One Somerset

Business case for a new single unitary council for Somerset

Document control

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Dear Resident

Let's start with the obvious question – why have Five when you could have One? It's a pretty simple message that sums up the duplication and waste that exists in Somerset's local councils at this time. It stops us from concentrating on what really matters – Improving Lives for our residents, businesses and communities.

The current system is a mess – and that's the view of ALL of the five councils in Somerset – ironically, it's the one thing we ALL agree on.

This business case outlines the change that is needed.

- It will put the people of Somerset at the heart of any new Authority.
- It will create new local opportunities for residents to have a real say about their own community.
- It will cut red tape and the wasting of tax-payers money.
- Freeing up money that can be spent on the real local issues and challenges including:
  - Caring for our most vulnerable residents
  - Delivering life chances for our children and young people
  - Reducing rural isolation and loneliness
  - Delivering the housing each community needs
  - Investing in climate change
  - Boosting economic growth, jobs and apprenticeships.

We've been talking about a change in Somerset for three years already, now it is time to act and for Somerset to be ambitious. This business case gives a clear guide as to what we want to achieve for our residents, businesses and communities.

It is a positive view that will put local people in charge of the decisions and services that are important to them.

It will end the current confusion and mess that having five councils creates.

It will give Somerset a powerful voice that will be heard in Government.

And it will create investment and opportunities for us all to improve lives.

Councillor David Fothergill
Leader of Somerset County Council

2 Executive Summary

The Government has a series of tests that any proposed new Unitary Authority must meet before it can be approved. This business case showcases what Somerset can achieve and demonstrates how we surpass all Government's tests.

1

Government test one

Any unitary authority should improve local governance.

This business case sets out:

- Improved service outcomes focused on prevention and value for money.
- Stronger leadership and significant savings.
- Devolution of services and assets to City, Town & Parish councils for better place shaping.

2

Government test two

The proposal should command a good deal of local support.

This business case sets out:

- Backed by key partners such as the Police and Crime Commissioner and key business leaders.
- Supported by the majority of our MPs with a groundswell of approval seen among town and parish councils.
- Positive feedback online, on social media and through our own publications.
- Support is significant and growing and we are confident this will continue for the coming months.

3

Government test three

Any unitary authority population to be larger than 300-400,000[1]

This business case sets out:

- Somerset's population is 560,000[2]

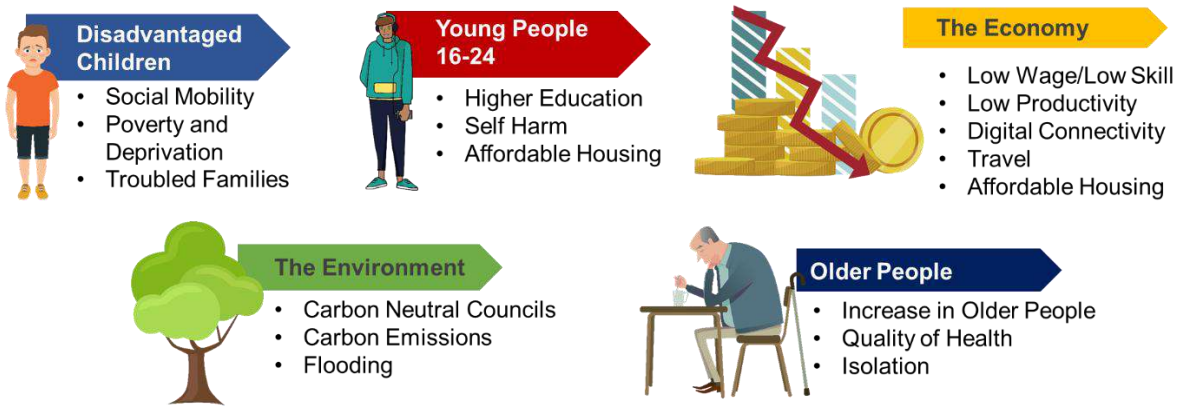
2.1 Context

Somerset is a county of contrasts. Home to farming and engineering; manufacturer of cheese and cider but also the UK's only helicopter maker; low skill jobs in the tourist industry vs high skilled jobs in the UK Hydrographic Office and Hinkley Point power station; picture postcard villages with limited public transport and bustling, thriving market towns with good road and rail links.

These contrasts are a strength – but they mask concerns. Low paid and seasonal employment, a lack of a university resulting in a young people's "brain drain", an ageing population that will put pressure on social care and health services into the future, and the challenge that Somerset's councils have set to become carbon neutral by 2030.

This business case develops a strategy that will harness the strengths and put in place solutions for the concerns and challenges. It will not deliver everything at once but is a huge step towards improving lives across Somerset. If we do not take that step now, we will store up problems and challenges for our future generations.

5 main issues for the future of Somerset from the 2019 FoLGiS report



- We will demonstrate the benefits to people that can be achieved across Somerset.
- We will illustrate the savings that can be made and reinvested in Somerset.
- We will commit to continue to analyse, develop and consult on this proposal and our plans, to reflect the changing needs of Somerset.

Somerset's local councils came together to combat Coronavirus and did some great work supporting our residents and communities. But it shouldn't take a crisis to force this to happen - and even then, there was in-built delay, confusion, and examples of where we could not work together.

This business case highlights how we can help our residents from Day One in any future pandemic.

Now as we move towards a new phase in dealing with the pandemic, we are looking to rebuild our economy, support our businesses, create more apprenticeships and develop skills training to boost jobs.

This business case highlights how changing the way local government operates will provide the support and investment needed to create the right environment for new and better jobs.

2.2 Ambition

The ambition is very clear – to Improve Lives of residents, businesses and communities – everyone wants better outcomes for the people and businesses of Somerset and local government that is fit to support them and drive that improvement. A Somerset that will:

2.3 Options

Over the past two years, there has been various work and discussions to find the best solution for Somerset. An independent report supported by all local councils narrowed the choices down to four options within the current boundaries of the county council and four district councils of Somerset.

1. **No change**. Trying to work towards savings and transformation in each of the five councils.

2. **Closer collaboration.** No structural change, but trying to join up teams, services and activities where possible.

3. **Single unitary**. Creating a new single unitary council to provide all the services currently delivered by the four district councils, and the county council.

4. **Two unitaries within existing two-tier Somerset boundary.** As Option 3 but two new unitaries instead of one to carry out current services[1].

The analysis shows that the best fit for Somerset is Option 3, a single new unitary council for Somerset. This would see the creation of a new council to provide the services and responsibilities of the existing five councils across the county.
It will improve services, give local people more say on decisions that affect them, reduce waste and duplication and deliver savings. The document stresses that this is not the cheapest option – but it does free up the most money that can be reinvested to deliver the best results for Somerset.

2.4 A Vision for Somerset – "What's in it for me and my community?"

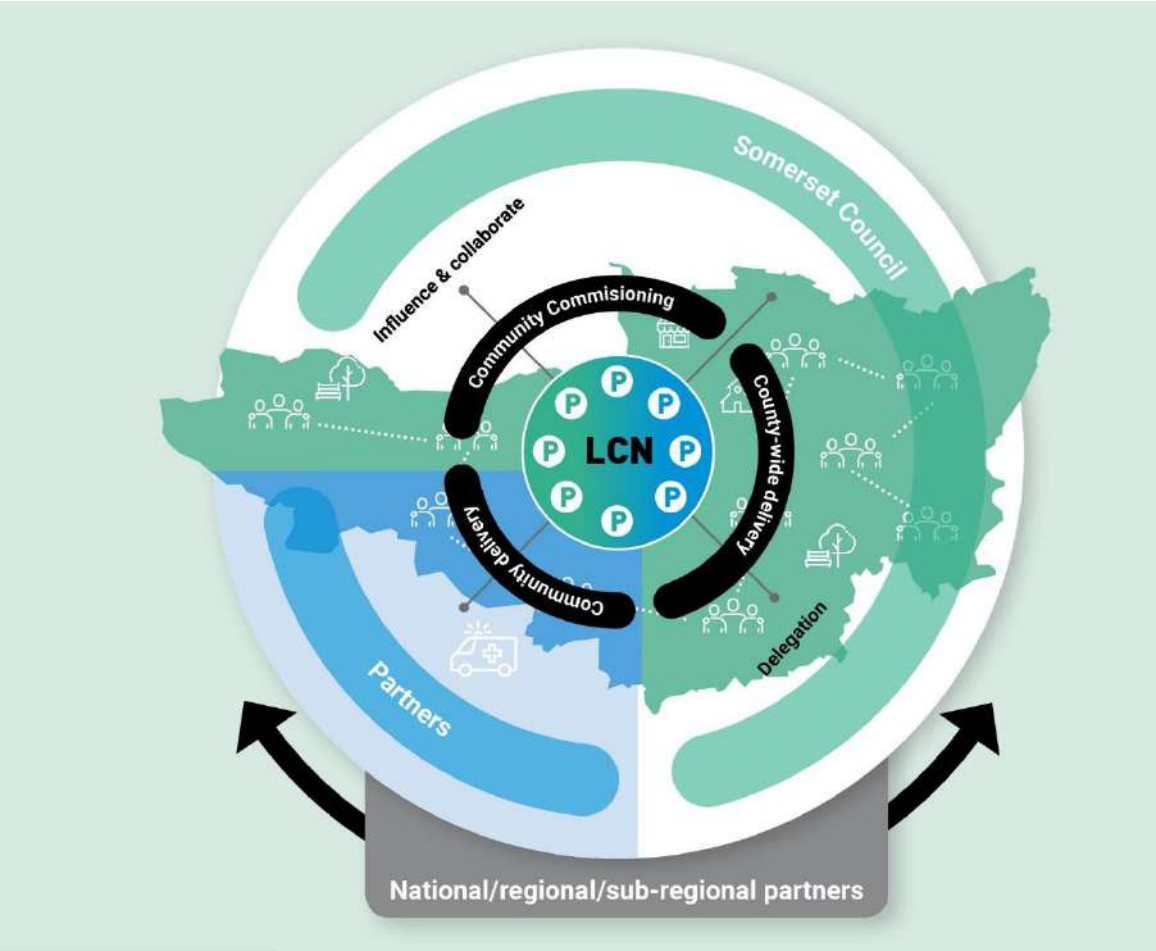
At the heart of the business case is our commitment to local communities.

We want a new authority that creates a series of 15 -20 new local community networks (LCNs) to give local people real power and real influence over the decisions that affect them most.

- Every part of the new authority, whether urban or rural, would be in an LCN area.
- Every part of the new authority would have a strong local voice that can stand up for local people.
- Every part of the new authority will help to tackle the inequality that can remain hidden from those not "on the ground".
- Every part of the new authority will have a real say in how to tackle climate change and improve their own environment.

1 This would establish two new authorities, assumed to be on the basis of a "western" council (Somerset West and Taunton and Sedgemoor) and an "eastern" one (Mendip and South Somerset). The option of an East/West boundary was chosen as, while still below the population numbers advised by government, it provides the closest match to the Government's minimum 300,000 population for both new authorities.

Local Community Networks as part of a One Somerset approach



Key

Parish or town council

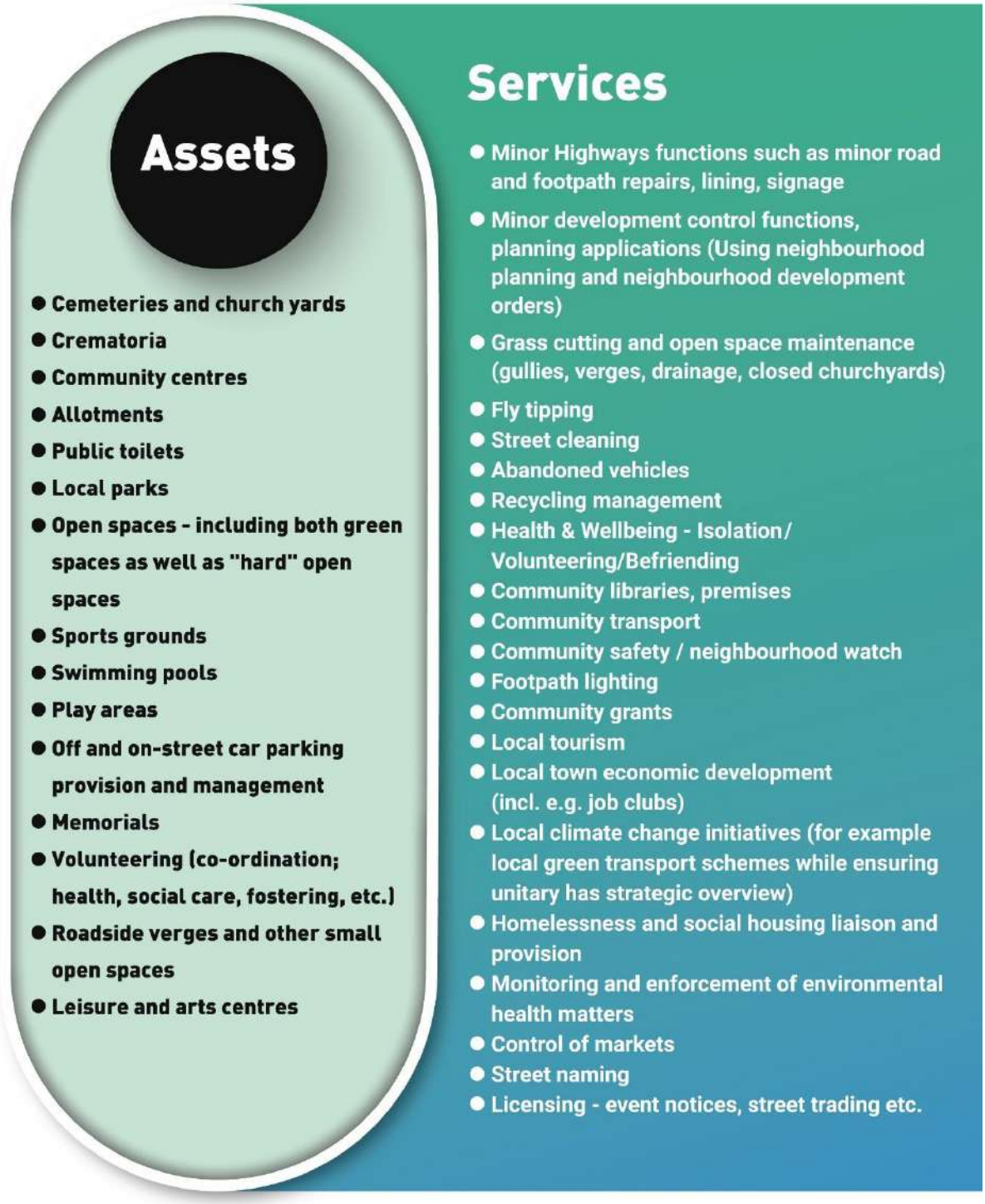
And it will mean far more local democracy than just 100 unitary councillors – it will create networks that involve local voluntary and community organisations and put parish and town councils front and centre in their own areas. This devolution of power and resources to the councils and organisations, that are at the real heart of our communities, will provide a focus for local engagement and become the channel for local views, feedback, consultation and communication. Importantly this will have a huge value, not just within the unitary council, but it will also create the opportunity to link up more closely with other local public services, notably the NHS, schools, the voluntary sector and other key partners.

It is a chance to engage everyone and inspire children and young people, those of working age, and those who are retired to see how they can really make a difference in their own area.

In Somerset, there are 323 parish and town councils, who vary greatly in size and the council tax they raise, and hence in the range of activity they undertake. Establishing a new unitary authority would be an opportunity to devolve some services and assets in a way that benefits our communities and both the unitary and local parish or town councils.

Below is an indicative list of services and assets that could be devolved where this is appropriate to local circumstances. It is not exhaustive. Devolving assets will need to be broadly cost neutral to both the town or parish councils involved, and the unitary council, in order to not cause financial instability for either partner. So, assets with income would need to be balanced with service responsibilities and costs.

