory plan, which is emerging as a clear building block for the planning and governance arrangements within the NIC work on the Oxford to Cambridge corridor. Conversely, a Combined Authority for Oxfordshire, embracing a statutory LEP, would strengthen the collective decision-making process and enable faster progress made by the Oxfordshire Growth Board.

These new governance arrangements need to secure collaboration, alignment, funding and delivery of the key issues holding back growth in Oxfordshire, namely infrastructure improvements and housing growth. Critically, they need also to build on the strength of local partnerships and balance the growth agenda with protecting and enhancing quality of life for local people and the communities they live in. This latter point is recognised in the NIC report and is essential to create the platform for sustained growth which is supported by the people of Oxfordshire.

The scale of growth planned in the Oxfordshire districts and the experience of collaborating to address Oxford’s unmet housing needs has illustrated the need for closer joint planning of strategic issues around transport, utilities investment across the planning areas and with our neighbours. This will also ensure that the economy of Oxfordshire can take full advantage of major investments to improve infrastructure further afield, such as the third runway at Heathrow and deep port facilities at Southampton, Felixstowe and the Thames Gateway.

It is also important for the governance model for Oxfordshire to work seamlessly with the other parts of the Oxford to Cambridge Corridor and to efficiently represent the interests of local stakeholders in this nationally significant programme. In this regard it is intended that the corridor operates through three planning areas (Oxfordshire, Cambridgeshire and the Central area) to secure the transformational growth proposed.

For all of these reasons, and because of Oxfordshire’s importance to the UK in securing growth and productivity improvements, we believe that creating a Combined Authority (as a single purpose vehicle for strategic growth) will allow us to build on the collaboration achieved to date and focus exclusively on delivering growth.
The LEP and the councils have developed proposals for a Combined Authority for Oxfordshire and we believe that this work needs to continue at pace and be shared with Ministers in the new Government as they develop their approach to devolution and a future framework for local government and LEPs, to support implementation of the industrial strategy and the Housing White Paper. This approach, already adopted in Cambridge and Peterborough, will provide the strategic vehicle needed to drive growth in Oxfordshire, contribute fully to the Oxford to Cambridge Corridor and crucially reflect and respect the needs and contributions of the diverse places which make up the county.

This will be underpinned by the development of a Joint Spatial Plan already agreed in principle by the Growth Board to ensure the following:

- Retention and growth of great places to live, work, visit and invest in
- Future-proof growth plans – considering demographic changes, an aging population, climate change, technology changes, changing patterns of work
- Provision for the growth of key sectors in which the districts have clear economic strengths (such as high performance engineering, science & research, manufacturing and the health economy)
- Delivery of the SHMA defined growth across the county
- That the existing Local Plan process is built on and added to, to ensure the Local Transport Plan and Strategic Economic Plan (SEP) are fully aligned
- Infrastructure gaps from utilities and transport identified in the recent OXIS Report are addressed
- An holistic approach to growth by using Local Plans and additional instruments, such as town wide Masterplans and Area Action Plans, to best shape places
- Promotion of development on brownfield land, especially former MoD sites across the county
- The wider application of the community-wide planning approach being implemented through the Garden Towns at Bicester and Didcot and the Garden Village at Eynsham in West Oxfordshire
- Consideration of service implications of growth for waste, education and health
- Support for the growth of the city as a driver of the county economy, plus the market towns, recognising the overall nature of the county economy
- A resolution of meeting housing need for the city. As it stands, the full ‘objectively assessed’ unmet housing needs of the city cannot be met within the administrative boundaries of the city. Cherwell is supporting housing and employment growth to the immediate north of the city through a Local Plan Partial Review, ensuring that its contribution to the Growth Board assessment of how the unmet need should be apportioned is delivered in a planned way. West Oxfordshire has allocated sites in its modified Local Plan to meet its proportion, and the Vale of White Horse is undertaking a Partial Review of its Local Plan in the same way as Cherwell has done. The Cherwell approach to planned growth can readily be undertaken to the south of the city in a similar planned way if there is the will to do so.
A proposed district-based ‘Vision for Growth’

Through the approach outlined above, by 2040 each district and Oxford City will be an area where all residents enjoy a good quality of life. Each will be more prosperous than they are today. Those who live and work here will be happier, healthier and feel safer.

For this to happen we will:

- Jointly develop a sustainable economy that is vibrant and diverse with good transport links and sound infrastructure, supported by excellent educational facilities. The economy of each district will grow to provide more diverse employment for our increasing population and reduce the need for our residents to travel outside the district or county for work.
- Support growth and improved productivity through the efficient planning of infrastructure needs, particularly utilities.
- Maintain and improve the vitality of our city and town centres as accessible economic, cultural and social hubs, offering improved leisure and shopping facilities as well as a diverse and vibrant evening economy.
- Support a stronger, sustainable rural economy that is more diverse and not reliant entirely on agriculture. Our villages will be 'lived in' as well as 'slept in'.
- Improve road, rail and public transport links and provide increased access to services and facilities to cater for the needs of the county and each district. In particular, we will focus on measures aimed at managing road congestion, improving public transport and improving access to town centres and other shops and services.
- Build sustainable communities by facing the challenges of a growing and ageing population and ensuring that the settlements, such as the city and the market towns, along with the rural areas offer a high quality of life and meet the needs of all sections of the population.
- Ensure that each district can offer its communities a range and choice of good quality market and social housing.
- Ensure that by careful and timely investment in our social and physical infrastructure, people have convenient access to health, education, open space, sport and recreational activities when they need it. We will seek to address inequalities in health and aim to maximise well-being. Poverty and social exclusion will be reduced.
- Cherish, protect and enhance our distinctive natural and built environment and our rich historic heritage. Each district will seek to maintain their rural character where their landscapes, vast range of natural and built heritage and market towns define their distinctiveness. The city will seek to retain its internationally known character as both a seat of learning and a place with a rich urban heritage.
- Protect our natural resources, embracing environmental technologies and adapting our behaviour to meet the global challenge of climate change. We will promote the use of alternative energy sources where appropriate and reduce the impact of development on the natural environment, including seeking to minimise flood risk.
- Use our statutory Joint Spatial Plan to consider the growth of Oxfordshire from the bottom up, building on the local plans, aligning the SEP and the Local Transport Plan with it and ensuring that investment programmes of other partners support its objectives.
Why would the single county unitary proposal not work?

A single county unitary as the governance platform for the Oxfordshire growth agenda has a number of disadvantages:

1. Over the next few years the growth agenda would be competing for airtime with the implementation of a contested, inward looking local government reorganisation programme.

2. It would also be competing for airtime with all of the financial pressures that top tier local government is facing. With a need to make urgent progress on new models of care to sustain the system of health and social care, to implement deep rooted transformation of the new organisation made more urgent by the distraction of reorganisation and by the competing demands from the various parts of the county which will have lost their local focus on a number of key local issues, how can the new organisation provide sufficient focus on growth over this crucial period for Oxfordshire and the UK?

3. Established relationships, (which are delivering housing growth through innovative local vehicles) and economic growth by local focus on the right sectors, strengthening the role of the University through expansion and businesses within the different parts of Oxfordshire, will be put at risk. At best these relationships will need to be reset. At worst they will have to start from scratch. Inevitably there will be a loss of confidence from developers, investors and businesses which has grown up in recent years and is demonstrated by the increasing willingness of the private sector to partner with the district councils.

4. The disruption which the move to a county unitary will cause will delay the partners in Oxfordshire playing an effective role in shaping the development of the NIC Cambridge to Oxford corridor, through the statutory Joint Spatial Plan.

5. The county unitary model fails to recognise that delivery is best achieved by aligning planning, economic development and infrastructure at the district and local level. It is this local focus that promotes the innovation in delivery seen in Oxfordshire which is flexible and responsive to local circumstances.

6. A remote county unitary would find it much more difficult to reflect the needs and aspirations of local communities in their plans and thereby not be able to protect and enhance the quality of life of residents in the city, market towns and rural parts of Oxfordshire. Sustainable growth occurs with the consent and support of local communities and it would be much more difficult to secure this across a significantly bigger geography. The concept of Area Executive Boards, that do not have executive powers in reality, simply will not achieve this as local people will want to engage with leaders who are genuinely accountable locally and have the power and credibility to make things happen.

Conclusion

One of the most important roles for the public sector alongside, and as a result of, increasing housing delivery and improving infrastructure is to build business and investor confidence. A business-focused Combined Authority embracing a statutory LEP with the sole focus of driving growth, combined with the quality of the local relationships the districts have developed, will build business and investor confidence and create the long term clarity and delivery certainty that key decision-makers need to influence their own strategies and investment. A single county unitary (even without all the challenges listed above) simply does not come close as an alternative governance model that business can have confidence in.

From a Government perspective dealing with a Combined Authority, which would be publicly accountable for growth, would have significant advantages over a complex, remote and conflicted county unitary with far less public accountability amongst its key decision makers and constituent communities.
A new model for health and social care

- Developing a financially sustainable model for health and social care that delivers improved outcomes should be the number one concern for public sector reform in Oxfordshire
- There is a need for faster progress with the integration of health and social care and a greater focus on prevention to reduce demand for acute services, deliver better outcomes for residents and deliver savings to the public purse
- Inward looking local government restructuring would detract and delay the progress in addressing the urgent health and social care challenges

The context for health and social care in Oxfordshire

Buckinghamshire, Oxfordshire and Berkshire West STP

The Sustainability and Transformation Plan (STP) is a place-based, strategic plan demonstrating how key partners across the health and social care system will work together to drive transformation to meet future demand and close the health and wellbeing gap.

The footprint of the STP covers a population of 1.8 million, seven CCGs, six foundation trusts and fourteen local authorities.

Oxfordshire Clinical Commissioning Group

There is one clinical commissioning group (CCG) within Oxfordshire - Oxfordshire Clinical Commissioning Group, which is among the largest in the country. It provides health services to more than 720,830 residents, out of which 8.1% are above the age of 75.

