

## **Oxfordshire Unitary Government Summary of PwC study and District Proposal**

### **1. Overview**

This paper provides a summary of the key findings of an independent study commissioned by the Oxfordshire District Councils and carried out by PwC to look into the case and options for reorganising the existing two tiers of local government into a single tier unitary model.

Drawing on the analysis and evidence of that report this paper sets out a proposition for district based unitary authorities and a combined authority as the optimum solution for the future structure of local government.

### **2. Background**

The government is currently in the process of negotiating devolution deals as a means of providing greater powers and funding locally to stimulate economic growth and to reform the way that public services are designed and delivered locally. As part of this, Government are requiring new collaborative governance arrangements in the form of combined authorities to be accompanied by either a directly elected Mayor and/or a move to unitary councils. The Cities and Devolution Act has provided the Secretary of State for Communities and Local Government with new simplified powers to create Unitary Authorities which have local support.

In support of a devolution deal for Oxfordshire, the five district councils in Oxfordshire are exploring proposals for a new model for local government in the County.

The District Councils' ambition is to create a viable and sustainable structure for local government in Oxfordshire that will:

- Serve the interests of residents, businesses and communities and reflect local challenges and priorities in the most effective and efficient way
- Streamline local government with one council responsible for services in each area
- Meet the government's objectives for revised governance structures required for a devolution deal which would secure significant investment in infrastructure, housing and skills
- Deliver significant efficiency savings needed to deal with reducing budgets and increasing demand for services
- Deliver better and more responsive public services and promote public sector service transformation
- Enable economic and housing growth so that all areas can meet their potential while reflecting the different interests of market towns and rural communities.
- 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 is better at protecting and safeguarding children.

Against this backdrop, the five District Councils in Oxfordshire commissioned an independent study to assess whether the options for a unitary and combined authority local government model in Oxfordshire would in principle be both feasible and better placed to deliver this ambition.

The study considered the following 5 options

<b>Option</b>		<b>Geography</b>
1UA	A single Unitary authority covering all of the current Oxfordshire region	1) Oxford City, Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire
2UA	Two Unitaries based around the current City Council and a separate authority for the wider region	1) Oxford City 2) Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire
2UA+	As above but with an expanded boundary of the City Council	1) Oxford City (expanded boundary) 2) Vale of White Horse, South Oxfordshire, Cherwell and West Oxfordshire An expanded boundary for the city has been developed which includes new strategic-scale urban extensions around the edge of Oxford that have a close functional link. ✓
3UA	Three Unitaries based around the current city, combining the two districts in the north of the region and likewise in the south of the region	1) Oxford City 2) Vale of White Horse and South Oxfordshire 3) Cherwell and West Oxfordshire
4UA	As above but with districts in the north remaining separate.	1) Oxford City 2) Vale of White Horse and South Oxfordshire 3) West Oxfordshire 4) Cherwell

In looking at the unitary authority options, the study considered:

- The viability and sustainability of the options – estimating the resources and expenditure of the unitary authority (UA) options and taking account of the transition costs and savings from establishing UAs;
- Service transformation and redesign – identifying the potential scale of savings that could be achieved from integration and designing new operating models;
- Operation of a combined authority (CA) – identifying which functions it would be beneficial for a combined authority to be responsible for.
- Models for the integration and joint commissioning of Health and Social Care services.
- Future direction for robust governance and operation of Children and Families social services across the area.

The study involved extensive engagement with key stakeholders from business, health, academia, public sector and local government.

### **3. Summary of PwC Analysis and Key Findings**

PwC found there is a case for a new settlement on the structure of local government in Oxfordshire for several key reasons:

- ***Rising demand and declining budgets means that traditional approaches are not sustainable.*** Oxfordshire County Council's use of reserves to balance the budget for each of the last four years is not sustainable in the long run and it needs a fundamental transformation.
- ***A sustainable solution requires integration across the whole system and a wholesale commitment by all parties to truly integrated outcomes to start shifting activity up stream to reduce long run demand.*** This is particularly the case in adult social care, and to a lesser extent children's services, where the level of demand, costs involved and importance of protecting the vulnerable demands a robust, ambitious and innovative response that recognises no single organisation can do it alone.
- ***Long standing frustrations with planning, transport and housing delivery are now having a material impact on operational performance and will increasingly hold back the potential of the region.*** The split of governance, decision making, strategic development and service provision across the two-tier system has not provided a whole-place approach to these issues.

