



## Buckinghamshire Business First

Strategic Financial Case for Local Government Reorganisation in  
Buckinghamshire

September 2014



Building a better  
working world

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# 1. Executive summary

## 1.1. Overview

This report sets out a strategic business case for changing the way local government is organised in Buckinghamshire based on analysis of four potential structural models.

The strategic business case is rooted in the context of on-going reductions in the amount of resources Councils have to deliver services and increased demand which the Local Government Association (the cross-party representative body for local government in England) predicts will result in a national funding gap of £16.5 billion by 2020. Our own analysis demonstrates that by 2016, without intervention, the funding gap in Buckinghamshire could reach £40m per year.

Whilst the report is focused on the local councils which make up Buckinghamshire; it has been commissioned by Buckinghamshire Business First on behalf of the business community. Consequently, independent of the five councils in the county, the report objectively explores various options for local government reorganisation in the county. These are summarised below:

1. One Unitary Council to replace the existing five Councils;
2. Two Unitary Councils which would create North and South Councils;
3. One County Council and one District Council; and
4. Creating new authorities outside County boundaries.

We have assessed the four options against the following criteria:

- The potential level of savings that can be delivered;
- The impact of changes on service users;
- The practicality of proposed options;
- Implementation cost and likely timeline; and
- Overall payback period.

In order to maintain the objective integrity of the analysis within the report, the evidence base on which the assumptions are made has been gathered from publicly available data and, wherever possible, 13/14 data sources were used. The main publicly available information used to build the financial baseline within the Districts and County, and to develop the financial case for include:

- Budget books and statement of accounts;
- Pay policy statements and organisational charts;
- Medium term financial plans (MTFP) and Annual Reviews; and
- Official Local Authority data and reports from industry recognised professional bodies (i.e. CIPFA and SOCITM)

Local government reorganisation is not a straightforward process and each option presents both challenges and opportunities. This objective assessment presents a series of initial, high-level insights which will need to be subjected to further detailed analysis as part of any next steps.

### 1.1.1. The Financial case

The four options could produce a range of potential savings by removing managerial duplication, reducing the costs associated with elections, streamlining services and back office costs while protecting front-line delivery through optimising the considerable sums spent on a wide range of services.

We have produced financial assumptions for each option based on lower and upper estimates which have then been applied to produce an annual savings range. We have also assessed the likely cost of implementation based on factors such as reducing FTE, and one-off investment costs associated with reorganisation.

Finally, we have modelled the cumulative savings over a five year period for each option, factoring in implementation costs and noting that savings are unlikely to be immediate - a phased five year timescale for benefits realisation has been modelled.

The table below sets out these figures for each of the four options.

Option	Annual Savings Range	Implementation Cost Range	Net Cumulative Savings Range over 5 years
One Unitary	£15.7m - £20.7m	£10.7m - £11.6m	£44.6m - £58.3m
Two Unitaries	£6.6m - £11.1m	£9.4m - £10.0m	£13.4m - £26.9m
One Unitary / One District	£9.6m - £12.8m	£10.2m - £11.2m	£24.7m - £34.9m
Two out of County Unitaries	£6.6m - £11.1m	£13.1m - £13.4m	£10.7m - £24.4m

### 1.1.2. Reducing council tax

Currently there are variations in the amount of Council tax paid across the County due to the fact that while the County has a single level of Council tax, the Districts each set their own level. A new Council structure could provide the opportunity to harmonise Council tax and set these at the current lowest level (or even lower), resulting in a reduction in Council tax for the majority of residents across the County.

The harmonisation of Council tax could result in Buckinghamshire residents sharing in a £2.8m reduction in their Council tax bill meaning that over 147,000 households would see an average annual reduction of 1% in their Council tax bill. This is based on harmonisation of Council tax to the lowest level currently in Buckinghamshire Districts and is likely to vary for the other options that involve the creation of two Councils.

### 1.1.3. Locality focus

The removal of municipal boundaries could enable a greater focus on natural and historical communities. This is a factor in each of the potential options and may allow boundaries that are ideally designed.

In all cases there is potential for:

- The elimination of existing municipal boundaries; one Unitary option and one Council and one District option being more straightforward, two Unitary option and out of County Unitaries option less so;
- Simplification of the delivery and commissioning apparatus, again with one Unitary option and one Council and one District option presenting a more straightforward transition than two Unitary option and out of County Unitaries option; and

- The opportunity for greater local democratic accountability, except in the case of one Council and one District option which has the potential to lead to increased confusion and ambiguity.

#### **1.1.4. Strategic impact**

Simplifying organisational structures along with the clarification of roles and responsibilities presents an opportunity for the County of Buckinghamshire to present a more unified and integrated approach and as a result, articulate a much clearer message to external investors, stakeholders and opinion formers.

A single County Unitary could help to:

- Facilitate the creation of a single planning Authority for the County;
- Improve the ability to integrate housing strategy more clearly with investment and social/demographic planning; and
- Enhance economic development planning.

A two Unitary Council solution enables the same benefits to be realised in two distinct organisations.

The one Council and one District option clarifies this to some extent though some of this is lost due to potential role confusion borne of creating two geographically co-terminus Councils with differing responsibilities.

## **1.2. Conclusions and next steps**

Each of the options presents an opportunity to realise a range of financial savings in addition to other tangible and qualified benefits. There are also a number of risks inherent in each of the options which we have identified. It is important to recognise that this is a high-level strategic business case and preferred option(s) will need to be subject to further detailed financial scrutiny and modelling.

### **1.2.1. Next steps**

This report sets out the potential options which could form the blueprint of the future of local government in Buckinghamshire. The next stage will be to decide on the most appropriate option through extensive consultation, and build on this strategic case by producing a detailed business case for change.

## 2. Introduction and background

This report sets out an objective strategic business case for reorganising local government within the County of Buckinghamshire.

In order to investigate a broad range of future models for reorganisation, the following options have been considered:

- One Unitary Council to replace the existing five Councils;
- Two Unitary Councils which would create North and South Councils;
- One County Council and one District Council; and
- Creating two new authorities outside County boundaries.

This strategic business case and options appraisal has been developed on the basis of assessing the viability and potential for Unitary government for Buckinghamshire with two central tenets:

- To contribute towards meeting the considerable financial challenges facing the County; and
- To facilitate the protection and enhancement of services.

### 2.1. Locality overview

Buckinghamshire has a population of 516,000 residents excluding the borough of Milton Keynes which became a Unitary Council in 1997. The County is made up of a County Council (Buckinghamshire) and four Districts Councils (Aylesbury Vale, Chiltern, South Bucks and Wycombe). The County Council is responsible for a number of pan County services such as highways, transport and waste disposal, along with supporting schools and providing support and care for both vulnerable children and adults. The District Councils are responsible for the provision of leisure services, housing and collection of domestic waste and is also the planning Authority for their specific area. Each District is also responsible for the administration of its own local taxation and benefit services.

In recent years, there have been several attempts to streamline and integrate services both between Districts and between Districts and the County. In 2012, the senior management teams of South Bucks and Chiltern Councils were integrated under a single chief executive. This model of shared management has become increasingly popular with Councils as the effects of financial austerity continue to exert pressure on front line services.

Council	Members	Population	13/14 net expenditure
Buckinghamshire CC	49	516,096	£414.7m*
Aylesbury Vale DC	59	181,071	£24.2m
Chiltern DC	40	93,250	£10.9m
South Bucks DC	40	67,941	£10.1m
Wycombe DC	60	173,834	£23.8m

\*13/14 DSG grant removed

## 2.2. Efficiency savings to date

English councils are in the midst of an era of severe financial austerity. At the same time they are dealing with significant and in some cases unsustainable increases in demand for many services. In this context, local councils in Buckinghamshire have already delivered significant financial savings and undergone considerable change. Buckinghamshire County Council, working with the four District Councils, has delivered savings of £85 million (c.20%) over the last four years.

In addition to this, following the national debate on reorganisation, a number of Councils including Buckinghamshire, which had opted to remain as two-tier Counties, were invited to become Two-Tier Pathfinders. This process began in the summer of 2007 with the Councils making various attempts to change the way they deliver services, share costs with each other and reduce their running costs.

Further reductions in funding are projected for the period 2015-20 meaning additional savings are therefore likely to be required.

By combining and therefore reducing many of the back office and administrative functions associated with the cost of being in business, Unitary Councils can provide opportunities to drive out greater levels of efficiency. Additionally, the notion of removing municipal boundaries can increase the potential to create greater levels of managerial and resource simplification without the potential obstacle of conflicting managerial and governance structures delivering services to the same area. This in turn enables a much clearer focus on natural communities.

Progress based on the combined efforts of the councils over the last seven years is not to be underestimated. However, the reality is that with a potential funding gap of approximately £39m within a few years, allied with the fact that many of the more apparent savings have already been realised, serious consideration now needs to be given to reorganising the structures of local government in order to realise the quantum of savings required without the need to make drastic reductions to front-line services.

## 2.3. Proposed options for Unitary Council(s)

A Unitary Council differs from a two-tier system as it assumes responsibility for all aspects of services which are currently within the remit of local government. The majority of Unitary Councils were created as a result of the last major review of local government which came into effect in 1974. Since then, there have been subsequent attempts to reorganise local government, for example Milton Keynes, which is situated in the historic County boundary of Buckinghamshire became a Unitary Council in 1997. More recently, in 2007 the then Secretary of State responsible for local government called for proposals for some of the remaining two-tier Counties to become Unitary Counties. Subsequently, in 2009 a number of new Unitary County Councils were created. These were a mix of single Unitary County Councils such as Cornwall, Wiltshire, Shropshire, Durham and Northumberland and others who split in two such as Cheshire (which became Cheshire West & Chester and Cheshire East) and Bedfordshire (Central Bedfordshire and Bedford Borough).

### 2.3.1. Exploring different Unitary options for Buckinghamshire

Based on the four options set out in section 2.1, this report explores two basic and two slightly more complex approaches to Unitary status in Buckinghamshire:

- A **single County Unitary** which is established by merging all previous County and District functions into one entity with a clear management structure and democratic accountability;
- The creation of **two Unitary Councils** within the existing County boundary achieved by separating functions into two distinct organisations;
- A **one County and one District** established on the maintenance of a County structure based on the existing premise with all District functions being amalgamated into a single organisation; and
- The creation of an **out of County two-Unitary** solution which includes areas outside the current County boundary

There are many local and historical factors to take into account when considering these options and unsurprisingly in 2009, much of this was dominated by political debate as well as financial analysis. Notwithstanding the emotions and passions that local identity can stir, it is important to create an objective and dispassionate set of principles which should be considered when shaping new forms of government, these are to:

- Improve the efficiency of services by integrating service and management streams which were previously separated by different organisational responsibilities in the same geographical area;
- Ensure that democratic representation is both accessible and unambiguous, ensuring that elected Members are available to their constituents and that their role is clear and understood;
- Reduce overheads by eliminating duplication and ensuring that any additional resources are available for investment in front-line delivery; and
- Ensure that proposed boundaries have sufficient 'resonance' with local people which reflect local identity and history.

There are potential merits and drawbacks to each of the possible options and these are explored in more detail against the above criteria in the following table.

