# Independent analysis of governance options and public sector reform in County areas

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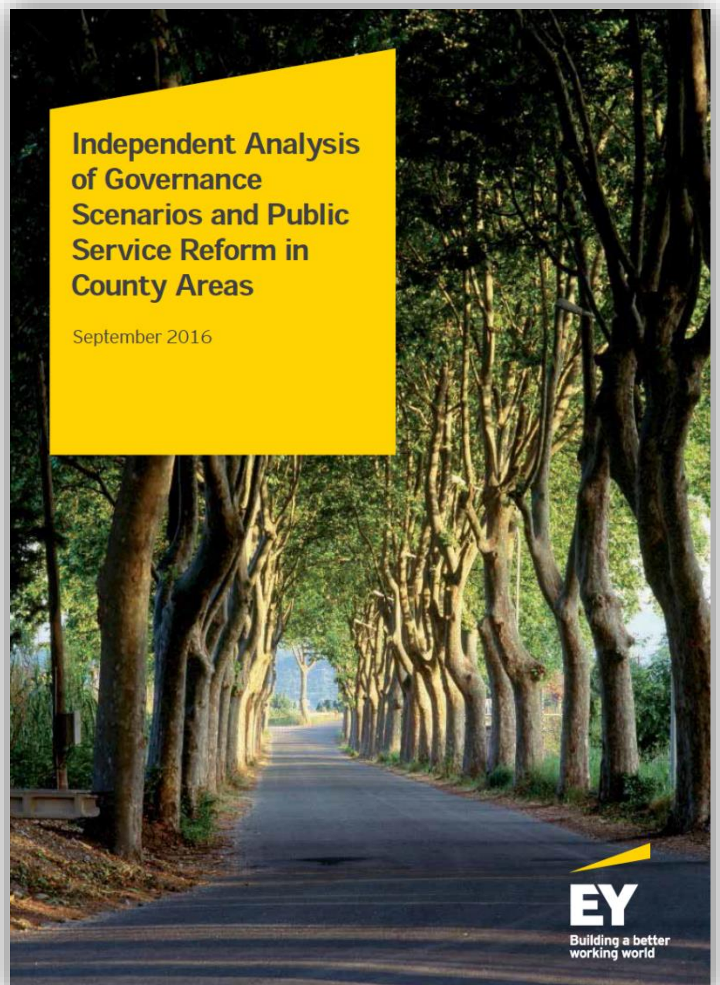
8th November 2016

# The report




- An independent report
- Focused on six scenarios in a County area
  - One, two and three Unitary Councils
  - Counties sharing services
  - Merged Districts
  - Three Unitary Councils and a combined authority
- Comparing the financial benefits
- Comparing the relationship to improvement agendas in public services

# Financial analysis

- Approximate net savings over five years and based on publically available data across 27 County Areas
- Savings are derived from senior management, members, support services, service delivery and accommodation
  - Single Unitary saves £2.3 - £2.9bn, pays back in 2 years
  - Two Unitaries saves £1.2 - £1.7bn, pays back in 3 years
  - Three Unitaries, between a net cost of £33m and a saving of £0,5bn, taking over 7 years to play out
  - Shared support services save £160m - £0.6bn pay back in 5 years
  - Merged Districts save £0.53 - £0.84bn, and pay back in 4 years
  - Three Unitaries and a Combined Authority may cost between £36m and £366m over 7 years
- The report contains a breakdown of these figures for small, medium and large counties

# Public Service Reform

- We looked at each scenario in relation to wider improvement agendas
  - Devolution, economic growth, housing and planning, children's social care, health and social care integration, crime and community safety, waste, and finally localism and locality governance
- Many of those agendas need
  - Integrated plans, co-terminous boundaries with partners, joint plans, manageable governance arrangements, data sharing and action at scale
- Where that is the case
  - Single unitary and combined authorities are the most favourable
  - Two and three unitaries are useful but sub-optimal
  - Counties sharing services and merged districts contribute very little to these wider improvement agendas
  - Combined authority and merged districts carry the uncertainty of being unproven and there are issues regarding risk transfer and public accountability

# Conclusions

- The gap facing local government as a whole is £9.5bn over the next five years
- Our analysis shows that if you created 27 Unitary counties you could save £2.9bn
- If you took the opportunity to redesign organisations not just re-organise them, data from the last round shows that you could save up to an additional 50%, £4.35bn
- This is a contribution to the funding gap for the sector as a whole but there will still be a substantial way to go
- The situation demands that we should not just be looking to the amount of savings that reorganisation might deliver, rather we should aim to identify which scenario, or scenarios, deliver the most appropriate ***platform for change***; for savings and improvements, now and into the future, so that we are developing a sustainable future for the sector.