A unitary authority and combined authority solution could provide the opportunity to balance the need for strategic and local decision making and creates the conditions for innovation and reform in service delivery.[The PwC summary of the different options is set out at appendix 1]

A summary of the PwC findings against key criteria are set out below

#### **Value for money - transition costs and transformation savings**

- After transition costs and ambitious transformation plans have occurred, by year 5 all of the options are generating financial benefits of between £37 million and £45 million per year.
- On theoretical financial analysis alone, the single unitary authority delivers the greatest efficiencies over the initial five year period due to lower transition costs.
- Realising the financial benefits will depend heavily on the scale of transformation that can be successfully delivered by each of the unitary authorities.
- Therefore decisions should not be made on theoretical financial analysis alone.

### **Financial sustainability of different unitary options**

- Based on disaggregation of current expenditure, after transformation savings, the unitary authorities within all options are in surplus by 2020/21 except Oxford city UA on existing boundaries which has a small financial deficit (equivalent to less than 1 % of total expenditure in Oxfordshire).
- This analysis is based on existing levels of government grant and business rates income. Under any UA option allocation of grant from government would need to be recalculated on the needs based formula. Government has announced a reform of the local government finance with the potential for 100% retention of business rates for local government. Oxford City currently contributes significant business rates to the Treasury. The Government's calculation for needs and planned reform of local government finance would be expected to reflect the levels of need in the city and redress the variations in deficits and surpluses found in the analysis.
- The disparity between the funding and expenditure for Children's services is the key factor in the City's (and to a lesser extent Cherwell's) financial position. Adult services are the most significant financial factor for the other Districts. All of the unitary authorities are sensitive to this and under any of the models there must be commitment to shared commissioning and pooling of resources to ensure that funds are allocated on a needs basis.
- The ability to deliver the planned housing and business growth up to 2031 will also have a material impact on the financial position of all the unitary options. It has the potential – if managed properly – to have a positive impact on the financial capacity and resilience of a city unitary authority.

### **Strong and accountable leadership**

- The unitary authorities will need a democratic structure (leaders, cabinet and committees) to represent residents, set the budget and make decisions for the electorate it serves. The more UAs that are created, the closer decision making is to the communities it serves.
- There is a need to balance the need for strategic decision making on issues such as better strategic planning, housing transport and close integration of health and social care, with local decision making that reflects the locality characteristics which are varied across Oxfordshire.
- PwC's analysis found

- The 4 UA model provides the maximum level of democratic accountability and connectivity to local communities.
- The 3 UA model would provide a balance between addressing local needs in communities, increased accountability through three democratic structures within Oxfordshire, and it would reflect and recognise distinct urban and rural issues and different demographic and socio economic characteristics.
- The 2 UA option recognises the difference between urban and rural priorities. However the scale of the unitary covering the whole of Oxfordshire outside the City dilutes democratic accountability in the large surrounding rural geography.
- A single UA would be the third largest UA in the country and risks a remoteness of services and gives rise to loss of accountability with potentially lower levels of political representation at decision making committees than other models. This would need to be addressed through the creation of sub- structures and area committees which could result in reduction of benefits from economies of scale.

### **Delivering better services**

- The study found that all councils across Oxfordshire need to further transform service delivery as part of the move to a self-financing model for local government. This is an opportunity to further redesign services around users and communities with the ability to reflect local priorities and plans for growth.
- A single UA will generate economies of scale but this needs to be balanced with the fact that it will become the third largest single tier authority in England that will need to provide District level services to a city and rural areas. This option carries a risk of a lack of responsiveness to the diversity and vast differences in local needs across the County geography. A bureaucracy of this scale may be less flexible and agile to the changing nature of need and demand, so mechanisms would need to be created to enhance responsiveness of the single unitary option.
- A 2 UA option enables a tailored approach to rural and urban geographies, but is imbalanced between City and 'donut' (population size, demography and economics).
- A 3 UA option provides better alignment to geographic and urban / rural settings and economy and tailoring services to rural and urban geographies. This option addresses the imbalances of City and 'donut' option and builds on existing relationship in the South of the County.
- A 4 UA option has similar benefits to a 3 UA option with the ability to tailor service provision to local needs, however there would be fewer economies of scale and capacity and capability to absorb large county services would need to be enhanced.

### **Combined Authority**

- The study finds that a Combined Authority for Oxfordshire would enhance the effectiveness and sustainability of the different unitary options by providing:
  - a collaborative vehicle for Oxfordshire wide decision making and accountability for delivery of the issues that are restraining economic growth, in particular strategic planning, housing, transport and infrastructure and
  - a mechanism for pooling funds, resources and raising income to maximise growth or address need/ service demand, particularly integrated commissioning

of Health and Social Care with the NHS and delivery of childrens' services in partnership with the police and NHS with a focus on prevention and greater links with community and housing services.

- At the same time, the CA model would allow a degree of local UA flexibility and efficient delivery through UAs and partners, and provides a strong platform for ongoing dialogue with government to secure further investment and devolution.
- It would also provide a means to give business, health, police and other key partners a seat at the table and a voice in collective decision making, providing overall leadership and coordination of the public sector in a single decision making body.