FACTOR	OPTION 1 (SINGLE UNITARY)	OPTION 2 (TWO UNITARIES)	OPTION 3 (ONE UNITARY, ONE DISTRICT)	OPTION 4 (TWO UNITARIES OUTSIDE COUNTY BOUNDARY)
<b>Improved service efficiency</b>	A single County Unitary could generate the greatest amount of potential savings, and based on the creation of a single, accountable Authority, should be the most straightforward for service users	Two Unitary Councils may not generate long term savings on the scale of a single Unitary as there is a need to create two, rather than one management and back office structure	The creation of a single, County wide District could create less service disruption and incur reduced implementation costs than the two Unitary option	This option produces similar results to option 2 with the additional complexity of negotiating with two neighbouring Counties
<b>Democratic representation</b>	While the single County Unitary model reduces the overall number of elected Members, it removes much of the ambiguity which exists currently and offers the potential for a clearer link between County Councillors, parish Councillors and local community activists	This option would produce a higher Councillor to resident ratio which could be seen to enhance democratic representation	There are considerable practical drawbacks to this option in terms of democratic representation. To create two co-terminus Councils but with different responsibilities could prove extremely confusing. Avoiding this confusion could create a democratic deficit	This option may require a great deal of initial negotiation and consultation across three geographical Counties and involve over 1.5m people. The option could be achieved but the challenge in terms of democratic representation should not be underestimated
<b>Reduce overheads</b>	A single Unitary model has the potential to be the most effective in reducing back office and overhead costs as the annual savings of a single County Unitary of up to £20.7m	A two Unitary model could produce annual savings of up to £11.1m	This option could produce annual savings of up to £12.8m which makes it the second strongest financial case	This option could produce annual savings of up to £11.1m
<b>Identity and resonance</b>	The County of Buckinghamshire has a clear and distinct identity.	While this option should produce change, the changes would be in County and could be accommodated with a sensible communications strategy	This option would leave the historic County boundary in tact	This option may be complex as it requires the creation of an administrative County or the annexation of two Districts from neighbouring Counties. This could present challenges in disaggregating existing services from three separate Counties

## 3. Case for change

### 3.1. Introduction

Local government is already changing fast. Many upper-tier Councils predict that their real terms revenue could fall by at least 25% over the course of the current parliament. This reduction in revenue spending exists alongside a period of considerable growth borne out of demographic and social changes which are stretching the traditional care services (Children's and Adult Services) to breaking point.

In June 2012, the Local Government Association (LGA) published a report which outlined these challenges based on a model of projected Council revenues (e.g. central grants, Council tax, fee income and reserves) to the year 2020, set against projected demand over the same period. The LGA built into this model some assumptions about efficiency using the same model which Councils have used relatively successfully over recent years to reduce their costs.

The report states that while based on cautious figures, the assumptions show that there may be a funding gap of £16.5bn per year by the year 2020 which represents a 29% shortfall in funding between available spend and cost pressures. Furthermore, due to the increased and in many cases unavoidable costs of adult and children's social care, many 'frontline' budgets such as roads and leisure services, including libraries, could reduce by as much as 90% in that period.

Within this context, there are considerable limitations to the ability of Councils to respond given that demand, based on shifting demographics, and the annual formula grant received from central government are both beyond their direct control. However, there are opportunities to greatly influence both cost and demand by streamlining services through better management of resources and collaborating more effectively with delivery partners such as health services.

While some of these necessary changes can happen within the existing arrangements, the current two tier structure has inherent limitations which could make it difficult to realise change and efficiencies at the scale and speed required to meet the challenges identified by the LGA.

Limitations of the current two-tier structure are detailed in the table below.

<b>Cost of overheads</b>	Aside from Chiltern and South Bucks Councils which have a shared chief officer team, each Council is currently administered as a separate entity. Given the financial predictions for local government, is the administrative cost of five separate Councils sustainable?
<b>Confusion over roles and responsibilities</b>	Do residents, potential investors, strategic partners and other key stakeholders understand the often complex lines between the different tiers of local government in the County?
<b>Bargaining power</b>	Would a single organisation have greater negotiating power than five separate organisations?
<b>Ability to act in a genuinely strategic manner</b>	Not only do potential investors have to negotiate with two separate organisations, there are then four separate planning authorities across the County, each of which make independent planning decisions within their own area.
<b>Potential duplication</b>	The same family could well be receiving support for social care from one organisation while at the same time be receiving support for social housing from another - is this the best use of resources given the financial pressures faced?

While much of the potential savings can be clearly quantified and are set out in this report, there are more intangible problems associated with the current two-tier structure. In terms of planning a

clear strategy to meet the quantum of savings required, the five Councils must come together and closely co-ordinate their strategies, and in the process align their culture, politics, managerial capacity and resources to meet this end. No matter how well the Councils might work together, the need to align these core competencies, rather than them being in a single organisation, must be considered sub-optimal. The current structure also mitigates against close co-ordination of economic planning and maximising commercial opportunities given that both organisationally and democratically each area is, in effect, in competition with the other.

This sentiment was recently echoed by Lord Heseltine in his review 'No Stone Unturned: in pursuit of growth' which recognised that confusion between different types of Council is a potential barrier to growth and investment:

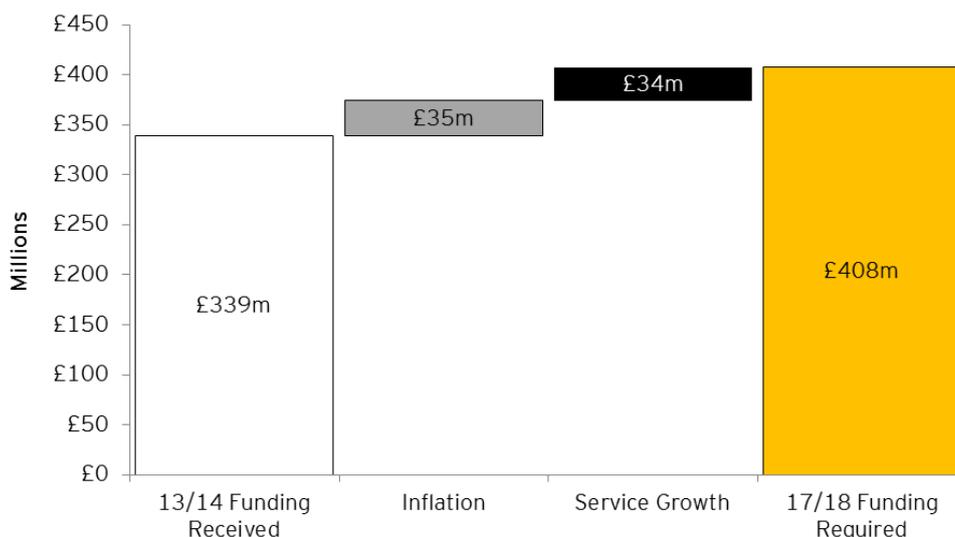
*"...England has 353 principal authorities. Some of these are single Unitary authorities, others operate in tiers of District and County Councils. The number of different Councils doing similar things remains costly and confusing. For many, the range of different systems is baffling too"*

## 3.2. Local government funding projections

### 3.2.1. Funding projections for the County Council

#### Funding required

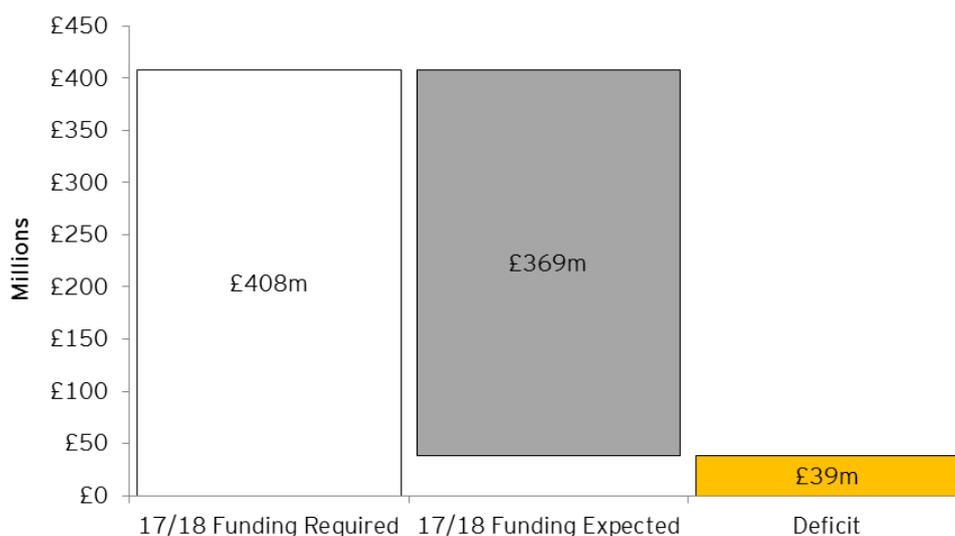
Based upon data from the DCLG, Buckinghamshire County Council received £339m from its main sources of funding in 2013/14. It is estimated that demand for services may grow by an annualised rate of 1.9% which is in line with figures published in the latest JSNA for Buckinghamshire and equates to a £34m increase over the next four years. To maintain current levels of service, it is therefore estimated that funding may need to increase by £69m over the next four years.



#### Funding expected

Based upon the DCLG data, Buckinghamshire County Council should receive £354m from its main sources of funding in 2015/16 and, upon applying an average yearly increase, this should rise to

£369m by 2017/18. This may leave a £39m funding deficit, which Buckinghamshire County Council will have to meet by either reducing expenditure or increasing income.

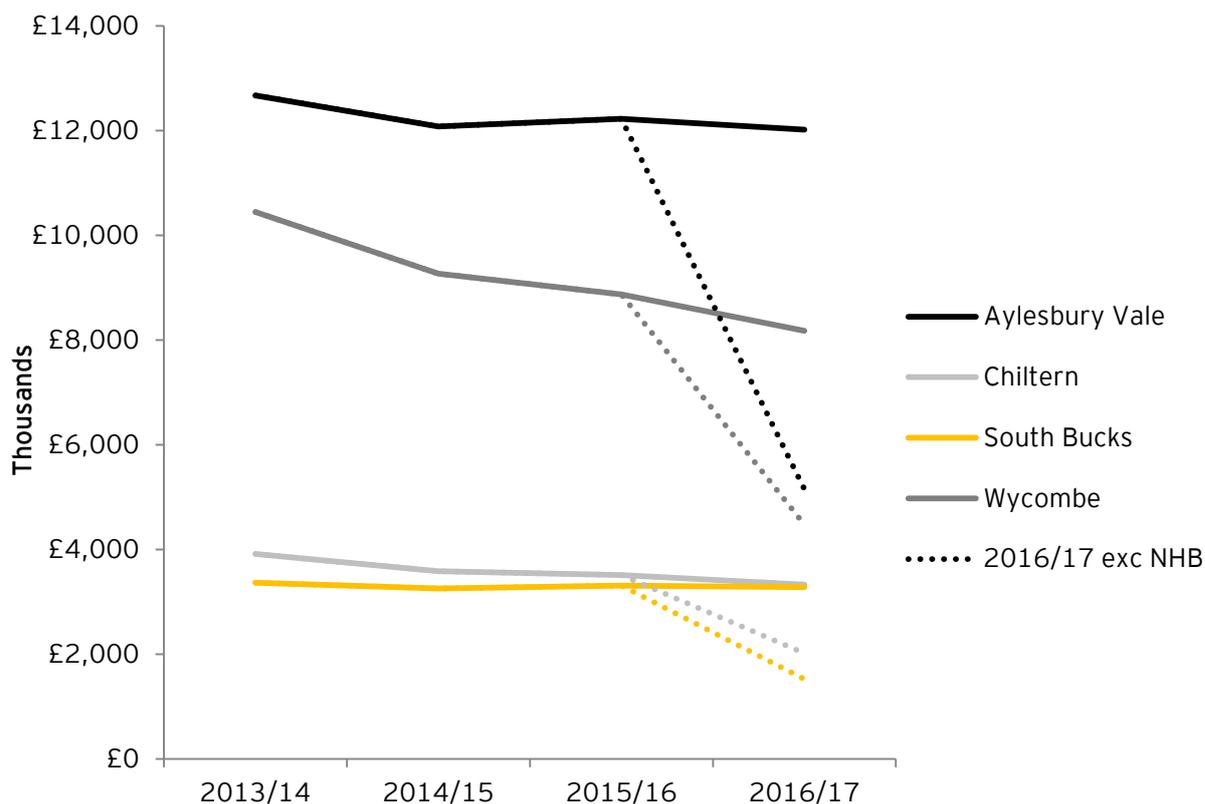


### 3.2.2. Funding projections for the District Councils

Based on published data available from the DCLG, the following funding projections illustrate the level of financial pressure that the District Councils may face over the next four years. The table below shows the decrease in the settlement funding assessment (SFA) that is anticipated for the District Councils. The funding for 13/14, 14/15 and 15/16 is based on published data, and 16/17 is based on the average funding reduction across the Districts from the previous three years.