The CCG divides health responsibilities into six localities: North, North East, Oxford City, South East, South West and West, and can been seen in the diagram right.
There is real concern about the service cuts the county council has implemented to preventative and early intervention services which have detrimentally affected the most vulnerable people within Oxfordshire. Where possible, the district councils have mitigated these cuts and reached agreement with the CCG on the preventative care approach in such initiatives as the district-led healthy new towns programmes. This will be at risk with a unitary council and will undermine the efforts achieved so far.

The Health and Wellbeing Performance Report (2015-16) shows that only just over half the indices measured are on target across the county and, in particular, the priorities for ensuring children have a healthy start in life, preventing early death and improving the quality of life in later years, and supporting older people to live independently with dignity are not being achieved. Thus, the county needs to ensure that both children and the elderly are receiving the care they need.

Integrating health and social care for adults and children

Oxfordshire needs to consider alternative models which fully integrate health and social care with aligned financial incentives, primary care and a sharp focus on collaboration between professionals at a community level.

The wider determinants of health, such as housing and broader wellbeing initiatives, need to be fully aligned with this model to improve general health and reduce demand on health and social care services. Progress has been painfully slow in this crucial agenda and Oxfordshire is no exception. For example, it was recently listed as the eighth worst authority for Delayed Transfer of Care.

It is hard to see how, through a unitary model, progress can be accelerated sufficiently to tackle these issues successfully given the pressure on resources and with the focus on local government reorganisation rather than integrating health and social care. At best, local government reorganisation at this point will be a distraction from the vital agenda of addressing the Oxfordshire part of the STP’s £480million funding gap. At worst, it will put the whole integration agenda at risk with potentially damaging impacts on outcomes for the most vulnerable people in Oxfordshire. Tackling this and sustaining the health and care system whilst improving patient outcomes at the same time should be the number one priority for public sector reform in Oxfordshire. It will require exceptional levels of collaboration, system and political leadership across the STP footprint and at county level. It will mean transforming into a whole population health system with far more focus on self-care and care closer to home and much more emphasis on ill health prevention.

The health and social care system in Oxfordshire, like many other places, faces three fundamental challenges: rising demand from an ageing population; constrained resources; and, a fragmented system with misaligned objectives and incentives. Tackling this through greater alignment and integration between different parts of the system has been Government policy since 2010 and is undoubtedly one of the key elements to a coherent public sector reform agenda at a local level.

Despite this, progress has been painfully slow with a distinct lack of health and social care integration leadership and too many examples of organisations focusing on narrower sector interests rather than taking collective responsibility to secure improved health and care outcomes and long term financial sustainability for the whole local health and care system.
In the context of local government, many local authorities are seeing a year on year increase in demand for social care services and this, coupled with significant reductions in spending power, means that social care expenditure is taking up a growing and unsustainable proportion of their budget. In the NHS, average growth in expenditure of more than 4% over several decades has been replaced by average funding increases of 0.1% since 2010 whilst demand pressures are greater than at any time in the NHS’ history.

Given the challenges set out above there is no single or simple solution. The pace of change, however, is too slow and greater leadership action is required to accelerate responses and create new approaches to care that are capable of improving both financial sustainability and health and care outcomes.

**Developing a new care model**

The starting point for any redesign of services has to be a care model that best meets the needs of the population.

**Whole population health and care**

The starting point is to shift the focus away from poor health to a system of whole population health. This requires a fundamentally different relationship with people whereby individuals take far more responsibility for their own health and care needs, managing their own care wherever possible with ‘just enough care’ from the state to support them in this task. This implies an ‘independence’ rather than a ‘needs’ based assessment regime for social care. There are some examples of very good practice, including Salford, that have had a profound impact on reducing demand for care services without compromising outcomes for individuals.

If a whole population budget is set up, where a single provider or alliance of providers holds all of the funding for the health and care needs of a given population, that provider will have significant incentives to take a holistic and preventative approach to meeting the needs of the population, focusing on lifestyle factors including obesity, diet and exercise, as well as critical socio-economic factors such as housing and employment. The recent work of the Oxfordshire Health Inequalities Commission is relevant here.

The critical thing to note here is that this kind of approach must go beyond traditional models of health and social care delivery by primary care, community care, social care and acute care providers. Broader local government functions including leisure, community development, housing, planning and environmental health all play important roles in a holistic view of a population’s needs. Moreover, services provided by the voluntary, community and independent sectors will also be crucial, as will the opportunity we have locally from the life sciences industries.
Case study: Healthy New Towns

Oxfordshire is unique in England for having two NHS-promoted healthy new towns in the same county. Cherwell District and Oxford City Councils both made successful bids for Bicester and Barton respectively to the ground breaking action research project the NHS has commissioned.

Together with the NHS, we are remodelling local health and care services in a place-based integrated way, taking a cutting edge approach to improving the overall health of these communities and residents’ wellbeing and independence. The ambition is for the lessons learned to impact nationally. Cherwell and Oxford City have led the way in developing partnerships with the clinical commissioning group, public health, housing developers, academic researchers and local communities to provide a replicable, sustainable approach to ill health prevention and care that fits with the NHS Five Year Forward View.

The benefits realised through the HNT programme have already been felt beyond the two communities through participating county organisations such as the County Sports Partnership in relation to improving participation in physical activity based on the work trialled in the HNT communities. This isn’t serendipity but rather a consistent and considered approach by the districts to investing in partnership and network development to improve the outcomes for residents at the same time as delivering efficient systems of care.

Oxford City Council is now working with the CCG to explore how the lessons learned from Barton HNT could be expanded and extended to other areas of the City.

Local government reorganisation, without the necessary radical transformation, runs the risk of these functions disappearing as the financial resources currently dedicated to their delivery get sucked into the ‘black hole’ which is currently represented by the need to address the symptoms, rather than the causes, of the health and social care issues which exist. District councils have the resources and the expertise to provide high levels of early intervention and prevention activity, allowing the traditional health and social care providers to focus on those whose needs cannot be met in any other way.

Care closer to home

The long term success of any future model will depend on the ability to move away from an over reliance on hospital-based care, to care in the most appropriate setting depending on the needs and, crucially, the ability of individuals. This will include self-care, care at home and care in the community.

Integrated community health and social care services, led by and built around primary care, are essential here.

These integrated services can include:

- Care coordination
- Community mental health and LD services
- Community matrons
- Community physiotherapy
- Consultant geriatricians
- Diagnostics
- Dietician
- District nursing
- Health visitors
- Occupational therapy
- Prescribing
- Primary care
- Social care
- Specialist doctors in certain long term condition pathways eg diabetes, respiratory
Latest research indicates that units of 30,000-50,000 population provide the ideal size for this kind of integration, providing sufficient scale to create efficiencies when compared with the existing situation, whilst maintaining a local focus.

This local focus can help to transform the way that professionals work with individuals, carers, the community and the voluntary sector at a neighbourhood level to deploy resources effectively and improve outcomes and independence for residents, service users and patients. It allows a focus on local areas of deprivation and the ability to be flexible about the services that are provided in different localities to meet the needs of the population.

These localities have to be able to draw on the resources from a range of different services and providers to meet the needs of their population. There is evidence that district councils can play a key role in this work in Oxfordshire as it currently does and is demonstrated in the examples below.

**Case study: Tackling inactivity – working with community groups**

West Oxfordshire District Council has a successful leisure management contract with its leisure provider, GLL Better. Under the terms of the contract, GLL Better must provide a high quality service to local residents. However, with the health and wellbeing impacts of obesity becoming increasingly recognised, the council has gone beyond contract management and into partnership working with a range of community groups to look at the barriers to participation.

By looking at the needs and issues of potential users the council, in partnership with GLL Better, has instigated a range of projects including:

- Improved physical access for people with physical disabilities, including making Inclusive Fitness Initiative (IFI) accreditation a contract condition
- Improved understanding of the needs of people with mental health issues, including training and awareness-raising for reception staff
- An affordable pricing policy including the availability of a disability card offering discounted prices
- Reduced rates for the families of those serving in the armed forces
- Special access for looked after children and young carers
- Free access for people in need, in partnership with the local voluntary sector
- An advanced exercise referral programme covering a range of medical conditions

This programme has been supported by the GP Locality Group in the district, which promotes and makes referrals to range of activities.
Case study: The value of investing in leisure

Oxford City exhibits a range of health inequalities: Life expectancy is 8.8 years lower for men in the most deprived areas of Oxford compared with the least deprived areas, 21.3% of Year 6 children in the city are classified as obese and the health cost of inactivity in Oxford is £2.1 million per year.

Much progress in recent years has been achieved through effective partnership working and taking a place leadership approach to increasing physical activity levels. The council’s sport and leisure team have helped the team bring in external funding which has resulted in far greater outcomes being achieved. There is a great opportunity to increase these outcomes and take a far more preventative approach to health commissioning.

Case study: Heath work at community level – social prescribing

The Healthy Communities Team at West Oxfordshire Council run these services for Cotswold District Council. At Cotswold, the team run a Social Prescribing (SP) Service, funded by Gloucestershire CCG.

The SP service is made of non-clinical practitioners based within GP surgeries, with well-developed local knowledge of services available to residents within their community. Patients present at their GP surgery with a range of health issues needing treatment. In many cases there are non-clinical issues that are causing or contributing to conditions. These may include issues such as inactivity, stress due to rising debt, housing issues and isolation. The SP Service works closely with the GPs to help patients access the support they need locally to help with these issues and thereby improve their health and their dependence on health services.

This project has been hugely successful in the Cotswold district and this council is currently working with the Oxfordshire CCG to look at ways to develop the SP Service in West Oxfordshire and Cherwell.

Next steps

Oxfordshire does not have a whole system plan to implement the kind of care model described above.

This kind of design process and reform agenda requires a huge amount of work. For example, the importance of clear and strong democratic leadership, supported by new governance arrangements, cannot be overstated. Furthermore, significant stakeholder engagement is required with a range of stakeholders including primary care, the CCG, patients, district councils, social care and the voluntary and community sector. This level of engagement has not been undertaken.

