

Cherwell District Council

Executive

20 February 2017

Update on proposals for local government reform in Oxfordshire and the development of a county wide devolution deal with Government.

Report of Head of Transformation

This report is public

Purpose of report

The purpose of this report is to:

- Provide an update on the potential reform of local government within Oxfordshire;
- Seek agreement for the urgent funding of communications, engagement and other related activity to protect the interests of Cherwell district residents, business and other key stakeholders arising from the possibility of local government reform;
- Seek agreement for the Joint Chief Executive or the acting Head of Paid Service, in consultation with the Leader, to respond to the County Council consultation in respect of its One Oxfordshire proposal on behalf of the council;
- Seek authority for the Joint Chief Executive or the acting Head of Paid Service with the Leader to engage with the Secretary of State regarding local government reform and/or a devolution deal with Government on behalf of the council and
- Seek agreement for the Joint Chief Executive or the acting Head of Paid Service with the Leader to work collaboratively with the other councils across Oxfordshire in pursuit of a county wide devolution deal with Government.

1.0 Recommendations

The meeting is recommended to agree:

- 1.1. That the Joint Chief Executive or the acting Head of Paid Service, in consultation with the Leader of the Council, be delegated authority to respond to the County Council consultation for a single county unitary on behalf of the Council and its key stakeholders, following feedback from this meeting.
- 1.2. That the Joint Chief Executive or the acting Head of Paid Service with the Leader of the Council continue to work in collaboration with West Oxfordshire District Council and Oxford City Council to present the opposing case for local government reform in Oxfordshire.
- 1.3. That the Joint Chief Executive or the acting Head of Paid Service with the Leader of the Council continue to work in collaboration with the Leaders of the other five Councils in Oxfordshire to pursue a devolution deal that will facilitate the continuation of economic growth and prosperity of our district and the county as a whole, through devolved powers and additional funding from Government.
- 1.4. That the Joint Chief Executive or the acting Head of Paid Service with the Leader of the Council engages with the Secretary of State/his officials regarding local government reform and/or a devolution deal on behalf of the Council and
- 1.5. The provision of up to £150,000 from reserves (as agreed in the budget and policy framework), to be used only if considered necessary by the Chief Finance Officer, in consultation with the Leader and Lead Member with responsibility for Financial Management to enable the Council to respond to the proposals for a single county unitary and other related activity to protect the interests of Cherwell district residents, or to pursue a devolution deal in whatever form is necessary.
- 1.6. Subject to 1.5 above being agreed, members of the Executive being kept informed of actual spend against this emergency fund to enable monitoring, the effective management of risk and ensure transparency.

2.0 Introduction

- 2.1 At the beginning of 2016 the Oxfordshire Councils, the Oxfordshire Local Enterprise Partnership (OxLEP) and the Oxfordshire Clinical Commissioning Group (CCG) worked together to develop a devolution deal for Oxfordshire.
- 2.2 Initial feedback from the Government was that consideration should be given to the governance arrangements that would facilitate the delivery of the devolution deal, if it was to be agreed.
- 2.3 As a consequence of that feedback, the district and city councils commissioned PricewaterhouseCoopers to undertake a study into the options for reform of local government in Oxfordshire.
- 2.4 The Autumn of 2016 saw uncertainty as a consequence of the impact of the public referendum to exit the EU, the subsequent appointment of a new Prime Minister and associated changes to Cabinet within Government.

- 2.5 Much has changed in the macro and local operating environment since the last report to Executive; the most notable of which is the County Council making clear its intention to submit a proposal to Government for the creation of single county unitary authority, and more recently, the disappointing and unexpected turn of South Oxfordshire Council and the Vale of White Horse District Council to partner with the County Council in that proposal.
- 2.6 This report is urgent as the council needs to respond in a timely way and therefore this item cannot be delayed till the next scheduled meeting of the Executive, such a delay would be detrimental to the economic and social wellbeing of the district.

