

**Ward:**

**Portfolio:**

**FROM:** Leader of the Council  
and Chief Executive **Date:** 3<sup>rd</sup> December 2020

**SUBJECT:** **The Future of Local Government in Somerset**  
**The “Stronger Somerset” Full Business Case**

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Report Sign off	Seen by:	Name	Date
	Legal	Lesley Dolan	25/11/2020
	Finance	Richard Bates	25/11/2020
	Chief Executive Officer	Stuart Brown	25/11/2020
	Group Manager	N/A	
Summary:	<p>Members will be aware that all Councils in Somerset have recognised the need to change in the way local government works in the County if services are to be sustainable and the challenges the County and our communities face are to be met. Members will also be aware that the government has signalled that it is intending to see change within local government in Somerset and to that end has invited all Councils in Somerset to submit proposals for change.</p> <p>The Leader of Somerset County Council has stated that he wishes to pursue the option of a single Unitary Council for Somerset replacing the five existing Councils. The position has now advanced to one where Somerset County Council has approved a Business Case for the creation of a single Unitary Council for Somerset and this has been submitted to the Secretary of State.</p> <p>Members will also be aware that the District Councils have previously approved and submitted an Outline Business Case for the reform of local government including the creation of two new Unitary Councils for Somerset to replace the five councils, as well as significant change focussed on sustainable services, a stronger economy and improved quality of life. The Outline Business Case was submitted to the Right Honourable Robert Jenrick, Secretary of State, for Housing Communities and Local Government (MHCLG) on 9<sup>th</sup> November.</p>		

	<p>The District Councils have been invited to submit their final proposal by 9<sup>th</sup> December. This Report presents the Stronger Somerset proposal for Council's consideration.</p>
<p><b>Recommendation:</b></p>	<p>Full Council is asked to:</p> <ol style="list-style-type: none"> <li>1. Endorse the Stronger Somerset proposal for the reform of local government including the creation of two unitary Councils within Somerset.</li> <li>2. Note that the decision to submit the final proposal to MHCLG is a “Key Decision” pursuant to the relevant legislation and therefore requires an executive decision to be made before final submission. It is proposed that following full Council’s endorsement of the proposal, the Leader of the Council will make the executive decision to submit the Stronger Somerset Proposal to Secretary of State for Housing Communities and Local Government and will make any required minor amendments to the Proposal as necessary before submission in consultation with the Chief Executive and other Somerset District Leaders and Chief Executives.</li> <li>3. Support the continuing consultation and engagement with key partners, neighbouring authorities, business, staff, unions and local stakeholders, above and beyond any programme of consultation that may be required by the Government in due course.</li> <li>4. Agree to this Council, with the other Somerset councils, advancing the delivery of aspects of the proposals for reform ahead of the Secretary of State’s approval where so doing will support the Stronger Somerset Proposal and lead to early delivery of efficiencies, community outcomes and greater collaboration &amp; integration.</li> <li>5. Pay due regard to the Equalities Impact Assessment, attached as Appendix B, in considering the proposal for a Stronger Somerset</li> <li>6. Note that, in the best interests of the communities and residents of Mendip, the Council will continue to work with colleagues across all tiers of local government and public service in Somerset including ensuring our residents, communities and businesses are supported through the pandemic.</li> </ol>
<p><b>Direct and/or indirect impact on service delivery to our customers and communities</b></p>	<p>There will be both direct and indirect impacts on the delivery of services to our customers and communities, and the Service Plans will in due course reflect these in more detail.</p>

<b>Financial Implications:</b>	The financial implications of this Report are identified within the proposal.
<b>Climate Change Risks and Opportunities:</b>	The climate change implications of this report are identified within the proposal.
<b>Legal Implications:</b>	There will be legal implications for all the District Authorities and the County Council, whatever the Government's final decision is in relation to county of Somerset. The Local Government and Involvement in Health Act 2007, which sets out how a new Authority is created will determine the legal path. This will need to be considered once the Government's decision is known.
<b>Crime and Disorder Implications:</b>	There are no direct crime and disorder implications.
<b>Equalities Implications:</b>	A full Equalities Impact Assessment is appended and shows that any likely impacts will be positive. We expect to review once we receive a decision from the Secretary of State.
<b>Risk Assessment and Adverse Impact on Corporate Actions:</b>	There is expected to be both direct and indirect impacts on all corporate priorities which, if the Stronger Somerset proposal is successful, are more likely to be met.

### **1.1.1 INTRODUCTION AND BACKGROUND**

The debate about the best form of local government in Somerset has been ongoing for a number of years. The district councils' aim has not been to simply cut costs, the intention has been to find a way, through the better use of our resources, to sustain vital services now and for the future whilst also dealing with some of the big challenges Somerset and its communities face. Based on a collective view of the financial challenges that we face, the growing demand pressures for services likely to stem from a growing and aging population, and the opportunities inherent in a relatively low level of collaboration and sharing in the past, the councils concluded that change needs to happen to ensure that we do the best we can for the communities of Somerset and for local government to be financially sustainable.