### **Children's services**

- Children's services in Oxfordshire are generally good, but faced with rising demand and declining budgets there are concerns that capability and capacity will become stretched and result in a retrenchment into statutory protective responsibilities. Protecting vulnerable children must remain the overriding priority, but alongside those that need intensive support is a need to focus on those on the edge of care to help prevent more children from requiring intensive support through early identification and action.
- The ambition is to progressively reduce the number of children needing intensive support through earlier identification and action, while improving the outcomes for any children that do come into care.
- The goal is to enable local government, health and police authorities to work ever closer together to provide leadership on a shared ambition for children across the region. Helping prevent children needing external support and helping families help themselves is a shared responsibility, requiring a commitment across local government, the NHS, the police, the wider public sector, as well as the voluntary and community sectors and the engagement and commitment of children and young people, their families and their communities. It requires system wide reform which the combined authority would be committed to leading.
- Alongside the protective duties of local government, a unitary and combined authority model as part of a devolution deal would complement a fundamental review of the whole system so that it focusses on building on the strengths of the current system while also designing in early and preventative work with children and young people, their families and their communities.

### **Adults services**

- Adult social care is a system under strain nationally and locally. In Oxfordshire there is a need to find savings of £176 million by 2020/21 across health and social care. There is universal recognition that better co-ordination of health and social care designed around the person is needed to both improve service outcomes and to reduce costs. Shifting care into the community, closer to home, making care more personalised and supporting people to live independently for longer is the overall aim.
- The challenge in Oxfordshire is making this shift happen. There is overall agreement on the need for integration of commissioning but the execution of those plans are still at a formative stage and linked to specific services. In addition there is a need for one team delivery of out of hospital services, which a unitary solution for local government would

help create. Greater alignment and collaborative working could be designed in with synergies across community services such as housing, recreation and leisure that help to keep people out of hospital and enable them to live independently for longer.

- The overall state of health in Oxfordshire is good, and has improved, but it is recognised that to continue improving a more comprehensive approach to tackling health challenges is needed.
- Integration of health and social care was a key element of the devolution proposals which all parties in Oxfordshire agreed. That remains the case, but there is an increasing ambition to move forward at pace and truly integrate the resources, responsibilities and roles in a shared approach across health and local government. A joined up approach to service delivery and effective demand management is the aim of pooling budgets and jointly commissioning services through a Combined Authority with CCG membership and full participation.
- Integrating commissioning is one pillar but further work will be needed to align all stakeholders behind a clear set of outcomes and a clear set of interventions identified that will deliver change in both community services and in hospital health settings. That work needs the comprehensive approach and agreed principles for developing the right solution in Oxfordshire, including the development of the appropriate Local Care Organisation.

#### **4) Proposition**

Having considered the feedback from stakeholders, analysis and evidence of PwC's report, the five district councils in Oxfordshire believe there is a strong case for a district unitary and combined authority solution to improve public services and local accountability as part of a devolution deal for Oxfordshire.

#### **Devolution Deal**

Securing agreement with government for a devolution deal for Oxfordshire is an important element of our proposals to achieve Oxfordshire's economic potential and improve the prosperity and health and well-being of our residents. It is an opportunity Oxfordshire cannot afford to miss. We wish to pursue with government the proposals developed by the Oxfordshire local authorities, the Oxfordshire Clinical Commissioning Group and the Oxfordshire LEP which make the case for badly needed investment in infrastructure and the reform of public services to allow:

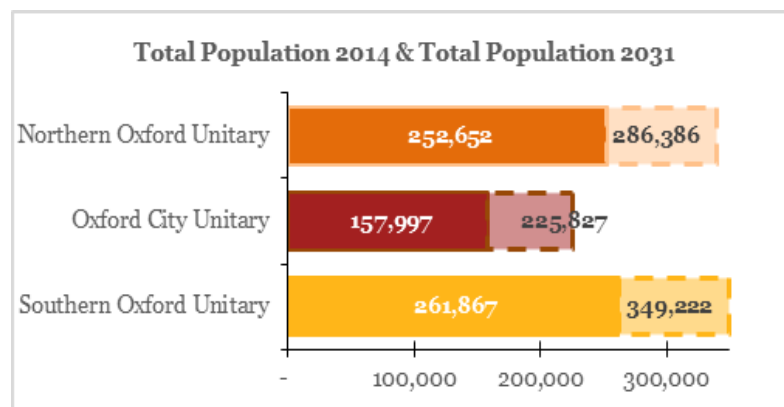
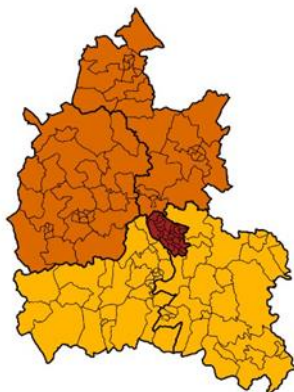
- Acceleration of housing delivery to meet the pressing need for affordable homes to support growth;
- Acceleration of enabling infrastructure to address transport challenges throughout the region;
- Provision of skills and competencies people need to access jobs in Oxfordshire's knowledge economy to drive economic prosperity
- Reformed public services to adapt to reduced funding and shift to preventing demand for higher cost services
- Health and well-being services redesigned around the user with integration of provider and commissioner responsibilities.

