

# Leader's Report

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## Devolution update

### Purpose of Report

1. This report briefly updates Members on the progress towards a devolution deal for Oxfordshire since the joint announcement by seven District Council Leaders of the intention to seek a series of new Local Unitary Councils for Oxfordshire as part of HM Government's current devolution agenda.

### Strategic Objectives

2. The proposal seeks the devolution of powers from Whitehall to a new, more efficient and effective system of local government within Oxfordshire with the objectives of delivering better, sustainable and more efficient public services for the public.

### Background

3. HM Government has announced a series of devolution deals around the country that seek to devolve powers from central government to local government with improved governance arrangements in order to seek better and more efficient public services.
4. HM Government has invited bids from local government for these deals with no prescriptive requirement for the form which they take.
5. Primary legislation has been enacted, in the form of the Cities and Local Government Devolution Act 2016, that gives powers to the Secretary of State to create Combined Authorities and transfer the functions of public bodies to local government.
6. In late 2015 and early 2016 a draft devolution deal was proposed by the Oxfordshire Growth Board (involving the five Oxfordshire district councils, Oxfordshire County Council, the Oxfordshire Local Enterprise Partnership and the Oxfordshire Clinical Commissioning Group). This proposal include a Combined Authority that would sit alongside the existing system of two-tier local government in order to coordinate local services.

7. Initial feedback from central government was not supportive of this proposal and sought, amongst other things, stronger governance and improved proposals on Health & Social Care.
8. In February 2016 the leaders of seven district councils (Vale of White Horse, South Oxfordshire, Oxford City, West Oxfordshire, Cherwell, Cotswold and South Northants) published draft plans for a revised devolution deal that included the creation of new Local Unitary Councils to replace the existing two tier arrangements.
9. The leaders proposed either three or four new Local Unitary Councils and the abolition of the existing authorities.

## **Progress since February**

10. Following the initial announcement discussions have taken place with HM Government and between the district councils and Oxfordshire County Council.
11. We have also engaged with stakeholders including parish councils, the Local Enterprise Partnership, the NHS, major local businesses and representatives of other community organisations.
12. Attempts have been made to encourage Oxfordshire County Council to join with the districts in supporting a single study. This has been done informally and formally through the Oxfordshire Growth Board in response to an item tabled by Cllr Hudspeth himself.
13. As no agreement for a single study could be reached the districts proceeded with the appointment of PricewaterhouseCoopers to look at the following:
  - Testing the four options for unitary authorities against four tests
  - Service transformation and redesign
  - Operation of the Combined Authority
  - Delivery of health and social care integration and childrens' and families' services
14. Following the appointment of PwC another offer was made to OCC to allow them to join our study on equal terms with other district partners. No formal response has been received to this offer. It has since emerged that the County Council are to commission their own study by Grant Thornton LLP. The duplication in public expense is regrettable but the County Council cannot be forced to join in the study that has been jointly commissioned by the other seven councils if it wishes to stand apart from it.

## **Current situation**

15. PwC have begun their work on evaluation the options for unitary authorities. Their final report is expected to be received by the councils by the end of June.
16. Four options are being considered as part of the proposal. In summary they are 1, 2, 3 or 4 unitary councils.

17. It is important to note that there is no proposal or suggestion of doing anything other than using the existing local authority areas as building blocks. The demographics of these areas lend themselves to successful local administration as well as simplifying the process of achieving new authorities.

18. The options under consideration are:

- Four councils that cover the existing administrative areas of:
  - Vale of White Horse & South Oxfordshire
  - Oxford City
  - West Oxfordshire & Costswolds
  - Cherwell and South Northants
- Three councils that cover the existing administrative areas of:
  - Vale of White Horse & South Oxfordshire
  - Oxford City
  - West Oxfordshire & Cherwell
- Two councils that cover the existing administrative areas of:
  - Oxford City
  - The current rural districts
- One council that cover the existing administrative areas of:
  - Oxfordshire County Council

19. The study will consider how these options will:

- Deliver better public services.
- Provide value for money.
- Ensure strong and accountable local leadership and governance.
- Deliver efficiency savings
- Help to deal with the demographic pressures on adult social care and improve outcomes through integration with health services
- Ensure a system for children's services that delivers a robust approach to child protection and safeguarding.
- Help support economic and housing growth and secure the necessary infrastructure identified in our Devolution Deal proposals
- Benefit from potential service synergies from unitary authorities having responsibility for planning and delivering services such as spatial planning, economic development, housing, transport infrastructure, social care and health

20. At the same time we continue dialogue with partner councils, the NHS and HM Government about details of any potential devolution settlement that we would seek alongside the reorganisation of local government.

## **The way forward**

21. Following the publication of the final report at the end of June or early July the district council leaders have committed to a full public consultation process over the summer.

22. Following the collation of the results of the public consultation we hope to make any necessary adjustments to our proposals and make a final submission to HM Government as soon as possible.

23. It is not clear whether the County Council's proposals will progress to the stage of a formal proposal to government.
24. Our initial and ongoing conversations with HM Government have been encouraging and we expect that with correct proposals laid out in detail and a successful consultation that our proposal would be supported.
25. The timetable for the implementation of any new unitary authorities is not clear, but would take a few years to put in place.
26. If the proposals are given the go ahead then it would be beneficial to begin the transformation of services and the transfer of functions as early as possible in order to minimise disruption to services and maximise improvements to services.

## **Financial Implications**

27. £50,000 has been vired from the corporate contingency work in order to support work on devolution proposals. The report by PwC is costing around £15,000 per council.

## **Conclusion**

28. At the Council meeting on 11<sup>th</sup> May Council is invited to support the motion backing the principle of creating a single tier of new Local Unitary Councils and the work to bring this about.
29. The offer has been made to all parish councils to have further discussions with them either ahead of or as part of the consultation process. There are ongoing discussions with other partners and the offer of additional briefings is always open to individual members or groups from this Council as well as an ongoing commitment to keep Council informed.
30. It is my firm belief that our current system needs to change and after much consideration our proposal is the best for accountability, the long term sustainability of high quality services and above all is in the interests of the residents that we are here to serve.