	Total Settlement			
	2013/14	2014/15	2015/16	2016/17
Aylesbury Vale	£12.7m	£12.1m	£12.2m	£12.0m
Chiltern	£3.9m	£3.6m	£3.5m	£3.3m
South Bucks	£3.4m	£3.3m	£3.3m	£3.3m
Wycombe	£10.4m	£9.3m	£8.9m	£8.2m
<b>Total</b>	<b>£30.4m</b>	<b>£28.3m</b>	<b>£27.9m</b>	<b>£26.8m</b>
<b>NHB as a % of Total Settlement Funding</b>	<b>22%</b>	<b>33%</b>	<b>43%</b>	<b>51%</b>

The New Homes Bonus (NHB) forms a significant percentage of the settlement funding as illustrated in the table above. The graph below illustrates the significant risk should NHB be removed or reduced from 2016/17 and in particular the risk for Aylesbury Vale who receive over half their settlement funding in the form of NHB. It is understood that the future of the NHB is not assured, and is due to be reviewed later this year. Furthermore, it is anticipated that were it to continue, it is likely to be reviewed following the next election. With this in mind, it may be prudent to model the potential impact of this income being lost.



The potential to come together into one or more single Unitary Councils to replace the existing two-tier arrangements could enable the following:

- Plan the reduction of back office costs in a manner that could protect service delivery and enable increasing financial pressures to be tackled more effectively;
- Drive the growth potential of the County by taking a Unitary approach to Buckinghamshire and its regional partners, providing a more comprehensive offer to the investor market and better co-ordinating growth critical services such as economic planning, skills and development control;
- Clarify alignment between services and the outcomes across the County increasing the positive impact for service users; and
- Renew focus on individual localities by streamlining the relationship between County and individual settlements

### 3.3. Increasing value for money

A new Unitary Council in Buckinghamshire could reduce the revenue cost of local government in Buckinghamshire by up to £20.7m per annum once implemented.

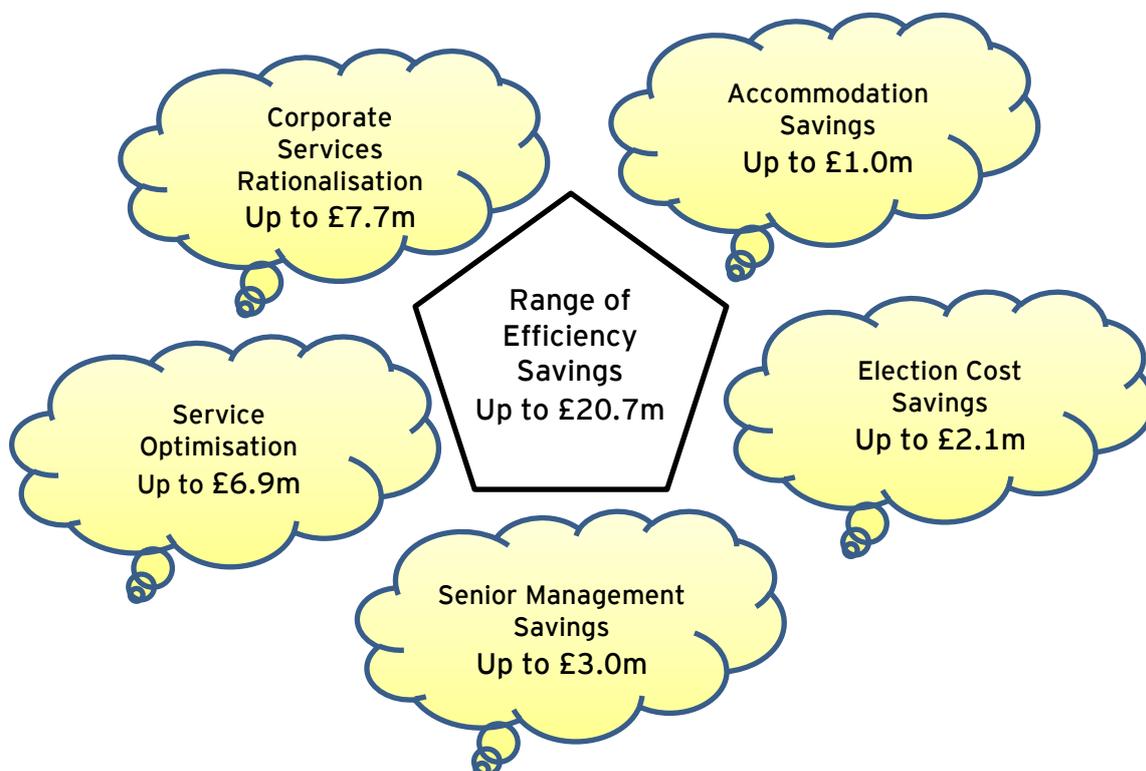
#### 3.3.1. Efficiencies

Reflecting on the financial challenges set out in the previous section, there is a pressing case for Councils to make urgent but sustainable savings in the way they operate. The reorganisation of local government in Buckinghamshire could offer opportunities to reduce costs, increase the effectiveness of service delivery and improve service user satisfaction.

A summary of potential efficiencies is set out in the table below:

CATEGORY	SCOPE FOR EFFICIENCY
<b>Management Costs:</b> Reducing the cost of senior management across the County	There are currently 4 Chief Executives, 11 Directors and 34 Heads of Service across the County
<b>Assets and Resources:</b> Reducing the cost of ICT	ICT is currently managed independently by each Council
Reducing the cost of Accommodation	Each Council currently maintains its own portfolio of buildings
Reducing the cost of back office services such as HR, Communications	Each Council currently has to bear the costs of being 'in business'
<b>Democracy:</b> Reducing the number of elected Councillors and streamlining the election cycle	There are currently 248 elected Members in total across the two-tiers with different election cycles for County and District Councillors.
<b>Value of Services:</b> Reducing the cost of middle management	Each service needs to be managed, but each Council has its own services with its own managers.
Renegotiating and cutting the cost of contracts	Negotiating bigger contracts generally gives better bargaining power
Reducing the cost of delivery	Combining services needs less management

Each of these categories has been analysed to explore the potential to create reductions in cost while enhancing levels of service delivery. We have modelled a series of financial assumptions which underpin this analysis and can be seen in the next section. The savings in the diagram below relate to the option with the potential to provide the greatest financial savings (option 1 - one Unitary Council). The potential financial savings for all options are set out in section 4.



Potential efficiency savings for the one Unitary Council option

### 3.3.2. Harmonisation of council tax

There is currently significant variation in Council tax levels across the County. A new Unitary Council would need to harmonise Council tax levels so that each household across the County pays the same level of tax. There are a number of ways this could be done depending upon the Council tax level that the new Unitary Council would set.

For example, by harmonising Council tax at the lowest level currently paid in the County (£1,221), Buckinghamshire residents could benefit from a £2.8m share of the potential £20.7m that has been identified as potential savings from reorganisation. This would need to be implemented in phases, alongside the realisation of savings through the identified efficiency savings.

In this instance, the overall average for band D properties would reduce by 1% which equates to an average saving of £13 per year on a Council tax bill. Again, based on the lowest Council tax level, some 147,000 households would find themselves better off because of reduced Council tax, with just under 70,000 (Wycombe) seeing no change as they currently pay the lowest in the County. The table below illustrates the current District and County Council Tax Charges for an average Band D property and sets out these potential changes.

	Aylesbury Vale	Chiltern	South Bucks	Wycombe	County Average
District	£137	£163	£143	£127	£142
County	£1,094	£1,094	£1,094	£1,094	£1,094
Combined Fire	£59	£59	£59	£59	£59
Police & Crime	£163	£163	£163	£163	£163
Parish Council and Other	£40	£57	£50	£37	£46
<b>Total Band D</b>	<b>£1,493</b>	<b>£1,535</b>	<b>£1,509</b>	<b>£1,480</b>	<b>£1,504</b>
<b>Band D District + County</b>	<b>£1,231</b>	<b>£1,256</b>	<b>£1,237</b>	<b>£1,221</b>	<b>£1,234</b>
<b>Proposed Unitary Council Tax Charge</b>	<b>£1,221</b>	<b>£1,221</b>	<b>£1,221</b>	<b>£1,221</b>	<b>£1,221</b>
<b>Savings per Annum (£)</b>	<b>-£10</b>	<b>-£36</b>	<b>-£16</b>	<b>£0</b>	<b>-£13</b>
<b>Savings per Annum (%)</b>	<b>-0.8%</b>	<b>-2.8%</b>	<b>-1.3%</b>	<b>0.0%</b>	<b>1.0%</b>

For completeness, the following table also sets out figures for harmonised Council tax being set at the highest and at a County average as well as the lowest.

	Aylesbury Vale	Chiltern	South Bucks	Wycombe	County Average
<b>Lowest Charge</b>	£1,221	£1,221	£1,221	£1,221	£1,221
<b>Savings per Annum (£)</b>	-£10	-£36	-£16	£0	-£13
<b>Savings per Annum (%)</b>	-0.8%	-2.8%	-1.3%	0.0%	1.0%
<b>Average Charge</b>	£1,234	£1,234	£1,234	£1,234	£1,234
<b>Savings per Annum (£)</b>	£3	-£23	-£3	£13	£0
<b>Savings per Annum (%)</b>	0.3%	-1.8%	-0.3%	1.1%	0.0%
<b>Highest Charge</b>	£1,256	£1,256	£1,256	£1,256	£1,256
<b>Savings per Annum (£)</b>	£26	£0	£19	£36	£23
<b>Savings per Annum (%)</b>	2.1%	0.0%	1.5%	2.9%	1.8%

Of course, based on the assumed savings set out in the financial case, council tax levels could be set at a lower level than the current lowest level in the county (Wycombe DC), then 100% of houses would benefit from reduced levels of council tax. This would be a decision for the newly constituted council and would depend on the quantum of savings achieved.

### 3.4. Locality focus

Local government reorganisation is not simply about financial efficiency, it also presents a genuine opportunity to simplify and streamline services which in effect removes some of the barriers which can exist between elected Members, service professionals and service users. It can also present an opportunity to reset services in line with outcomes which balance the relevance of services with the resources available to commission them.

There are three potential levers which could improve locality focus and these are discussed below:

- Eliminating municipal boundaries
- Streamlining delivery
- Enhancing democratic accountability

#### 3.4.1. Eliminating municipal boundaries

The creation of Unitary local government could simplify boundaries which exist across the County. This enables services to be delivered more effectively to whole communities without the need for multiple organisations, and therefore multiple bureaucracies, to become involved in delivery. On this basis, services can be better targeted, they can be planned in a more efficient manner and can be better aligned with resources.

#### 3.4.2. Streamlining delivery

It is not just communities which suffer from the imposition of boundaries. The creation of Unitary local government could also reduce the number and simplify the role of delivery partners, removing the administrative and managerial confusion, or even territorialism, which can exist with a large number of organisations working in a relatively small geographical space. The opportunity

to reshape services around clear outcomes allows the integration of management and financial resources around service users rather than historical organisational hierarchies. It could also assist with the integration of multi-agency working, for example with health service providers, community safety partners and economic development units who currently have to deal with five different Councils in addition to other stakeholders. There is also an opportunity to pool resources, eliminating direct and indirect costs which exist in service delivery while enhancing levels of service.

### **3.4.3. Enhancing democratic accountability**

Currently there are two tiers of democratically elected Members in Buckinghamshire with County and District Members being accountable for different services across the same geographical area. This can create confusion for the public when wishing to contact their elected representative about a particular local issue. For a one Unitary, two Unitary or out of County Unitary option, unification could simplify this as there would be only one tier of elected Members accountable for all services across all communities. In this way, the link between County through to smaller parish communities could be greatly enhanced, as consultative structures could be created around natural communities and communities of interest. This democratic streamlining would potentially provide a huge boost to localism as it would greatly enhance the role and standing of parish and town councils and enable the unitary body to engage much more clearly and directly with them. Consideration could also be made to using some of the savings realised to create a capacity building fund, to support the growth of a much stronger network of community focused councils than currently exists. However, the one Council and one District option presents a significant challenge in this regard. Administratively, the creation of a two organisations with different responsibilities but with a co-terminus geographical scope is possible and from an efficiency perspective, it is the second strongest option behind a single Unitary. Democratic accountability is a different matter as this option requires the creation of two Councils covering the same area, one for County services and one for District. The potential for general confusion with this model is considerable, potentially much more so than exists presently.