## A new model for local government in Oxfordshire

A new model for local government in Oxfordshire is needed to meet the government's criteria to secure the devolution deal, address the future challenges and constraints we face and deliver better services for our residents. Our proposal is to replace the current two-tier system of local government with new unitary authorities that would be accountable for all local government services in their area at a level which reflects the diverse characteristics and different interests across the county. This would reduce confusion and complexity, enable greater joining up of decisions and deliver significant efficiency savings whilst ensuring all services are responsive and accountable to local communities.

Our proposal is for three unitary authorities which would be responsible and accountable for all local government services in their area. The three unitary authorities proposed are:

- **Northern Oxfordshire** (comprising of current Cherwell and West Oxfordshire District Councils with a geographical area of 1,303km<sup>2</sup>)
- **Oxford City** (comprising of current Oxford City Council with a geographical area of 46km<sup>2</sup>)
- **Southern Oxfordshire** (comprising of current South Oxfordshire and Vale of White Horse District Councils with a geographical area of 1,257km<sup>2</sup>)



## Combined Authority

A combined authority would be established as a statutory collaborative vehicle for leaders of the district unitary authorities to work in partnership with the LEP and CCG to manage services that need to be coordinated over a wider area, drive transformation and deliver the devolution deal.

The combined authority would provide accountability and enable collective decision making on statutory functions but also collaboration and joint commissioning of services under a single structure with responsibility for:

- Strategic planning – one agreed strategic spatial plan for growth, housing and employment sites, transport and connectivity.
- Infrastructure strategy – an agreed investment programme to deliver the infrastructure required to unlock growth.



- Economic development to provide a consistent and streamlined approach to attracting investment and providing a coherent and streamlined service to business.
- Skills – providing the skills training for local people to meet local and future business need.
- Integrated commissioning Adult Social Care and Health (with CCG) with a new focus on improving the health and well-being of the population to reduce demand for acute services.
- Children’s services jointly led and commissioned with the Police and NHS, and other partners with focus on early intervention, resilience and synergy with community investment and housing services.

Crucially, the combined authority would provide the NHS (through the CCG), business representatives (through the LEP) a seat at the table with voting rights, giving them a voice in the decisions. This would create, for the first time, a single strategic partnership body committed to tackling the big challenges facing Oxfordshire.

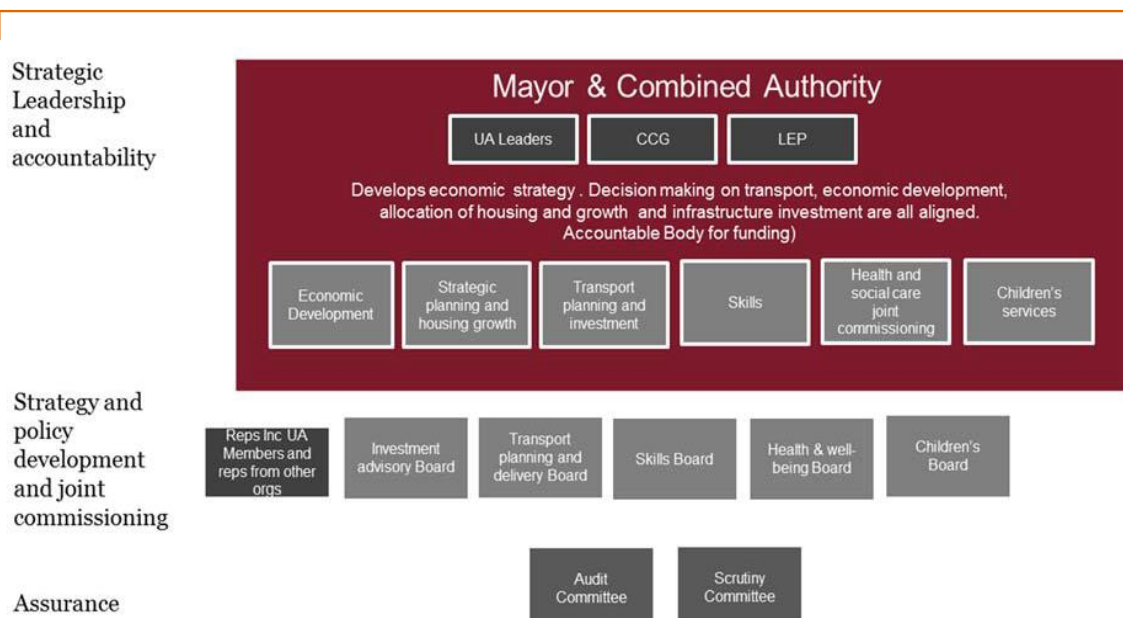
The combined authority would create a coherent voice for Oxfordshire with local partners and businesses. It would also provide a route for a stronger ongoing dialogue with national government and greater influence with national commissioners and agencies to secure further investment and devolution.