It is argued here that this work should be done first, with the care model finalised, before anything structural is considered. The structure of future arrangements should be based on an analysis of the required model, not the other way around.
The County Council has not been able to address the problem of delayed discharge of elderly patients into the community. It was one of the last authorities in the country to agree a plan to try to better integrate health and social care. There has been the closure of Tier 2 Day Centres (2016/17 £300k and 2017/8 £450k) and cuts to Carers Support grants (2016/17 £60k 2017/18 £100k). There has been constant restructuring of its prevention, early intervention and social care services. In addition, the county has faced overspends in Children’s Services and its budget pressures have led to closures of children’s centres and redundancies in the youth service reducing valuable preventative services for children and families.

Conclusion

A local authority restructure into a single unitary council will not solve the funding deficit in health and social care. A health and social care challenge of the scale that currently exists cannot afford to be thrown off track, as it would certainly be by a wholesale change in local government right across Oxfordshire, and needs to be addressed before any form of reorganisation of local government should be considered.

A fully integrated system with a focus on social care and local delivery requires creative responses, agencies working together and strong leadership. This will not be achieved through local government reorganisation – at best it will be delayed whilst that reorganisation takes place, and at worst matters could deteriorate still further whilst the ‘eye is off the ball’. It needs to be progressed in a way which is aligned with the STP.

There has been very little attempt or success by Oxfordshire County Council to understand and manage demand throughout the health care system. Instead, Oxfordshire County Council’s focus has been on cutting early intervention and prevention services for both children and vulnerable adults. There is nothing in the unitary council proposals that would change this.

A greater understanding of the role of ill health prevention and a more local focus of its application would transform how professionals work together on a community basis. A local focus would enable resources to be more effectively deployed and improve outcomes of the different needs of different communities.

The districts understand and see the benefits of functions such as housing, leisure, planning, and community development and how they all play an important role in holistic and preventative health care. Within a single unitary council these services would, if anything, be more likely to be reduced with a growing focus on only caring for the most vulnerable in society.

Oxfordshire’s shared effort and relentless focus on our health and social care challenges are simply too important to be derailed and should be considered a priority at this time, rather than local government reorganisation.
Delivering transformation and service quality

- The Oxfordshire districts have demonstrated a collaborative approach to out-of-county partnerships and alternative business models for the delivery of shared services.
- Innovation within delivery models is successfully achieving significant savings, generating income and improved outcomes for our residents.
- Our proposal is for a collaborative programme of transformation, built on the Districts’ experience and designed around user needs to deliver better value for money without the cost, disruption and loss of local accountability that will result from structural change.

Things have changed in the last ten years since the most recent unitary authorities were established. The financial crisis and subsequent austerity agenda have led to a substantial reduction in financial support available to the public sector, and local government in particular. The need to transform services and deliver significant savings has never been greater. Alongside this, service cost pressures (particularly around adult and children’s social care) have increased, creating the urgent need for much stronger cross public sector collaboration to find solutions to user needs at a sustainable cost.

Since 2007, local government has seen the extensive emergence of shared Chief Executives which has in turn led to shared management and shared services. Oxfordshire district councils have led the way nationally on developing shared service arrangements, being some of the earliest adopters and creating extensive arrangements. Both Cherwell and West Oxfordshire districts have fully integrated structures with councils outside of Oxfordshire (South Northamptonshire and Cotswolds, Forest of Dean and Cheltenham respectively).

The 2010 coalition government marked a watershed in the approach to delivering improvement and change. Out went the desire to pre-determine and plan the ideal structural solution based on artificial council administrative boundaries. In came a clear and unambiguous statement at the outset about no ‘top-down’ imposed structures but rather a desire to only support re-organisation where there is local agreement.

Councils were encouraged to take a more flexible and pragmatic approach, with financial support in 2014 from the Transformation Challenge Fund, to increase sharing, innovate, transform and explore a diverse range of potential solutions to meet the financial challenges faced. Oxfordshire districts were amongst the most successful recipients of funding support receiving over £8m of funding in three separate successful programmes - all of which involved partner district councils outside of Oxfordshire.

As the outputs from the Transformation Challenge Fund projects have developed over the last two years it has led to the most radical shift ever for local government with a host of transformation initiatives, commercialisation approaches and alternative delivery models. This has come about directly from a system where diversity and pluralism that responds directly to local priorities has been encouraged to thrive.

Although local authorities are each taking their own approach to meeting the financial challenge, there are some emerging themes that are gaining traction within the sector. Many local authorities are creating Teckal companies as individual councils or as part of broader partnerships. This is effectively creating a new competitive market for local authorities and it will not be long before we see local authority owned companies either competing with traditional private sector companies for contracts or as a viable alternative to outsourcing. West Oxfordshire, Cherwell and Oxford City Councils are at the forefront of this quiet revolution happening in local government. There is a risk that backward facing reviews of local government structures will choke off or stifle the radical transformation progress been made in recent years.
West Oxfordshire and Cherwell District Councils have been at the forefront of sharing Chief Executives, senior management teams and services which has enabled them to protect frontline services, minimise council tax increases and retain technical and professional capacity to deliver service improvement.

As early adopters of joint working, both councils are experienced at driving savings through reduction in management costs and now both have similar transformation strategies which will use alternative service delivery vehicles to drive further transformation.

In 2017, the 2020 Partnership (West Oxfordshire, Cotswold, Forest of Dean and Cheltenham) and the Cherwell/South Northants partnership launched council-owned companies that will provide services back to the commissioning councils whilst further reducing costs.

Service transformation, workforce collaboration and a commercial focus are the cornerstones of the shared working partnerships. The 2020 Partnership will deliver savings of £5.9m per year in addition to the £2m annual savings already delivered through shared services for West Oxfordshire. The Cherwell and South Northants Partnership has already delivered in excess of £3.5m annual savings. Over ten years it is anticipated that the move of services into local authority owned companies will deliver further savings of £12m.

For both partnerships, the creation of local authority owned companies provides the opportunity for further financial and service benefits, whilst maintaining the independence of sovereign councils setting their own strategies, policies and decision making.

This approach provides a very strong basis to support a new model for local government reform with an efficient collective shared officer support arrangement able to provide distinct and bespoke advice to a cluster of independent councils focused around existing localities without the need to consider expensive and disruptive political mergers which bring very marginal financial benefits. This model is scalable both in terms of numbers of partners but also in the scope of services, which could, for example, provide opportunities to devolve existing county services where there may be further efficiencies through sharing specialist skills and establishing community budgets within localities.

A more commercial approach to the role of councils has been a key emerging feature in the last few years and again is sadly absent from the Unitary County proposals. Commercialisation covers three distinct areas of better contract management, transformation of services and generating additional income. Much of the knowledge and skills are already available within Oxfordshire, with some excellent examples and learning that could be utilised and applied to the bigger expenditure areas in the County Council.

In response to significant reductions in government grant, Oxford City Council took the initiative to explore opportunities for income generation from trading front line services and expanding the range of work undertaken to capture new markets. The business model is one of investing in staff to deliver world class services and the development of an innovative and commercial culture with a focus on increasing income to allow the council to invest in local services. This has led to successful expansion of trading services such as building maintenance, refuse collection, and engineering services to public sector organisations and businesses, and will have delivered £33m in savings and increased income by 2020. This has all been achieved without cuts to services. The City Council’s achievements have been recognised in numerous awards for its services including ‘Council of the Year’ in 2014 and 2015. In order to grow this and other commercial activity the council is currently in the process of setting up a wholly owned local authority trading company to build on its success.
Case study: Cherwell self-build

Over the last five years Cherwell has transformed its approach to affordable housing, development and building new communities by creating an innovative, sustainable and scalable housing model.

Initially conceived as a pilot project, Build!® is now delivering 250 self-build opportunities of all tenures and sizes to include ‘watertight shells’, refurbishment of empty properties and serviced plots. On every scheme there is a discount in rent and/or purchase price in return for the labour that the customer puts in - thus very much ‘something for something’. The council is also making a 10% return on its investment.

In August 2014 the council set up a company limited by shares in order to facilitate the development of a £27.25m purchase of a brownfield MOD site in Bicester (Graven Hill) to deliver self-build plots for housing and commercial uses. As well as making significant financial returns, this scheme supports the master plan for the development of Bicester and will be the UK’s largest self-build scheme with up to 1,900 plots and creating up to 2,000 new jobs.

In addition, Graven Hill is contributing almost £50m to the local infrastructure through planning obligations to support local secondary schools, adult education, public services and built infrastructure. Likewise, returns on the project will contribute to the long term financial sustainability of the council.

Case study: Oxford City Housing Ltd

Oxford City Council, as a stock holding authority with approximately 7,800 properties, has also established a wholly owned company to meet the affordability challenge. Oxford City Housing Ltd’s Business Plan has an initial 500 home development programme over the next five years with a further 500 planned as part of the council’s strategy for the regeneration of its key estates (the latter now being supported by a £745k DCLG enabling grant from their estate regeneration programme). The new homes will be of mixed tenure, providing a sustainable business plan that will fund more new homes going forward.

The homes will be managed and maintained by the council, thereby providing a management fee back to the council. Additionally, the council’s loan funding (£61m over the next four years) will provide a return back to the council, helping to sustain other essential services.

Case study: Oxford City Council commercial waste service

Oxford City Council has always offered an in-house Commercial Waste Service and business had grown steadily through use by long-term customers and low key business development. Turnover in 2012 was close to £1.8million per annum. A review of the operation indicated they had the capacity, both in terms of vehicles and labour, to substantially increase the turnover and, in turn, the financial contribution to the council.