## **3.5. Strategic impact**

There are many factors which must combine to enhance the economic competitiveness and growth of an area. Some of these are global factors such as investment decisions made by international capital markets; some are influenced at national level, for example taxation and national infrastructure. However, many of these factors are greatly influenced at local level such as available skills, transport infrastructure, housing, the quality of the built environment and leisure and recreational activities. In addition to this there are more intangible factors such as cultural identity, social makeup of areas and local pride. This is brought into sharp focus with the division between County and District functions in Buckinghamshire when considering economic competitiveness and growth. For example, across the County there is currently:

- No single planning Authority (overseeing new development);
- No single housing strategy (managing provision of social housing in addition to general supply and demand); and
- No strategic planning function for the entire County (co-ordinating policy and exploiting opportunities).

In addition, the link between the general health of the public and a range of both social and economic factors is well understood. Responsibility for public health is now a County wide function, managed by the County Council since April 2013. Once again, the ability to plan coherently and County wide could enhance the opportunity to influence and improve a range of health outcomes and link them directly to services such as housing, transport and economic development.

### 3.6. Fit for the future

#### 3.6.1. Building resilience through Unitary status

Councils of all types have had to make cuts to their budgets in recent years as a result of reductions to local government funding and this trend is widely expected to continue for several more years to come. On top of this, demand for services is almost certain to rise as an effect of an ageing population and several other factors. Given the challenges facing local government, it is a prudent question to ask as to whether different structures of local government, in particular two-tier and Unitary, are better or worse set up to deal with these future challenges.

A summary of potential advantages from becoming one or more Unitary Councils over remaining as two-tier organisations is set out in the table below:

Category	Potential Advantage
<b>Talent</b>	A new Unitary Authority may be able to retain the highest calibre staff from the existing Councils to provide a talented and high performing management team who are best positioned to develop solutions to future financial challenges. Additionally, teams could share skills and knowledge from a broader range of experiences and contexts.
<b>Governance</b>	A two-tier model introduces the potential for conflicts between District and County Councils, which is particularly problematic when reducing budgets. One or more Unitary Authorities could help to streamline decision making and enhance political accountability.
<b>Resilience</b>	One or more new Unitary Authorities could implement the best practises from within each of the County and District Councils, which could help to shape a resilient corporate core to support the Council.
<b>Lean Infrastructure</b>	One or more Unitary Authorities should have a leaner infrastructure and no need for time consuming discussion and negotiation between the two-tier bodies. This could increase accountability, and streamline service delivery and decision making.

Quantitative evidence highlighting how Unitary Authorities are better able to deal with challenging savings targets is evidenced in a 2011 report produced by Deloitte 'Sizing up; Local Government Mergers and Service Integration'. This report sought to compare savings for those Councils which had transferred to Unitary status in 2009 with those remaining as two-tier. Using published data from DCLG and covering a 24 month period, there was an overall savings total of 13.4% on services (within the scope of the analysis) for the new Unitary Authorities compared to an increase of 2.1% for those remaining as two-tier.

#### 3.6.2. The experience of other authorities from 2009 Unitary changes

Generally, local authorities that have moved to a Unitary structure have delivered the financial savings they set out to deliver. Set out below are some of the summary financial outcomes from the 2009 Unitary changes.

Unitary	Projected Saving	Estimated Saving Delivered*
Cornwall	£17m per year	£25m per year
Northumberland	£17m per year (£51m over three years)	£85m over three years
Durham	£22m per year (£66m over three years)	£130m over three years
Shropshire	£20m per year	£20m per year

\*Information for estimated savings delivered is not readily available and in some cases the numbers include general efficiency savings which are not possible to separate from reorganisation savings. Figures have been sourced from either interviews with key stakeholders or other publicly available reports/analysis.

Key officers of other Unitary Authorities have been interviewed to understand their experiences during design, implementation and integration of the Unitary Council in the build up to 2009. The interviews identified a number of common themes that emerged during transition.

### Benefits realisation

The following areas delivered savings:

- Back office rationalisation;
- Staff reduction through management streamlining;
- Reduction in democratic costs;
- Consolidation of IT and accommodation;
- Procurement and contract management;
- The creation of a single senior management team; and
- The merging of a number of other professions across the county.

### Key challenges

The following key challenges were observed:

- A perception of a democratic deficit at local level. One Council introduced area action partnerships and strengthened the role of the Parish Council. Another of the Councils felt that they needed a localist agenda which was achieved through town and parish councils. Also the same council introduced a system of area committees initially which were later disbanded as they were deemed unnecessary;
- Agreeing an approach to harmonisation of pay and conditions;
- There was a concern that local access to services may reduce if the District offices providing local services were rationalised. In one Authority there was a focus on retaining physical presence in key towns and not pulling back into one location. There is a delicate balance of pulling some areas into the centre and devolving some to local level;
- Convergence of services; and
- Prior to merger, not all the councils were supportive of the move to Unitary local government and, in some cases, actively resisted the change.

### 3.6.3. Authorities that had Unitary status rejected

The last round of local government reorganisation resulted in the creation of nine new Unitary Councils. Prior to the constitution of these new authorities, no less than 26 proposals were received by the Secretary of State for consideration, these being a mixture of new District Unitary Councils and a mix of single and multiple County Unitary Councils. Of these, three of the proposals related to single County Unitary Councils, these being Somerset, Cumbria and North Yorkshire.

The reasons for these Councils not proceeding to Unitary status were varied and for the most part complex - they were all subject to political debate at both a local and national level. Analysis of the debate indicates that negative factors such as geographical and population sizes were pitted against the positive notions of streamlining and efficiency savings. Indeed, these are in effect the two central but opposing variables of any Unitary case and are also likely to be central to the political debate which surrounds it.

## 3.7. Conclusion

The case for change in Buckinghamshire is compelling, particularly when considered within the context of the severe financial and demand pressures being faced by the County. While the one Unitary option scores highest on each of the critical success factors established at the beginning of this process, there are advantages associated with the other models, particularly with regard to elected Member representation.

To reiterate, the potential benefits of moving to Unitary status are:

- A reduction in year on year expenditure through a range of efficiency savings which protect and enhance front-line service delivery of up to £20.7m;
- The opportunity to harmonise Council tax, potentially reducing Council tax by an overall figure of £2.8m per year;
- Create a much stronger focus on localities, stripping away a layer of municipal bureaucracy by eliminating the current two-tiers;
- Enable a much greater level of co-ordination and strategic planning across the County for services which are currently split between two tiers; and
- To be fit for purpose in dealing with the forthcoming challenges facing local government.

Unitary local government could provide the opportunity for significant efficiencies which can then be reinvested in services which are subject to on-going pressure from either financial or demand pressures.

## 4. Financial case and options appraisal

### 4.1. Introduction and summary

The summary of the analysis illustrates that Unitary Local Government in Buckinghamshire could significantly mitigate growing pressure on frontline service budgets. Each of the four options assessed aims to reduce the cost of maintaining five independent government organisations each with their own management teams, infrastructure and bureaucracy. Furthermore, all of these options provide the opportunity to direct more funding into frontline services.

Summarised in the table below are the ranges for savings targets, implementation costs, payback period and FTE reduction for each option. These ranges reflect the lower and upper estimates of what could be achieved for each option.

Option	Lower to upper ranges				
	Saving	Reduction to addressable spend (exc. Care and Education)	Implementation	Payback period	FTE reduction
One Unitary	£15.7m - £20.7m	10.6% - 14.0%	£10.7m - £11.6m	1.5 - 1.8 years	236 -271
Two Unitaries	£6.6m - £11.1m	4.5% - 7.5%	£9.4m - £10.0m	2.3 - 3.0 years	116 - 134
One County and One District	£9.6m - £12.8m	6.5% - 8.6%	£10.2m - £11.2m	2.0 - 2.3 years	153 - 182
Out of County Unitaries	£6.6m - £11.1m	4.5% - 7.5%	£13.1m - £13.4m	2.7 - 3.3 years	116 - 134

The largest potential annual savings figure of up to £20.7m (for the one Unitary option) comprises the following savings areas:

- £3.0m in senior management savings;
- £2.1m in having fewer Members and running fewer Elections;
- £1.0m in accommodation savings;
- £7.7m in corporate service rationalisation; and
- £6.9m in service optimisation.

This annual saving of up to £20.7m represents 4.3% of total net expenditure of £483.8m across all services within the five Councils. Notably, to protect the integrity of Care and Education services, which are uniquely provided by the County Council, expenditure for these services were not included in the addressable spend figures in the savings quantification. Therefore, the savings actually represent up to 14.0% of the addressable net expenditure of £148.5m.

The cost of implementing the proposed changes is estimated to be £9.4m - £13.4m, depending on the option selected, and largely relates to FTE reduction. Based on implementation of a one

Unitary Council, the process of optimal integration has been forecast to take three to four years, as follows:

- Year 1: Senior Management & Democratic change;
- Year 2 & 3: Service & middle management restructuring, redesign of support services / infrastructure & rationalisation of assets; and
- Year 4: Full service integration and contract harmonisation.

This high level integration plan is applicable to all the options and dictates the timeline for realisation of savings and implementation costs. Given this plan, the payback period across the range of options has been modelled between one and four years post implementation.

Overall a Unitary Council merger could generate a net cumulative saving of up to **£58.3m across five years**, which can be used to protect frontline services for Buckinghamshire residents.

It is notable that, splitting Buckinghamshire into two Unitary Councils could reduce the saving by £9.6m per annum (amounting to a 46% reduction in financial benefit). Furthermore, it is likely that a two Council model may cost significantly more to implement (as a percentage of total savings). In particular, approximately 50% of the current County Council's staff may need to be accommodated elsewhere in the County, with the potential need for a new HQ if existing convenient accommodation could not be found.

In subsequent sections there is a detailed breakdown of the analysis and assumptions that sit behind savings quantification and implementation costs.

## 4.2. Financial case components

The following section sets out the components of the financial case, the data used, assumptions applied and indicative stable annual saving from the option that provides the largest financial saving (i.e. One Unitary). Section 4.3 sets out a sensitivity analysis showing how the two Unitary, one County and one District, and out of County Unitary options measure against the one Unitary option across the components of the financial case.

### 4.2.1. Senior management savings

Data used to estimate savings includes:

- Actual roles sourced from published data including County and District organisational charts; and
- Salaries sourced from published financial statements.

Type of saving	Description	Rationale/Assumptions	Indicative annual value
Senior management	Reduction in senior posts	Assumption that the new Council will need a single Chief Executive (reduction of 3 FTE)	£2.4m-£3.0m
		Assumption that the new Council will need 4-5 Directors (reduction of 6-7 FTE)	
		Assumption that the new Council will require 14-18 Heads of Service (reduction of 16-20 FTE)	
	Additional unquantified benefits and potential savings opportunities		
	<ul style="list-style-type: none"> <li>Bringing together diverse expert management resource to help devise and implement tactical decisions and policy initiatives</li> <li>Retention of the best leadership talent</li> </ul>		

#### 4.2.2. Election savings

Data used to estimate savings includes:

- Actual Member numbers and allowances (including basic allowance, special responsibility allowances and travel and subsistence) sourced from County and District websites; and
- An average unit cost per Member per election estimated from information published by Chiltern and South Bucks District Councils.

Type of saving	Description	Rationale/Assumptions	Indicative annual value
Democratic costs	Reduction in Members	Assumed that the number of Members for the new Unitary Authority would be 50-90 (rationale is outlined in appendix A). This would see a reduction of 158-198 Members. Cost savings relate to: <ul style="list-style-type: none"> <li>Basic allowance</li> <li>Special Responsibilities</li> <li>Travel and Subsistence</li> </ul>	£0.6m-£1.3m
	Reduced election costs	Unit cost applied to reduction in number of Members. This saving relates to every election event and cannot be spread per annum	£0.6m-£0.8m (every 4 years)
	Additional unquantified benefits and potential savings opportunities		
	<ul style="list-style-type: none"> <li>Streamlined political accountability and clarity within a single-tier system</li> <li>Reduced bureaucracy and perceived uncertainty around the roles and responsibilities of Members</li> </ul>		

#### 4.2.3. Accommodation savings

The baseline for the data was established using the following sources:

- Unit cost of workspaces in High Wycombe from the Total Office Cost Survey (TOCS) 2010.