The combined authority would have powers to increase resources for investment in Oxfordshire’s priorities by:

- Pooling of funding to create investment pots and greater borrowing power
- Prioritise collectively where investment will make the biggest impact on growth or where the needs are greatest
- Raising funds through precepts, levy and business rates
- Securing devolution of significant investment pot (successful devolution deals have included £1bn over 30 years).

Taking on these powers is likely to require agreement to a directly elected Mayor of the combined authority.

Proposed governance of the combined authority is set out below



It is proposed that the combined authority would have a small core officer team, drawing on the resources of the unitary authorities and partner organisations as opposed to creating an additional large employment organisation (similar to the Sheffield City Region Combined Authority).

## **Rationale**

The proposal for 3 unitary authorities, with a combined authority meets the criteria agreed with the former government and would create the governance structures that could strike the best balance between the criteria:

### 1) Value for money

The new unitary authorities would be financially sustainable and have the ability to deliver efficiency savings and better public services through an ambitious transformation programme. It would create the right structure to balance economies of scale with the ability to deliver services locally in ways which are most cost effective and reflective of local priorities and needs. The combined authority would provide a robust means for the authorities to be able to work together to take decision on strategic issues and services that need to be delivered across a wider area with the ability to connect these to services delivered locally.

### 2) Long term efficiency savings

In the longer term (once transition and transformation have occurred) the PwC report identifies potential savings of £39.4 million per year, compared to £45.2 million for the single unitary option. The PwC report finds that the difference of total net transition savings between the options is largely immaterial when considered in the context of total net annual expenditure in Oxfordshire (the difference is 0.83% over the 5 year period). With the ability to build on the existing districts strong track record of delivering efficiencies and joint working, the new district unitaries would be more likely to deliver an ambitious programme of transformation required to achieve these savings.

### 3) Better public services

The new unitary authorities would retain the flexibility to design services around the different needs and challenges that Oxfordshire's communities face, aligning services to insight and intelligence about customers' needs. The district unitaries would build on existing joint working arrangements and alignments between authorities to develop joint solutions while retaining the ability to tailor services to local needs. The combined authority would provide the means for the unitary authorities to work jointly with partners including the NHS and the LEP to deliver whole systems reform of services like transport and infrastructure planning and health and social care to deliver better outcomes for residents.

### 4) Strong and accountable local leadership and governance

Oxfordshire is a diverse county and stakeholders have expressed a view that there is a need to balance the need for strategic decision making on issues such as better strategic planning, housing, transport and closer integration of health and social care with local decision making and accountability that reflects the different characteristics and interest of local areas. The PwC report finds that the three unitary option creates democratic accountability that

reflects differences between rural and city areas and the geographical and socio-economic characteristics of the North and the South of the County. The combined authority would be accountable to local people through each of the leaders of the unitary authorities with a seat on the combined authority and through the directly elected mayor if one is required.

### **Adult Social Services and Health**

The PwC report identifies the significant challenges Oxfordshire faces in delivering £176 million savings in the next five years whilst meeting increased demand from an ageing population and in tackling persistent problems such as bed-blocking as a result of delays in transferring patients out of hospital. The study concludes that the current model of delivery needs to change.

In line with our devolution deal proposals and discussions with health partners, our aim is to deliver a single approach for health and social care in Oxfordshire, bringing together organisations, budgets and commissioning to create a system that will deliver better care and better value for money. This will be achieved through a focus on economies of scale in commissioning, reducing demand for acute services, reducing delays in transferring patients to next stage of care and the delivery of care closer to home. Pooling of budgets and joint commissioning of services would be managed through a strengthened health and well-being board under the combined authority, bringing together the unitary authorities and the clinical commissioning group into a single body responsible for commissioning all health, social care and public health services for Oxfordshire's residents. The new unitary structure proposed would also help facilitate greater integration with services which are important to the wider determinants on health, such as transport, housing, social isolation and leisure and recreation. These issues and their relative importance can vary significantly between different areas, where for example the needs of the city are quite different to those in rural areas.