Indicative menu of devolution options to parish and town councils



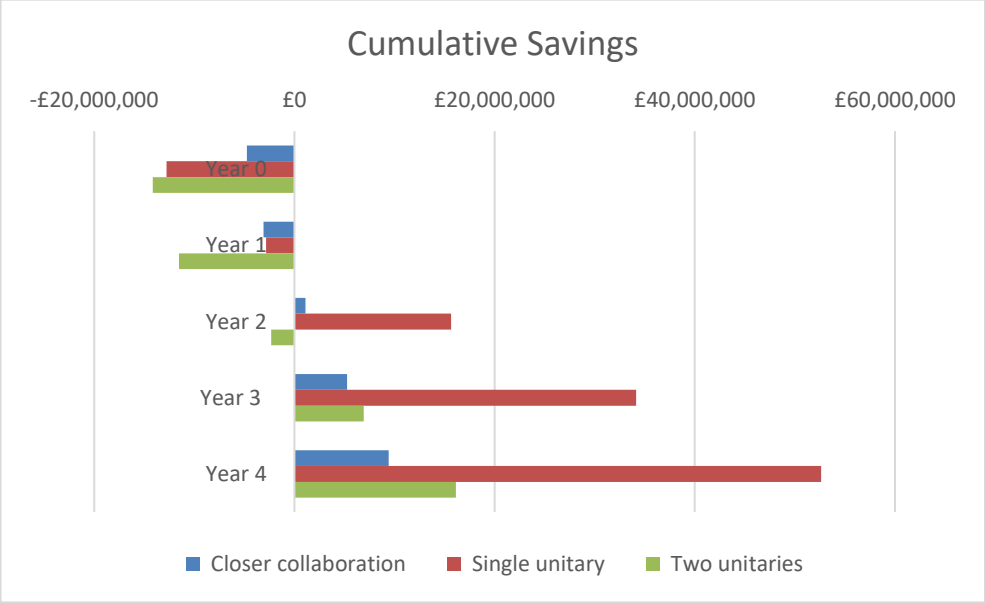
2.5 Financially sustainable

The business case clearly sets out a range of opportunities to work more effectively, deliver better value for money and create the savings that can be then used to improve services in Somerset.

In tight financial times, Somerset County Council stands out as a well-run and financially sound authority with strong reserves that have enabled it to deal with the Covid-19 financial strain. It is also worth noting that our smaller district councils are really feeling the pinch and struggling with increased costs and depleted income.

The business case shows that a single unitary council for Somerset would generate £52m over five years in savings. That's a huge sum that can then be invested in key services that address local issues, tackle climate change, and together make a big difference to people's lives. That's just the basic savings – there is then huge scope to transform the way the new council will work with millions of pounds more to be freed up, and working with our local community networks, to reinvest in the services that make the biggest difference in their areas.

The cost of setting up a single council is projected to be £16.5m and could be implemented by April 2022 with a 15-month lead-in programme bringing together the best people from all five councils.



Five-year savings comparison

This structural change will require a carefully designed programme to ensure effective and efficient implementation. There will be one-off costs covering factors such as redundancy, cost of a central programme team, communication and training and technology change. When these are taken into account, a single unitary council remains the preferred option in terms of payback period and when assessed over five-years in terms of value for money, as shown in the following table.

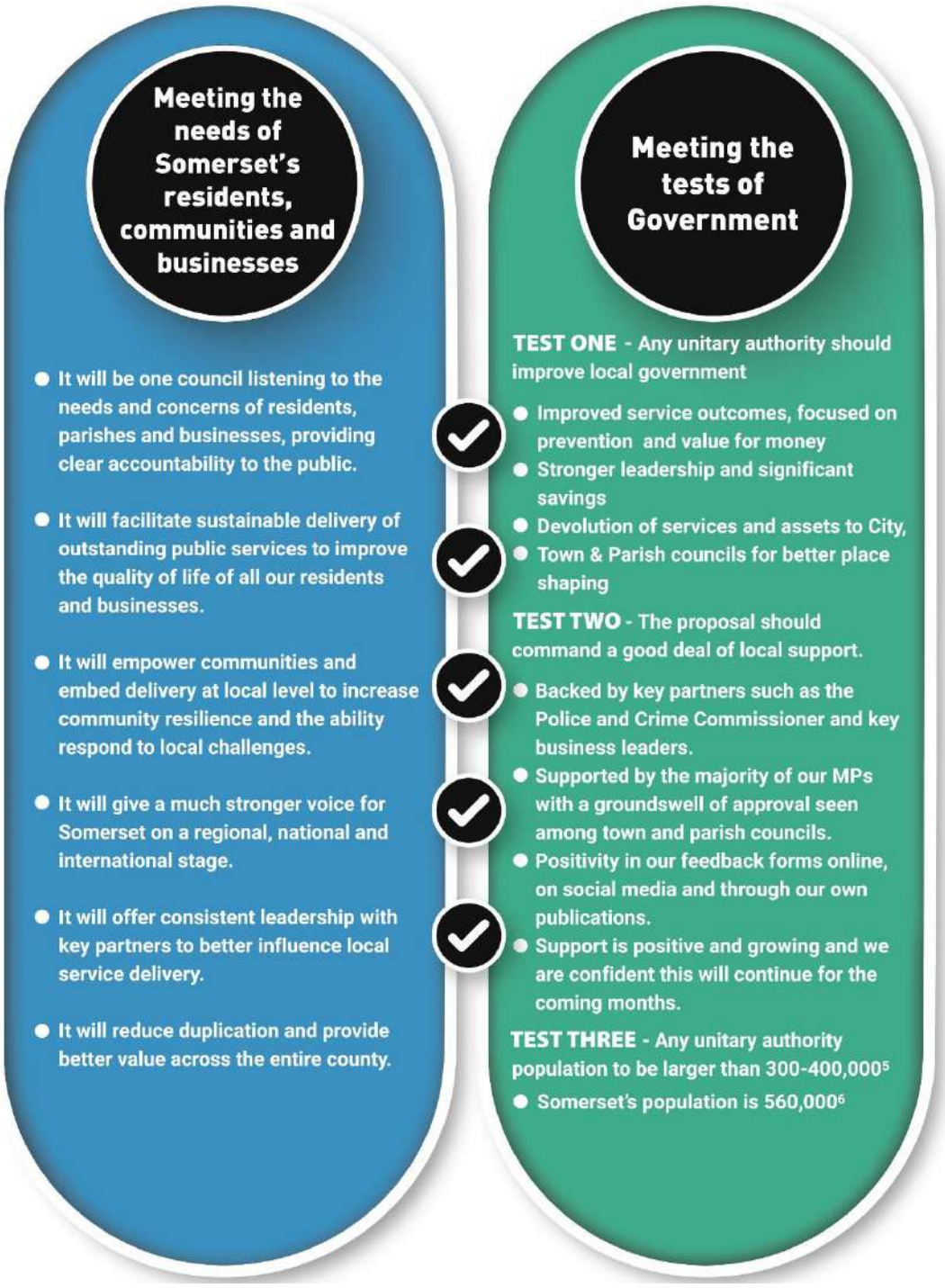
	As is	Closer collaboration	Single unitary	Two unitaries
Transition Savings (£m)	-	4.2	18.5	9.2
Implementation Costs (£m)	-	(6.2)	(16.5)	(18.5)
Payback Period from April 2021	-	2.5 years	2 years	3 years
Five year saving (£m)	**-**	**9.4**	**52.6**	**16.1**

Summary financial options[2]

[2] Payback period is the time taken from implementation costs first being incurred to the cost of establishing the unitary being repaid by transition savings. Implementation costs are assumed to be split over the year leading up to vesting day, which is assumed to be April 2022, and during the year following vesting day. Transition savings begin to be made immediately after vesting day but are assumed to only be made at their full annual level from the year after vesting day, in this case from April 2023. The five-year saving figure is counted from April 2021.

2.6 Conclusion

Our business case sets out the agreed need for change, the vision and benefits for the people and businesses of Somerset. It presents a new (to Somerset) approach to giving local residents, businesses and communities a real say in local democracy, as they already do in Cornwall, Wiltshire and the most recently created Buckinghamshire Council. It demonstrates the need to remove the duplication, waste and unfairness that has developed in the current two-tier system. And it offers the opportunity to create the unitary bonus funding to invest in apprenticeships, jobs and skills training, in climate change and transport, in building the right homes that people need, and kick starts the drive to tackle inequalities.



It will enable Somerset to Improve Lives.

PART A - CASE FOR CHANGE

3 Introduction

For Somerset, the two-tier form of local government is no longer fit for purpose. This document sets out the case for changing this structure and realising Somerset's potential. It is a case for simplifying the existing institutional arrangements and creating a new unitary council for Somerset that will allow the county's communities to flourish.

3.1 The need for change

Somerset's residents and the local authorities that serve them are immensely proud of their county, with its attractive rural landscapes and distinctive mix of large and medium size market towns, villages and the cathedral City of Wells. Whilst the communities have developed over the years, this cannot be said for its local government structures. Somerset still operates with the two-tier system of county and district councils. This is in contrast to most of the surrounding south west region. Wiltshire and Dorset have moved to a simpler one council "unitary" form. While most of Devon retains the two-tier structure, Plymouth, Torbay and Cornwall are unitary.

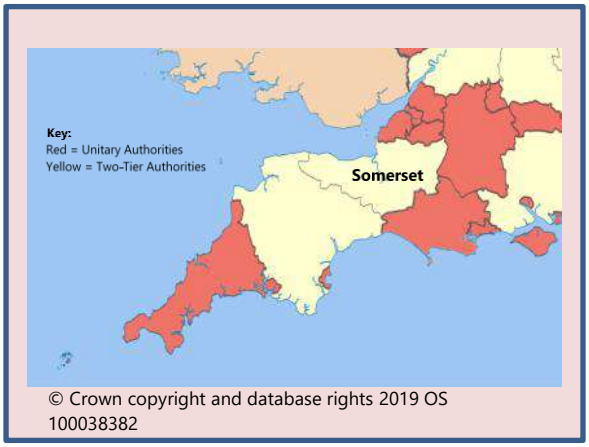


Figure 1 Map of local government across the South West region

The need to change the current way of working across the county and district councils in Somerset is widely recognised. Between 2018 and 2019, the five[3] districts and the county council participated in a commissioned report, known as the Future of Local Government in Somerset (FoLGiS). While this did not produce a single preferred way forward, it created a clear consensus among all Somerset's principal local authorities that continuing with the current way of working with the two tiers is no longer viable. The report confirmed what has long been known that *"continuing 'as is' is not a sustainable long-term strategy".*

The two-tier system does not connect with natural communities, nor reflect the differences within the area which make Somerset special. A finding from the FoLGiS work was that Somerset people identify strongly with their town or village. District identity was not found to be meaningful to people, though that of the county of Somerset was. This was supported in the most recent (June 2020) resident research where identity with district was expressed as lower than that with nearest town, Somerset, neighbourhood and village, and England.

The level of co-ordination needed across five local authorities creates an unnecessary overhead when the priority is frontline action. This has been known for some time. In 2009 all the authorities in the county committed to the Pioneer Somerset programme. The intention was for all councils to work in a seamless and fully integrated way; delivering services of consistently high quality; generating efficiency savings and making life easier for residents and communities. However, the commitment was not maintained, and without the structural bond, the councils reverted to a way of working where their organisational perspectives can too easily be the predominant influence on how each act. Members and officers work hard every day to co-ordinate with other authorities to find people or place centric solutions, but that co-ordination wastes energy. The response to the COVID-19 pandemic illustrates how this problem persists. The response from Somerset's communities

[3] At the time of the FoLGiS work, there were five district councils in Somerset. West Somerset and Taunton Deane District Councils merged in April 2019 to create Somerset West and Taunton District Council.

has been excellent and across the local government tiers, and partners, all have pulled together. However, key activities, such as contacting vulnerable people with 12 week shielding requirements, have been far slower to co-ordinate than in neighbouring unitary areas.

The current system is not able to collectively evolve to serve and provide services for the changing needs of its residents and businesses. With a rapidly ageing population, demand in Somerset continues to increase, placing unprecedented pressure on scarce resources. Yet future economic success will require attracting and retaining young, talented working age individuals and their families. There needs to be a structural levelling up so Somerset can work on an even footing with its neighbours. The present two-tier way of working cannot marshal resources and balance these tensions in the efficient and responsive manner that is needed.

The county does not command high national regeneration focus and it risks being left behind. Economically Somerset is underperforming for such a large area. While it has advantages in terms of the high quality of life offered by its natural beauty, it also faces low social mobility and the labour market is characterised by low paid employment. Having separate economic development services in each authority risks lacking the strategic weight to mesh effectively with national COVID-19 economic recovery plans.

The county is not part of a combined authority which are being seen by the Government as a key channel to support greater devolution. The county borders a combined authority to the north whose members are all unitary councils. They currently benefit from additional regional support for projects such as transport infrastructure. The county needs to ensure it can position itself to efficiently connect with a combined authority structure so it can draw on devolved investment and effectively represent the future needs of the county. Equally it needs to position itself to link with pan regional initiatives such as the Western Gateway partnership and Western Gateway sub-national transport board.

In the digital age, having multiple "councils" continues to create confusion for residents about who to contact or where to look for information about local government services. As the pervasiveness of straightforward digital access to services raises resident and business expectations of the level of service they receive from the public sector, so the two-tier system appears even more cumbersome. Part of the COVID-19 response has been to create a single Coronavirus Support Helpline to serve the county. This has been very positive - helping people who had an urgent need for help, for example providing food parcels or help obtaining medicines. But the process to set it up serves to illustrate the underlying confusion that needs to be addressed both in crisis and in normal times.

The overhead cost of administering multiple organisations when the functions can be delivered by one doesn't offer value for taxpayers. All the councils in the county have made significant savings over recent years and made difficult decisions about which services can be provided. As demand on critical council services continues to increase, officers need the opportunity to think more holistically and reduce overheads to enable more investment in community services, particularly preventative services.

3.2 Purpose of this business case

This business case sets out why a new single unitary authority, based on the boundary of the current two-tier Somerset county, would deliver better local services and local community leadership. The case articulates how it satisfies the long-standing criteria set by the Government for proposals for unitary authorities. These are that a new authority should:

1. Improve the area's local government.
   Guidance issued by the Government in the past, for example in 2018 to the Northamptonshire councils[4], suggests that this will involve factors such as:
   - Improving local government and service delivery across the area affected by the proposal.
   - Giving greater value for money.
   - Generating savings.
   - Providing stronger strategic and local leadership.
   - Providing more sustainable structures.

2. Command a good deal of local support.
   This would need to be assessed broadly and across the whole county area.

3. Have a credible geography.
   The Government has indicated in the past that new unitary authority populations should be in excess of 300,000 and with an upper limit of 700,000 or 800,000[5]. The Secretary of State has recently provided updated guidance in the form of a written parliamentary question in advance of the white paper. In this he confirmed the Government's expectations that the population of new unitary council's are "expected to be substantially in excess of 300,000-400,000"[6].

Creating a unitary authority requires a major change programme and inevitably would create disruption and uncertainty. This business case should help key partners, the business community, residents, elected members and staff to develop a common understanding of the reasons for change. It should form the beginning of a process that, when approved, will help representatives from all the councils, and the community, progress the detailed design and facilitate the transition arrangements that will be needed.

3.3 Approach and inputs

This business case has been prepared by Somerset County Council to progress the agreed need to change the current local government arrangements in the county.

In the last six months, there have been senior discussions with key stakeholders including the Police and Crime Commissioner, local MPs and around 30 parish and town councils. This has provided important input to this work. However, given the public sector focus on COVID-19

[4] Letter from Ministry of Housing, Communities and Local Government to Chief Executives of the Northamptonshire councils, 27 March 2018.
[5] The lower limit of 300,000 was reiterated in the Northamptonshire guidance in 2018. The upper limit of 700,000 was minuted from a March 2016 Dorset County Council meeting and noted as an indication from the Government. 800,000 is quoted, but without a source, in *Devo 2.0: The Case for Counties*, by ResPublica, November 2017.
[6] https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2020-06-19/61742/

response activity that coincided with the business case preparation, new input from other partners has been restricted.

The team has been able to draw on the insight and findings from the recent FoLGiS exercise and other learnings around collaboration in the county and beyond. No input further to the 2018/19 FoLGiS exercise has been sought from Somerset's district councils. The base data supplied by the districts in 2018 to the third-party FoLGiS team that supported that work has also not been available.