As a consequence the council took the decision to invest in commercial capacity and skills to extend the operation, concentrating on business within the city boundary in order to minimise the non-productive time element of the work (travelling between sites). The strategy brought significant success and, by the end of the 2016/17 financial year, turnover topped £4million per annum - an increase of 122% in a period of five years.
Case study: West Oxfordshire 2020 Partnership

In 2015, West Oxfordshire (as part of the 2020 Partnership) embarked upon one of the most ambitious efficiency and change business transformation projects for regulatory services in the UK. They developed a resource allocation model to meet service demand and manage risk which has delivered revenue savings of 36.9%. The implementation of smart working has transformed the way staff work and deliver services. The service was recognised with a Highly Commended Efficiency Award by the LGC.

Case study: Excellence in fraud investigation

Following the DWP’s decision to create a Single Fraud Investigation Service, Oxford City Council and West Oxfordshire District Council took the decision, contrary to a lot of other organisations, to explore ways to retain and develop its corporate fraud investigation team. In the first year of operation, the Oxford City team successfully delivered £3.9 million through the prevention of fraud losses and revenue generation through trading its expertise to partner organisations in the public and private sectors.

In West Oxfordshire they have built upon their partnership working with Gloucestershire-based local authorities to establish a counter-fraud unit which works on behalf of eight local authorities (seven district/boroughs and one county council), a housing association and a local authority-owned environmental services company. This has already delivered sustainable additional income of over £500K per annum and has protected the public purse through loss avoidance of over £2m.

Case study: Cherwell business support unit

Cherwell District Council (with South Northamptonshire) established a shared Business Support Unit in order to generate additional income both through the attraction and retention of businesses into the two areas, but also ensuring the councils maximise other income streams such as new homes bonus, council tax and pooled and retained business rates.

This innovative team has been operational since March 2015 and has taken a good blend of complementary skills in finance and revenues to create a team with a shared vision to maximise key income streams. The team work closely with colleagues in areas such as strategic planning, economic growth and public protection to ensure that the wealth and intelligence of activity across the council is put to best use to ensure income streams is maximised.

Current estimates show additional income generated of over £600k from all the added value activities in 2016-2017. The focused approach has also enabled Cherwell (and South Northamptonshire) to maximise Section 31 grants from business rates initiatives for the two authorities as well as support wider objectives of growing business and the local economies.
The commercialisation agenda is very much in its infancy and we are aware that some other councils are pushing the boundaries in ways not yet implemented in Oxfordshire. However, many of the programmes that we are currently implementing have the potential to exploit these opportunities, further raising the opportunity for significant gains in income far outweighing the difficult to achieve marginal shared service benefits of the county unitary proposals.

Shared services, transformation and commercialisation initiatives are currently saving Oxfordshire district councils in excess of 15% of net revenue per annum. For some councils this is planned to double over the next four years as more services are shared and transformed and new commercial opportunities are created – delivering savings in excess of 30% by the end of 2020. As well as driving efficiencies and savings in senior management costs, collaborative working increases resilience, capacity and the sharing of innovative practice. Where shared services have been implemented frontline services can be protected and additional investment made in priority areas.

Not only does the county unitary proposal undermine the opportunity to transform the sector, it also has a direct financial sustainability impact upon other councils outside of Oxfordshire (Cotswold, Forest of Dean, South Northamptonshire District Councils and Cheltenham Borough Council). These councils alone have identified and planned for savings in excess of £7m per annum before 2020, which would be put at risk.

If a more ambitious and innovative approach was collectively adopted then much more could be achieved through public sector reform in the county. 5% savings on total annual council spend in Oxfordshire would deliver £40m; 15% would be £120m, 30% would be £240m. This is the scale of saving that is both required and can be delivered through innovation and transformation without the costs and disruption of structural reorganisation and a future limited to the imagination and ability of just one organisation.

This could be delivered with a stronger approach to joint working within Oxfordshire. Although a collaborative approach has been adopted to support the economic growth and housing needs, there is considerable scope for much greater shared working between county and districts in other service areas. This is particularly evident from the extensive examples of the willingness of the Districts to work collaboratively with other councils.

There are many examples nationally and locally in neighbouring counties of shared and joint working arrangements that involve county and district services with a shared focus on meeting user needs. In Gloucestershire the 2020 Partnership is providing a Counter Fraud service to the county council and districts, potentially saving millions of pounds of lost revenues. The 2020 Partnership was also instrumental in working with the county council on a successful bid under the One Public Estate fund to develop mutually beneficial property projects to maximise the value and income from the collective estate portfolio.

On waste and recycling, five of the six districts and Gloucestershire County Council jointly own UBICO a waste and environment company to deliver waste collection, recycling, waste disposal centres, street cleaning, gully emptying and grounds maintenance services. The councils are also members of a Joint Waste Committee with the objective that both policy strategy and delivery are integrated and delivering in the best interests of residents.
Summary

Based upon the rapid changes made in the last five years and the transformational savings already generated, it is possible for the authorities of Oxfordshire, (with the appropriate ambition and by working more collaboratively to meet user needs), to deliver savings well in excess of the £20m aspired to in the County Unitary proposal without the costs and risks of changes to democratic structures.

Indeed, it is also possible through the commercial approaches described to generate new sources of income which can be reinvested in priority service areas and help drive economic growth. The Oxfordshire Districts have invested in transformation; and developed the skills, and experience with governance structures that already exist to address the financial challenges ahead – we stand ready, willing and able to support a more collaborative approach to deliver transformational change across the whole of the public sector within Oxfordshire for the lasting benefit of our residents.
Leadership, accountability and local engagement

- Locally accountable leadership needs to have the ability to respond to the different needs and priorities of diverse communities and the challenge of rural and urban communities
- Existing local authorities should work jointly with the partners, including the NHS and LEP, to deliver whole systems reform of services, planning, and health and social care to deliver better outcomes for residents, and
- A Combined Authority offers the best way to preserve local accountability whilst improving strategic decision-making.

The thrust of government policy for local government is about localism and devolution. This requires local authorities to be accountable to, and have a close understanding of their communities with the ability to reflect the needs and priorities of the residents they serve. Looking to the future, we need arrangements that balance the need for strategic decision-making on issues such as strategic planning, housing, transport and integration of health and social care with the need for accountability in local decision-making that can focus on the different needs and priorities of local areas.

A single County Unitary authority would be too large and remote to achieve this government policy. Its population is estimated to reach nearly 900,000 by 2031, if planned housing growth is delivered. Even at its current size it would be the third largest council in the country covering a diverse socio-economic geography. The issues reported at Birmingham City Council show that unitary authorities of that scale may result in poor performance, inflexibility and a lack of focus on place with knock-on costs to the local economy and local communities.

In Oxfordshire’s case such an authority would lack the flexibility and understanding to reflect the different needs of sparse rural communities, historic market towns (from Banbury in the north to Henley in the south 50 miles away) and a dynamic global city with all the opportunities and challenges that urban areas face. It would also be too remote to deal effectively with the issues that are typical to inner city urban areas such as community cohesion, migration, deprivation and long standing problems of child protection, trafficking and child sexual exploitation.

The county unitary proposal would see 100-125 unitary councillors making decisions on local services and priorities across the whole county area. This would reduce the ability of local councillors to influence decisions and policies in their area and with the authority less closely linked to local communities, the risk of a loss of focus on place.

Decisions on local services would lack local accountability, understanding of place and the flexibility needed to tailor services to the needs of areas. The County Unitary would control all budgets and services, meaning that the current and difference in focus and decisions about investment which are supporting many valued services and facilities would be put at risk. Councillors representing the urban area of Oxford would be outnumbered by councillors from rural areas, a large proportion of who feel no connection to Oxford, for example those in Henley feel more connected to Reading than Oxford. Tensions that currently exist on issues such as planning and growth would continue, but with weaker ability of the city and urban areas to ensure decisions reflect the interests of their communities.
As the 11th fastest growing English city, Oxford is steadily growing in population and diversity. With the third highest minority ethnic population in the south east, it is an ethnically and culturally diverse city and with the highest population of students in England and Wales it is also a youthful and mobile city.

With success comes many opportunities for urban areas, but also considerable challenges that need to be addressed. There are major inequalities in life chances and life expectancy and ten of the areas in the south and east of the city are among the 20% most deprived in England. Addressing these inequalities underpins the City Council’s priorities and significant investment in community activities, facilities and services designed to improve life chances, tackle deprivation and support vulnerable groups.

The City Council leads the Oxford Safer Communities Partnership with a focus on working with the police and other partners in the city to tackle crime and human exploitation as well as working extensively with its communities on community cohesion. It has also has been recognised for its good practice in proactively engaging in safeguarding boards to ensure a multi-agency approach to protecting those at risk of abuse or exploitation.

Outside the city, Oxfordshire is the most rural county in the South East region, with over 50% of the population living in settlements of less than 10,000 people. Oxfordshire currently has a vibrant rural economy with strong economic growth rates and levels of entrepreneurship well above the national average. There are high rates of rural business formation and rural micro businesses are often very productive. Many sectors are growing including manufacturing; professional, scientific and technical; accommodation and food services; and wholesale and retail. At a national level, dynamic rural economies contribute significantly to growth - in total, rural businesses contribute £400bn per annum (19% of GVA).

The districts pay a key role in providing leadership to support local rural economies and have strong links with their local business communities so are able to tailor their services to fit distinct local needs. Oxfordshire districts have provided additional funding to extend the reach of superfast broadband beyond 90% of homes and businesses. West Oxfordshire’s policy of free town centre parking and investment in Witney’s town centre regeneration is critical in supporting the town’s thriving retail economy. The council also plays a leadership role to enable and encourage businesses to work in partnership to promote tourism and the visitor economy that brings in over £279m per year and supports 5,000 jobs across the district.

However, the economic success of rural areas cannot be taken for granted. It is critical that policies and funding for support services such as schools, GPs, public transport and affordable housing are sensitive to the needs of rural areas. Without an appropriate support framework into the future there is the risk that many rural communities will underachieve economically.

The following examples illustrate districts’ and the city council’s services and initiatives engaging with local communities to respond to the specific needs and challenges of local areas, delivering benefits to local residents and better outcomes from public services.
Case study: Community Partnership Network

In 2008, proposals to downgrade the services provided at the Horton General Hospital (HGH) were dismissed by the Secretary of State for Health who recommended that the then Primary Care Trust (PCT) review the means of community engagement and better integration of hospital services between Oxford and Banbury. This would avoid the Oxford centric approach to service delivery.