The unitary authorities would be able to jointly appoint a single Director of Adult Social Services to cover all of the unitary areas and enable joint funding of posts with the NHS.

We wish to work further with government and local health partners to ensure that the unitary and combined authority model support and add value to the fundamental reform of the health and social care services and new models of care that are urgently needed.

### **Children's services**

We recognise that any change in current arrangements for Children's services must not put children or young people at risk and proposals will need to be developed with shared understanding and expertise. At the same time, a new approach is needed to deal with the financial challenges and increasing pressure on services as a result of rising demand.

We therefore wish to work with government, partners and service users in Oxfordshire to undertake a review of the way that children's services are delivered by public service providers and how more integrated and efficient ways of delivering services can be achieved. The proposals will be delivered within a framework of locally accountable leadership, delivery and commissioning arrangements.

Our aim is to develop a model for safeguarding children and young people which establishes a new relationship between local government, health and the police to provide integrated strategic leadership and commissioning of services and joint delivery that puts children and families at the heart of services.

In developing the new model, the first priority will be to continue keeping children and young people safe from abuse and neglect and meeting statutory duties effectively and efficiently. We also wish to see a focus on prevention and early intervention and the provision of specialist services to prevent children from becoming vulnerable, helping them to achieve their potential, change behaviour and reduce demand for statutory services. This will require integrated local provision of services with the flexibility to focus on what is needed in each locality and link effectively with community partnerships, housing and leisure and recreational services aimed at young people.

The objective is to ensure better outcomes for Oxfordshire in terms of: lower levels of vulnerable children and families; enhanced aspirations of families for their children and improved educational attainment and achievement; and a reduction in the impact of parental risk factors that contribute most to abuse and neglect of children. Within five years the goal could be to have shifted resources into positive activities without increasing the risk to vulnerable children, making the case for upfront investment to change the projected profile of demand.

Under our proposals for unitary government, the combined authority could provide a streamlined and accountable partnership framework for leadership, commissioning and delivery of outcomes for children and young people that are the shared responsibility of many partners. This would allow an opportunity to review overlap and functions of numerous existing committees and bodies with a view to streamlining, clarifying and strengthening governance and monitoring of services.

There is also the need for integrated delivery at locality level and flexibility on delivery models, recognising that challenges and needs across Oxfordshire vary considerably. The building blocks for this is in three key partners – local government, health and the police which are all modelled on three localities (Northern Oxfordshire, Oxford and Southern Oxfordshire) within which more local delivery arrangements involving children, families and schools operate. The proposed 3 unitary authorities map onto these locality areas and could therefore provide accountable governance for operational delivery responsibilities at this level.

## **Conclusion**

The government's devolution programme provides an opportunity for Oxfordshire to tackle the challenges our communities face, achieve our economic potential and improve public services for our residents. Alongside this there is an opportunity to reform the structure of local government that is sustainable and can serve the interests of residents, businesses and communities and reflect local challenges and priorities in the most effective and efficient way.

Our proposals would achieve this through unitary authorities with the insight, focus and accountability to represent their communities interests and deliver services in a way that are most cost effective and reflective of local priorities. A combined authority would provide the means for the unitary authorities to work together and in partnership with public bodies to take decisions on strategic issues and services and drive the transformation of public services that is needed.

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## 6 *Summary of unitary authority options*

The following factors, as outlined also in section 3 above, provide the basis from which to appraise the options. These factors are assessed in an evidence-based way, based on the above analysis and the stakeholder conversations we have had.

### **Financial analysis (feeds into ‘value for money’ and costs against efficiency savings)**

- The financial viability of the UA including payback from transition;
- The scale of efficiency savings possible from the two-tier system and service transformation;
- Ability to build on innovative cost-saving management and service delivery models already adopted by the councils;

### **Ensure strong and accountable local leadership and governance**

- The ratio of democratic representation;
- Balances the need for strategic and local decision making;
- Maintains effective span of control

### **Delivering better public services**

- Ability to reflect local priorities and the interests of different communities, including those of the city, of market towns and rural communities – enabling a responsiveness to local needs;
- Enables development and growth across the area to meet its economic potential and sustainability, supporting the economic and housing growth planned;
- Helps to deal with the demographic pressures on adult social care and improve outcomes through integration with health services;
- Ensures a system for children’s services that delivers a robust approach to child protection and safeguarding based upon need and through transformation;
- 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.
- Supports the growth of the knowledge economy.