The work has been enhanced with a resident, business, parish and town council, and voluntary sector market research exercise, which will continue into the Autumn of 2020, and started with digital and telephone surveys in June 2020. Additionally, there was a discussion with young people in the county, hosted with the Somerset UK Youth Parliament (UKYP) and also involving Somerset In Care and Leaving Care Councils (SiCC and SLCC) and the UnStoppables Special Educational Needs and Disabilities (SEND) group.

Local government financial specialists, LG Futures, carried out a parallel study to establish a baseline of income and spending for a Somerset unitary authority, to support the financial modelling. This translated public information about current patterns of income and spend across five authorities into the equivalent for one virtual unitary using the LG Futures Medium Term Revenue Resources Model. Assumptions about costs and savings from the unitary process, were then applied to this starting point.

3.4 Timeline

This business case sets out a move to a new unitary authority for Somerset that is anticipated to be in operation from April 2022. Details of the proposed implementation plan are in Section 9, but the high-level timeline is shown here.

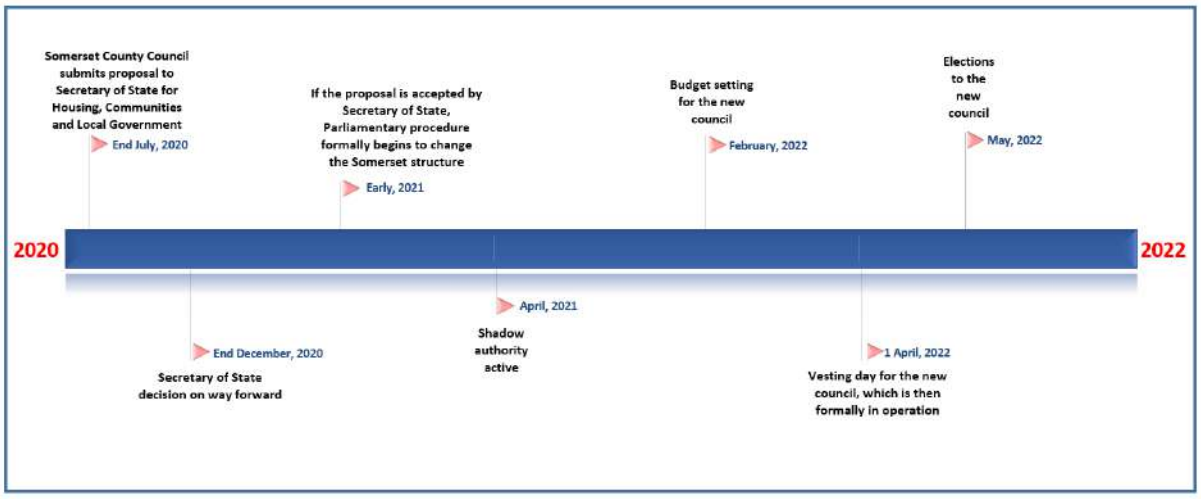


Figure 2 - Timeline for transition to single unitary council for Somerset

4 Context and landscape

The county of Somerset can trace its heritage back to Anglo Saxon times as part of the Kingdom of Wessex, making it one of the oldest recognisable units of local government in the world. The current governance arrangements are neither efficient nor effective in meeting today's challenges and change is now urgent and long overdue.

4.1 Local Government in Somerset

The current distribution of service responsibilities between the county and district councils dates back to the 1974 reorganisation of local government. There have been some changes since, such as the creation of a waste partnership of all Somerset councils; acquisition of new duties and powers, including the transfer of public health from the NHS in 2013; setting up the Somerset Rivers Authority following the flooding in 2013/14; setting up the Heart of South West Joint Committee in 2018; and immense growth in local public service partnerships. But whilst the needs of the county's communities have changed dramatically in the past decades, the model of governance has been unchanged for over 45 years.

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Figure 3 - Map of Somerset county and the 4 district areas, with principal towns etc

Everyone is agreed that the current model has to change. More recently, West Somerset and Taunton Deane Districts have come together as a single organisation because it was cheaper than continuing as separate organisations[7]. However, residents of Somerset, unlike the majority in their neighbouring areas, must still navigate two tiers of principal local government, namely:

- One county council: Somerset County Council with 55 elected county members and a net budget of c.£600m (c.£11m per councillor).

- Four district councils: South Somerset District Council, Sedgemoor District Council, Mendip District Council, Somerset West and Taunton Council with a total of 214 elected district members and a combined net budget of c.£66m (c.£300k per councillor).

Not all communities get the support of a Town or Parish. Whilst there are 323 local councils, Taunton does not have one (it has a Charter Trust of 16 district councillors representing wards in the unparished area), and only 16 of the 323 have a precept over £250,000. These range from over £1.6m in Frome to £315,000 in Wincanton. Of the 16, seven are in South Somerset, five in Mendip with only two each in Sedgemoor and Somerset West & Taunton.

[7] http://www.publicsectorexecutive.com/Public-Sector-News/taunton-deane-and-west-somerset-councils-to-merge-to-deliver-savings

The communities are supported by 323 local councils[8] (parish and town councils, and the city council in Wells), with a combined income raised through council tax of c.£13m - this is known as the precept. They cover all areas of Somerset, with the exception of the unparished area of Taunton.

In addition, part of the county, covering 28 parishes, sits within the Exmoor National Park Authority which is the planning authority responsible for the protection and enhancement of the special character of Exmoor.

4.2 Other public service agencies in Somerset

The different types of council are all responsible for providing different services on behalf of their residents (see Appendix C). From a delivery perspective this has an impact on how Somerset local government works with its key public sector partners in the county. The partners each have to interact with representatives from all councils to ensure a consistent service experience to the county's residents and businesses. Similarly, the five councils all have to build individual relationships with these key public partners. The following all operate at county or regional level and want to engage with Somerset, not parts of Somerset:

Somerset Clinical Commissioning Group (Health) are responsible for planning and buying healthcare services for people across Somerset. Coterminous with the present county council, they are led by local doctors and healthcare professionals who work across 13 primary care networks to tailor services, using knowledge of these specific communities and patient needs. The commissioning group arranges healthcare provision from a range of key healthcare providers from within and beyond the county boundaries.

Figure 4 – NHS Somerset CCG Map

Avon and Somerset Police are accountable to the Police and Crime Commissioner for the Avon and Somerset area and are responsible for crime prevention and enforcement across the whole of Somerset, as well as the unitary councils to the north. They are an important partner to the councils and, in addition to community safety roles, are an active member of the Joint Civil Contingencies Partnership (see below). The Police themselves have been keen proponents of the benefits of working with other forces to increase scale economies and recognise the value of collaboration.

[8] In general this document uses the term "parish and town councils" or "local councils". This is intended to refer to all 323 local councils (parish and town councils and the city council, in Wells).

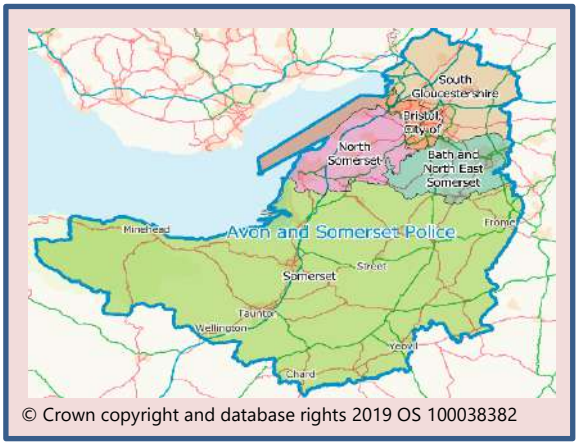

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Figure 5 – Avon and Somerset Police map

Devon and Somerset Fire and Rescue Service are responsible for providing emergency response and fire prevention across the whole of Somerset and the county of Devon to the south. The service was created through a merger in 2007 in order to deliver economies of scale to protect local service delivery across the two rural counties.

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Figure 6 – Devon and Somerset Fire and Rescue Service

South West Ambulance Trust is responsible for ambulance services across the whole South West region. This includes Somerset, and runs from the Isles of Scilly to Bristol, Gloucestershire, Dorset and Wiltshire.

4.3 County wide delivery partnerships

The councils and public partners have developed a number of successful local partnerships around important themes, in line with both national and local drivers. These strategic partnership arrangements are firmly embedded on a pan-Somerset geography and demonstrate the value of collaboration. Keeping them effective requires considerable investment with many being supported by councillors from multiple councils effectively representing the same communities. The major partnerships covering the whole county area in Somerset are:

Community Council for Somerset - this is an independent voluntary sector organisation. It is a key delivery partner for the county council which commissions its work in providing

community-based support work for vulnerable people, known as Somerset Community and Village Agents, and other very local services.

Health and Wellbeing Board – this brings together leaders from the local health and care system, county and all district councils, to look at people's health and social care needs as a single issue. This includes considering the bigger picture – for example transport, housing, jobs and leisure – as well as the latest data, so that services truly help people stay healthy and independent.

Joint Civil Contingencies Partnership – this is responsible for providing the combined front-line local authority response to an emergency. The county council leads the partnership and has a duty Civil Contingencies Officer arrangement in place providing cover seven days a week. Each of the five councils has a separate Civil Contingencies Officer to manage the response of their own organisation.

Safer Somerset Partnership – this is the statutory partnership required under the Crime and Disorder Act and pulls together a number of county, district and regional arrangements to oversee community safety across the county.

Somerset Growth Board – this involves the four districts, county council and representatives involved from the Heart of the South West Local Enterprise Partnership (HoTSW LEP), local business and the further education colleges. It oversees the Somerset Growth Plan (the current iteration is from 2017 to 2030). The Board reviews, updates and promotes the Plan and has responsibility for accelerating delivery and oversight of the associated funding streams.

Somerset Rivers Authority (SRA) – this is a pioneering partnership of local Flood Risk Management Authorities launched in 2015 in response to a significant local flooding crisis. It aims to reduce the severity, and mitigate the impact, of flooding. It involves Somerset County Council, the four district councils, the Parrett and the Axe Brue Internal Drainage Boards, the Environment Agency, Natural England and Wessex Regional Flood and Coastal Committee.

Somerset Safeguarding Children Partnership - this brings together key statutory partners (local government, CCG and police), the voluntary sector and representatives of children's voices to ensure that Somerset children and young people are safeguarded and enabled to thrive.

Somerset Waste Partnership – this is a cross council partnership for managing waste collection, disposal and recycling services on behalf of all the councils in Somerset. It not only delivers services but also makes significant contributions to behaviour change, policy development and influencing national strategy and markets.

Sustainability and Transformation Partnership – this health and social care partnership has been working since 2016 to deliver greater integration between health and social care services in the county. Its priorities were set out in its five-year plan (2016 – 21) and include:

- Focusing on prevention to develop a sustainable system.
- Redesigning services outside of hospital.

- Addressing clinical and financially unsustainable acute service provision.
- Developing an accountable care system for Somerset.

The final point has developed so that it is now focusing on transition to an Integrated Care System, which is expected to launch in April 2021 on a boundary coterminous with the county.

4.4 Sub-regional relationships

Partnership is also important at a sub-regional level. Somerset is in the Heart of the South West Local Enterprise Partnership (HoTSW LEP) area, which also covers Devon, Plymouth and Torbay. The county council and all the Somerset districts are also members of the HoTSW Joint Committee, which oversees the partnership and is the vehicle for continued discussions with Government across a range of policy areas including devolution. The county council is also a founder member of the Peninsula Sub-National Transport Board (SNB).

To the north of the county is the West of England Combined Authority (WECA) – while Somerset is not a member, it has a close working relationship and important economic links. To the north and east there is another SNB, the Western Gateway SNB, running from Gloucestershire to Dorset. Somerset is not a member, but its geographical position means that it is arguably a pivot and link between this grouping and the Peninsula SNB.

There are some shared service arrangements with immediate neighbours. These include:

- Registration is a joint service with North Somerset Council.
- Trading standards, TS Connect, is commissioned jointly with Devon County Council (DCC) and Torbay Council, so has a business advice role with our neighbours to the south of the county.
- Education support services are provided jointly to the county council and North Somerset Council from Support Services to Education. This is a not for profit traded unit owned by the county council.
- Adopt South West, a regional adoption agency, set up in 2018, and involving Somerset and Devon County Councils and Plymouth and Torbay Councils as partners. This was required by changes in legislation to develop and sustain a sufficiency of adopters for children in the region and high-quality support to adoptive families.
- Heritage services are provided through the South West Heritage Trust, which was created with DCC in 2014, with staff transferred from the county council to the Trust. The two county councils remain its principal funders.

4.5 Challenges presented by the current system

The range of partnerships across the county and the sub-region clearly demonstrate a commitment to cross organisation working. However, the breadth and complexity of the networks that exist also highlights the sheer amount of work and relationship management that is needed to make these arrangements a success in a two-tier area.

Aside from the waste partnership, Somerset's councils have struggled to create a lasting collaboration at a strategic level that can simplify these arrangements in a sustainable way (see references to Pioneer Somerset in Sections 3.1 and 5.1). In recent months, the councils have come together again around the urgent challenge of responding to the COVID-19 pandemic. This has demonstrated Somerset's capability to collaborate around major and

urgent events (the creation of the Somerset Rivers Authority in 2014 is another example). But the need to create new joint working arrangements slowed the response in comparison with unitary areas, and has diverted resources away from the urgent front-line challenges.

Case study: Somerset COVID-19 response

Somerset's local authorities have been at the heart of a comprehensive partnership response to the COVID-19 pandemic. This has needed to be flexible and respond to fast-moving changes in national and local conditions, as well as Government requirements.
The response has been organised in line with the nationally recognised multi-agency command and control structure:

- The Strategic (gold) level – sets the strategic aim and policy framework from which the tactical groups operate. The general response at this level led by the Avon & Somerset Local Resilience Forum (LRF) (for the multi-agency response and recovery needs) and Public Health (for the epidemiology and health response requirements).
- The Tactical (silver) level – the co-ordination of activities across the various organisations within the Somerset system.
- The Operational (bronze) level – individual organisation level to focus on maintaining business continuity and issues affecting service delivery, in order to keep organisations operational.

Terms of reference have been developed for each Somerset System Multi-Agency Tactical Cell.

Key achievements as at end of June 2020 are shown in the case study 1 infographic, but the work on district hubs has needed a lot of co-ordination to reduce local differences in service level and policy, such as charging for food parcels.

Case Study 1 - COVID-19 Response

Without formal structural change and strategic alignment, Somerset will neither be able to efficiently respond to the challenges that it faces, nor maximise its ability to build on its strengths. An overview of these challenges and opportunities include:

4.5.1 Demographic challenges

The population profile of Somerset is set to change significantly over the next twenty years. Projections show that by 2030, there will be an additional 35,000 residents and that the county is growing faster than national averages. Whilst school place planning does forecast the need to create a number of new (predominantly primary) schools by 2030 in response to housing development[9], strikingly almost all of the general population growth is from older people outside of the working age population.

By 2043, without major policy change, the former West Somerset district is expected to have 855 persons over retirement age (by then this will be 68) for every 1000 of working age, the highest local authority area in the country by a significant amount. Somerset overall will stand at 557 over retirement age to 1,000 working age, against a 377 national and 445 South West average (third oldest population of all county areas). The challenge of delivering a healthy and productive economy with this demographic is extraordinarily demanding.

When compared to the rest of the South West, the county underperforms against six major economic metrics. The proportion of:

- Working age population.
- Students.
- Higher occupational jobs.
- Higher level skills.
- Recent gross value added (GVA) growth and productivity hours growth.

The gap with national and regional averages on all measures is significant and widening.

A particular challenge is out-of-county migration in the 16-24 age group. The loss of young people at post university age unbalances the population and creates a major skills challenge for employers. The engagement facilitated in June 2020 through the Somerset UK Youth Parliament highlighted young people's concerns about learning and careers prospects in Somerset, and associated problems with transport and broadband connectivity.

The population structure creates a range of impacts:

- Productivity: Somerset's workers produce, on average, 13% less "value" than the national average. The elderly population structure means that those of working age make up a smaller proportion of the total than in many other areas of the country.
- Service demand: loss of working age people means a loss of those who generally make less use of health and care services than younger and older people. The rise in older population could lead to a population in poorer health and create an unsustainable demand on services. This places a great importance on addressing lifestyle factors, in order to proactively reduce demand.

[9] *School Place Planning Infrastructure Growth Plan for Somerset 2019*, Appendix B, Somerset County Council, 2019.