All five councils in Somerset have concluded that 'no change' is not an option and set about determining what changes were needed and how to bring them about. Together the five councils of Somerset commissioned a joint options study to help inform the path forward. Further work was conducted by an internal consultancy team to help conclude this work before the final report was accepted. Despite the conclusion of this work being that the best route forward was for deeper collaboration between and integration of the five councils in Somerset, Somerset County Council decided to end the collaborative work to develop a Business Case for the creation of a single unitary Council for Somerset. This Business Case was approved by Somerset County Council in July 2020, and was submitted to the Secretary of State for Housing, Communities and Local Government. The four district councils committed to continue to work together and agreed in February-March 2020 to develop a business case for a collaborative and integrated system of local government in Somerset.

On 9<sup>th</sup> October 2020, all local authorities were formally invited by the Secretary of State for Communities and Local Government to submit their proposals for 'a single tier of local government' in Somerset. The intention to move to a single tier of local government is clear and change of some form is coming. Whilst the District Councils recognise that change is needed, analysis suggests that a single unitary Council will not deliver the change needed, to ensure better outcomes for residents, tackle the challenges our communities face or ensure the sustainability of services. The One Somerset business case does not include the vision or any proposals for reform that is needed if we are to drive improvements in the economy and quality of life in Somerset and assure our services for the future. As a result, this Council agreed in June that it did not support the One Somerset business case for a single council for Somerset.

The District Councils have worked together to develop a model for the reform of local government fit for the 21<sup>st</sup> Century in terms of the way it works and the challenges it needs to meet. This includes the creation of two new unitary Councils in Somerset. The proposals set out a significant change in the way that local government would work, to create a much more modern, efficient and collaborative approach to service provision and driving improvements in Somerset, focussed on the needs of residents, communities and businesses. It proposes a solution which is affordable, achievable and sustainable.

The Stronger Somerset proposal adheres to the HM Treasury Better Business Case criteria and pays due regard to the MHCLG criteria for Local Government Reform. The proposal clearly demonstrates how our proposal:

- Improves outcomes and services
  - Stronger Somerset sets out plans for growing the economy, driving up income levels, tackling climate change and helping our towns and places thrive, whilst also proposing how key services such as Childrens Care and Adults & Health will improve
- Provides stronger and more accountable leadership
  - Stronger Somerset sets out a plan for two new councils working together on shared issues across Somerset but focussed on the distinctive needs of the West and East of the County, close to, accountable to and strongly integrated with their local communities.
- Delivers value for money and efficiency
  - Stronger Somerset sets out robust plans for ensuring better value for money and efficiency with substantial short-term and long-term financial benefits that can be invested in communities and protecting & improving services
- Is sustainable in the immediate and long-term
  - Stronger Somerset sets out a sustainable path for service delivery including getting a hold of demand in key services by investing in prevention and early intervention that both lowers cost in the long-term and delivers better outcomes for service users
- Recovers the costs of change and delivers cost savings
  - Stronger Somerset sets out how the cost of change will be paid back in less than three years and how tens of millions of pounds more financial benefit will be generated above that of a single unitary council
- Has broad stakeholder support
  - Stronger Somerset sets out how communities and key stakeholders have been engaged in the design of the proposals and consulted on their preferences for the future, including how almost 60% of residents polled

support the Stronger Somerset proposals for two councils compared to less than 20% support for a single unitary council in Somerset.

## **1.1.2 NEXT STEPS**

The draft proposal has been developed by the Somerset District Councils and is attached as Appendix A to this Report. Subject to the approval of this council, the proposal for a “Stronger Somerset” will be submitted to the Secretary of State for Communities and Local Government by 9<sup>th</sup> December. The proposal is being considered by all four District Councils on 3<sup>rd</sup> December.

## **1.1.3 RECOMMENDATIONS**

Full Council is asked to:

1. Endorse the Stronger Somerset proposal for the reform of local government including the creation of two unitary Councils within Somerset.
2. Note that the decision to submit the final proposal to MHCLG is a “Key Decision” pursuant to the relevant legislation and therefore requires an executive decision to be made before final submission. It is proposed that following full Council’s endorsement of the proposal, the Leader of the Council will make the executive decision to submit the Stronger Somerset Proposal to Secretary of State for Housing Communities and Local Government and will make any required minor amendments to the Proposal as necessary before submission in consultation with the Chief Executive and other Somerset District Leaders and Chief Executives.
3. Support the continuing consultation and engagement with key partners, neighbouring authorities, business, staff, unions and local stakeholders, above and beyond any programme of consultation that may be required by the Government in due course.
4. Agree to this Council, with the other Somerset councils, advancing the delivery of aspects of the proposals for reform ahead of the Secretary of State’s approval where so doing will support the Stronger Somerset Proposal and lead to early delivery of efficiencies, community outcomes and greater collaboration & integration.
5. Pay due regard to the Equalities Impact Assessment, attached as Appendix B, in considering the proposal for a Stronger Somerset
6. Note that, in the best interests of the communities and residents of Mendip, the Council will continue to work with colleagues across all tiers of local government and public service in Somerset including ensuring our residents, communities and businesses are supported through the pandemic.

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#### 1.1.4 BACKGROUND PAPERS

- A. [Stronger Somerset final proposal \(please click hyperlink\)](#)
- B. Stronger Somerset Equalities Impact Assessment