Financial analysis (feeds into ‘value for money’ and costs against efficiency savings)				
1UA	2UA	2UA+	3UA	4UA
<p>County wide unitary based on economies of scale.</p> <p>Generates large surplus post reorganisation (£45.2m in 2020/21).</p> <p>Generates greatest potential net savings (£113.3m) over the period to 2020/21.</p> <p>Driven by lowest “Other Transition Costs” (£9.8m) and highest potential transformation savings (£119.2m) of the proposed UA options.</p> <p>Quickest payback period at just 2 years.</p>	<p>Considerable mismatch between the two Unitaries in terms of financial position.</p> <p>Oxford City remains in deficit post transformation (£6.2m in 2020/21).</p> <p>Only when Adults and Children’s Social Care services are elevated to a CA level does Oxford City generate a surplus (£7.0m).</p> <p>Potential to generate comparable transformation savings with the 1UA option (£116.8m vs £119.2m) though “Other Transition Costs” double from £9.8m to £19.6m.</p> <p>Generate potential net savings of £94.5m over five years to 2020/21.</p> <p>Payback period of 3 years.</p>	<p>An Expanded Oxford City Council sees an improved financial position pre and post transformation with a surplus (£1.9m in 2020/21) generated following reorganisation.</p> <p>The elevation of Adults and Children’s Social Care to a CA level increases this surplus (£13.8m).</p> <p>Potential to generate comparable transformation savings with the 1UA option (£116.8m vs £119.2m) though “Other Transition Costs” double from £9.8m to £19.6m.</p> <p>Generate potential net savings of £94.5m over five years to 2020/21.</p> <p>Payback period of 3 years.</p>	<p>Southern and Northern Oxfordshire deliver financial surplus post transformation.</p> <p>Oxford City in deficit post transformation (£6.9m 2020/21)</p> <p>Oxford City’s deficit becomes a surplus (£6.2m) if Adults and Children’s Social Care services are removed from outside its control.</p> <p>Potential to generate comparable transformation savings with the 1UA option (£114.4m vs £119.2m) though “Other Transition Costs” treble from £9.8m to £29.4m.</p> <p>Generate potential net savings of £75.5m over five years to 2020/21.</p> <p>Payback period of 3 years.</p>	<p>Considerable financial mismatch between proposed unitary authorities.</p> <p>Southern Oxfordshire delivers strong surplus pre and post transformation.</p> <p>West Oxfordshire delivers marginal surplus pre-transformation (£0.1m) but more of a surplus post-transformation (£5.8m).</p> <p>Cherwell delivers a small deficit pre-transformation (£3.3m) and a small surplus post-transformation (£5.0m).</p> <p>Oxford City in deficit before and post reorganisation, though generates a surplus (£5.5m) should provision of Adults and Children’s Social Care services be elevated to a CA level.</p> <p>UA option that would generate lowest potential net savings (£56.4m) over the period to 2020/21</p> <p>Driven by highest “Other transition Costs” (£39.2m) and lowest transformation savings (£112.0m) of the proposed UA options.</p> <p>Payback period of 3 years.</p>
<p>Largely immaterial difference between all UA options if consider total net transition savings in context of total net annual expenditure in Oxfordshire 2015/2016 (£1,040,422,000). The figure is 0.83% looking at the year 5 picture, i.e. £8.7m divided by annual expenditure, or if you consider over 5 years the figure is 1.1%, i.e. £56.9m divided by five times annual expenditure. This does not account for the surplus/deficit position but solely looking at UA transition savings.</p>				

<i>See supporting summary table for further details</i>			
<b>Ensuring strong and accountable local leadership and governance</b>			
1UA	2UA	3UA	4UA
<p>A single UA could rise to loss of accountability with potentially lower levels of political representation at decision making committees than other UA models (i.e. a democratic deficit). This could be addressed through design of the UA with for example the creation of Area Boards (e.g. Wiltshire model). However, further consideration should be given to the characteristics of Oxfordshire and the replicability of the Wiltshire model. For example. Oxfordshire is larger and more diverse, with Oxford as a large urban centre where needs and priorities are distinct from the surrounding rural area.</p>	<p>Recognises the difference between urban and rural priorities.</p> <p>Improves democratic accountability compared with one UA option.</p> <p>However the scale of the residual ('donut') area of Oxfordshire dilutes democratic accountability in rural geography, with a population of 452,246 and a geographical area of 2,245km<sup>2</sup>.</p>	<p>Improves level of accountability compared to 1UA and 2UAs.</p> <p>Recognises geographic differences between North and South of the County and the different demographic and socio economic characteristics.</p> <p>Provides a balance between addressing local needs in communities, increased accountability through three democratic structures within Oxfordshire, and it would reflect and recognise distinct City and rural issues that any new local government settlement needs to address.</p>	<p>Provides the maximum level of democratic accountability and connectivity to local communities.</p> <p>Greater costs of democratic system with increased UAs, although this depends on number of Area Boards/increase in Parish role.</p>