- More positively, the "young elderly" are an asset for the county, and greatly enhance its capacity for community resilience through local community activity which is very important in promoting wellbeing.

4.5.2 Ongoing financial challenge

Changes in public expectation and demand are increasingly placing pressures on Somerset's public services that make them unaffordable in the medium to long term. The exact impact of the COVID-19 crisis is not yet fully understood but is likely to deepen the problems – all the system partners are seeing financial pressure including health services, voluntary and community sectors, in addition to the wider economy.

Only two years ago Somerset County Council faced a very challenging financial position as it sought to manage increases in demand in children's social services coupled with reduced government funding. Overcoming this required significant effort and service changes. All councils in Somerset have worked hard to drive efficiencies in back office services, innovations in delivery and income generation opportunities in order to mitigate the financial pressures. Whilst the county council has addressed its budget, the recent challenges at the former West Somerset council bring into stark reality the fragility of public finances in the county.

However, it is increasingly apparent that this strategy will just not be sufficient to deliver sustainable public services in the post COVID-19 landscape. By the end of this current financial year, the county council will have delivered annual savings totalling £46.5m since April 2018. COVID-19 has itself created significant new pressures, by suppressing income and increasing costs. For example, a report to the South Somerset District Council Executive on 4th June 2020 reported the potential for an adverse £10.4m impact in the current financial year[10] due to a mix of loss of income and increased service demand, equal to 68% of their annual net revenue budget.

Even without the COVID-19 impact, the county and district councils' medium term financial plans were already projecting a substantial deficit over the next four years, as shown in Table 1.

[10] *Impact of Covid-19 on the Council*, report to Executive, on 4 June 2020.

Authority	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26	
					£m	% of total revenue expenditure
Somerset County Council	3.5	(0.7)	(5.3)	(9.7)	(14.3)	3%
Mendip	(1.2)	(1.7)	(2.6)	(2.9)	(3.2)	16%
Sedgemoor	(1.5)	(2.1)	(2.7)	(2.7)	(2.8)	13%
Somerset West and Taunton	0.6	0.2	(0.6)	(0.8)	(1.1)	6%
South Somerset	(0.1)	0.2	(0.5)	(0.8)	(1.2)	7%
Total	**1.4**	**(4.1)**	**(11.7)**	**(17.0)**	**(22.7)**	

Table 1 - Annual projected deficit of each authority based on 2020 Medium Term Financial Plans (MTFPs) for the county council and four districts, Excludes COVID financial pressures.

Bringing together the two-tier system would provide significant opportunity to streamline functions and design services to meet future, rather than historical, needs and strategically to address factors that when bought together can affect demand. Experience in those counties that have established unitary authorities provides clear evidence that savings would be significant, and greater than originally forecast.

Unitary	Vesting year	Number of councils	Projected annual saving (Business Case)	Actual saving achieved
Cornwall	2009	7	£17m	£25m per year
Wiltshire	2009	5	£18m	(£25m per year) £100m in four years
Dorset	2019	5	£14m	TBC
Buckinghamshire	2020	4	£18m	TBC

Table 2 – Projected vs Actual savings of a unitary - Adapted from Independent Analysis of Governance Scenarios and Public Service Reform in County Areas, 2016, EY.

4.5.3 Changing customer expectations

The two-tier system has long been seen as overly complex and ineffective at managing the end-to-end customer journey.

Residents continue to be confused about the respective roles of different councils and the reason for the split of responsibilities. A quarter of all general enquiries to the county council call centre are for district queries.

The number of council managers has reduced significantly over the past five years, but those who remain have to spend time trying to broker agreements across separate policy frameworks and independent decision making bodies, to try and manage the risk that

vulnerable people could fall through the gaps in services. For example, many of Somerset's adult social care clients receive one or more benefits administered by the district councils, yet they have to provide information to both county and district councils and this data is not used proactively to promote their independence and reduce the need for intensive social care services.

4.5.4 Other opportunities and challenges

A profile of Somerset and many of its present opportunities and challenges is at Appendix B. In addition to the population, finance and customer expectations points described previously, these include:

- **A diverse geography**. The Office of National Statistics classifies 48% of Somerset's population as living in in a rural setting. However, it has three sub-regional centres (Taunton, Yeovil and Bridgwater) which comprise around 35% of total population and seven further towns with over 10,000 people each. Governing Somerset means balancing the requirements of rural and urban areas.
- **Economic links and assets**. Somerset's economic geography is pulled north and south. However, it has a number of strong assets and capabilities, including the nuclear developments and decommissioning at Hinkley Points A, B and C on the north coast, the Gravity Enterprise Zone just off the M5 in Sedgemoor, and the aerospace cluster centred around Yeovil.

Case study: Gravity

The Gravity development is a beacon for the future economic prosperity of Somerset. Located in close proximity to M5 junction 23, and with scope for reconnection to the national rail network, it is a regionally significant site with the potential to be at the forefront of clean growth in the South West. The Gravity site extends to 635 acres and comprises the former Royal Ordnance Factory. As a result of close collaboration between the county and districts councils in Somerset, and the Heart of the South West Local Enterprise Partnership, it has secured Enterprise Zone status.

The councils have worked closely with the developer of Gravity to facilitate the planning and delivery of the scheme. This has included securing Growth Deal investment in the access road to the site and the allocation of funds via the Somerset business rates retention pilot for detailed master planning work.

The local authorities are also committing to work with the development to prepare a Local Development Order (LDO) for the site, which will give confidence to investors in the COVID-19 recovery period for the economy and help to position the site as a high potential opportunity within the Western Gateway.

Find out more at https://thisisgravity.co.uk

Case Study 2 - Gravity

Case study: iAero

Linked to the presence of Leonardo Helicopters and significant parts of its supply chain in Somerset, aerospace and advanced engineering are of particular importance to the local economy.

Somerset County Council, working closely with Leonardo Helicopters, South Somerset District Council and the Heart of the South West Local Enterprise Partnership, is leading on development of the iAero Centre in Yeovil.

Construction of the Centre, on land owned by Leonardo Helicopters, is well under way and the facility is due to open in 2021. iAero will facilitate innovation and collaboration in the local aerospace supply chain, supporting its ongoing competitiveness in a global market. It will provide 2,400 square metres of high-quality office, workshop and collaboration space and specialist business support services.

The scheme is being funded by Somerset County Council and £6.9 million of grants secured from the European Regional Development Fund and the Heart of the South West Local Enterprise Partnership's Growth Deal.

Case Study 3 – iAero

- **Employment**. Before the COVID-19 pandemic, Somerset recorded exceptionally low unemployment and high employment participation, although this was balanced by lower than average wages. The pandemic has inevitably had an impact with lay offs being seen at some local employers.
- **Anchor businesses**. Somerset is predominantly a small and medium sized enterprise (SME) economy, but has some significant large anchor businesses. These include: EDF Energy at Hinkley Point; Clarks (shoes), based in Street; Screwfix and Leonardo (helicopters) in Yeovil; and the UK Hydrographic Office (UKHO) in Taunton.
- **Transport links**. Somerset has a strong position on national transport corridors (M5, A303) and the railway lines from Exeter to London, Bristol and the Midlands. However, intra-county connections are much weaker and there is over-reliance on private cars due to the rural character of public transport and limited connectivity outside and between the major strategic corridors.
- **Environmental change**. The climate emergency declared by all five Somerset local authorities is made more immediate by the risks of flooding, sea-level rises and coastal erosion which threaten some of the major settlements – including Bridgwater.
- **Natural beauty**. Somerset has many environmental assets with a coastline, four Areas of Outstanding Natural Beauty, 15 National Nature Reserves and Exmoor National Park. However, it is important to make sure the whole population have easy access to the benefits which nature and the natural environment can offer.
- **Locally significant tourism**. Somerset has significant tourist sector (for example Glastonbury Festival, Cheddar, Exmoor, Fleet Air Arm Museum, and the West Somerset coast) but overall tourism has a more modest impact than the rest of the south west peninsula, Dorset/south coast and the Bristol/Bath areas.

- **Deprivation hotspots**. In terms of the index of multiple deprivation (IMD) Somerset is similar to comparator areas and neighbours like Devon and Dorset, but this masks a number of persistent deprivation hotspots.
- **Social mobility**. Social mobility is weak and West Somerset has been designated an "Opportunity Area" by Government. On the 2017 Social Mobility Index, West Somerset ranked lowest nationally for overall social mobility.
- **Crime and disorder**. While Somerset is below average on crime related deprivation, it has a high instance of crime against the person. In common with many non-metropolitan areas, the county has a problem with county lines drug networks, and associated coercive behaviours towards young and vulnerable people involved in distribution.
- **Housing supply**. A very high proportion of new home demand is coming from older people, but very little of the housing being built in Somerset is for this demographic. There is also a shortage of single occupancy accommodation to encourage young people to live and work in Somerset and this type of accommodation is prioritised differently by different district councils.
- **Children's services improvement journey**. The services for children and young people are on an improvement journey following an Ofsted "inadequate" rating in 2015. This was raised to "requires improvement" in 2017, and a visit in January 2020 found that more needed to be done to achieve consistency, but there were signs of strong practice, particularly in arrangements at the "front door" for accessing services. There has been a very recent finding of weaknesses in services for Special Educational Needs and/or Disabilities and their families (SEND). This is seen in other two-tier areas in part due to the need to work across partners. In response, the county council and CCG have been directed to produce a written statement of action.
- **Strengths based approach to adult social care**. Somerset has developed a strong community focus to its adult social care work, with an innovative approach to using informal and social care support in ways that develop the economies of local communities and result in more people being supported to live at home.
- **Volunteering**. 70% of Somerset adults volunteer at least once a year. However, there are over 2,800 charities to support and hundreds of community groups who require increasing voluntary and financial support. In addition, younger people in particular have reported[11] that living in a rural area can be a barrier to participating to the extent that they would like.
- **Life expectancy**. Somerset life expectancy is high and is consistently higher than the average for England. However, this conceals inequalities between deprived communities in the county and the rest of Somerset, where life expectancy is lower and residents are more likely to smoke or experience obesity. In parts of the county there is a high instance of loneliness and social isolation - 33,500 people aged over 65 live on their own.
- **Health care delivery**. Despite having the highest ratio of GPs, Care Quality Commission (CQC) ratings show these services as the worst in the South West. Accident and Emergency attendance is high and the county has the highest referral

[11] Somerset: Our County, Joint Strategic Needs Assessment for Somerset Summary 2014/15

to treatment time in the region. However, the Home First approach, developed across the health and care system has improved outcomes and substantially reduced delayed transfers of care and points the way to what can be achieved with whole system involvement.

Case study: Home First Integrated Discharge: right time, right place, right support

Home First is an integrated discharge model, resourced across all the health and care partners with a focus on reablement and with therapy at the heart of the model. It is a great example of how partnership working can positively impact on people's outcomes. This initiative included Somerset County Council, Somerset NHS Foundation Trust, Yeovil Hospital Foundation Trust (YDH), Somerset CCG, Care Providers and the VCSE sector. It centres on supporting people to return home from hospital to their community, with the right joined-up support.

The Home First solution embraces partnership working and solves delay issues that impact on recovery times, as well as illustrating system trust and togetherness but most importantly, it impacts positively on the people and families that the partners support. It has been associated with a 75%+ drop in delayed transfers of care and has made a huge difference to how Somerset works together and in the outcomes for people. Since inception, admission avoidance and more complex housing and support options have been added to the model.

Case Study 4 - Home First

4.6 Views of stakeholders

A structured approach to understanding the level of support for change to Somerset's local government structures is progressing. The FoLGiS exercise provided some insight and this has been built on, in parallel with the creation and publication of this business case. The engagement strategy and plan is in two phases:

Phase 1 - research and general awareness (February to July 2020):

(i) Independent market research exercise, being undertaken on behalf of the county council by Cognisant Research. This is engaging 500 residents (125 in each district) and 350 businesses through telephone interviews. It is also engaging the voluntary and community sector and parish and town councillors and clerks through an online feedback form.

(ii) Parish and town councils have further input through a number of channels:
   a. Conference organised by Somerset Association of Local Councils (SALC) and Somerset branch of the Society of Local Council Clerks (SLCC) in March 2020 and a subsequent report and seven recommendations.
   b. Parish and town council engagement by the leader of the county council, carried out with a mix of face to face discussion and a letter inviting all to participate.
   c. Senior officer engagement with parish and town council clerks.

(iii) A *Your Somerset* article and survey during summer 2020.

(iv) Engagement with young people, Somerset UKYP.

Phase 2 - planned consultation, following publication of the business case, with focus groups and other face-to-face activities (as the COVID-19 situation allows) during the summer/autumn 2020. Such consultation will allow awareness raising and discussion about the options described in the business case and its benefits and outcomes for individuals, families and businesses. Phase 2 scope and remit would also be influenced by the options which the Secretary of State may set out to Somerset Council Leaders.

The FoLGiS work drew on interviews and group discussions with stakeholders. This included representatives of the public sector, private sector and voluntary and community groups as well as some residents. While the work did not establish a consensus, it did identify some themes in the opinions sampled:

- Complexity of structures contributes to a lack of leadership for Somerset as a place.
- There was recognition of the difficulty of reconciling scale with connection to localities, but an enhanced role for parish and town councils was seen as a possible solution.
- Pragmatic recognition that it is ways of working, and associated principles, that make the biggest difference.
- Concern about the disruption that reorganisation would create.

The Phase 1 research and engagement work has engaged many more stakeholders. It confirms that the county of Somerset and their village/community are the units that local people most identify with, not their administrative district area. 36% of residents surveyed, and 30% of businesses, were aware of the emerging single county unitary proposal and 81% of residents and 58% of businesses want more information. There is material support for change to the current arrangements (39% among residents and 37% among businesses) but a significant number who at this stage do not support change (34% among residents and 31% among business). There is no consensus among those surveyed about which option they would support in the event of change. However, prior knowledge of the proposal was highest for those who supported a single unitary option, compared with the no change, or greater collaboration options. This was true both for residents and businesses and suggests there is a correlation between support and knowledge of the proposal. When asked about the implications of change, residents highlighted the potential for greater clarity about who delivers what and businesses identified the potential for reduction in duplication.

The substantial appetite for more information and a context where the public has had little opportunity to hear in detail what a unitary authority would offer, suggests that there is a strong foundation for support to develop. The Phase 2 consultation, following publication of this business case, will be important to allow more debate about the potential model and its benefits.

The foundation of support is also echoed in the engagement with young people run through the Somerset UKYP. The group identified the benefits of consolidation – making it easier to navigate local government; funding - attracting investment into the county and funding to local issues; and addressing vital issues for young people – climate, transport, mental health, education and digital connectivity. They also showed a high level of awareness of the risk of

losing diversity and "district-specific" issues and were concerned about potential savings being diverted from young people's issues.

At this stage, the district councils do not support the single unitary option and they responded quickly to the county council's announcement with a press release focusing on their view that local government structural reform should not be on the agenda at the time of COVID-19 response considerations. However, it is clear that, among local government's closest partners in the provision of local public services, there is a substantial consensus in favour of the single county unitary option.

Partner support for single county unitary council

"*A single council for Somerset is a really important step to bring clarity to local residents when addressing local issues. I am certain that for the Office of the Police and Crime Commissioner, it would mean a far more effective way that we can work together in future*." - Sue Mountstevens, Police and Crime Commissioner for Avon & Somerset

"I have lived and worked in Somerset my entire life and when I look around the neighbouring areas, unitary authorities have long been 'the norm'. ⋯The time is now right to do the right thing for the residents of Somerset. ⋯ I fully support the proposals for a unitary authority for Somerset" - Rupert Cox, Chief Executive, The Royal Bath & West of England Society

Parish and town councils are engaging very constructively in debate and greatly welcome the opportunity to help shape the model.

In addition, the majority of the county's MPs have confirmed that they support the proposal.

4.7 Conclusion

Somerset has huge potential for socio-economic success over the next 25-30 years, building on its natural assets, anchor businesses and active communities. But it will need to find a sustainable way to manage the demands and needs of its rapidly ageing population, whilst balancing demographic tensions by attracting and retaining young, talented working individuals and their families. This will mean resolving challenges of health and care integration, both cost and wider public health dimensions, while also addressing challenges of skills gaps, low productivity, the climate emergency and the post COVID-19 recovery.

