Devolution and Unitary Governance Update

Report of Chief Executive

This report is public

Purpose of report

To provide an update on devolution and to authorise further joint working in support of it.

1.0 Recommendations

The meeting is recommended:

1.1 To agree to the Council working with the other District Councils and partners to further develop the initial unitary devolution proposals in greater Oxfordshire and Northamptonshire.

1.2 To agree that independent consultants should be jointly appointed by the Districts to undertake detailed work on viability and sustainability and governance; and recommend to Council that a contribution of up to £50,000 be made to facilitate those studies with the greater Oxfordshire districts and that a further contribution of up to £50,000 be made available to facilitate equivalent studies with the Northamptonshire districts.

1.3 To recommend to Council that £100,000 is transferred from General Fund balances into approved budgets to enable 1.1 and 1.2 as set out above.

2.0 Report Details

2.1 Following the July budget in 2015 the Government invited expressions of interest from local authorities for devolution proposals. The councils in Oxfordshire, including Cherwell, worked together with the Local Enterprise Partnership and the Clinical Commissioning Group during the autumn of 2015 on proposals for an ambitious devolution deal with Government, with the aims of securing greater powers and funding locally to realise our economic growth potential, and to reform the way that public services are designed and delivered locally.

2.2 In summary, the proposals included:
- Bring together NHS services with local government social care to save money on the £1bn budget and provide better services for patients and tackle the challenge of our ageing population.
- Creating a new infrastructure investment fund to back a locally agreed investment programme to deliver the roads and infrastructure we need.
- Tackling housing shortages and affordability – through aligning strategic infrastructure and housing investment and an integrated approach to strategic planning.
- Taking on responsibility for skills funding and apprenticeships better targeting of funding for skills so it supports development of the skills base needed by local employers; and better coordination of business support programmes to support innovative and entrepreneurial companies.

2.3 The proposals included the creation of a Combined Authority through which the councils would work in partnership with the Clinical Commissioning Group and the Oxfordshire Local Enterprise Partnership and South East Midland Local Enterprise Partnership where necessary to collectively coordinate strategic services in which economies of large scale can be secured (e.g. transport planning) across a wider geographical area. The proposals rejected the option of a directly elected Mayor as not appropriate for an area as diverse and rural as Oxfordshire and South Northamptonshire.

2.4 Following discussion of the initial proposals in December 2015, more detailed proposals were submitted in February. Following an initial positive response, Government has made clear that the proposals would only make progress if they are accompanied by either a directly elected Mayor, or a move to Unitary Councils.

**Greater Oxfordshire unitary devolution proposals**

2.5 At their budget meeting on 16 February 2016, Oxfordshire County Council put forward proposals for a consultation on Government and made it clear that their preference was for a single Unitary County to cover the whole County. The Oxfordshire District Councils and those for Cotswold and South Northamptonshire do not believe that a single county-wide unitary authority is the right solution for Oxfordshire and have put forward alternative proposals for a number of Unitary authorities. It is believed this would offer a better solution for the people of this District for two key reasons:

- It would allow decision-making and service delivery to better reflect the different challenges and priorities of the communities that we represent in different parts of the county; and
- It would build on a strong track record of sound financial planning and service transformation that are at the heart of good governance and effective service delivery.

2.6 The proposal is to abolish the existing local councils, including Oxfordshire County Council and to create new Unitary Authorities that would be responsible for running all of the local services within their local area. The preferred option is for four new Unitary Authorities that would come together where necessary to collectively coordinate strategic services in which economies of large scale can be secured (e.g. transport planning). In view of the successful partnerships and close working relationships that already exist in the north and west of the county, the Oxfordshire District
Leaders have agreed to explore a Unitary Option that includes both Cotswold District Council and South Northamptonshire Council.

2.7 The new Unitary Councils would form a Combined Authority Joint Committee for strategic joint work and commissioning, and would work in partnership with the National Health Service, Police and the Local Enterprise Partnership in Oxfordshire and neighbouring county areas to coordinate services that need to be managed across a wider geographical area.

2.8 The proposals have been drawn up in support of the substantive elements of the original devolution proposals and are intended to provide a better approach to the implementation of those proposals.

**Northamptonshire Unitary devolution proposals**

2.9 In the last few weeks the subject of devolution and unitary governance has also been raised publicly in Northamptonshire. In Northamptonshire the issue was first raised by all Northamptonshire Members of Parliament calling for the current governance structure in Northamptonshire to be abolished and replaced with unitary governance in light of the current financial challenges facing councils in particular the county council. Northamptonshire County Council responded to this by welcoming the call for unitary local government in the county and commissioning their own study.

2.10 Since this time there has been discussion between the district leaders and Chief Executives, which has confirmed a preference for district based unitary governance in Northamptonshire. Such a proposal would be complementary to the proposals outlined with regard to greater Oxfordshire and it is likely (based on previous unitary proposals) that the Secretary of State would not look favourably on any proposal that did not consider how governance was to be arranged and services disaggregated and provided in the case of a council withdrawing from existing two tier governance structures to become a unitary council. Therefore it is important that South Northamptonshire is involved and able to fully contribute to these discussions.

### 3.0 Conclusion and Reasons for Recommendations

3.1 There is clearly a lot of detail to be worked through over the coming months. The next step will be to jointly commission independent experts with our respective partners to produce detailed, costed plans for the preferred options and test them against other options to ensure the best and most cost-effective solutions. It is proposed that our Council contribute up to £50,000 to jointly commission this detailed work in greater Oxfordshire and up to £50,000 in Northamptonshire.

3.2 Detailed proposals will be considered by each of the Councils prior to full public consultation.

### 4.0 Consultation

Consultation has at this preparatory stage been limited to the district councils.
5.0 Alternative Options and Reasons for Rejection

5.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Not to support the studies – This is not supported as it is important that the councils are able to make an informed decision based on a sound evidence base.

6.0 Implications

Financial and Resource Implications

6.1 The cost of the work required will be funded jointly by partner authorities. It is estimated that the cost for South Northamptonshire will be up to £100,000 to support the initial studies on viability and sustainability and governance.

6.2 The contribution from this council will be funded from General Fund balances.

Comments checked by:
Paul Sutton, Head of Finance and Procurement, 0300 003 0106
paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

6.3 Whilst the restructuring of local government in the area has fundamental legal implications, there are none arising directly from this report. As Cabinet is proposing the use of up to £100,000 from General Fund balances there needs to be full council approval to make the budget available.

Comments checked by:
Kevin Lane, Head of Law and Governance, 0300 0030107,
kevin.lane@cherwellandsouthnorthants.gov.uk

Risk Implication

6.4 There is a significant risk that without commissioning the suggested work to develop the proposals and test their viability and cost against comparators, potential changes to the structure of local government will not deliver the most cost-effective solutions or the best outcomes for residents.

Comments checked by:
Paul Sutton, Head of Finance and Procurement, 0300 003 0106
paul.sutton@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: Yes
Community Impact Threshold Met: No

Wards Affected
All

Links to Corporate Plan and Policy Framework
All

Lead Councillor
Councillor Ian McCord
Leader of the Council

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