<b>Delivering better public services</b>			
<b>1UA</b>	<b>2UA</b>	<b>3UA</b>	<b>4UA</b>
<p>Economies of scale have potential to drive efficiency. Will become third largest UA in England.</p> <p>Complex process of integration but potential opportunity for single wholesale transformation is significant.</p> <p>Risk of a lack of responsiveness to the diversity and vast differences in local needs across the County geography. But the creation of Area Boards could help with this.</p> <p>A bureaucracy of this scale may be less flexible and agile to the changing nature of need and demand.</p>	<p>Economies of scale driving efficiency.</p> <p>Enables tailored approach to rural and urban geographies.</p> <p>Population and economics imbalance between City and 'Donut' which could be addressed to some extent by the 2UA+ option which extends the City boundary to some of the surrounding wards.</p>	<p>Alignment of UAs better reflects geographic and urban / rural settings and economy.</p> <p>More effective tailoring services to rural and urban geographies.</p> <p>Addresses imbalance of City and 'Donut' option.</p> <p>Builds on existing relationship in the South of the County.</p> <p>Provides a mechanism for innovation around County services through a CA.</p>	<p>Limited economies of scale / duplication.</p> <p>Unequal sizing of UAs.</p> <p>Partial change / ability to change.</p> <p>Tailored and responsive service provision to local needs is more possible.</p> <p>Capacity and capability to absorb large county services is enhanced.</p>

	Surplus/(deficit) 2015/16	Surplus/(deficit) 2020/21	Surplus/(deficit) 2020/21 after transformation	Surplus/(deficit) 2020/21 after transformation (No ACSC)
<b>4 UAs Option</b>				
Southern Oxfordshire Unitary	£16.8m	£20.1m	£33.3m	£17.3m
Cherwell Unitary	(£5.6m)	(£3.3m)	£5.0m	£10.6m
Oxford City Unitary	(£10.7m)	(£16.8m)	(£7.6m)	£5.5m
West Oxfordshire Unitary	(£0.5m)	£0.1m	£5.8m	£3.1m
<b>3 UAs Option</b>				
Southern Oxfordshire Unitary	£16.8m	£20.1m	£34.3m	£18.4m
Oxford City Unitary	(£10.7m)	(£16.8m)	(£6.9m)	£6.2m
Northern Oxfordshire Unitary	(£6.1m)	(£3.2m)	£11.9m	£14.8m
<b>2UAs Option</b>				
Oxford City Unitary	(£10.7m)	(£16.8m)	(£6.2m)	£7.0m
“Donut” Unitary	£10.7m	£16.8m	£48.5m	£35.3m
<b>2UAs + Option</b>				
Expanded Oxford City Unitary	(£6.2m)	(£12.4m)	£1.9m	£13.8m
Revised Donut Unitary	£6.2m	£12.4m	£40.4m	£28.5m
<b>1UA Option</b>				
Oxfordshire Unitary	£0.0m	£0.0m	£45.2m	£45.2m

	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 4 (£m)	Year 5 (£m)	TOTAL (£m)
<b>4 UAs Option</b>						
Total costs	22.0	22.0	22.0	1.6	1.6	69.3
Total savings	3.4	11.6	34.6	38.1	38.1	125.7
<b>Total net savings</b>	<b>18.6</b>	<b>10.5</b>	<b>12.5</b>	<b>36.5</b>	<b>36.5</b>	<b>56.4</b>
<b>3 UAs Option</b>						
Total costs	18.3	18.3	18.3	0.7	0.7	56.3
Total savings	3.9	12.2	35.6	40.0	40.0	131.8
<b>Total net savings</b>	<b>14.5</b>	<b>6.2</b>	<b>17.3</b>	<b>39.4</b>	<b>39.4</b>	<b>75.5</b>
<b>2UAs Option</b>						
Total costs	14.9	14.9	14.9	0.5	0.5	45.5
Total savings	4.5	13.0	37.0	42.8	42.8	140.0
<b>Total net savings</b>	<b>10.3</b>	<b>1.9</b>	<b>22.1</b>	<b>42.3</b>	<b>42.3</b>	<b>94.5</b>
<b>2UAs + Option</b>						
Total costs	14.9	14.9	14.9	0.5	0.5	45.5
Total savings	4.5	13.0	37.0	42.8	42.8	140.0
<b>Total net savings</b>	<b>10.3</b>	<b>1.9</b>	<b>22.1</b>	<b>42.3</b>	<b>42.3</b>	<b>94.5</b>
<b>1UA Option</b>						
Total costs	11.5	11.5	11.5	0.3	0.3	35.0
Total savings	5.2	13.9	38.3	45.5	45.5	148.3
<b>Total net savings</b>	<b>6.3</b>	<b>2.4</b>	<b>26.8</b>	<b>45.2</b>	<b>45.2</b>	<b>113.3</b>

**Note:** figures have been presented to one decimal place, hence rounding differences.