

County Councils Network - Reports Summary

The County Councils Network have this week released two independent pieces of work. One is an analysis by EY of the likely impact of a range of potential reforms to local government in shire areas, and the other a research piece by Shared Intelligence looking at the experience of authorities which became unitary in previous rounds of reorganisation.

The EY report encompasses a strategic financial analysis, a non-financial analysis, and a consideration of the wider questions of public service reform. These are tested against six scenarios:

- A single unitary authority for each county area
- Two unitary authorities for each county area
- Three unitary authorities for each county area
- The retention of two-tier but with shared back offices at scale
- The merger of district authorities without unitary reorganisation
- Three unitary authorities and a Combined Authority for each county area

The research concludes that the first option is likely to deliver the greatest savings, with five-year net savings for the average county of around £106m - broadly in line with the conclusions of the PwC and GT reports in Oxfordshire, and with the delivery record of counties which became unitary authorities in 2009.

Smaller units deliver lower levels of saving, and EY conclude that the three unitary plus combined authority model would result in a net cost over five years, reaching breakeven only in year 7. This information is set out below:

Option	5 year net saving for average county
Single Unitary	£88m to £106m
Two Unitaries	£43m to £63m
Three Unitaries	£-1m to £19m
Shared Support Services	£6m to £21m
Merger of Districts	£20m to £31m
Three Unitaries with Combined Authority	£-1m to £-14m

The qualitative work by Shared Intelligence looking at the experience of previous rounds of unitary reorganisation, considering scale, geography, identity, collaboration, engagement, leadership, and history, and concludes that:

- Larger councils are better placed to deliver economies of scale and devote a larger proportion of their resources to the front line
- The difference in capacity of different sized unitary councils to respond to today's financial and service pressures is stark, and larger councils are better equipped to succeed
- Many of the 1990s generation of (smaller) unitary councils are struggling in the current context and some have struggled since they were established. In contrast the larger unitary councils are demonstrating the benefits of scale while creating mechanisms to provide for effective governance and delivery at locality level.