Of course, this will require co-ordinated action over the whole of Somerset and a whole public sector approach. For Somerset's local government to provide the accountable leadership that will be needed to meet this cross public sector challenge, it will be key that all its services and responsibilities work together. Careful, but agile, orchestration will be needed in order to strengthen the economic and place-making dimensions of the demographic challenge, and provide a reasonable foundation for sustainable and inclusive recovery and growth post-pandemic.

5 Options Appraisal

This is a business case for a single unitary authority for the whole of the present Somerset County Council area. This is known as a Type A proposal under the Local Government and Public Involvement in Health Act 2007. The current structure is not fit for purpose for the challenges being faced, nor is it sustainable in terms of managing the future needs of residents or businesses. In Somerset, the opportunity is not just to support our communities and invest in our county, but also champion our opportunities on a global stage.

5.1 Defining the options

A number of different options can be advanced to address the need to change Somerset's local government structures and to address the challenges set out in Section 4.5. Several options have been considered in different contexts in the last 20 years, including a three unitary authority proposal from the 1993 Local Government Commission and a collaborative working proposal, called Pioneer Somerset, that the county and districts pursued from 2009. Most recently, the councils in Somerset undertook a detailed options appraisal through the 2018-19 Future of Local Government in Somerset (FoLGiS) work.

The FoLGiS work did not produce a consensus in favour of any one option. Nevertheless, the seven options it identified provide a good starting point for a "long list" for initial appraisal and reduction to a short list, to be considered in more detail.

The seven FoLGiS options have been reviewed in line with the Government's criteria for new unitary authorities and revised to create a short list of options that can be delivered within the boundaries of the two-tier county. Several of the seven FoLGiS options included the North Somerset and Bath and North East Somerset areas. While all councils in two-tier Somerset accept the need for change, this is not the case in the extended ceremonial county where there are already unitary structures in place.

Table 3 summarises the long-listed options and provides an assessment of their viability for taking forward on a short list.

Long list options as set out by FoLGiS	Assessment of viability for shortlisting
1. As is – Continuation of current arrangements including on-going improvement and savings initiatives.	**Short list.** Provides a do minimum base case against which to compare options.
2. Get fit and sharing – Each council maximises individual efficiency through aligned transformation, followed by increasing degrees of sharing / collaboration: Strategy, plus Internal support, plus Customer / Community / Partnerships.	**Short list.** Option to explore enhanced two-tier collaboration
3a) One new council - One new council for Somerset (excluding BANES & NS).	**Short list.** Creates a viable organisational scale
3b) Extended two new councils - Two new councils for Somerset including BANES & NS. North / south split. A new council for Somerset and a new council for BANES/ NS.	**Not short listed**. Any decision about joining together BANES and NS would be a matter for those councils. Option 3a can proceed irrespective of this and does not prevent 3b) if NS and BANES were minded to pursue change.
3c) Extended two new councils - Two new councils for Somerset including BANES and NS. E/W split. A new council for NS, Sedgemoor and Somerset West and Taunton. A new council for BANES, Mendip and South Somerset.	**Not short listed**. Option would require changes to existing unitary areas which could undo existing benefits in addition to requiring disaggregation of existing pan-Somerset strategic services. **Short listed.** Variant proposal to create two unitaries (East/West split) that whilst small, are close to the Government minimum expectations of scale for unitary councils.

3d) Extended three new councils - Three new councils for Somerset (including BANES & NS): BANES and Mendip. Somerset West and Taunton and South Somerset. NS and Sedgemoor.	**Not short listed**. Option would require changes to existing unitary areas which could undo existing benefits in addition to requiring disaggregation of existing pan-Somerset strategic services.
4. A new way of working - Running services at the right scale with corresponding governance in Somerset.	**Not short listed**. In effect this would be the creation of a combined authority for Somerset with "super locality" councils beneath it on a Greater Manchester style model. It does not bring the levers together on a sustainable scale in the way that a unitary would.

Table 3 – Options shortlisting

Based on the assessments set out in 3 the proposed shortlisted four options are:

1. **No change** or As-Is (including savings and transformation that is already planned). This is included in the short list as control comparison. Council governance, structures and services would continue "as is" in Somerset with parishes and towns, four district councils, and the county council. Councils would continue to make improvements and savings, largely on an individual basis.

2. **Closer collaboration** or get-fit and share.
   No structural change but a drive to enhanced two-tier collaborative working. This would explore alignment of transformation and procurement activities as well as shared services and joint governance where viable.

3. **Single unitary** on existing two-tier Somerset boundary.
   This would see the creation of a single new unitary council to provide all the services currently delivered by the four district councils, and the county council. The council would have a population of 560,000, based on 2018 mid-year estimates, which is in the middle of the Government's guidance for effective unitary population size. This maintains the sense of place and ensures co-terminosity with the health system that is critical to support the ageing population.

4. **Two unitaries** within existing two-tier Somerset boundary.
   Would establish two new authorities, assumed for this options appraisal to be on an East / West basis. Using current district boundaries, it would create one authority based on the existing Somerset West and Taunton and Sedgemoor councils and another for the current Mendip and South Somerset areas. The two councils would be below the Government's latest guidance for effective population size, they might meet 300,000 by 2031 according to projections, but will not substantially exceed this. Note an East / West boundary has been chosen, being the closest match to the Government's minimum 300,000 population for both new authorities.

Using these short-listed options, an options appraisal has been undertaken taking into account quantitative and qualitative criteria as set out in Sections 5.2 and 5.3 .

5.2 Quantitative assessment

Section 4.5 outlines the financial challenges faced by Somerset's local authorities, and how this has been deepened by the COVID-19 pandemic. In this Section the potential of the short-listed options to deliver financial savings is assessed. Experience of structural changes since 1996 has shown that the move to unitary local government delivers revenue savings in a number of core areas. For this business case, these potential savings have been grouped under the following headings:

- Member allowances.
- Elections and democratic services.
- Senior management.
- Corporate services.
- IT.
- Accommodation.
- Contractual efficiencies.
- Service consolidation.

These are referred to as "transition savings" – the efficiency savings that are closely attributable to the act of restructuring.

The likely transition savings, implementation costs and payback period of each option have been considered. The analysis draws on LG Futures' findings, publicly published data sources (local authority revenue data; Statements of Accounts for 2018/19; 2019/20 detailed budgets and Medium Term Financial Plans (MTFPs) covering 2020/21), and some additional county council specific data.

5.2.1 Estimated Savings

No savings have been shown against Option 1. Savings could be made, but these are as part of existing change and sustainability programmes. These are included in each council's MTFP and are therefore taken into account across all options. For Option 2, some potential savings have been identified in leadership, corporate services and contracts – this is based on the FoLGiS report, and the "Delivery for Somerset" report of January 2020[12]. In order to achieve a like for like comparison, only those savings that fit within the category of transition have been included. Further savings may well be possible, but these would need to be assessed alongside the transformation potential of the other options. For Option 4, service diseconomies are shown as a cost (negative saving). This is because there are certain recurring costs which are associated with running two independent organisations, particularly due to senior level duplication in services which are currently run by the county council.

[12] *The Future of Local Government in Somerset: Delivering together for the people of Somerset,* joint report by the Somerset District Councils (Mendip District Council, Sedgemoor District Council, Somerset West and Taunton District Council and South Somerset District Council), 2020.

The analysis in Table 4 shows that the greatest potential to generate savings is from Option 3, a single unitary council.

Saving		Option		
		2	3	4
Category	**Driver**	**Closer collaboration (£m)**	**Single unitary (£m)**	**Two unitaries (£m)**
Member Allowances	Number of members	-	0.5	0.2
Elections and Democracy	Number of elections and level democratic process / member support	-	0.8	0.4
Senior Management	Number of senior managers	0.5	2.9	1.7
Corporate Services	Corporate services effort	2.2	4.3	2.2
IT	Software and technology requirements	-	1.5	0.7
Accommodation	Office space and work styles	-	0.5	0.3
Contracts	Buying power	0.5	3.6	1.8
Service Consolidation	Removal of duplication across services	1	4.4	2.9
Service Diseconomies	Ongoing dis-economies of scale	-	-	(1)
Total savings		**4.2**	**18.5**	**9.2**

Table 4 – Transition savings options analysis.

5.2.2 Implementation Costs

A unitary change programme will incur one off costs. The costs have been estimated in the following categories:

- Staffing costs, chiefly redundancy and pension costs.
- The transition programme team.
- Technology.
- Accommodation.
- Culture change and communications.
- Service disaggregation.
- Other.

These costs reflect the investment required to receive the transition benefits. Option 4 is expected to require the highest level of one-off investment, slightly higher than the cost of Option 3.

Disaggregation costs are assumed in Option 4. It is possible that these could be less if there were agreements to provide some whole county functions as a shared service across both authorities, where governance and legal accountabilities allow.

Cost		Option		
		2	3	4
Category	Cost estimate	Closer collaboration (£m)	Single unitary (£m)	Two unitaries (£m)
Staffing	Redundancy and pension strain allowance	2.4	8.4	4.9
Transition Team	Implementation programme team	1.7	1.7	3.4
Technology	Aligning systems and infrastructure	0.3	2.3	3.7
Accommodation	Reconfiguration of buildings	-	0.6	0.6
Culture Change and Communications	Communications, branding and training	0.4	1	1.7
Service Disaggregation	Other activities associated with disaggregation of legacy county services	-	-	1
Other Costs	Legal, contract negotiations and specialist support	0.8	1	1.5
Contingency	10% contingency	0.6	1.5	1.6
Total		**6.2**	**16.5**	**18.5**

Table 5 – Implementation costs options analysis. May not sum due to rounding

5.2.3 Payback

The time taken for the implementation costs to be recovered has also been modelled. It is assumed that implementation costs are spread across the year before and following vesting day, and transition savings start to be realised in the year following vesting day. These assumptions are explained in Appendix C. In the following charts, Figure 7, Figure 8, and Figure 9, vesting day is assumed as the end of Year 0. Payback is the point where cumulative transition savings exceed cumulative implementation costs, and consequently where the

"cumulative savings" bar becomes positive. The cumulative savings bar is the cumulative savings at the end of the year it relates to.

Although Option 2 does not require formal structural change, the complexity and time needed to reach lasting agreement among all parties must not be underestimated. It has been assumed that a transition year is needed before savings begin to be realised. Payback is therefore achieved in Year 2, and takes around two and a half years from the period that implementation costs begin. Across the whole five year period, the total cumulative saving after taking off implementation costs is £9.4 million.

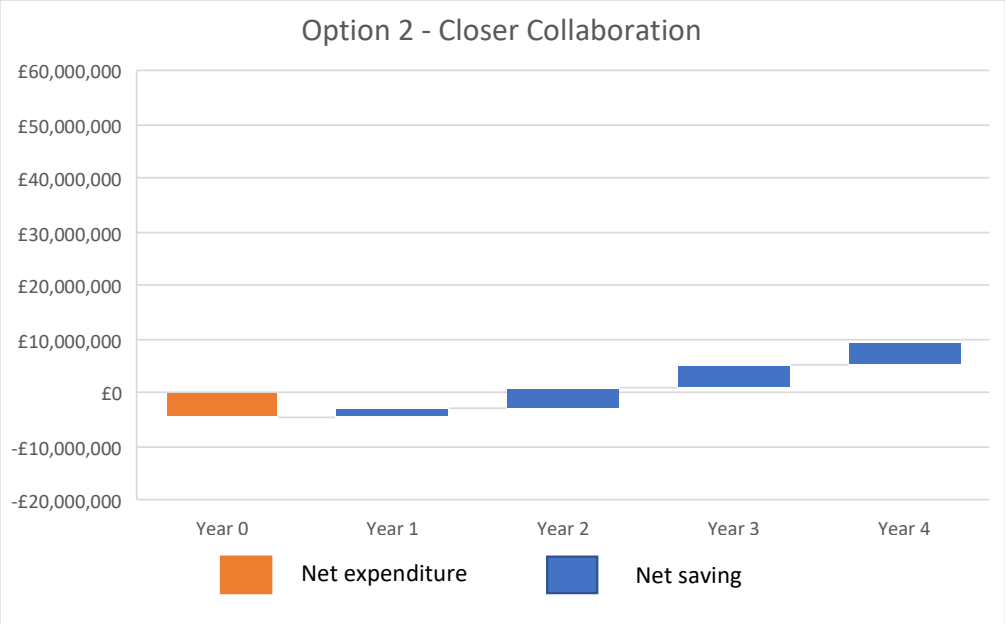

Figure 7 - Closer collaboration payback

In Option 3, payback is achieved in Year 2, and takes just over two years from the period that implementation cost spending begins. Across the whole five year period, the total cumulative revenue saving after taking off implementation costs is £52.6 million.

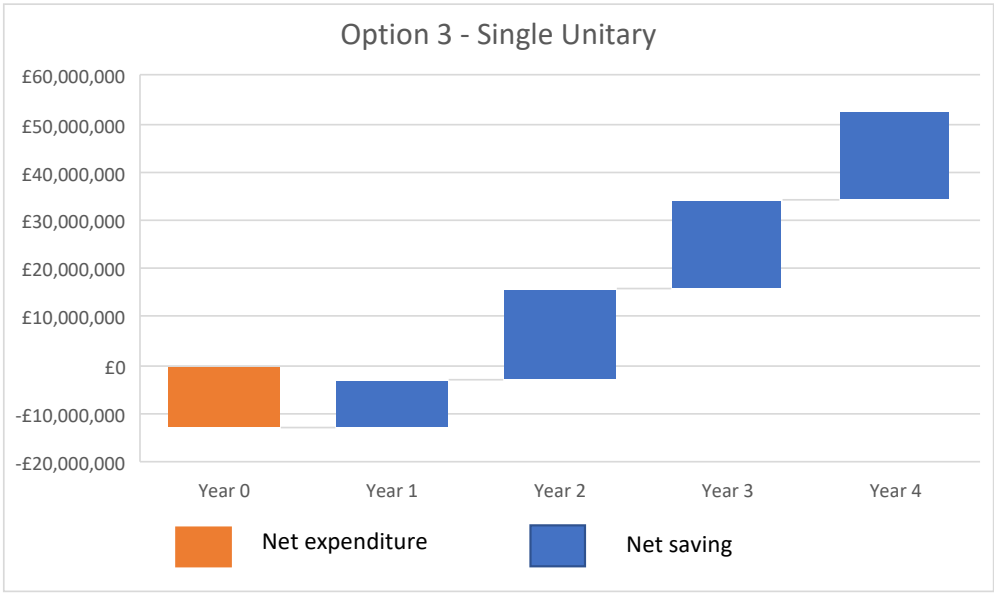

Figure 8 - Single unitary payback

In Option 4, payback is achieved in Year 3, and takes three years from the period that implementation costs begin. Across the whole five year period, the total cumulative saving after taking off implementation costs is £16.1 million.

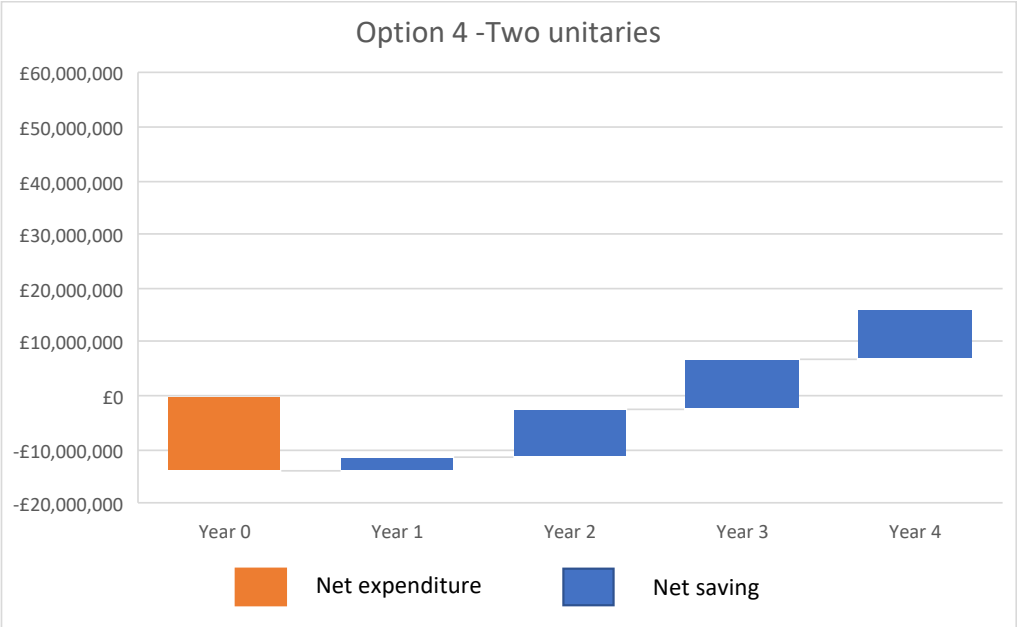

Figure 9 - Two unitaries payback

The payback periods of all three options have variance of around a year. However, the cumulative five-year saving is much higher in Option 3 (£52.6 million) compared to the others. This is illustrated in Figure 10.