Type of saving	Description	Rationale/Assumptions	Indicative annual value
Accommodation	Reduction in office space required	There are a number of options for assessing the potential accommodation savings. For the purposes of this strategic case a saving figure has been estimated based on a reduction in workspaces required as a result of estimated total FTE reduction (this equates to a reduction of 236-271 workspaces).	£0.8 m- £1.0m
	Additional unquantified benefits and potential savings opportunities	<ul style="list-style-type: none"> <li>Retention of fit for purpose properties</li> <li>Enhanced opportunity for departmental integration through co-location</li> <li>Encourage the locality and community based reconfiguration of services</li> </ul>	

#### 4.2.4. Corporate service rationalisation

The baseline for the data was established using the following sources:

- ICT spend as a percentage of total service expenditure sourced from SOCITM data and corroborated by evaluating ICT service spend in other Unitary Authorities;
- A baseline total FTE in Districts was established from gathering data in 2013/14 budget books, where available. An estimate of the split of FTE across support service areas was profiled using data from Chiltern, South Bucks and Wycombe District Councils and extrapolated to Aylesbury Vale District Council;
- The overall FTE split for management versus staff in the District and County were calculated by observing actual organisational structures in Chiltern, South Bucks and Wycombe District Councils. This was assumed to be generally representative to Buckinghamshire County Council and Aylesbury Vale District Council. We obtained pay grades across all Councils and assumed grades of £40,000 and above represented management salary; and
- Pay grades for all Councils were obtained.

Type of saving	Description	Rationale/Assumptions	Indicative annual value
ICT	Rationalisation of resources	<p>Assumed baseline non-pay spend on ICT in County and Districts represents 1% of total service expenditure, which is in line with 2010 SOCITM benchmarking survey. ICT savings (excluding staff) therefore represent 1% of current and revised service expenditure after potential efficiencies from other areas were removed.</p> <p>Achieved for example through:</p> <ul style="list-style-type: none"> <li>• Consolidation of applications</li> <li>• Consolidation of help desk</li> <li>• Rationalisation of infrastructure</li> <li>• Purchasing power with suppliers</li> </ul>	£0.1m -£0.2m
	<p>Additional unquantified benefits and potential savings opportunities</p> <ul style="list-style-type: none"> <li>• Ability to attract and retain high calibre ICT professionals to support frontline service innovation and transformation</li> <li>• Ensuring hardware, applications and infrastructure are fit-for-purpose</li> <li>• Selective retention of ICT that optimises service delivery</li> </ul>		

Type of saving	Description	Rationale/Assumptions	Indicative annual value
Corporate services (including HR/ICT/Legal/Democracy)	Reduction in Middle Management	Assumption that number of managers needed would be equal to current County managers plus 10%-20% of District managers (Reduction of 35-39 FTE)	£2.0m-£2.2m
	Reduction in FTE	Assumption that the number of staff required would be equal to current County staff plus 10%-20% of District staff (Reduction of 153-172 FTE)	£4.8m-£5.3m
	<p>Additional unquantified benefits and potential savings opportunities</p> <ul style="list-style-type: none"> <li>• Opportunity to integrate the best talent and optimise the quality of internal support services</li> <li>• A resilient corporate core that shares a unified view of how best to support the Council</li> <li>• Improved streamlined decision making through implementation of robust corporate governance structures</li> </ul>		

## 4.2.5. Service optimisation

The baseline for the data was established using the following sources:

- A baseline total FTE in Districts was established from gathering data in 2013/14 budget books, where available. An estimate of the split of FTE across support service areas was profiled using data from Chiltern, South Bucks and Wycombe District Councils and extrapolated to Aylesbury Vale District Council;
- The overall FTE split for management versus staff in the District and County were calculated by observing actual organisational structures in Chiltern, South Bucks and Wycombe District Councils. This was assumed to be generally representative to Buckinghamshire County Council and Aylesbury Vale District Council;
- Pay grades across all Councils were obtained.

Type of saving	Description	Rationale/Assumptions	Indicative annual value
Management duplication	Reduction in FTE	Assumption that management roles sit in salary grades earning £40,000 and above. This equates to 18% of total FTE (excluding senior management posts) in managerial and senior professional roles based upon available published role profiles. The number of managers needed would be equal to current County managers plus 60%-70% of District managers (reduction of 23-30 FTE).	£1.3m-£1.8m
	Additional unquantified benefits and potential savings opportunities <ul style="list-style-type: none"> <li>• Redesign the overall structure and management roles to reflect the needs, values and target culture of the new organisation</li> <li>• To attract and retain high performing talent across key services, supporting innovation and change</li> <li>• Facilitation of knowledge and skills sharing from a broader range of experiences and contexts</li> </ul>		

Type of saving	Description	Rationale/Assumptions	Indicative annual value
Non-pay service delivery Costs	Front line service optimisation	Assumption that there will be a saving of 3-5% of total frontline service expenditure due to economies of scale and service optimisation. It is assumed that no savings would be made from Care and Education services. Appendix B sets out some general examples of how these efficiencies could be achieved.	£3.1m-£5.1m
	Additional unquantified benefits and potential savings opportunities <ul style="list-style-type: none"> <li>• Opportunity to move towards outcomes based service delivery</li> <li>• Consolidated and strengthened business relationships with external providers</li> </ul>		

## 4.2.6. Implementation costs

Implementation costs relate to the investment required for the creation of one or more Unitary Councils. The non-recurrent costs detailed below are for the implementation of the One Unitary option but apply to all other options. These have been developed on the basis of the following assumptions and include:

- The cost of FTE reduction is based on removing 25 - 30 of the most senior posts at an average cost of £50k, and the remaining 211 - 241 posts at an average cost of £16k. This assumption is in line with published data and averages across the public sector from the "CIPD/KPMG 2008 LMO Survey";
- The approach and cost estimates for the implementation project team, Member induction, corporate communications, branding and professional services are largely based on the experience of other Authorities;
- The ICT costs are based on the integration and replacement of core service systems (e.g., housing, planning, local taxation, regulatory services);
- The implementation team costs reflect the costs to employ 25 FTE at an average salary of £38k; and
- Additional transition contingency funds of £2m been built in to the 3 year delivery timescale to reflect the experience of other authorities from 2009 local government re-organisation.

Investment area	Overall	YR 0	YR 1	YR 2
Planning and prelaunch	£0.5m	£0.5m		
IT costs and new system training	£2.0m	£1.0	£1.0m	
FTE reduction	£5.0m	£1.3m	£1.5m	£2.2m
Implementation programme team	£1.0m	£0.5m	£0.3m	£0.2m
Professional services	£0.5m	£0.2	£0.2m	£0.1m
Corporate comms and branding	£0.3m	£0.1m	£0.1m	<£0.1m
Staff induction	£0.1m	£0.1m		
Member induction	£0.2m	£0.2m		
Transition contingency	£2.0m	£1.0m	£0.6m	£0.4m

## 4.3. Sensitivity analysis of options

### 4.3.1. Introduction and approach

There are a number of different Unitary options that could be considered. This report has considered the following four options:

- One Unitary;
- Two Unitaries;
- One County and one District; and
- Out of County Unitaries.

A sensitivity analysis of the options considered in this report has been carried out based on assessment of the following areas:

- **Potential Savings** - to understand the impact of each Unitary option on overall savings targets;
- **Impact for service users** - to capture the positive and negatives aspects of how District and County services could change from the perspective of the service user and the level of disruption they may experience;
- **Practicality** - to understand feasibility of shared working across services and restructuring political landscape; and
- **Implementation** - to provide an overview of the relative costs and challenges to implement.

Ratings (red/amber/green) have also been applied to each of the assessment areas for each of the options as follows:

- **Red** - provides a poor result relative to other options;
- **Amber** - provides a satisfactory result relative to other options; and
- **Green** - provides the best result of all of the options.

Assessment area	Rating	Comments
Potential Savings		NARRATIVE
Impact for service users		NARRATIVE
Practicality		NARRATIVE
Implementation		NARRATIVE

Underneath each table is a quantification of how each option performs within distinct areas of the financial case. Detail has been provided to indicate whether performance sits in the upper (▲), middle (▶) or lower (▼) range of the following:

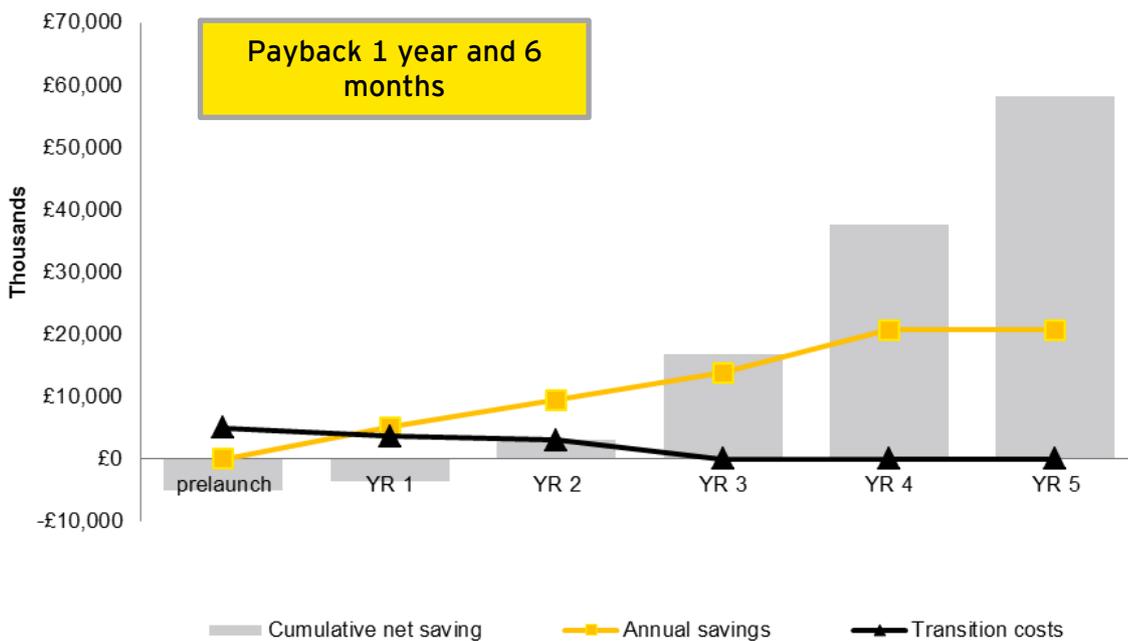
- ▶ Savings from senior management;
- ▶ Savings from elections;
- ▶ Savings from accommodation;
- ▶ Savings from corporate service rationalisation;
- ▶ Savings from service optimisation; and
- ▶ The % of annual savings in non-recurrent implementation costs and related payback period.

### 4.3.2. One Unitary Council - option appraisal

Assessment area	Rating	Comments
Savings	G	This option has the potential to deliver the greatest amount of financial savings at up to £20.7m.
Impact for service users	G	<p>Potential improvements via streamlining services, removing duplication, reducing bureaucracy and optimising delivery.</p> <p>Service users could benefit from continuity in the delivery of care, education and community services.</p> <p>However, suggested levels of political representation are lower under one Unitary than for other options.</p>
Practicality	G	<p>There is likely to be limited requirement for service redesign and this option provides intuitive restructuring of democratic landscape.</p> <p>A single Unitary structure supports transfer of skills, capabilities, knowledge and best practice through shared working arrangements.</p>
Implementation	G	<p>As this option involves the greatest reduction in FTE, implementation costs are higher - however, this still represents the fastest payback period across all the options.</p> <p>Implementation is likely to be challenging, but this has been successfully done elsewhere and there are ample opportunities to learn from others in this respect.</p>

Potential overall savings target range for this option is **£15.7m - £20.7m**, this breaks down as follows:

- ▲ **£2.4m - £3.0m** savings from senior management;
- ▲ **£1.2m - £2.1m** savings from elections;
- ▲ **£0.8m - £1.0m** savings from accommodation;
- ▲ **£6.9m - £7.7m** savings from corporate service rationalisation;
- ▲ **£4.4m - £6.9m** savings from service optimisation; and
- ▲ Non-recurrent Implementation costs of **£10.7m - £11.6m** result in a payback period of 1 year and 6 months. The graph below represents the payback period for this option given the upper range of savings and implementation costs across the proposed high level implementation timeline.



**One Unitary Council option - What does this mean?**

The one Unitary option offers the highest potential level of financial savings. This is because the formation of a single Unitary offers the greatest scope to reduce duplication in areas such as management, property and service optimisation.

As most of the services currently in the County are likely to remain unaffected, impact on services under this option should be minimal. Although existing District services will need to be reshaped, any potential disruption could be mitigated by the fact services will be combined rather than fundamentally redesigned.