3.0 Report Details

- 3.1 Since the last report to Executive there appeared to be broad agreement amongst the Oxfordshire Councils to pursue a refreshed devolution deal with Government. However, the County Council stated clearly its intention to pursue both a proposal to disband the existing structure of local government and replace it with a single county unitary within Oxfordshire, **and** a devolution deal with Government parallel to one another.
- 3.2 In the early part of 2017 the County Council actively began its campaign to promote the creation of a single county unitary council, including public consultation.
- 3.3 On Monday 6th February 2017 the tide changed significantly. South Oxfordshire District Council and the Vale of White Horse District Council announced, in an unexpected joint statement with the County Council their intention to work together in pursuit of a single county unitary authority.
- 3.4 It is not entirely clear why the two southern Oxfordshire districts changed their position but more recently the suggestion from them (and the County Council leader) is that the devolution deal has no chance of success and therefore a Unitary Oxfordshire County remains the only solution.
- 3.5 It is the view of your officers that this does not accurately reflect the current position of government and this has been substantiated by comments from the Minister in the last week or so that suggest devolution does remain a priority of government.
- 3.6 Given all of the above officers have continued to pursue the Councils stated aim of a devolution deal to deliver much needed infrastructure finance as a priority. It is the belief of officers that the Unitary debate will not assist this process and consequently it should be suspended, preferably, dropped completely, until a devolution deal is struck and a combined authority starts to deliver on the infrastructure priorities.
- 3.7 To support the position of the Council in this aim, officers have, in the last two weeks undertaken the following work:
- Set-up an in-house project team to oversee the possibility of local government reorganisation (LGR) and all that arises from it
 - Initiated a communications strategy, including daily use of social media
 - Encouraged residents, business, staff and other key stakeholders to respond to the County Council survey and consultation before it closes on 28th February 2017

- Commissioned independent market research

- 3.8 The above costs have been met from the original funds set aside for the independent PwC report or as a result of an urgent decision made by the Chief Executive, in consultation with the Leader. Officers are now requesting the allocation of up to £150,000 from reserves (as set out in the budget and policy framework to ensure that the Council is agile enough to respond and take appropriate action where considered necessary, and to ensure a full picture is given to residents, business and other key stakeholders as work continues, and the risks of a single unitary council proposal are properly considered. Such funding would only be used if considered necessary to protect the interests of the Council and its community, and to ensure a fair and balanced argument is presented in respect of the One Oxfordshire proposal, and only if agreed by the Chief Finance Officer, in consultation with the Leader and Lead Member for Financial Management.
- 3.9 It is the view of the Leader that the One Oxfordshire proposal should also be measured alongside alternate options including the current stated Council position of two tier working together with a combined authority and devolution deal, or through a more strategic approach to transformation of services, such as that already successfully achieved between Cherwell District Council and South Northamptonshire Council.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Whatever the future operating model of local government within Oxfordshire, it is necessary to allocate resources to enable that work to be overseen and for the Council to be responsive to both challenge and change. The recommendations within this report enable the release of resources for that purpose, and to ensure that we continue to deliver business as usual whilst options are discussed further.

5.0 Consultation

The leaders of West Oxfordshire District Council and Oxford City council.

Both leaders have agreed their support to work collaboratively with this Council in defending the role of District Councils, and pursuing a re-shaped devolution deal for Oxfordshire, taking account of the new priorities of Government, with the other three Oxfordshire Councils.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative option has been identified and rejected for the reasons as set out below.

Option 1:

To accept the proposal of the County Council, South Oxfordshire District Council and the Vale of White Horse District Council for the creation of a single county unitary council.

This is rejected for many reasons, including but not limited to:

- The disruption to services and time it would take to implement a single county unitary
- The costs involved
- The serious dilution of the strength of a local voice and a local councillor who knows their community, and is able to be an advocate for the best interests of their community
- The impact upon our workforce
- The impact upon the existing and future joint working with South Northamptonshire Council
- The loss of the opportunity to secure a devolution deal and additional funding from Government

7.0 Implications

Financial and Resource Implications

- 7.1 We have arrived at a stage where it is necessary to allocate resources to support the review of local government within Oxfordshire and the development of a re-freshed devolution deal amongst the Oxfordshire Councils and Government. It is suggested that an allocation of up to £150,000 be set aside from reserves to support this work and used only if considered necessary by the Chief Finance Officer, in consultation with the Leader and Lead Member with responsibility for Financial Management. Any unused sums would be returned to reserves.

Members of the Executive would be kept informed of actual spend against the allocation to enable monitoring, the effective management of risk and ensure transparency.

Comments checked by: Paul Sutton, Chief Finance Officer and Section 151 Officer, 01295 221634, Paul.Sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 There are no legal implications arising directly from this report given the recommendations made above, but it does raise the possibility of future legal considerations. Law and Governance will continue to be fully engaged with this area of work

Comments checked by: James Doble Assistant Director Transformational Governance, 01295 221587, james.doble@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: Yes

Community Impact Threshold Met: Yes

Wards Affected

All.

Links to Corporate Plan and Policy Framework

Sound budgets and customer focused council; reduce the cost of providing our services through partnerships, joint working and other service delivery models.

Lead Councillor

Councillor Barry Wood, Leader of the Council.

Document Information

| Appendix No | Title |
|---------------------|--|
| N/A | |
| Background Papers | |
| None | |
| Report Author | Joanne Pitman, Head of Transformation |
| Contact Information | 0300 0030108 jo.pitman@cherwellandsouthnorthants.gov.uk |