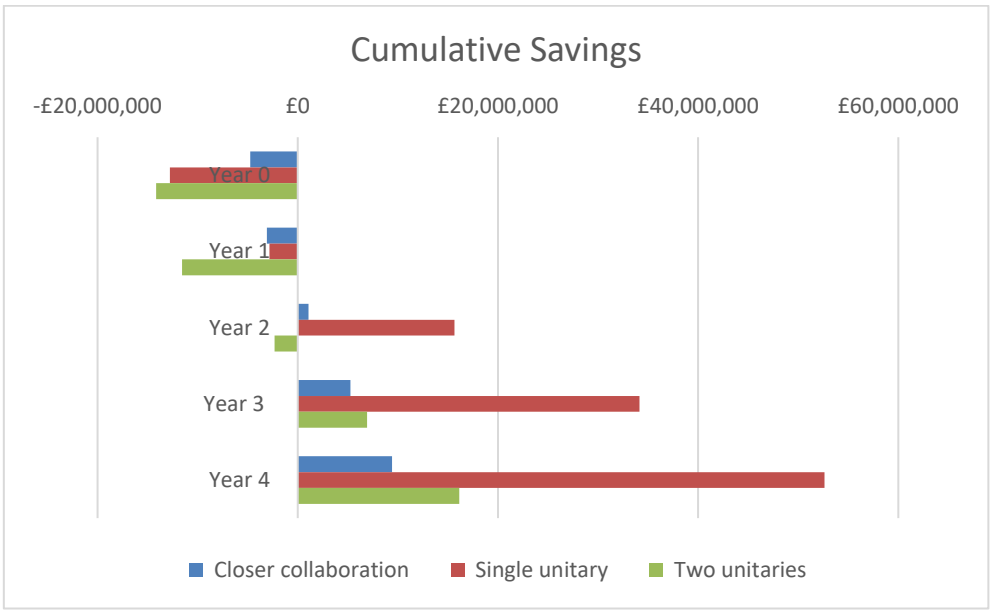

Figure 10 - Five year savings comparison

5.2.4 Summary Financial Model

The savings, costs and payback durations have been summarised in Table 6.

Option	1	2	3	4
	As is	Closer collaboration	Single unitary	Two unitaries
Transition Savings (£m)	-	4.2	18.5	9.2
Implementation Costs (£m)	-	(6.2)	(16.5)	(18.5)
Payback Period from April 2021	-	2.5 years	2 years	3 years
Estimated 5 year saving (£m)	**-**	**9.4**	**52.6**	**16.1**

Table 6 – Summary financial options[13]

5.2.5 Transformation

Moving to a unitary structure can also be a platform for further transformation and associated efficiency savings. Dependent on the ambition of the authority and appetite for investment, "transformation savings" can be achieved well beyond the "transition" savings described above.

Transformation savings would include those that result from the changes to strategy, public sector partnership working, digital and customer engagement and a deeper focus on prevention. All these factors deliver important outcome benefits, that are described in Section 7. However, they are difficult to quantify robustly at this stage and we have not sought to do so. It is important to recognise that a large proportion of the benefits considered in the FoLGiS report are such "transformation" benefits. This is particularly relevant when considering the envisaged benefits of Option 2. Some of this transformation might commence more quickly but, working across separate authorities, the timeframe for benefits to be realised is likely to be longer - when compared to what could be achieved in unitary options. Further information about the potential for transformation savings are included in Section 8 on financial sustainability

As stated, to allow a like for like comparison, only "transition" benefits and costs for each option have been quantified.

[13] Payback period is the time taken from implementation costs first being incurred to the cost of establishing the unitary being repaid by transition savings. Implementation costs are assumed to be split over the year leading up to vesting day, which is assumed to be April 2022, and during the year following vesting day. Transition savings begin to be made immediately after vesting day but are assumed to only be made at their full annual level from the year after vesting day, in this case from April 2023. The five year saving figure is counted from April 2021.

5.2.6 Summary quantitative assessment

Table 7 summarises the key findings of the quantitative options appraisal. A full list of the assumptions and data sources used for each calculation can be found in Appendix D - Savings and Costs.

Option		Score	Rationale
1	As is	1	• No savings outside of current transformation plans.
2	Closer collaboration	2	• Third highest saving (£4.2 million). • Provides a clear focus on transformation, it misses the opportunity to realise many transition savings that are available with structural change.
3	Single unitary	4	• Highest level of annual saving (£18.5 million) for a similar investment cost. • Largest five year transition savings after initial investment (£52.6 million). • Shortest payback time.
4	Two unitaries	3	• Second highest five year transition saving after initial investment (£16.1 million).

Table 7 – Quantitative options summary

The financial modelling estimates that Option 3 would offer provide the greatest potential for efficiency savings. Despite transition costs of £16.5 million, the annual savings it offers and circa two-year payback period mean that this option offers a significantly higher five-year benefit than the other options.

5.3 Qualitative assessment

The potential of the four options to deliver against the criteria the Government uses to assess proposals for local government structural change (which are described in Section 3.2) has been reviewed. This assessment is presented in Tables 8, 9, 10, 11, 12 and 13. The "score" column gives each option a score on a 1 to 5 scale, where 1 is "low" and 5 is "high". The approach has been to divide the Government's "improve local government" criterion into four sub categories and given each an equal weighting of 25% to ensure it does not carry a disproportionate influence in comparison with credible geography and local support.

5.3.1 Credible local geography

	Option	Score	Rationale
1	As Is	3	• Established approach. Coterminous with key partners who operate across the county area. Districts do not have a strong identity pull for local people. • Tensions inherent in two-tier system undermine attempts to work strategically to address demographic challenges.
2	Closer collaboration	3	• Even with improvements to collaboration, retains the fragmentation inherent in the two-tier system. Improvements likely to be vulnerable to changes in political direction.
3	Single unitary	4	• Builds from an established Somerset identity and allows space for parish and town councils to build from coherent local identity. Reasonable way to deliver local leadership in an area without a major city (comparable to Wiltshire), though does create potential tensions in allegiance to sub-regions and LEPs to north and south. • Population of 560,000 is squarely within government guidance parameters.
4	Two unitaries	2	• Neither new authority would meet Government 300,000 – 400,000 minimum population guidance (2020 population projections would have an eastern unitary at 286,000 and western at 282,000). • Both authorities would need linkages to both north and south, potentially creating a tension for relatively small authorities to resolve in how to prioritise resources and focus. • Would risk creating two unbalanced authorities, with a larger concentration of deprivation[14] in the western unitary.

Table 8 – Credible geography analysis

[14] Based on the percentage of wards in the 20% most deprived in the Index of Multiple Deprivation.

5.3.2 Improve local government

(a) Service improvements

	Option	Score	Rationale
1	As is	2	• Likely to be limited to existing transformation programmes. • Risk of reversing gains made through COVID-19 collaboration experience.
2	Closer collaboration	4	• If executed as part of a fully supported and governed programme, will create improvements through joining up across services and authorities. However, retains underlying fragmentation of accountability. • Improvement progress likely to be in successive programme stages rather than organic and incremental through natural linkages in the same organisation.
3	Single unitary	5	• Major opportunity to join up county led people services with the district services that need to support them (e.g. housing and social care; wider determinants of health). • Significant improvements in joining up and aligning economic and place-based plans and programmes. • Major opportunities for innovation in drivers like digital, assets, etc. • Scale economies associated with combining district led services (e.g. revenues and benefits) and back office.
4	Two unitaries	4	• Opportunities to join up services but some loss of potential scale economy given the small size of the authorities. • Unless complex cross authority governance or trust arrangements brought in, would require disaggregation of large county services. This creates a risk of disruption and in the case of children's services, taking an improvement journey off track.

Table 9 – Service improvement analysis

(b) Resilience

	Option	Score	Rationale
1	As is	1	• Even setting aside financial considerations, widely seen as an unsustainable system. • Has created a culture of perpetually working around the interfaces between organisations. COVID-19 response has exposed this further.
2	Closer collaboration	3	• Has considerable merits during immediate post-COVID-19 recovery if enhanced collaboration and alignment can be assured. • Reliance on governance across five organisations means it is not a long-term solution.
3	Single unitary	4	• Much improved long-run resilience and stability through whole-system planning and management. • Implementation of a major change may be seen as a capacity risk at a time when there will also be a major focus on COVID-19 recovery activities.
4	Two unitaries	2	• Potentially some long-run improvements but the small scale undermines long-term resilience. • Implementation of a major change may be seen as a capacity risk at a time when there will also be a major focus on COVID-19 recovery activities.

Table 10 – resilience analysis

(c) Strong leadership

	Option	Score	Rationale
1	As is	2	• Time and energy are lost in liaison, reducing capacity for leadership.
2	Closer collaboration	2	• With the right governance, collaboration would improve leadership of delivery. • Risk that the reliance on a coalition of the willing slows down ability to deliver the clear strong Somerset voice at key moments.
3	Single unitary	4	• Strong single voice for Somerset – especially with partners, neighbours, Government and global markets. • Would deliver a structural "levelling up" with most of Somerset's neighbours.
4	Two unitaries	3	• Unitary brings advantages of stronger leadership over all local government services. • Splitting Somerset East / West potentially dilutes local government voice into key partners in health and blue light services and in sub-regions (HotSW LEP and WECA).

Table 11 – Leadership analysis

(d) Community engagement

	Option	Score	Rationale
1	As is	4	• District council structure provides a clear institutional structure for formal decision-making at a level closer to communities than a county scale and sub-area arrangements have been introduced with success in some districts. • Perpetuation of two tiers (county and district) plus parish/town creates a crowded landscape for taking forward meaningful community capacity building and delegation.
2	Closer collaboration	3	• Retains institutional structure for formal decision-making at a level closer to communities than a county scale. • There is a risk that the energy needed to hold the collaboration together at the top level undermines energy in building capacity at local level.
3	Single unitary	5	• New authority will be set up with Local Community Networks and commitment to delegation (where appropriate) to parish and town councils. • A simpler local government structural landscape will create the space for capacity building with communities, building on existing strengths. • New arrangements will take time to bed in.
4	Two unitaries	4	• New authorities can be set up with Local Community Networks and commitment to delegation (where appropriate) to parish and town councils. • Smaller scale of these unitary authorities mean they risk lacking resources to invest in community capacity building. • New arrangements will take time to bed in.

Table 12 – Community engagement analysis

5.3.3 Local support

	Option	Score	Rationale
1	As is	1	• There is a consensus among local government and other partners that status quo is not a sustainable way forward.
2	Closer collaboration	3	• Likely to be favoured option among district councils who have recently considered a paper on the merits of this approach. • The June 2020 research exercise did find support for this option among residents and business, potentially influenced by concern about the disruption that structural change would cause, or lack of detail to date about the unitary alternative.
3	Single unitary	4	• Key partners have confirmed their support for this option. • The June 2020 research exercise has shown 81% of respondents have a strong affiliation with their county. While many people and businesses are still to make up their minds about the way forward, there is an appetite to know more and there is a correlation between those who support this option those who have most awareness of the proposal. • FoLGiS engagement shows a majority favoured efficiency and scale implicit in a unitary solution when invited to consider balance of size and local connection. • A greater role for town/parish councils (as this business case envisages) is a way to mitigate risks of loss of local connection in a unitary.
4	Two unitaries	2	• Mitigates the finding from the recent market research that Somerset is a large area to be served by one council. • Brings no coherent identity for people to support and creates the most disruption (which the research also showed is a concern for stakeholders).

Table 13 – Local support analysis

5.3.4 Summary qualitative assessment

	Option	Qualitative score (out of 15) (15 = high; 3 = low)
1	As is	6.25
2	Closer collaboration	9
3	Single unitary	12.5
4	Two unitaries	7.25

Table 14 – Qualitative options summary

5.4 Conclusion

The preferred option is Option 3, one new unitary council for the existing two-tier Somerset boundary. A summary of the overall scoring is in Table 15.

	Option	Qualitative score (out of 15) (15 = high; 3 = low)	Quantitative score (out of 4) (4 = high; 1 = low)	Overall score
1	As is	6.25	1	7.25
2	Closer collaboration	9	2	11
3	Single unitary	12.5	4	16.5
4	Two unitaries	7.25	3	10.25

Table 15 – Overall options summary

PART B - REALISING ONE SOMERSET

6 A vision for a new Somerset Council

Creating one new unitary authority for Somerset will help the communities and people in the county to realise their ambitions. The new council will provide a framework of support and facilitation in which communities can take more initiative to help themselves and shape their environment. This will allow Somerset to capitalise on its strengths and ensure that it is genuinely fit for the challenges of the 21st century.

6.1 Vision and improvement themes

Our vision is for a new unitary authority which will provide seamless and accessible local governance to the people of Somerset, with services redesigned to be delivered within communities at a local level. The new council will ensure protection of the most vulnerable and consistent standards when supporting residents and businesses. It will help to deliver everyone's ambition for a county with reduced inequality; that is prosperous, attractive and safe; supports improved health and wellbeing; independence for its older people; and helps children, younger people and families to fulfil their potential.

The unitary authority would establish a local government organisational footprint that is stable now and for future generations, whilst being flexible enough to adopt new ways of working and to adapt to new priorities. A new unitary authority would enable some key improvements to how Somerset's local government will work by:

- Establishing **one council listening to the needs and concerns of residents, parishes and business**, providing clear accountability to the public

  It remains deeply frustrating for members of the public when they contact a council and find that the issue they are enquiring about is the responsibility of "one of the other tiers" of local government (county, district and parish). Creating a unitary authority would remove at least one level of this bureaucracy and the new authority will be supported by a "no wrong door" approach. The unitary structure would also reduce frustration for members who are unable respond to residents' concerns; and make it much clearer for businesses who want to influence economic policy where currently both county and districts are involved.

- Facilitating sustainable delivery of outstanding public services **to improve the quality of life of all Somerset's residents and businesses**

  The two-tier system looks increasingly cumbersome in a context where addressing complex system-wide issues requires responsive cross-sector partnership working. Even with effective day-to-day relationships, effort is lost, and decision making is slower, as services are co-ordinated across the county and district authorities, on a case-by-case rather than strategic basis. Bringing Somerset's local government services together in one organisation, will be a major enabler for creating outstanding service delivery.

- Empowering communities and embedding delivery at local level to **increase community resilience and the ability to respond to local challenges**

  From the outset, the new council will be set up with a Local Community Networks (LCNs) structure at the heart of its operating model. It will truly engage with local voices and harness the energy of its communities, creating across Somerset a new type of community engagement and partnership while enabling tailored innovative services locally designed to meet the needs of present and future communities. LCNs would harness local assets (physical and human) and revitalise a local and more participative democracy.

The creation of 15 to 20 LCNs is anticipated, which will operate as committees of the council cabinet – formal structures with real constitutional power to impact and take decisions. To make this effective will require investment, to provide proper support and leadership. This investment will nurture effective community owned initiatives, for example to tailor local youth facilities or to support transport to prioritise road repairs. The LCN concept will be accompanied by a drive towards the devolution of assets and services to town, city and parish councils, where the desire to do so exists and where baseline criteria are met. This will also involve action to ensure that all of Somerset is "parished". This will give Somerset's towns, city and parishes the opportunity to truly shape, have more control over and further develop, their sense of place.