Since 2011 after the then Primary Care Trust commenced the community engagement process, the Community Partnership Network (CPN) was set up by Cherwell District Council to recognise that there would be on-going change in the health and social care sector arising from financial, clinical and technological changes and it was necessary to locally embrace these changes to best effect. In doing so, it was agreed that the focus of the CPN in the future should be about a network for engaging a wide range of stakeholders and public representatives, helping them interact with each other to influence local commissioning and service delivery.

The membership of the CPN consists of representatives of health and social care commissioners and delivery bodies, the voluntary sector, all three tiers of local government in Oxfordshire plus South Northamptonshire and Stratford-on-Avon Councils, given the cross boundary implications of patient travel. Meetings are held in public and with managed public participation.

Cherwell District Council’s role as the community leader has been to provide legitimacy, focus, community engagement and activation. It has done this though chairing the CPN, following up all actions arising, engaging relevant organisations and key personnel to address service change with the Network with the rationale for and details of the nature of the change, to structuring the consideration of each issue in a way which can offer a positive contribution to change and to disseminate for public purposes relevant information.

Case study: Oxford Safer Communities Partnership

Oxford City Hotel Watch scheme is run by the Human Exploitation Co-ordinator as one of a number of measures to tackle the problems of trafficking and exploitation in the city. This sector forum is self-sustaining, having been set-up by council officers. The police are already receiving more safeguarding alerts from members as their staff recognise the signs and understand how to refer to appropriate agencies.

The Oxford City Council Sanctuary Scheme provides security interventions for victims of violent crime to help them remain in their homes. Over 150 people were helped in 2016-17, none of whom presented as homeless after six months, saving on the huge cost of rehousing in temporary accommodation or accessing other housing options.

In response to Thames Valley Police concerns about the increase in robberies of summer school language school students, Oxford Safer Communities Partnership (OSCP) set up the Oxford Language School Forum (OLSF) in summer 2012. The OLSF works closely with language schools to improve the quality of life for visiting students and residents of Oxford who may be impacted by the arrival of language school students.
Case study: Brighter Futures In Banbury

Over the last seven years Cherwell District Council has led a multi-disciplinary cross-sector partnership to focus on reducing the damaging effects of deprivation felt in three ward areas in Banbury which ranked in the highest quintile of deprivation in England and in the top decile for some health indicators.

Strong local political leadership has enabled resources to be co-commissioned, co-located and combined to derive increased impact and improved outcomes for individuals and families; having a beneficial impact on community resilience and capacity to sustain improvements.

Outcomes achieved include:
- Improved educational attainment
- Reduced Job Seeker Allowance claimants
- Reduced numbers of young people who are Not in Employment, Education or Training
- Increased volunteering
- Increased social housing provision
- Reduced levels of crime and antisocial behaviour

Partners include children’s social care, public health, clinical commissioning, police, registered social landlords, third sector and charitable organisations as well as the district council’s own staff for economic development, community, leisure and housing services.

Case study: Meeting specific need - the ISO project

In West Oxfordshire in 2013, only 9.4% of people with disabilities were physically active compared with 28.8% of people without a disability and 32.7% of those inactive people wanted to be more active (National Active People Survey by Mori). There was also a lack of age-appropriate extracurricular opportunities for young people with disabilities to go to and those that did exist were oversubscribed or a long way from home.

Inclusive Sports Opportunities (ISO) was created to provide sports opportunities for young people both in a leisure facility setting and local sports clubs. The council applied successfully for £70k of lottery funding and has worked with local special schools, carer organisations and sports providers to establish:
- after-school provision for young people with disabilities
- workforce development in partnership with the local college
- support and encouragement to clubs and accrediting them with the inclusion symbol.

There are now:
- 623 people engaged in activities supported by 40+ volunteers
- four schools involved, as well as Witney and Abingdon College
- trained and experienced volunteers
- fully trained coaches and a project co-ordinator
- five Community Sports Clubs who have been awarded the Inclusion Symbol
- plans in place to run this permanently as part of the council’s new leisure management contract.
The county unitary proposes between 15-20 area boards to take decisions on community services (yet to be defined) and an increased role for town and parish councils. This would create a complex and confusing patchwork of locality governance arrangements. There is a lack of clarity about how these bodies work and relate to each other and the functions they would have, but it is clear that they will lack the independence, democratic and local accountability to match the role that the districts currently play in driving growth, housing delivery and investment in local priorities.

The best way forward for Oxfordshire is to build upon leadership of place and flexibility to design services around the different needs and challenges that Oxfordshire’s communities face that are currently provided by the district and city councils.

There are many different approaches to collaborative public sector place leadership that prove that a whole system approach to improving resident’s lives can be achieved. The Oxford Local Strategic Partnership continues to drive partnership working in the city, bringing together the city and county council and public and private sector partners to focus on shared ambitions for economic development, urban regeneration, tackling deprivation, improving education and skills, reducing crime and promoting a low-carbon Oxford.

**Conclusion**

We need to create greater opportunities for the broader “leadership of place” to come together and develop a common vision of future aspirations and desired outcomes. A focus on place is critical to building partnerships that can respond to the needs of local areas and engage effectively with the communities they represent.

The best way forward for Oxfordshire is to retain the successful leadership of place and flexibility to design services around the different needs and challenges that Oxfordshire’s communities face and to work in partnership through a Combined Authority to improve strategic decision-making on issues such as strategic planning, housing, transport and integration of health and social care.
Financial sustainability

- The districts in Oxfordshire have built financially sustainable councils that are delivering significant efficiency savings and generating income. Local government reorganisation puts this at risk.
- A Combined Authority has strong potential to enhance financial sustainability and resilience of local government in Oxfordshire by attracting additional funding for investment in infrastructure and increasing the amount of council tax and business rate income collected as well as enabling the continuing success of districts to deliver efficiency savings.
- A collaborative transformation programme could deliver more ambitious savings than those that achieved through reorganisation without the costs and income foregone.

As set out in the following section of this report, the financial analysis included in the County Unitary proposal has very little or no supporting detail on the assumptions that have been made in order to validate saving and cost estimates. The savings overstated, transition costs understated and income foregone as a result of council tax harmonisation not factored in to what it will mean to council tax payers.

As local government is moving away from the model of central government grant funding to a self-funding model of council tax and business rate income, the county unitary proposal puts at risk the three main sources of future income that will support long term financial sustainability, high quality services to be delivered and conditions for economic and housing growth to be created – council tax, business rate income and trading income.

Spending power of Oxfordshire Councils

In order to provide context on the potential revenue resources available to the councils up to 2019-20, the Core Spending Power of each council has been analysed. The combined Core Spending Power of the five Oxfordshire district councils and the county council was estimated to be £495m in 2016-17 and is estimated to increase to £506m in 2019-20 (as shown in the table below). The components that make up the spending power calculations for each are:

- Council tax requirements (excluding parish precepts)
- Additional council tax available from the adult social care precept
- Additional council tax available to district councils – the greater of £5 or 2%
- Better Care Fund payments
- New Homes Bonus payments
- Rural Services Delivery Grant
- Transitional grant to ease the pace of RSG reductions in 2016/17 and 2017/18.

Table: Estimated spending power of the six councils for the period 2016/17 to 2019/20 (£m)

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cherwell</td>
<td>15.5</td>
<td>15.2</td>
<td>13.8</td>
<td>13.6</td>
</tr>
<tr>
<td>Oxford</td>
<td>24.0</td>
<td>22.3</td>
<td>21.6</td>
<td>21.3</td>
</tr>
<tr>
<td>South Oxfordshire</td>
<td>13.3</td>
<td>13.1</td>
<td>12.3</td>
<td>12.2</td>
</tr>
<tr>
<td>Vale of White Horse</td>
<td>12.9</td>
<td>12.9</td>
<td>11.9</td>
<td>11.8</td>
</tr>
<tr>
<td>West Oxfordshire</td>
<td>9.0</td>
<td>8.5</td>
<td>8.1</td>
<td>8.1</td>
</tr>
<tr>
<td>Oxfordshire</td>
<td>419.8</td>
<td>426.8</td>
<td>428.4</td>
<td>439.2</td>
</tr>
<tr>
<td>Total</td>
<td>494.5</td>
<td>498.8</td>
<td>496.1</td>
<td>506.2</td>
</tr>
</tbody>
</table>
Council tax income

As can be seen in the table below, the estimated council tax receipts in 2015/16 for the whole of Oxfordshire (excluding parishes) is £322m and this is expected to rise to £403m in 2019/20.

Table: Estimated council tax revenue (£m) 2015-16 to 2019-20

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Cherwell</td>
<td>7.1</td>
<td>7.4</td>
<td>7.8</td>
<td>8.1</td>
<td>8.5</td>
</tr>
<tr>
<td>Oxford</td>
<td>11.9</td>
<td>12.4</td>
<td>12.9</td>
<td>13.4</td>
<td>13.9</td>
</tr>
<tr>
<td>South Oxfordshire</td>
<td>6.0</td>
<td>6.1</td>
<td>6.5</td>
<td>6.9</td>
<td>7.2</td>
</tr>
<tr>
<td>Vale of White Horse</td>
<td>5.6</td>
<td>5.6</td>
<td>6.0</td>
<td>6.3</td>
<td>6.6</td>
</tr>
<tr>
<td>West Oxfordshire</td>
<td>3.4</td>
<td>3.6</td>
<td>3.8</td>
<td>4.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Oxfordshire</td>
<td>288.3</td>
<td>305.9</td>
<td>323.7</td>
<td>342.6</td>
<td>362.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>322.3</td>
<td>341.0</td>
<td>360.7</td>
<td>381.4</td>
<td>403.1</td>
</tr>
</tbody>
</table>

The County Unitary proposal fails to set out in any detail how the income foregone is calculated for conclusions to be drawn on the number of citizens who will be affected by rises in council tax nor does it say how the council tax budget gap will be funded. So when the funding model is changing and there will be more reliance on council tax, the county proposal will reduce this income source from 2019-20 onwards and compound the short to medium term financial challenge of achieving savings and transforming key services such as adult’s social care when demand is rising.