In terms of practicality, the one Unitary option fares well based on the potential relative simplicity of creating a single organisation. Staff, Councillors and service users may experience less disruption during the transition and other potentially costly elements such as branding, signage and stationary should be relatively unaffected.

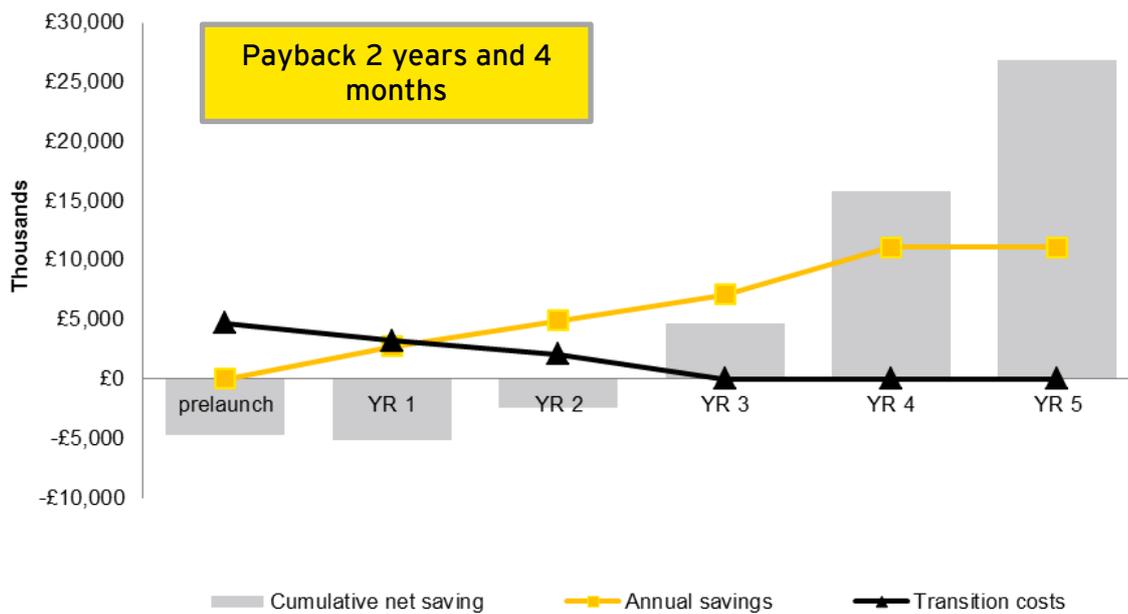
Finally, given the scale of restructuring associated with this option, implementation does not come without its challenges. Fortunately, there is much previous learning from other Authorities that have become Unitary to support and guide the Council around in this regard. Moreover, application of a single existing organisational infrastructure should also help to ease the process.

### 4.3.3. Two Unitary Councils - option appraisal

Assessment area	Rating	Comments
Savings	A	Savings are significantly lower than the one Unitary Council option. This is driven by the extra costs of an additional senior management team, required duplication of corporate services and service managers across the two Councils, and reductions in service delivery efficiencies due to decreased potential economies of scale.
Impact for service users	A	<p>There is still scope for potential improvements via streamlining services, removing duplication, reducing bureaucracy and optimising delivery but on a smaller scale to a single Unitary.</p> <p>The two Unitary option requires the merger of District Councils and further disruption by splitting the current County Council's functions in two. As such, service users with care needs will fall under the remit of an entirely new Council.</p> <p>Suggested levels of political representation are higher than for a single Unitary, and the creation of two Councils may offer a greater locality focus.</p>
Practicality	A	<p>Shared delivery of services will need to be redesigned around new agreed Council boundaries.</p> <p>As this option requires additional political representation it may be more straightforward to restructure the democratic landscape.</p> <p>Forming two unitaries could reduce the scope to transfer capabilities, knowledge and best practice via shared working arrangements.</p>
Implementation	A	<p>Due to considerable reductions to savings, overall implementation costs represent a higher percentage of annual savings.</p> <p>Disaggregating the existing County Council structure is likely to introduce additional complications, as well as time and cost pressures. Notably, however, a two Unitary option has also been implemented successfully in other Counties.</p>

Potential overall savings target range for this option is **£6.6 - £11.1m**. Main financial considerations for this option include:

- ▼ **£0.5m - £0.8m** savings from senior management;
- ▶ **£0.6m - £1.9m** savings from elections;
- ▼ **£0.4m - £0.5m** savings from accommodation;
- ▼ **£3.4m - £3.9m** savings from corporate service rationalisation;
- ▶ **£1.7m - £4.0m** savings from service optimisation; and
- ▶ Non-recurrent Implementation costs of **£9.4m - £10.0m** result in a payback period of 2 years and 4 months. The graph below represents the payback period for this option given the upper range of savings and implementation costs across the proposed high level implementation timeline.



### Two Unitary Councils option - What does this mean?

This option proposes the creation of two new Unitary Councils in Buckinghamshire. It is important to see this option in terms of the creation of two new organisations rather than a split in existing provision. Notwithstanding these challenges, it is worth reflecting that sub County Unitary Councils were created with relative success in Bedfordshire and Cheshire in 2009, so these challenges are by no means insurmountable.

While overall savings are still likely to be considerable, a two Unitary option is likely to produce a lower level of savings than the one Unitary option. These savings largely fall out of the requirement for two managerial administrations, greater number of elected Members and duplication across corporate services.

Although the benefits of streamlining services also apply to this option, the creation of two new County level organisations carries an increased risk of considerable service disruption.

From a political standpoint, the creation of two sovereign Councils provides a preferable solution as this model could increase the ratio of elected representation across the County. This political advantage should be considered alongside potential practical complications in splitting and realigning services around new Council boundaries. Moreover, creating two Unitaries may reduce the scope to transfer skills and capabilities across the County and District workforce.

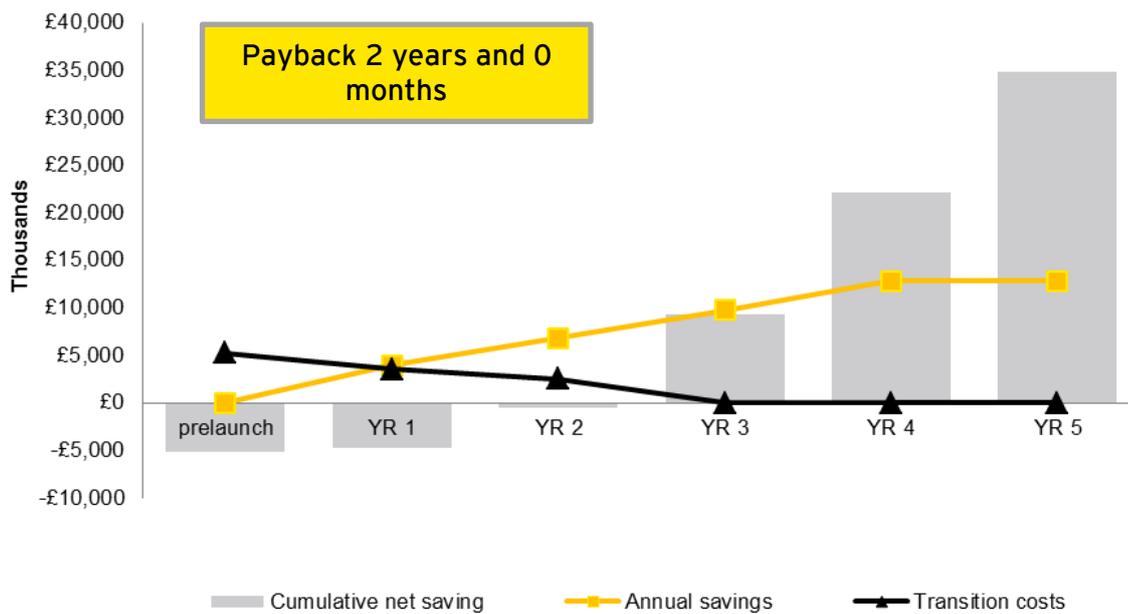
Despite the caveats outlined above, implementation of this model is possible; it has been done elsewhere and there is therefore practical prior learning available to support this option.

#### 4.3.4. One County and one District - option appraisal

Assessment area	Rating	Comments
Savings	A	Savings are likely to be significantly lower than those for the one Unitary option. This is driven by the extra costs of retaining a senior management team for the District, and reduced scope to capitalise on optimising contracted spend across the existing County and District Councils.
Impact for service users	A	There are opportunities to streamline services, remove duplication, reduce bureaucracy and optimising delivery of services but these are constrained to the boundaries of a two tier service delivery model.  Service users will benefit from continuity in the delivery of care, education and community services. However, the creation of Councils with distinct service agendas within identical geographical boundaries could create confusion.  Suggested levels of political representation could be higher than for a single Unitary.
Practicality	R	Delivery of District services would need to be redesigned around new agreed Council boundaries.  Although having one County and one District Council calls for additional political representation, this intensive restructuring of democracy is both unfeasible and impractical.
Implementation	R	Due to considerable reductions to savings, overall implementation costs represent a high percentage of annual savings.  Currently no other Authorities have implemented or considered a one County and one District option. As such there is no concrete guidance and/or evidence for the implementation of County wide two-tier service delivery models.

Potential overall savings target range for this option is **£9.6m - £12.8m**. Main financial considerations for this option include:

- ▶ **£1.3m - £2.1m** savings from senior management;
- ▶ **£1.1m - £1.8m** savings from elections;
- ▶ **£0.6m - £0.7m** savings from accommodation;
- ▶ **£4.6m - £5.1m** savings from corporate service rationalisation;
- ▼ **£2.0m - £3.1m** savings from service optimisation; and
- ▶ Non-recurrent Implementation costs of **£10.2m - £11.2m** result in a payback period of 2 years and 0 months. The graph below represents the payback period for this option given the upper range of savings and implementation costs across the proposed high level implementation timeline.



### One County and one District - What does this mean?

This option proposes the creation of a new County-wide District Council to take over the functions of the other three, creating coterminous County and District Councils. This is an innovative idea, however, it does pose some challenges in terms of practicality and implementation.

In terms of savings, this option has the potential to produce a higher level of savings than the two Unitary solution, as some of the costs of establishing new organisations are reduced. However, the potential efficiency savings remain some way behind the figures generated by the one Unitary option.

Impact on service users offers a relatively low level of risk given that existing County services should remain largely untouched. Similarly, District services could combine administratively, but remain relatively unchanged in operational terms.

The major challenge with this option relates to practicality, particularly in terms of democratic representation. One of the major criticisms of the existing two-tier model is the potential for confusion between different service functions and democratic accountabilities. This is somewhat amplified by a One County and one District option, which would require the creation of a new County-wide District Council. The new District Council could mirror the existing County Council but would be responsible for different services. Given that these would operate within identical boundaries could create confusion. Alternatively, if the District was to be created on a purely administrative basis, it has the potential to result in an unacceptable deficit in representation. Finally, if the two were democratically aligned but with separate administrations, then it results, in effect, with the creation of a Unitary Council, similar to the one Unitary option, but with additional cost. It is difficult to see how these challenges could be realistically overcome.

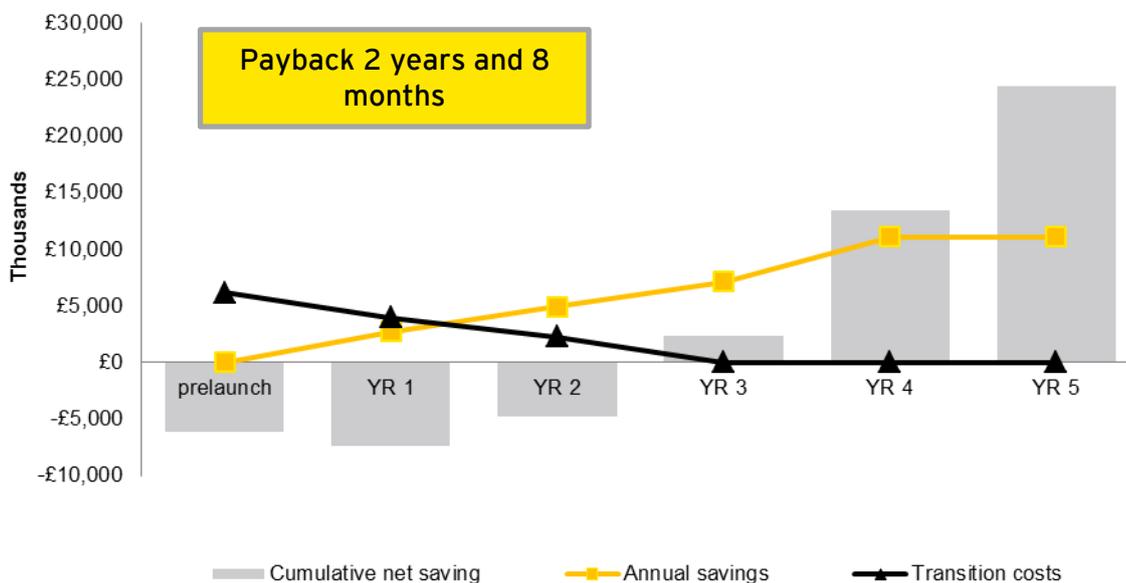
The implementation of a One County and one District option presents a clear dichotomy between administrative and democratic structures as set out above.