- **Giving a much stronger voice for Somerset** on a national and international stage

  Having one council representing the whole of Somerset gives members and senior officers a clear mandate to speak for Somerset in discussions with external partners. By putting forward its perspective as the fifth largest unitary council[15] in England, Somerset will greatly increase the chances of success in bids for funding, attraction of potential private inward investors, and joint working with government agencies. The experience of Cornwall, and the additional funding it has attracted since becoming unitary, shows the opportunity to put the county on the map. The importance of Combined Authorities is expected to grow in the coming years. A single Somerset local government voice with its neighbours in the West of England Combined Authority, with any authority proposed for the peninsula South West, and with pan regional bodies such as the Western Gateway strategic partnership, will be crucial for ensuring the county area benefits from connection to these growth engines. Of course, the new council will need have to have the right internal governance arrangements to agree what the Somerset voice is – but it is the clarity of the agreed message to external partners that will improve outcomes for residents and businesses.

- **Offering consistent leadership with key partners** to better influence local service delivery

  A unitary authority would bring greater influence into local partnership working. Because it controls all the levers of local government, the new Somerset Council representatives will be able to respond with greater agility in partnership meetings (reducing time lost in consultation across county and districts) and rapidly progress a common position. This could be, for example, in supporting care leavers with housing needs; co-ordinating the various social, environmental and economic factors that influence health; or maintaining a united approach in action on the climate emergency. Creating a single unitary authority would ensure closer working so it can successfully support the emerging Integrated Care System.

[15] In this context, "unitary authority" includes metropolitan councils. Note that the newly formed Buckinghamshire Council with a population of 543,973 is the sixth largest unitary authority in England.

- **Reducing duplication and provide better value** across the entire county

  One council will create the opportunity for lasting efficiency improvements. With the funding pressures of recent years, authorities have already made many savings and balancing budgets is harder to achieve. A reorganisation to one authority creates the opportunity to consolidate accommodation, IT systems and contracts across common suppliers, as well as to reduce duplication in functions and management layers that are repeated across five organisations. This will not only deliver a "unitary bonus" which can be invested in community services, but also provide the platform needed to deliver the transformational savings necessary to address the funding challenges of the future.

6.2 Operating model

The design of the new authority will be critical to its success. Section 6.1 highlights the real opportunity for Somerset of bringing together the full range of local government responsibilities into one organisation. It will have a scale to enable coherent cross cutting delivery models to harness the benefits at a customer level, backed by a strong single voice for the county. The advantages of scale will be supported by arrangements for the authority to connect with the distinct city, town, village and wider rural communities across the county.

The council will need to balance the needs of an ageing population with the need to attract and retain working age families and young people. It will need to act both strategically and very locally; and support its urban, market town and village geography. It will need to use its resources very prudently, yet also fulfil the expectations that establishing a new organisation creates. At the heart of this challenge is the creation of a sustainable operating model which will enable the new council to deploy its resources consistently, in support of its vision and agreed priorities.

It will be for the Shadow Executive and then the new council to determine detailed functional design and operational arrangements. The broad principles described in Table 16 will provide a basis through which it can work effectively to balance competing demands and achieve the vision for a new council for Somerset.

Principle - the new council will:	**Practical implication**
Be outward looking	• The council will work as a strong convener of local public service delivery – influencing partners' activity. • The council will speak with one voice to sub-regional, regional and national partners.
Take a commissioning approach	• Delivery models will be chosen to balance the needs of users and affordability. • Multiple delivery models may be in use (including direct delivery, council owned trusts, commercial providers, voluntary, community and social enterprise sector and other partnerships with local organisations). • Cross service input into commissioning decisions (e.g. social care and planning).

	• The council will need capability to provide professional support to ensure agreed standards are met or exceeded.
Empower local communities	• Local Community Networks will be established across the county to enable communities to influence council activity; and to help communities harness their own energy. • Where appropriate and desired, service and asset responsibility will be delegated to parish and town councils. • Capacity building will be available to support local councils and community groups.
Maintain a county wide presence	• A network of physical council contact points around the county. • Services will be organised on a suitable locality basis (e.g. planning, licensing, social care locality teams).
Operate a no wrong door for customer contact	• Telephone and physical contact points will aim to resolve most enquiries at first point of contact or signpost customers if they cannot.
Maximise its exploitation of digital technology	• Customer and business contact will primarily be digital supported by a state-of-the-art single website/portal as the gateway to council services and support. • Joined up data and intelligence will underpin council and partnership activity. • Local strategic needs assessment / population profile data will be available at LCN level. • IT systems will enable flexible working. • Exploitation of proven robotics and AI.
Be innovative and forward thinking	• Encourage innovation, entrepreneurship and help staff to develop a commercial mindset to maximise income and assets.
Optimise its use of resources	• Fewer elected members county wide in local government in Somerset. • Streamlined senior management. • Quickly move towards standardised processes, reduced duplication and consolidation of common functions.

Table 16 - Principles and ways of working of the new organisation

The council would be able to build on the strengths and achievements of the predecessor councils. However, to put these principles into practice, the new council would need to develop several new capabilities. There would be the opportunity to adopt local and national best practices as the new council establishes itself. Figure 11 illustrates the central capabilities that the new council would require.

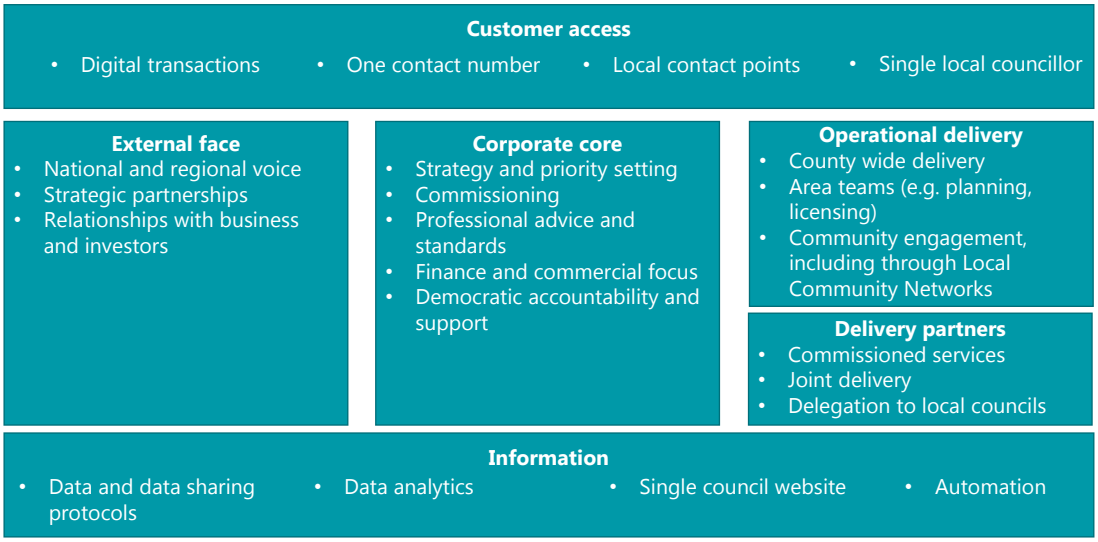

Figure 11 - main capabilities expected for the new Somerset Council

The new council would also seek to be an employer of choice, playing its role in attracting and retaining working age people to Somerset. The present local authorities have well-developed apprenticeship and graduate programmes and believe in the need to continue to support and develop the county's young people, as they move into employment, and people of all ages as they look to re-train. The new council could continue this work, for example targeting a percentage of its workforce as apprentices and new graduates.

6.3 Strengthening local leadership through Local Community Networks (LCN)

Somerset has strong locality working foundations. These include:

- Strength based community development, where a small commissioning team in the county council have enabled initiatives that are delivered very locally and help people to direct the care that they need. See case study 5.
- Somerset One Teams - a focused cross agency way of working in localities where there are particularly high levels of need. See case study 6
- Innovative local council governance. Frome is nationally recognised as an exemplary model for town councils. See case study 8 in Section 6.4
- Existing district council area-based working. South Somerset District Council was a pioneer in establishing devolved structures, and has had four areas for over 20 years.

The effectiveness of these arrangements has been clearly shown in the active community response to the COVID-19 pandemic. Around 70 community action groups have been set up from the bottom up and Community and Village Agents made more than 32,000 contacts with vulnerable people by early May 2020.

Case study: Somerset Community Connect

Community Connect is a strength-based way of working adopted over the last five years in Somerset. The council and voluntary sector partners promote independence and improve people's lives by working with our communities - harnessing the skills and expertise of a huge range of organisations and volunteers. It is problem-solving close to home, by understanding what matters to the people we work with and knowing what's going on in their local area.

An important element has been the commissioning of Community Agents from the Community Council for Somerset to act as connectors to community resources and their integration into community care and hospital discharge decision making forums. In these multi-disciplinary conversations they sit as equals with health and care colleagues and inform decision making. This has resulted in more people being supported to live at home. The agents work in small geographical areas, know their patches inside out and are adept at finding solutions that make a difference (and really matter) to the people they support.

The County Council has also commissioned other organisations such as Age UK, Somerset Sight and Deaf Plus to build a network working together with the same strength based ethos. This includes developing tools and resources to support community working, such as a Community Connect website, microprovider Facebook groups, Talking Cafes and Peer Forums.

Case Study 5 - Somerset Community Connect

Case study: Somerset One Teams

This is a focused cross agency way of working, initially developed by district councils, in localities where there are particularly high levels of need. Teams meet regularly to consider local concerns and co-ordinate partnership working to provide sustainable solutions for individuals, families and communities, which prevent problems escalating and costs to the public sector increasing. Targeting is informed by data and operational intelligence and overseen by local and strategic governance. Evaluation[16] has identified the ability of the approach to work with the communities in identifying the real causes that impact on their quality of life and developing a range of solutions.

Case Study 6 - Somerset One Teams

Creating a new authority presents a major opportunity to complement these successes by establishing effective community engagement. The proposed model assumes the creation of new local community networks (LCNs) to promote active community decision making, scrutiny, ensure local influence over council and wider public service activity, and to inspire more responsibility for local place-shaping. It is envisaged that the new shadow council would work with parishes and towns to create 15 to 20 LCNs during the implementation period. These would draw on local learning and positive experiences over the last decade from our near neighbours in Wiltshire and Cornwall, plus more recently in the new unitary

[16] *An Evaluation of Three One Team Initiatives: Halcon, North Taunton and Wellington*, Bath Spa University, June 2017

council in Buckinghamshire. Every part of the new authority, whether urban or rural, would be in an LCN area. Every part of the new authority would have a strong local voice.

The LCNs would be cabinet committees of the new unitary council, and core to how it recognises and responds to needs that vary with the character of different parts of the county. Active involvement would be far wider than just unitary councillors. The networks would involve local voluntary and community organisations, partners, the area's parish and town councils and meetings will be open to the public[17]. They will provide a focus for local engagement with council and wider partner activity, and develop to become the channel for local consultation and communication with other local public services, notably police and NHS.

By bringing the debate and workings of local democracy closer to communities, LCNs can also provide a way to engage more young and working age people – ideally inspiring them in the longer term to stand for election to parish, town and unitary councils. An LCN could choose to give some meetings a particular children and young people's focus by holding it in a school or college and inviting local children and young people to speak about their dreams and concerns.

Each network area will have a set of data that sets out key social, demographic, health and economic characteristics. This would provide evidence to help the network to identify priority areas for action.

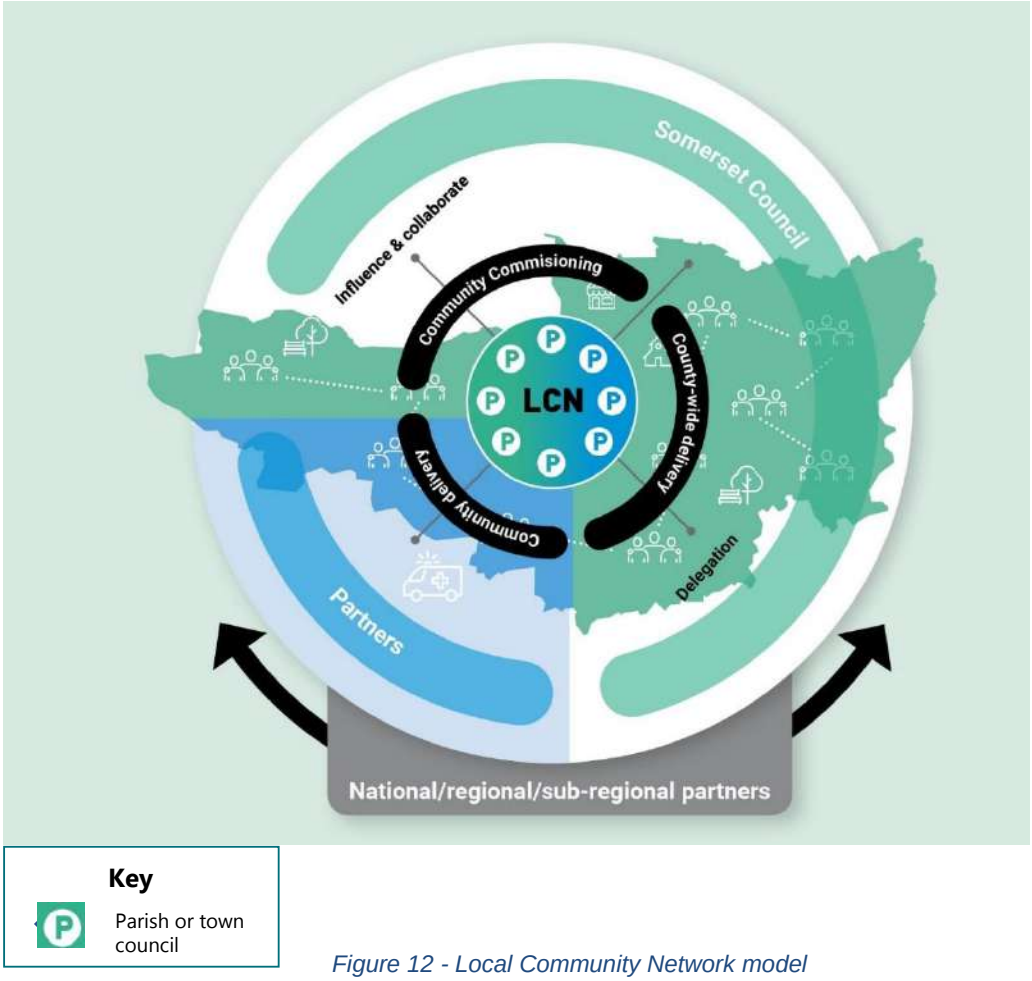

Figure 12 - Local Community Network model

[17] Exact constitutional arrangements will be a matter for the unitary authority's shadow executive to determine.

At its simplest, LCN action could include:

- Supporting community initiative through targeting of delegated council grants (for example for local air quality or rights of way maintenance).

- Providing a focus for the community's voice into the council, helping it to meet the needs of the area.

Experience over the border in rural Wiltshire shows that local network structures, in that case known as Area Boards, can also be proactive in co-ordinating and encouraging local people and community groups to devise creative partnerships to tackle local issues. Some examples are shown in case study 7. They represented action that was owned by the local area, delivered improvements to address real local problems and did so in a way that used a minimum input of local public resources. This is a community leadership role, where real value comes from focusing the energy of a community on to priorities and needs that are recognised and understood at the very local level. The Somerset response to the COVID-19 pandemic has shown what is possible through locally led action – the LCNs should be a mechanism to extend and sustain such models.

Case study: Wiltshire Area Boards

Wiltshire Council has 18 Area Boards which are set-up as formal decision-making committees of the council.

Two examples illustrate the role they play in focusing community action on very local issues:

- **Air pollution around a junction of the A361 in Devizes**. Congestion and air pollution at a junction in the town was a problem for local residents, road users and pedestrians. The problem was reflected in the Joint Strategic Needs Assessment (JSNA) for the Area Board where air pollution levels breached national limits. The Area Board was approached by residents to tackle the issue. Volunteers were trained to use air quality monitoring equipment and measurements were taken over an extended time to define the problem. With the community fully engaged, and evidence collected, the Area Board worked with the council highways team to redesign the junction layout to speed up traffic flows, reducing congestion and pollution. The Area Board prioritised this scheme and the network contractor designed and completed the works to the specification defined by the Area Board collaborating with the highways team.