The latest proposals of the County Council suggest significant tax foregone with a harmonisation towards the lower end of the constituent district council levels. This will add further to the future funding problems of any new unitary authority and increase the risk of reductions in non-statutory but important local services.

Combining the district councils into a single county unitary will require council tax rates to be harmonised. There are different methods to harmonise council tax but all methods will result an element of council tax income foregone until such time that council tax rates are identical (for each band) in all areas of Oxfordshire.

The proposals for harmonisation of council tax in the Unitary County are poorly developed and will be highly problematic to implement. The proposal envisages establishing a precept raising authority for Oxford City to avoid harmonisation, but does not address legal and practical barriers to this. With the lack of a coherent or implementable proposal for the city, harmonisation of council tax across the districts means council tax will increase dramatically in some areas (up to 16% over 4 years is suggested by the Grant Thornton report commissioned by the County).
Business rate income

Business rate income was £265m for the all of the Oxfordshire district councils in 2014-15 and this is forecast to rise to £309m in 2017-18.

Table: Estimated business rate income (£m) 2014-15 to 2017-18

<table>
<thead>
<tr>
<th></th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cherwell</td>
<td>66.2</td>
<td>73.2</td>
<td>76.8</td>
<td>85.2</td>
</tr>
<tr>
<td>Oxford</td>
<td>73.6</td>
<td>87.4</td>
<td>86.2</td>
<td>90.8</td>
</tr>
<tr>
<td>South Oxfordshire</td>
<td>41.0</td>
<td>41.5</td>
<td>42.8</td>
<td>43.1</td>
</tr>
<tr>
<td>Vale of White Horse</td>
<td>53.2</td>
<td>51.1</td>
<td>58.3</td>
<td>52.5</td>
</tr>
<tr>
<td>West Oxfordshire</td>
<td>31.7</td>
<td>31.2</td>
<td>34.6</td>
<td>37.6</td>
</tr>
<tr>
<td>Total</td>
<td>265.7</td>
<td>284.4</td>
<td>298.7</td>
<td>309.2</td>
</tr>
</tbody>
</table>

The growth is a result of the current model of local government in Oxfordshire where district-focused local economic growth strategies support local strengths and priorities. The districts currently delivering economic and housing growth are inherently more agile and flexible and have shorter spans of control to promote creativity and have the ability to streamline decision-making that has created the conditions for economic growth.

The county unitary proposal runs the risk of diluting the current effectiveness of economic and housing growth strategies which in turn puts at risk the business rate income in the medium to long term.

Local government funding challenge

Establishing a County Unitary at this time would be a major distraction to the challenges faced by the county and the ‘Fit for the Future’ transformation programme that the county has recently started to implement to address the service and budget challenges, for example a savings target of £79m was set for 2016-17 to 2019-20 and £47m of this relates to adults and children’s social services. Of this, £25m has been identified as very high on deliverability risk because it is based on reducing demand in adults and children’s social services. Successive county council Medium Term Financial Plans have shown a reversal of a significant amount of savings declared in previous years, bringing into question whether this level of saving is realistically deliverable.

The county’s financial challenge has been highlighted by a recent report which has estimated a £5.2m overspend for 2016-17 financial year against a net budget of £411m. An overspend of £7.2m is forecast in children’s services, of which £5.1m relates to children’s social care after £2m of reserves and contingency funding was transferred to support the service. The county has also acknowledged that the growth in demand for children’s social care is a key concern and they have recently commissioned a review to understand the drivers for increased demand and this work will feed into the county wide transformation programme. Adult Social Care is also forecast to overspend by £1.2m after using all of the Pooled Budget reserves and the Adult Social Care council tax precept to manage demand pressures, which are also increasing.

The County’s focus needs to be on delivering a transformation programme that can begin to address the long-term financial sustainability of its largest services rather than on local government reorganisation and the restructuring of district services which are currently performing well. Without delivery of that transformation, there is a real risk that in a unitary council these costs overruns will ‘crowd out’ other important local services with the new authority avoiding true service transformation by adopting a continuation of the current strategy of cutting non-statutory services to finance statutory service cost increases.
Districts response to date on the local government funding challenge

The Oxfordshire district councils have responded to the local government funding challenge and have successfully committed to a financial model of self-sustainability through innovation, collaboration with other councils and commercialisation.

West Oxfordshire District Council has delivered efficiency savings through transformation and joint working with partner councils such as Cotswold District Council, Forest of Dean District Council and Cheltenham District Council under the ‘2020 Partnership’ where staff are working across four councils to maximise efficiency, increase resilience and improve service provision for residents. The total efficiency savings achieved by the council over the last six years is £10.1m, with a plan to achieve a further £17.0m over the next four years.

Cherwell District Council has delivered efficiency savings through a partnership arrangement with South Northamptonshire District Council which, to date, has delivered over £3.5m through a joint Chief Executive and Senior Management Team and the delivery of shared services. In total, Cherwell has delivered £6.9m of efficiency savings over the past six years and has a plan to achieve a further £8.0m in the next four years.

Where West Oxfordshire and Cherwell have achieved savings with partner councils outside of the Oxfordshire geography, the county unitary proposal does not make reference to the financial impact on these partners who will face significant financial risks, and savings under a single county unitary will be offset by costs in other areas.

Oxford City Council has delivered £10.3m in efficiency savings in the last six years by changing the way services are delivered and through investment in technology as part of this. The council has a plan to achieve a further £5.6m of efficiency savings by 2020.

Cherwell, Oxford City and West Oxfordshire recognise that additional funding streams and ways of generating income will be required in the medium to long term to support financial sustainability. The three councils have already started to deliver on this front; for instance Cherwell District Council has set up companies to deliver affordable housing and has other commercial partnerships which generate £5.8m annual income to the council; West Oxfordshire has set up three local authority owned companies to deliver services on behalf of the councils it partners with, has a commercial property portfolio and other commercial partnerships which generate annual income of £7.6m; and Oxford City Council has a commercial property portfolio, a Local Authority Trading Company to provide direct services, and other commercial partnerships that provide a £15.5m annual income stream to the council.
Conclusion

A collaborative model such as a Combined Authority will enhance the relationship between the six councils and provide opportunities to strengthen arrangements for collaboration on areas such as economic development, housing, regeneration and transport and make these services more efficient. It has strong potential to enhance financial sustainability and resilience of local government in Oxfordshire by attracting additional funding for investment in infrastructure and increasing the amount of council tax and business rate income collected (which are the two major income sources under a reformed local government funding model) as well as enabling the continuing success of districts to deliver efficiency savings.

A collaborative transformation programme, with the districts, county and other public sector partners working together, and designed around user needs will deliver better value for money than structural reform. The £16m transition costs to create a single county unitary would be more appropriately spent on solving bigger and more immediate financial challenges relating to demand for adults and children’s social care and closing the £480m STP funding gap. Structural reform will significantly slow progress in these areas to achieve a dubious and relatively unambitious savings target of £20m per annum, which is small compared to the size of the health and social care challenges. The £20m could be delivered without the costs and income foregone that would come from reorganisation and could be achieved through a collaborative savings programme.
Critique of the County’s unitary proposal

This section sets out an analysis in the form of a critique of the county unitary proposal based on the DCLG six tests for local government reorganisation:

1. Delivering improved services and outcomes for local residents
2. Demonstrating improved value for money and efficiency
3. Delivering significant cost savings and demonstrating that the cost of change can be recovered within a reasonable timescale
4. Supporting stronger and more accountable leadership
5. Demonstrating service and financial sustainability in the medium to long term, and
6. Reducing fragmentation of service

In addition, given that statements from Ministers have made it clear that they expect proposals to command a broad degree of local support, this is also examined under the ‘Local support and consensus’ test (Test 7).

Context

The proposal suggests that local government in Oxfordshire is facing three major challenges:

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

It argues that creating a single tier of local government to better integrate services such as housing, social care and welfare benefits, is better suited to avoid duplication and improve efficiency and create the right platform to support economic growth, which will lead to financial and service sustainability, improved outcomes for residents and a stronger economy. This proposed change is anticipated to save £20m per annum from the existing combined expenditure of the six local authorities and to incur one-off costs of £16m to affect the change.
Test 1: Delivering improved services and outcomes for local residents

The proposed benefit of bringing county and district functions together into one tier of local government is that it will create opportunities to improve alignment and integration of functions. This, however, needs to be balanced against the fact that existing district functions would now be planned on a much wider geography, making them more remote from local people and the communities they live in.

The county unitary submission asserts that better outcomes will be achieved through combining central and support services and through greater integration of services. However, there is a lack of vision or evidence in the document about how the transformation needed to achieve this would be progressed. It is difficult, therefore, on the basis of the information provided, to have confidence that the benefits will be achieved - most notably, accelerating housing delivery, ensuring a focus on local economic growth opportunities and protecting innovative service delivery models that are delivering improved outcomes for residents.

The proposals for central support services fail to address the fact that different services and delivery models have emerged in the districts reflecting the distinctive priorities and characteristics of each area. These models have delivered significant savings and improved outcomes. The Grant Thornton work that underpins the county unitary proposal made it clear that it would be difficult to continue these different models under a single county unitary and they would have to be discontinued. The submission fails to address in any detail how the efficiencies and transformation being delivered under these current arrangements could be protected when services are centralised.

The proposal would create a remote county unitary that exceeds government’s size guidelines for unitary authorities. It would create the third largest unitary authority, covering a population of almost 900,000 by 2030 if planned housing growth is delivered. Unlike existing authorities of comparable size it would cover a vast and varied geographical area. As such it would lack ability and focus to respond to differing needs and priorities of diverse communities in a dynamic fast growing city, sparse rural areas and market towns.