### 4.3.5. Out of County Unitary Councils - option appraisal

Assessment area	Rating	Comments
Savings	A	<p>Assuming the expenditure baseline for the savings quantification matches that for the other three options, savings align with those for Option 2 (two Unitary Councils). These are similarly driven by the extra costs of an additional senior management team, required duplication of corporate services and service managers across the two Councils, and reductions in service delivery efficiencies due to decreased potential economies of scale.</p> <p>Notably, the introduction of new out of County Districts could offer additional savings premiums. However, as this saving represents a proportion of an unknown expenditure baseline this has not been quantified as part of this report.</p>
Impact for service users	R	<p>There is scope for potential improvements via streamlining services, removing duplication, reducing bureaucracy and optimising delivery but on a smaller scale to a single Unitary.</p> <p>This option requires the merger of District Councils and further disruption by splitting the current County Council's functions in two. This could be further exacerbated by creating new service arrangements outside of County boundaries.</p>
Practicality	R	<p>Shared delivery of services will need to be redesigned around new agreed Council boundaries that will extend out of the County. This has particular implications for the integration of policies, culture and ways of working across Councils that currently operate in versus out of County.</p> <p>It would be crucial to understand scope and clarify the delivery of care services to those who currently fall out of Buckinghamshire's remit. Work also needs to be done to understand and deliver services within a completely new provider landscape.</p> <p>Political restructuring of democracy also likely to be complicated and impractical.</p>
Implementation	R	<p>To date, no other Authorities have considered/attempted implementing an out of County Unitary option. Without concrete empirical examples of forming out-of County unitaries it is difficult to fully understand and employ a model of best practice. Furthermore, there is also little guidance on identifying and mitigating potential risks.</p> <p>Implementation costs are likely to be extensive given the scale of potential contingencies which would be required for consultation over three counties (possibly involving referenda), potential contract novation, and the transition costs associated with staff, infrastructure, branding and administrative materials. There would also need to be consideration of how to amalgamate discrepancies in working practice, culture and business processes across three disparate education and social care systems.</p>

As per Option 2, the potential overall savings target range for this option is **£6.6 - £11.1m**. Main financial considerations for this option include:

- ▼ **£0.5m - £0.8m** savings from senior management
- ▶ **£0.6m - £1.9m** savings from elections
- ▼ **£0.4m - £0.5m** savings from accommodation
- ▼ **£3.4m - £3.9m** savings from corporate service rationalisation
- ▶ **£1.7m - £4.0m** savings from service optimisation
- ▼ Non-recurrent Implementation costs of **£13.1m - £13.4m** result in a payback period of 2 years and 8 months. The graph below represents the payback period for this option given the upper range of savings and implementation costs across the proposed high level implementation timeline.



### Out of County Unitary Councils - What does this mean?

The out of County Unitary option proposes the creation of two new Unitary Councils (as per the two Unitary option) but additionally suggests that this involves existing District Councils from neighbouring County Councils.

In terms of service impact, this option would be largely similar to the two Unitary option discussed above, though this would be further exaggerated by the inclusion of Districts from neighbouring counties.

There are, however, considerable challenges associated with the practicality of this proposal as well as the ability to implement it. This proposal would require a major electoral boundary review which would be conducted by the Local Government Boundary Committee for England and would involve the three affected County Councils and their existing Districts which would present a considerable logistical and political challenge from the outset. The option would also require the unprecedented step of subsuming existing County territory into a new County, or the creation of a wholly new

administrative area - both of which would require primary legislation - i.e. the consent of parliament.

The potential for disagreement with this option is significant; it is by far the option with the greatest level of inherent risk and presents a number of challenges which may be practically insurmountable.

There is potential to realise additional financial benefits from the introduction of new out of County Districts. Without fully understanding the new service baseline, however, this has not been quantified as part of this analysis. Furthermore, the delivery of any additional savings needs to be considered alongside the significant increases to the costs of implementing this option. The implementation costs for this option may far outstrip all of the other options as there is requirement for extensive expenditure on public consultation, transition and contract novation. There is likely to also be a requirement for additional investment in ICT, professional services, communications and branding and Member induction.

Finally, there are also likely to be further costs associated with the effective disaggregation of the three existing counties and the transfer of complex service, administrative and corporate infrastructure to a new entity. This would incur potentially significant reorganisation costs which would need to be compensated for before the equally complex debate about the repatriation of benefits could commence. Option 4 is quite simply unprecedented in terms of complexity and this would need to be considered very carefully if pursued further.

## 5. Conclusions and next steps

### 5.1. Conclusion

Buckinghamshire has made considerable progress over recent years in reducing the cost of services in the County and mitigating the impact of reduced funding for services from central government.

However, as our analysis shows, these financial pressures combined with increased costs associated with demographic and social changes over the coming decade mean that even after the £85m+ of savings already delivered, by 2017/18 the County are facing a potential funding deficit of £39m per year.

This report has explored four options for reorganising the function of local government in Buckinghamshire as a response to this financial challenge in addition to protecting and enhancing the quality of front-line services across the County. A summary of conclusions is set out below:

#### 5.1.1. Financial savings

All of the options above have the potential to deliver significant financial savings across Buckinghamshire local government, with the one Unitary option having the potential to deliver the greatest level of financial savings with an annual recurrent saving of up to £20.7m. This saving breaks down as follows:

- £3.0m in senior management savings;
- £2.1m in having fewer Members and running fewer Elections
- £1.0m in accommodation savings;
- £7.7m in corporate service rationalisation; and
- £6.9m in service optimisation.

The other options all carry significant additional costs (effectively reducing overall financial benefits) through:

- The extra cost associated with two senior management teams over a single senior management team could diminish potential savings by up to 80% (nearly £2.2m depending on which option is selected);
- The increased number of Members required for two authorities, and their associated allowances also weakens the savings that could be achieved by up to 14% (up to £0.3m). This is based on the assumption that each Authority would have approximately 30-60 Members (still amounting to a Member reduction of over 50% across Buckinghamshire) and the special responsibilities allowances should be double across two organisations compared to one. There may also be an increase in associated election costs and democracy support;
- The accommodation required by two organisations has been estimated to diminish savings by up to 50% (£0.5m), based upon a proportional reduction in facilities costs based on FTE reduction. This is a prudent estimate, as in reality, it could cost significantly more to re-align the current property portfolio to accommodate two Unitary Councils;
- Additionally, the consolidation of other corporate services (HR/Finance/ Legal/property etc.) into two organisations rather than a single organisation could reduce possible savings further (i.e. 50% - £3.8m).
- Any efficiency from frontline service area optimisation that could be achieved through creation of a single Unitary Council is likely to be diluted by a two Unitary option. An

analysis of this has indicated a potential reduction in saving of approximately 55% (up to £3.8m);

- There are likely to be increased transitional costs related to training, communications, inductions and implementation for creation of two new organisations.

### **5.1.2. Impact on services**

It is highly likely that the structural changes associated with each of the four options may lead to some degree of impact on service delivery and we have therefore made an assessment of the likely impact of this against each option.

- The creation of a single County Unitary should have the lowest relative impact on services given that a County wide structure already exists with the assumption that existing District services can be up scaled and subsumed into this structure;
- The creation of two Unitary Councils is likely to have a greater impact given that both existing County and District services may have to be split down and amalgamated simultaneously and migrated into two wholly new organisations;
- The County/District model should benefit from County services remaining intact and District services being up scaled. The likely impact could come from potential confusion for service users associated with the distinction between different services being delivered in the same geographical area; and
- The greatest level of impact on services may result from creating new Authorities outside the County boundaries given the requirement to first disentangle services from three existing County organisations before integrating them into a newly created organisation. This option has the greatest potential for disruption.

### **5.1.3. Practicality**

Each of the options should involve local consultation, the creation of a detailed business case and primary legislation to proceed in the next parliament. In addition to this we have considered:

- A single County Unitary represents a straightforward organisational platform through which all existing services could be delivered;
- Two Unitary Councils should still be relatively straightforward, though there may be a need for service and democratic boundaries to be redrawn, which would need to be clearly communicated. This option may also require the two new Councils to replace all existing stationary, branding, road signs etc.; and
- Both of the latter options score poorly for practicality based on the scale of the task involved in creating a co-terminus County and District Council in terms of democratic representation and in negotiating the creation of a new Unitary Council made up from elements of three existing County Councils. This should require extensive consultation involving myriad stakeholders and interest groups covering a significant geographical area, it may also involve potentially prohibitive implementation costs given the logistical challenge of reorganising three separate County Councils.

### **5.1.4. Implementation**

Implementation in each case has been assessed in terms of the relative challenges and associated costs of change:

- A single County Unitary is relatively the most straightforward to implement as there is minimal disruption to existing County services and agglomeration of District services;

- A two Unitary solution requires the separation of existing County services in addition to the agglomeration of four sets of District services into two newly created organisations; and
- The remaining two options again face the challenges set out above in terms of implementation, these being the creation of a practical and understandable democratic settlement for the one Council and one District, and the relative complexity of negotiating a new settlement.

The table below sets out an assessment of each of the options against each of the key assessment areas.

Option	Savings	Impact	Practicality	Implementation	Payback period
One Unitary Council	Up to £20.7m				1.5 years
Two Unitary Councils	Up to £11.1m				2.3 years
One County and One District Council	Up to £12.8m				2.0 years
Creating new authorities outside of County boundaries	Up to £11.1m				2.7 years

## 5.2. Next steps

While the coalition government has made it clear that there should be no consideration of further Unitary bids during the current parliament, the debate over local government reorganisation and especially two-tier areas has seen increasing interest in recent months. It is likely to be an important factor in the debate about local government in the forthcoming general election campaign.

Notwithstanding this, the lead in time for the last round of reorganisation was approximately two years from concept through to the new organisations being established. Therefore, the suggested next steps are:

- Undertake consultation with stakeholders as required;
- Once a preferred option or has been identified, this strategic business case will need to be developed into a detailed business case which involves a much more granular assessment of the numbers, issues and context involved;
- From the detailed business case, develop service planning and transition arrangements for the new organisation(s); and
- Create an indicative overarching implementation plan, including timescales, key Senior Responsible Officers (SROs) and resourcing.

## Appendix A Estimating Council Size

### Context

There is no fixed formula for calculating the size of the 'ideal' council across the country. This is recognised by the Local Government Boundary Commission for England (LGBCE) who attempt to take into account local considerations when recommending council size and composition. The balance to be struck in proposing council size is between access to representation (expressed as a ratio of electors per councillor) and the practicalities of council size in terms of decision making and strategic planning. Clearly, either of these variables affects the other; more councillors will produce a better ratio per elector but will increase the overall size of the council and vice versa.

In deciding the most appropriate size for the Council, a number of factors have been taken into account including:

- Ratio of Electors per Councillor;
- Buckinghamshire in comparison with all single tier authorities outside London;
- Specific characteristics of Buckinghamshire; and
- The guidance from the Boundary Commission.

### Ratio of Electors per Councillor

The total electorate in Buckinghamshire is estimated to be 396,753. The table below sets out a range of options for the composition of a new unitary council and the implications for electors in terms of the ratio of councillors per elected member.