To counteract the loss of local accountability, the county unitary proposal would create 15-20 Area Executive Boards and a new town council for Oxford City to which it says would enable decisions about community services to be taken at an appropriate local level. However, the paper is light on detail responsibilities and budgets that will be devolved to local level, which functions will be determined locally and the level of autonomy boards will have to reflect local needs and aspirations in decision making.

The report refers several times to the model in Wiltshire. Oxfordshire is very different to Wiltshire. Oxfordshire has a strong and fast growing economy with both rural and urban communities. A unitary authority such as the one which exists in Wiltshire would not be able to tackle the challenges or find the solutions to sustain growth and recognise the different needs of these communities. Wiltshire has no equivalent to Oxford City as a major urban core. The major urban area of Swindon is a separate unitary authority reflecting its different socio-economic characteristics.

A parish council for the city seems to be the proposal for Oxford City. This would be inadequate to manage and reflect the size and strategic contribution of the economic powerhouse of Oxford City, and the very different needs of a concentrated urban area. The lack of clarity about the level of autonomy, responsibilities and powers of the new council and the resources available to it mean it is difficult to have confidence that services and investments in the city would be protected or enhanced.

It should also be noted that only the new unitary authority, once established, will have the powers to constitute these area boards and so there are no guarantees about this new structure.
The proposal claims that more money would be available to invest in community facilities and services as a result of the £20m savings to be achieved. As discussed below, the analysis of the deliverability of these savings is insufficiently robust analysis to provide confidence that this is the case. In addition, the proposal makes a number of commitments for the use of these savings, including investment in the infrastructure fund and keeping council tax levels low. With increasing demand and rising costs of adult social care and children’s services, it is difficult to have confidence that the commitments to greater investment in local services will be met.

The county council is facing significant challenges in dealing with budget pressures and overspends in children and adults services. As discussed in this report, insufficient progress has been made to date in delivering the transformation needed to address these challenges. This is highlighted in successive Medium Term Financial Plans from the county which have shown a reversal of significant amounts of savings planned in previous years.

Progress on integration and joint commissioning of adult social care and health has not made progress that has been seen in other areas of the country. The county has recently embarked on a new transformation programme designed to address these challenges. Delivering this programme successfully needs to be the priority for the county council in the coming years and could be put at risk if the focus shifts to implementation of a unitary council and the centralisation and reorganisation of other local services.
Test 2: Demonstrating improved value for money and efficiency

This test shouldn’t simply be about an improvement in value for money and efficiency on existing arrangements but should demonstrate that resources are to be deployed in the optimum way. This, therefore, needs to be much more than short-term cost savings and the focus should be on creating the conditions for deep rooted transformation of public services, which impact on future demand. Such an approach would be capable of delivering considerably more financial benefit than the £20m of upfront savings and create the optimum arrangements for income generation, particularly council tax and business rates.

In the Buckinghamshire, Oxfordshire and Berkshire Sustainability and Transformation Plan for health and social care it states that a funding gap of £480 million needs to be closed in the next four years. Additionally, the sources of funding for local government are changing so that authorities will be far more reliant on locally derived income from council tax, business rates, fees and charges. In this context of wider public sector reform, rising demand for services and increased complexity, any analysis of efficiency and value for money needs to demonstrate that these issues have been fully considered and that the proposed changes will involve the optimum governance arrangements and resource deployment in this wider context.

The proposal does not currently reflect this, and is carried out in isolation of these other factors which will have a significant impact on the financial position of local government and, more importantly, the outcomes for the residents of Oxfordshire. It is therefore hard to conclude that it passes the efficiency and value for money test.

There is insufficient evidence within the proposal stating how improved efficiency and value for money would be delivered. As discussed under the third test below, more in depth analysis of savings and costs of transition is required if the assumptions about savings are to stand up to scrutiny.

The case for improved efficiency set out in the proposals is based on a traditional approach of realising economies of scale, from bringing back office services together and a reduction in number of elected members. The proposals do not consider other opportunities to increase value for money that have become increasingly important such as commercialisation and generating income through trading.
Test 3: Delivering significant cost savings and demonstrating that the cost of change can be recovered in a reasonable timescale

Value for money is about spending less, spending well and spending wisely. The County Unitary proposal does not set out how it will spend well and wisely. It suggests £20m of annual savings could be achieved by eliminating the duplication of running six councils after £16m of one-off transition costs are incurred to create a single unitary council. On the face of it the £20m annual savings would meet the ‘spending less’ criteria but the financial analysis included in the proposal is not sufficiently developed and lacks detail to form the basis of a decision to reorganise local government in Oxfordshire. On closer inspection the savings appear to be overstated, transition costs understated and income foregone as a result of council tax harmonisation not factored in to what it will mean to council tax payers. The financial analysis has very little or no supporting detail on the assumptions that have been made in order to validate saving and cost estimates.

More in depth analysis of the deliverability of the assumed savings is needed. The report by Price Waterhouse Coopers into unitary options in the summer of 2016 recommended that such an exercise would need to be developed in a business case for any one option. This has not been done. Key observations on the financial analysis are:

Savings

- £1.5m of savings have been assumed for a reduction on councillors, but no detail is provided on how this figure has been calculated. It appears the calculation has not factored in the higher cost of being a unitary council member with additional responsibilities (as it’s based on average member costs under the current democratic structures in Oxfordshire). The cost of operating 15-20 executive area boards also appears to have been omitted from the calculation.

- £15.8m of efficiency savings have been assumed for combining district services, combining corporate central services and a reduction in office space under a single unitary. These savings do not factor in the current shared arrangements that Cherwell and West Oxfordshire district councils have in place with other councils and so appear to be overstated. The county unitary proposals would unpick the partnership and shared service arrangements, which will have significant costs and fundamental financial implications for projected savings and service outcomes not only for the Oxfordshire districts but also for those authorities outside the county (including South Northamptonshire District Council in Northamptonshire and Cotswold and Forest of Dean District councils and Cheltenham Borough council in Gloucestershire) which would require compensation. The costs of ending these arrangements, the savings foregone and the impact on value for money do not appear to have been taken into account in the County Unitary proposals.

- £3.2m of savings have been assumed for a reduction in the number of senior manager posts but no supporting detail has been provided on the new structure or the salary assumptions that have been made.

- £20m of additional transformation savings are not substantiated with any detail.

It is suggested that £10m of the savings will be used to fund a £1bn investment in infrastructure, thus the estimated £20m annual saving, which we believe is overstated, could be reduced to less than £10m per annum (after using £10m for infrastructure and £6m for council tax).

The proposal also states that a further £20m of transformation savings could be achieved following reorganisation but no detail is provided on how this would be achieved and in which service areas.

Transition costs

- £7.4m of staff redundancy costs are assumed based on an average redundancy cost of £18,500 per FTE. It appears the costs are understated on the basis that the reduction in
senior posts alone would cost significantly more than £18,500 per senior FTE as these would likely be at or close to the £95,000 cap on exit payments proposed by government. The £18,500 is also less than the £25,000 average public sector redundancy cost analysis performed as part of the government consultation of public sector exit payments. No supporting detail has been provided on the assumptions that have been made to validate this estimate.

- £2.5m for integrating IT systems of six councils, just over £400k for each, is significantly underestimated when the number of systems to be integrated across all six councils is considered. For example, Shropshire Council is spending over £20m on implementing a new IT system over a five year period in addition to £7m costs to continue to run their existing systems until contracts cease. Further, there is no indication of what approach the new council might take to deliver a joined-up approach to support more collaborative working to determine whether these costs are anywhere near realistic.

- £1.3m transformation programme team costs are assumed over a three year period which is just £433k per year (approximately six to eight members of staff) which does not reflect the complexity and resource required to bring six organisations together. We believe this to be a considerable underestimate of the likely cost of consolidation.

- £1.0m for corporate communications and rebranding for the new single unitary appears to be reasonable assumption.

Council Tax

- Combining six councils will require a harmonisation of council tax rates. The county proposal does not clearly set out how this will be achieved, nor does it say how much council tax income will be foregone as a result of harmonising council tax rates and the impact this will have for council tax payers. It makes reference to returning £6m to taxpayers but provides no detail on how this will be achieved.

- The work by Grant Thornton which underpins the county unitary proposals suggests significant council tax rises for residents as a result of harmonisation and suggests this could be up to 4% per year, so up to 16% over the 4 year transition period. The current proposal document relies on a vague proposal that the city could set its own precept without any clarity about the legislation or governance arrangements that would legally enable this. The proposals for harmonisation are therefore likely to be highly problematic.
Test 4: Supporting stronger and more accountable leadership

The proposal for a county unitary emphasises the improved leadership and accountability on offer with decisions taken at the most appropriate level. It proposes that strategic decisions on planning, infrastructure and the economy would be taken at a county level and more local issues determined at local level through 15-20 Area Executive Boards.

A county unitary with 100-125 councillors representing a population of 900,000 would be more remote from local communities than the existing district and city councils. This would mean that the authority is less closely linked to local communities, with the risk of a loss of focus on place. The county unitary would create one decision-making body for all services other than those delegated to area boards. However, within that authority there would be the same diversity of interests and views which would still need to be managed. Councillors representing the urban area of Oxford would be outnumbered by councillors from rural areas, a large proportion of who feel no connection to Oxford; for example those in Henley who feel more connected to Reading than Oxford. Tensions that currently exist on issues such as planning and growth would continue, but with weaker ability of urban areas to ensure decisions reflect their interests.

As stated previously, the report is light on detail on how the area boards would work, the functions and budgets that would be devolved and the degree of autonomy they would enjoy. The proposal for a new council for Oxford City is even more vague, suggesting that funding could be raised by precept with no detail of what budgets would be devolved from the new unitary authority. It makes no mention of the consequences for the existing four parish councils in Oxford City and is unclear on what functions the new council would be responsible for. The absence of coherent governance proposals for Oxford City is a critical omission in the county unitary submission since this is crucial, both to the continued economic success of the city as a national economic asset and to the financial assumptions of the entire model.

The current proposals are to establish a ‘City Convention’ to work with residents and local stakeholders, including existing councils and parishes, to explore the model for governance for the city. Since the County Unitary proposals are not supported by residents, parish councils or key institutions in the city it is unlikely that this approach will be effective.

Furthermore, as stated above, only the new authority could constitute these new local arrangements therefore their status cannot be assumed nor guaranteed at this point.

Transforming public services to secure better outcomes within a financially sustainable system of public administration will take more than a restructuring of local government. It will require a much more integrated approach to service delivery across the public sector and a fundamentally different relationship with residents, with much more emphasis on building resilience and independence within communities and individuals thereby reducing demand for hard-pressed public services.

Building such relationships requires locally accountable leadership. The scale of district councils provides this and a single county unitary is clearly more remote. The question that hasn’t been sufficiently answered in the single county unitary proposal is whether the Executive Area Boards and the new council for the city are capable of adequately compensating for this remoteness and are they capable of providing the accountable local leadership needed to build these new relationships with local people and the communities they live in?

Any proposed new model of local governance needs to demonstrate that it can provide effective leadership and improved accountability in this context. Furthermore, in order to secure devolution of greater powers and investment in infrastructure and skills to drive economic growth, it needs to demonstrate clear and accountable leadership that is capable of building business and investment as well as ministerial confidence in its new arrangements.
Devolution deals which involve the transfer of sufficient powers and resources to make a real difference to local economies have involved proposals for a Combined Authority. Whilst the majority of these have been in metropolitan areas of the country, this also includes Cambridgeshire. There is no disputing the importance of the Oxford to Cambridge corridor as an economic growth area of national and international significance. It is vitally important to determine, therefore, whether the current proposals provide the optimum leadership and accountability arrangements to fully exploit the economic opportunities that exist in Oxfordshire. Getting this right is in the national interest.

The County Unitary proposition is that a single local authority would allow greater alignment between strategic issues of transport, housing, infrastructure and spatial planning. However, this takes no account of the significant progress currently being made through collaboration in Oxfordshire.

In addition, unitary council will always have to balance the demands of addressing the service needs of local people, rising demand and complex partnership arrangements and the need to lead wider public sector reform to secure desired outcomes, focusing and leading the economic growth agenda for Oxfordshire. Tensions that currently exist on issues such as planning and growth would continue, but with weaker ability of urban areas to ensure decisions reflect their interests.

On the other hand, a single purpose Combined Authority embracing a statutory LEP would have a much clearer purpose and focus and would bring together locally accountable leaders with a focus on place and clear arrangements for effective decision-making.

Such a vehicle, building on existing Oxfordshire Growth Board arrangements which are currently being developed to provide governance for a joint strategic plan for Oxfordshire, would be capable of being implemented to a much faster timescale and without costly reorganisation. An inward-looking structural change to local government in Oxfordshire would be a major distraction, focusing leadership energy on reorganisation rather than economic growth, the big challenge of health and social care integration and managing the changing financial landscape for local government.

The report setting out the proposal for a Unitary County is silent on the alternative governance options, particularly around the economic growth and health and social care agendas. This is a significant omission.

Getting governance right is a crucial part of integrating public services such as health and social care. The STP funding gap clearly demonstrates that doing so has to be a top priority for Buckinghamshire, Oxfordshire and Berkshire. Without creating a new model of care, capable of evolving to a model of whole population health, both the health and local government systems in the area cannot become sustainable. An integrated approach to housing and social care would be beneficial but could also be progressed through a collaborative approach. The real question is whether the current governance for social care and health creates the right conditions for integrating these functions and transforming the way services are commissioned and provided. Again, this is not addressed in the Unitary County proposal.

Taking all of these issues together highlights that governance, leadership and accountability need to be considered, not in the narrow context of local government restructuring but in the context of the local public sector reform and the economic growth agendas. Working out the optimum arrangements to exploit Oxfordshire’s considerable economic potential and designing the optimum governance arrangements for integrating health and care functions are the most pressing priorities.
Test 5: Demonstrating service and financial sustainability in the medium to long term

As previously stated, sustainable local government in Oxfordshire (both in financial and service terms) is unlikely to be achieved without creating a new model of care in an integrated system of health and social care. Without this, unambitious savings of up to £20m per annum (before foregone council tax revenue and other transition costs are considered) from reorganisation will more than be consumed by rising demand in adults and children’s social care and the Oxfordshire share of the STP’s £480million funding gap.

Furthermore, optimising the arrangements to support economic growth is a critical element of any successful financial strategy for local government given the way in which local government will be funded in future. Inclusive economic growth and getting people into secure, well paid employment is a key ingredient in reducing demand for hard pressed public services. Even in affluent Oxfordshire this is the case, and aligning all the policies and initiatives to support economic inclusion into long-term programmes as part of a devolution deal will make an important contribution to both financial sustainability and improving independence, resilience and outcomes for local families.

The proposals to borrow up to £1bn for investment in infrastructure are poorly developed and assume use of reserves and assets from the district councils that are already committed to other infrastructure investment schemes.

The report setting out the proposal for a single county unitary doesn’t adequately reflect the extent of transformation required to create sustainable public services in an environment of constrained resources and rising demand. It doesn’t recognise that local government reorganisation in isolation of a coherent programme of public sector reform will not lead to financial sustainability nor better outcomes for local people. The proposals fail to convince that a County Unitary will optimise the arrangements to support economic growth when compared to the alternative option of a Combined Authority and statutory LEP, and developing a new model for integrating and transforming health and social care.
**Test 6: Service fragmentation**

Whilst not an official test, experience suggests that this is an important issue for Government when considering proposals for local government reorganisation. This is particularly the case in the area of Children’s Services with concerns over safeguarding, multi-agency collaboration and information sharing foremost in Ministers’ minds. In a two tier system this is not an issue as the County Council is the statutory body responsible for Children’s Services. However, safeguarding ultimately is about the quality of partnership working, information and intelligence sharing, leadership and collective learning. The present system requires multi-agency collaboration and this would remain the case for the proposed county unitary.

The proposal does not, however, consider two aspects of service fragmentation which would arise from moving to a county wide unitary. Firstly, those services, assets and budgets currently the responsibility of the districts which would be disaggregated to the area boards. Secondly, the fragmentation of services that are currently provided across county boundaries that would have to be unpicked.
Test 7: Local support and consensus

Whilst the legislative requirements on government do not require proposals for local government reorganisation to be supported locally, Ministers have been consistently clear that fast track restructuring powers are intended for use where proposals command broad consensus and local support. This is not demonstrable in Oxfordshire and therefore it would not be appropriate to progress the proposal under fast track powers provided by the Local Government and Devolution Act 2016.

In Oxfordshire there is a clear lack of consensus among the local authorities who would be affected by the proposals. Three of the five district councils (covering 60% of the population) oppose the Unitary County proposals. Four of the five local MPs who have expressed a view do not support the proposals. The unitary proposal was submitted without endorsement from the LEP, CCG or other local organisations in the public or private sector.

Outcomes of public engagement on the Oxfordshire county unitary proposals demonstrate considerable opposition to the proposals.

MORI opinion polling

- An independent opinion survey conducted by Mori found that the vast majority of local residents preferred the status quo when it comes to the delivery and management of local services and that they should continue to be decided and managed at the district/city level rather than at the county level.
- The poll also found that the public don’t feel consulted or informed, with 82% having little or no understanding of the unitary county council proposals and 73% stating they want to be informed about the all proposed options and to have a say in the future structure of local government in Oxfordshire.

The full Ipsos Mori report is available at https://www.ipsos.com/ipsos-mori/en-uk/oxfordshire-local-government-restructure-research

Districts Surveys and petitions

People have also made their dissatisfaction with the proposals clear through other channels, with 10,000 people signing Oxford City Council’s petition against the proposals, 1,200 people signed Cherwell District Council’s online petition and over 4,000 people responding to West Oxfordshire District Council’s online poll.

Oxfordshire County Council public engagement

Oxfordshire’s County Council’s own research reinforces these findings:

- 74% of people who responded to their on-line poll disagreed with the proposals
- 83% of organisations responding (including parish councils) also disagreed
- Workshops (where 88 attendees were each paid £35 per session) and drop-in events resulted in a ‘broad division in opinion’.
- The county council then carried out a face-to-face survey of 500 residents - 67% agreeing with a unitary county council. This result is at odds with their own online survey and with the Ipsos MORI survey.

Furthermore, the proposals that were submitted were fundamentally changed after the consultation was launched. The details of the submitted proposals have not been subject to public engagement or scrutiny by local stakeholders.
Conclusion

Our conclusion summarises the outcome of our critique and indicates that the proposal for a single county unitary for Oxfordshire put forward by the county and South Oxfordshire and Vale of White Horse Councils lacks robust evidence and analysis needed to give confidence that the government’s tests are met. It does not adequately set local government reorganisation in the context of wider public sector reform nor in the context of Oxfordshire’s nationally significant economic role given the assets the city and surrounding districts have. There is a genuine risk that local government reorganisation would cause an unnecessary distraction, which may put at risk other aspects of the reforms needed to secure the best possible outcomes for the people of Oxfordshire in the medium to long term.

The proposal does not, in any way, set out coherent proposals for the governance of Oxford City. It implies some form of parish council role without addressing the role of existing parish councils. On all levels the proposal is inadequate in terms of recognising the nationally significant economic role the city plays, the challenges the urban core faces (which are very different to other parts of the county) and understanding the important role that the existing parish councils play. In terms of the Area Executive Boards there is a lack of detail as to the role, delegations and resources of these Boards. Furthermore, only the new unitary authority would have the powers to establish such Boards and so their status is not guaranteed.

The financial analysis is lacking in several respects, including the failure to include the cost of unpicking current delivery models and cross-boundary collaboration; it does not fully recognise the opportunities for much greater savings, improved productivity. This short-term focus on narrow structural change misses both the point and the opportunity to design public services in partnership with other organisations and with the needs and aspirations of residents at the heart of the process.