#### Option 1 - One County Unitary

Based on a current county-wide electorate of 396,753

No. of Councillors	Electors per Councillor
50	7,935
65	6,104
80	4,959
95	4,176

#### Option 2 - Two Unitary Authorities

Based on two unitary councils with nominal electorates of 198,000

No. of Councillors	Electors per Councillor	Total Councillors Across County
30	6,600	60
40	4,950	80
50	3,960	100
60	3,300	120

#### Option 3 - County and District

In terms of the electoral implications, option 3 becomes more difficult. In effect this option would produce a county and a district with coterminous boundaries but with different service accountabilities. The potential for conflict and confusion is therefore considerable as electors may have to contact different councillors for different services within the same electoral division. Creating a single democratic structure for say the county, with districts continuing to deliver the services they remain responsible for could produce a democratic deficit in terms of there being no direct representation for district services, or vice versa. If the county took over democratic responsibility for all services, it effectively takes us back to option 1 - a single county Unitary.

No. of Councillors in County (no change)	Electors per Councillor	No. of Councillors in District (based on average of current arrangements)	Electors per Councillor	Total Councillors Across County
49	8,097	50	7,935	99

### Option 4 - New Unitary Authorities Outside the County Boundary

Based on two newly created unitary councils:

- Council A indicative population: 259,308
- Council B indicative population: 318,507

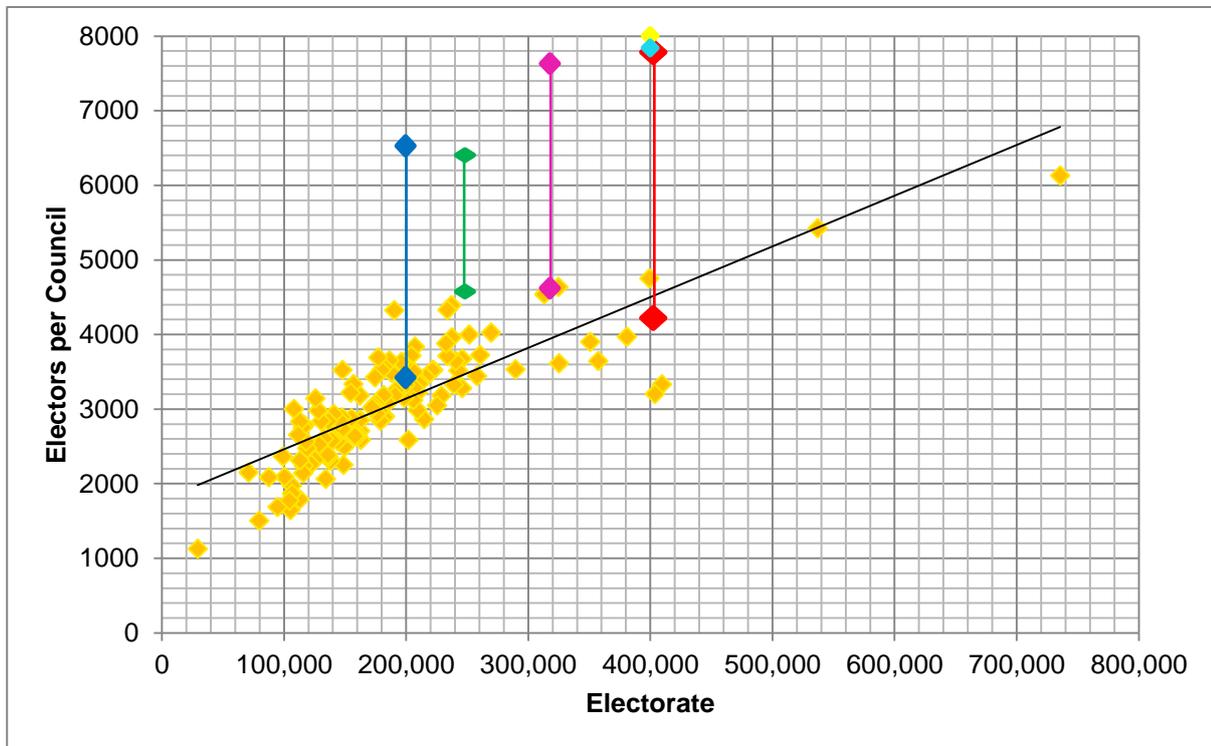
No. of Councillors in Council A	Electors per Councillor	No. of Councillors in Council B	Electors per Councillor	Total Councillors Across County
40	6,483	40	7,962	80
50	5,186	50	6,370	100
60	4,322	60	5,308	120
70	3,704	70	4,550	140

### Comparison of prospective size with other Unitary Councils

With an electorate of approaching 400,000 Buckinghamshire is toward the upper quartile in terms of size nationally, though it is by no means the biggest council as the table below sets out.

Authority Name	Total Electorate	Council Size	Electors per Councillor	Council Type
Leeds	537,163	99	5426	Unitary District
Cornwall	409,639	123	3330	Unitary County (2009)
Durham	403,742	126	3204	Unitary County (2009)
Sheffield	399,131	84	4752	Unitary District
Manchester	380,930	96	3968	Unitary District
Wiltshire	357,240	98	3645	Unitary County (2009)
Bradford	350,882	90	3899	Unitary District
Liverpool	325,125	90	3613	Unitary District
Bristol	324,584	70	4637	Unitary District
Kirklees	313,233	69	4540	Unitary District

In terms of democratic representation, the scatter diagram below sets out ratio for all single-tier councils in England outside London. Based on the line of best fit, each option has been included with the lower and upper figures set out below.



Option	Range	Key
Option 1	7935-4176	
Option 2	6600-3300	
Option 3 Council A	8097	
Option 3 Council B	7935	
Option 4 Council A	6483-3704	
Option 4 Council B	7962-4550	

## Specific Characteristics of Buckinghamshire

The county of Buckinghamshire covers a relatively small geographical area at 156,000 hectares and is much smaller than some of the other recently converted unitary counties. This is a significant consideration in terms of potential future size of a unitary council as access to constituents in a more densely populated geographical area with reasonable transport links provides greater flexibility in terms of the electors to councillor ratio. From the table below, we can see that an indicative 65 member council would put Buckinghamshire nearer the mean of single tier upper tier councils outside London in terms of the ratio of councillors and area.

Authority Name	Area in Hectares	Council Size	Hectare per Councillor	Council Type
Northumberland	501,300	67	7482	Unitary County
Cornwall	354,594	123	2883	Unitary County
Wiltshire	325,535	98	3322	Unitary County
Shropshire	319,731	74	4321	Unitary County
East Riding Of Yorkshire	240,763	67	3593	Unitary District
Durham	222,605	126	1767	Unitary County
Herefordshire	217,973	58	3758	Unitary District
Cheshire East	116,637	82	1422	Unitary District
Cheshire West & Chester	91,664	75	1222	Unitary District
North Lincolnshire	84,631	43	1968	Unitary District
Central Bedfordshire	71,567	59	1213	Unitary District

## Boundary Commission Guidance

Guidance from LG BCE strikes a balance between the ratio of representation to elector and the effective and efficient management of the council. They specifically suggest that they would want to look closely at any proposal which involves a council of 100 upwards.

## Conclusion

Our data and analysis demonstrates that the optimal size of a future unitary authority in Buckinghamshire would be between 65 and 80 elected members. We have also modelled numbers against options 2, 3 and 4 with the potential ranges set out in the scatter diagram above. In each case we have attempted to set out to balance the demands of representation, practicality and efficiency.

## Appendix B Service optimisation assumptions

### Savings Assumptions: Service Optimisation

This area of savings relates to reductions in the cost of delivering non-corporate services (i.e. those services not classified as corporate services for the purpose of this analysis). It breaks down as two key categories:

- Savings through duplication of roles across the District Councils (for the purpose of this analysis, it has been assumed that there is no duplication in service delivery roles but there is 30% duplication across middle management of those service delivery roles).
- Savings through optimising the way services are delivered. The efficiencies are based on taking a whole systems approach to service redesign without the boundaries of two-tier government impeding innovation. Specifically, savings should be achievable through procurement scale and contract management, convergence of systems and processes, better use of assets and optimising processes through utilising regional best practice.

A 3-5% optimisation savings range has been assumed across non-corporate services after staffing costs have been extracted from the cost base. However, it should be noted that there is an assumption that across care and education (accounting for £253m of a total £356m net spend) optimisation savings cannot be made.

Set out below are some examples with evidence from other local authorities of the types of service optimisation savings that can be delivered through this process. More detailed analysis of service delivery across all Buckinghamshire authorities to understand the specific opportunities service by service would be required to quantify how the 3-5% could breakdown across services.

#### 1. Waste

It is assumed that a reduction could be achieved through, for example:

- |   |   |
|---|---|
| i. <b>Moving to a single waste collection service</b> | Better shift management, reduction in the number of vehicles, consolidation on to a single contract, unification of collection methods, reduction in team management but perhaps less opportunity across the team. Requirement to retain local knowledge. |
|---|---|

Evidence from other case studies indicates considerable savings can be achieved.

- Dorset Waste Partnership - £1.4m p.a.
- Somerset Waste Partnership - £1.5m p.a.
- East Sussex - £30m over 10 years
- East Kent Waste - £30m over 10 years

- |  |  |
|--|--|
| ii. <b>Reduction in the collection cost per head</b> | There is considerable variation in the cost of collection per head. Whilst some of this variance may be due to geography and local context, there is an assumption that the service could reach the benchmark unity cost per head. |
|--|--|

- |      |   |  |
|------|---|--|
| iii. | <b>Unification of pay</b>                           | Eliminating the variation in pay across the Districts which could increase the retention of staff in teams.  |
| iv.  | <b>Greater market presence and commercial clout</b> | Through joint procurement, savings could be achieved through standardisation of specifications, reduced number of procurements and leveraging a greater volume of spend. |

## 2. Regulatory

It has been assumed that a saving against current budgets can be achieved through, for example, using a more efficient delivery model across Buckinghamshire for the delivery of regulatory services, ensuring greater integration across historically two-tier functions.

- |     |   |  |
|-----|---|--|
| i.  | <b>Creation of a Single Building Control Service</b>        | There is an opportunity to create a single Building Control service, which could involve the consolidation of multiple services into one.  |
|     |   | Efficiencies through a reduction in senior management posts, in sharing facilities, integration of local teams, and scheduling of work.  |
| ii. | <b>Integration of pest control and environmental health</b> | Efficiencies can be achieved through the integration of pest control and environmental health, which are currently fragmented across the two-tier structure. This could allow the integration of roles, teams and functions. |

## 3. Planning

It is assumed that a reduction against net budgets could be achieved through service optimisation as a result of creating a single planning Authority.

- |    |  |  |
|----|--|--|
| i. | <b>Creation of a Single Planning Authority</b> | The efficiencies of a single planning Authority include the reduction in the number of local plans produced leading to efficiencies in the consultation process, and elimination of inefficiencies resulting from the 4 plans being unaligned. |
|    |  | Professionalisation of the planning service leading to attracting greater expertise and retention levels, leading to better quality decisions and fewer appeals. There could also be some efficiency in the planning policy process.           |
|    |  | There may be efficiencies in closer and more co-ordinated working between the Highways Authority and the Planning Authority.   |

An ability to plan more strategically across the area and to direct resources where there is greatest need.

ii. **Business Application Consolidation**

A single planning Authority could facilitate the consolidation of planning case management systems, and building control. The support and maintenance of these systems can also be significant.

#### 4. Local Taxation & Benefits

There is currently a significant variance in the unit cost and performance of this administrative and support function across the County.

It has been assumed that the unit cost of local taxation collection and benefits administration could be harmonised to achieve the current upper quartile performance across Buckinghamshire District Councils. If this performance improvement were achieved, significant savings could be realised.

Furthermore, the analysis does not include any savings associated with housing benefits due to the national implementation of the "Universal Credit" and welfare reform, led by DWP.

i. **Creation of a Single Revenues & Benefits team**

Achieving an efficiency level equating to current upper quartile performance, through integrating teams and distributing workloads to improve productivity

ii. **Business Application Consolidation**

Consolidation of the IT systems, resulting in reduced support and maintenance costs. This is taking account of a number of outsourced teams.

#### 5. Highways & Street Cleaning

It has been assumed that a saving could be made against current service expenditure for open spaces and street cleaning through service efficiencies. The opportunity areas include asset management (e.g., plant rationalisation and vehicles), procurement (consolidating contracts, rationalise suppliers), integration of contract management teams, combining roles such as parking with environmental enforcement, better shift management and scheduling.