  Community Transport from Trowbridge to the Royal United Hospital (RUH). It was difficult for some people to attend appointments at the RUH in Bath using public transport, as they needed to use two or even three separate buses to complete their journey. This meant that attending appointments was often a 4-6 hour experience. The Area Board were aware of this issue from residents and elected members and made it a priority for understanding and action. Community groups were engaged, the Clinical Commissioning group (CCG) attended the board and, in partnership, a community volunteer solution was designed. This successfully used volunteer drivers in their own cars, and some mini buses, and was expanded as demand grew. The Area Board and CCG supported the voluntary sector with small grants to build capacity and make the scheme sustainable.

Case Study 7 - Wiltshire Area Boards

Each LCN would be supported by a senior community development officer. They would help to translate the LCN's aspirations into action and also be the gateway to wider council officer delivery support. Each LCN would meet around six to eight times a year, but momentum would be sustained through locally led groups.

The LCN boundaries will need to create meaningful units for co-ordination of community and partner organisation activity. A starting point is the primary care networks defined by the Somerset Clinical Commissioning Group. These are shown in Figure 13 as a reference:

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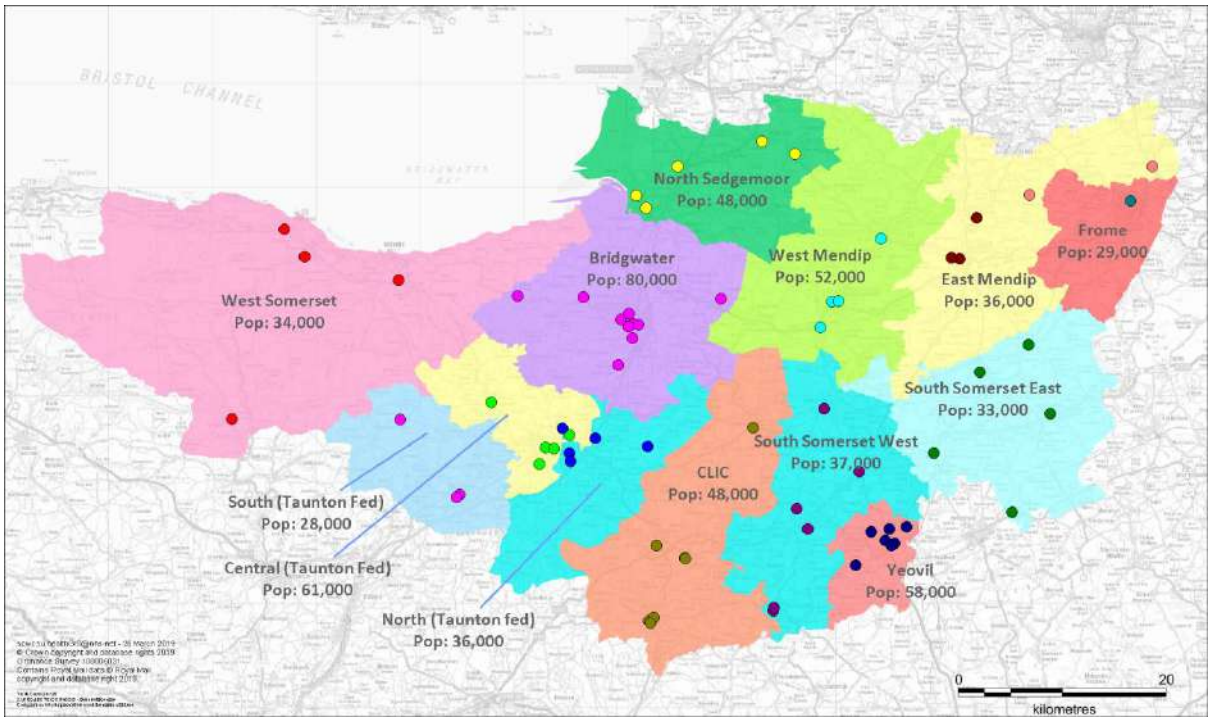

Figure 13 – Primary Care Networks Map

It is possible that the larger population and geographic areas may be further divided. For example, the challenges of topography and north - south connections in the West Somerset area may deter attendance at meetings and the Bridgwater and central Taunton areas have populations which may be deemed by the community to be too large for effective network activity. Other considerations for determining boundaries are described below:

- Input from partners, to create sustainable units that organisations including police and health could support with regular attendance.
- Reflect changes to electoral units that are anticipated in a Boundary Commission review and mean an expectation of between four and nine elected members per LCN.
- Build on effective existing district council area working. While some changes may take place, the LCN creation would not want to disrupt areas that have already shown themselves to be effective.
- Engagement with all parish and town councils to determine a workable clustering of local councils. As part of this, input will be sought from the Somerset Association of Local Councils (SALC) and Somerset branch of the Society of Local Council Clerks (SLCC).
- Encourage direct sharing of experience between parish and town councils, to help those interested in running local assets and services to learn from those who have ideas and lessons they can build on.
- Bringing together areas that are compatible. This means having regard to some common elements of experience, although it is expected that towns will be combined with part of their rural hinterland.

6.4 Devolving services to parish and town councils

The Localism Act 2011 created a right for voluntary and community groups, as well as parish and town councils, to express an interest in taking over the running of a local authority service. This has been used to transfer the running of assets and services to community groups or parish or town councils.

This legislation gives parish and town councils a power of general competence, enabling them to play a much greater role in acting to secure the economic, social and environmental wellbeing of their communities. The extent to which this is used rightly varies. In Somerset, there are 323 parish and town councils, who vary greatly in size and the council tax (precepts) they raise, and hence in the range of activity they undertake. However, establishing a new unitary authority would be an opportunity to create a consistent menu of delegation and actively promote its use in a way that benefits both the principal and local parish or town council. Experience from Cornwall and Wiltshire is that parish or town councils can sometimes run services at a lower cost than a principal authority.

Case study: Frome Town Council

Frome Town Council (FTC) believes in working alongside the community to enable local people to do what they think is best for their neighbourhoods and their town, and to ensure that no one is left behind. Frome is a nationally leading example, but illustrates the high ambition in local council governance that a clear menu of devolution opportunities could encourage.

When funding pressures reduced Get Set children and family services, FTC explored what services remained and then asked the local neighbourhood what services were needed. It then worked with residents to set up a residents' group that will would not be dependent on the vagaries of local government funding in future.

FTC has also worked with volunteers to implement a number of award-winning projects to combat climate emergency, such as SHARE (a shop from which items such as power tools or sports equipment can be borrowed) and the Community Fridge. The Fridge enables the sharing of over 90,000 items a year which would otherwise have been thrown away, reducing greenhouse gases equivalent to driving 14 times round the world.
These initiatives also work in partnership with other organisations such as Fair Frome who run the local food and furniture bank.
Around £50,000 is allocated each year by The People's Budget. For example, residents aged 10 or above can choose which events they want from a shortlist of videos produced by local groups. Councillors have never dared disagree.

FTC's unofficial modus operandi? "Yes we can, what's the question?"

Case Study 8 - Frome Town Council

6.4.1 Recommendations from SALC and SLCC

A recent paper from SALC and SLCC[18] makes seven recommendations about the role of parish and town councils in community governance arrangements. These are summarised as follows:

Recommendation 1. A Charter for Somerset – setting out rights and responsibilities, expectations and new possibilities and ways of working between the unitary authority and parish and town councils. This would be a living and binding document

Recommendation 2. Local ownership and devolution - parish and town councils to be involved in determining the methodology behind the devolution of assets and application of the principle of devolution "by request", recognising the diversity of capability.

Recommendation 3. Localism and solutions - the unitary and parish and town councils to commission a "Somerset Guide to Localism" including good examples, outcomes and meaningful partnerships.

Recommendation 4. Local governance - parish and town councils to be involved in establishing the boundaries, brief, representation and procedures of LCNs from day one.

Recommendation 5. Local presence – LCNs to have dedicated and supported senior staff presence based locally. Representatives of parish and town councils to be involved in the appointment of the staff.

Recommendation 6. Trust and partnership - to build trust, a five-year joint cultural and development programme for staff and members be established. A team drawn from local government, partners and a suitable University should create a road map showing possibilities for greater engagement, localism, resilience and innovative solutions.

Recommendation 7. Parishes working together – parish and town councils need to run a campaign to ensure that their voices are heard loud and clear in the run up to, implementation and subsequent working of the new unitary council.

This paper and its recommendations provide a strong basis for joint work with parish and town council representatives so that their ideas can be taken into account in establishing the detailed arrangements for a new unitary authority. On the specific recommendation of "local ownership and devolution", the new Somerset Council would create a schedule of classes of asset that it would encourage parish and town councils to take on. Where parish and town councils have the capability, there is great advantage in delegating management of assets (for example car parks) and services (for example local town economic development). This is a way to build local ownership and narrative about a place.

6.4.2 Criteria for any devolution of services and assets

Figure 14 shows an indicative list of services and assets that could be devolved where this is appropriate to local circumstances. It is not exhaustive. Devolving assets will need to be broadly cost neutral to both the town or parish councils involved and the unitary council in order to not cause financial instability for either partner. So assets with income would need to be balanced with service responsibilities and costs.

[18] *Recommendations on the Role of Parish Councils in the event of Local Government Reorganisation (LGR) in Somerset*, SALC and SLCC, May 2020

Indicative menu of devolution options to parish and town councils – where desired

Assets

- Cemeteries and church yards
- Crematoria
- Community centres
- Allotments
- Public toilets
- Local parks
- Open spaces - including both greenspaces as well as "hard" open spaces
- Sports grounds
- Swimming pools
- Play areas
- Off and on-street car parking provision and management
- Memorials
- Volunteering (co-ordination; health, social care, fostering, etc.)
- Roadside verges and other small open spaces
- Leisure and arts centres

Services

- Minor Highways functions such as minor road and footpath repairs, lining, signage
- Minor development control functions, planning applications (Using neighbourhood planning and neighbourhood development orders), tree preservation orders and listed building consents (for example one or two new house developments and residential extensions, applications for smaller work spaces but not applications for residential housing estates or large industrial development)
- Grass cutting and open space maintenance (gullies, verges, drainage, closed churchyards)
- Fly tipping
- Street cleaning
- Abandoned vehicles
- Recycling management
- Health & Wellbeing - Isolation/Volunteering/Befriending
- Community libraries, premises
- Community transport
- Community safety / neighbourhood watch
- Footpath lighting
- Community grants
- Local tourism
- Local town economic development (incl. e.g. job clubs)
- Local climate change initiatives (for example local green transport schemes while ensuring unitary has strategic overview)
- Homelessness and social housing liaison and provision
- Monitoring and enforcement of environmental health matters
- Control of markets
- Street naming
- Licensing - event notices, street trading etc.

Figure 14 – indicative devolution menu

The paper from SALC and SLCC identified five different levels (described as "outcomes") at which parish and town councils could be involved in influencing the use of assets:

- **Outcome 1.** Influencing and Monitoring.
- **Outcome 2.** Joint /enhanced delivery.
- **Outcome 3.** Agency Agreements.
- **Outcome 4.** Delegated Authority.
- **Outcome 5.** Full transfer of services or assets.

The new council would publish criteria it expects to use together with local councils in determining applications. There would be no requirement for parish and town councils to participate in this process – it is well understood that some parishes may not have the appetite for this. But when combined with the capacity building described in Section 6.7, it would be encouraged in cases where there was agreement that the criteria could be met.

Parish and town council members would also be active participants in the LCNs, and each LCN would cover several parish and town areas. LCNs would allow the parish and town councils to have a stronger collective voice into Somerset Council. The LCNs may well wish to work with parish or town councils as delivery partners and help facilitate discussion about them taking on delegated responsibilities from Somerset Council. This appears consistent with the SALC/SLCC recommendation on "Local Presence" but the Shadow Executive would need to work with them to agree the detail.

At present there is an unparished area in Taunton. In order for the arrangements described in this Section to operate effectively across the whole unitary council area, the unitary council Shadow Executive would request a community governance review during the transition phase to enable a Taunton Town Council to be created and in place by vesting day.

6.5 Democratic arrangements

At present there are 269 elected members representing 127 district council wards (some of which have two or three members) and 54 county divisions (with 55 county councillors). Subject to involvement from the Boundary Commission and Community Governance Review, it is proposed that the new unitary would consolidate this to 100 elected members in 100 single member divisions. This would produce a ratio of 1 member per 4,302 electors. Table 17 shows that this is very close to the average for comparator unitary authorities (taking into account the reduction in Cornish members planned for 2021):

Area	No. Members	Total Electors	Electors per Member
Cornwall (current)	123	441,288	3,588
Cornwall (from 2021)	87	441,288	5,072
Dorset	82	306,624	3,739
Wiltshire	98	384.578	3,924
Mean of comparators (2021)	89	377,497	4,242
Proposal for Somerset unitary	100	430,171	4,302

Table 17 – Democratic arrangements comparison[19]

[19] Number of electors from *Electoral statistics for the UK*, ONS. May 2020.

An elected member cohort of this nature offers a number of advantages over the present arrangements:

- One member per ward will establish clarity for the public about who to contact, compared with confusing multi-member wards and two tiers.
- Reducing the total number of elected members and creating a single cohort that is elected every four years allows better efficiency in use of member development resources. This will enable to council to develop its strategic leadership talent and realise benefit from the stronger voice the unitary would allow.

The ratio in the new Somerset unitary would be just over double that in the current district councils (1 : 2,010); well below that of the current county council (1 : 7,821) and under the mid point between the two (1 : 4,915[20]).There would be an opportunity to review it further, as in Cornwall, after the first few years of operation.

The 100 elected member council described above should also support the development of the LCN concept and increased delegation to parish and town councils. For example:

- At LCN and parish/town council meetings, Somerset Council members would be able to speak about the full range of local government services. This would reduce frustration for the public that exists at present when members have to explain that an issue raised is the responsibility of the "other tier" of local government.
- In turn this will improve leadership and accountability. There would be an impetus for members to engage with the LCNs to show that they are arguing the case for their area.

With the support of their LCNs, a smaller, more visible core of members would be supported to operate as genuine community leaders. While many do this now, the capacity will grow to listen to communities and work with them to harness their strengths and align the support that the council can bring to this.

Members would need to understand the LCN role before they stand for election. With the right communication about this, it is expected to provide an incentive to attract new talent into councillor roles from individuals with a desire to be a driver of real local change and improvement. Section 6.7 on capacity building sets out the framework of support that the new council will put in place to help elected members to deliver this role.

6.6 Contact arrangements

Somerset's councils have undertaken a great deal of work over the last 15 years to shift much contact with the public and businesses online. A new unitary authority would work towards having a state-of-the-art website, and associated digital access channels, that would consolidate and develop these trends. It would also consolidate telephone handling to a single enquiry number, enabling more resolution of enquiries at the first point of contact.

However, there will still be a need to provide for a residual amount of face to face contact for vulnerable groups or transactions where in person contact is needed. This will be provided by creating a network of council contact points around the county ensuring a contact point in each LCN area. Some, such as those at former council headquarters, would be "principal contact points" providing access to a full range of services. In smaller centres there would be

[20] Ratios based on *UK Electoral Statistics 2019: the number of electoral registrations on 1 December 2019 for local government and parliamentary elections in the UK*, ONS, May 2020.

a staffed contact point where queries can be signposted, or onward telephone contact to resolution teams facilitated. These contact points would be co-located in existing public or community buildings, such as libraries or town council offices, and for rural areas, a mobile basis for provision would be considered. The intention would be for the new council to provide training to staff at those contact point sites so that they are equipped to handle queries and quickly to deliver the required signposting.

6.7 Enabling capacity building

Strengthening local leadership through LCNs, the devolution offer to parish and town councils, and increased emphasis on the community leadership role of elected members will require some investment in a tailored capacity building.

It is anticipated that this will involve at least the following elements:

- Professional development for the community development officers who would work with the LCNs. Support to LCNs, with the range of interests that they would have in a unitary council, would be a new capability in Somerset local government. This would create opportunities for staff to learn from the experience of colleagues in other successful unitaries and in Wiltshire in particular.
- IT support to LCNs. Each LCN would have its own presence on the council website. It is important that this covers more than simply posting agendas and minutes of meetings. The network concept would be supported through virtual interactions, surveys and data.
- Work with parish and town councils to share good practice and know how. This would include working with the SALC and SLCC, to share learning about effective running of delegated assets and services and to assist councils in meeting criteria for delegation or in writing bids to run existing council services.
- Good practice sharing would be equally important for the LCNs. They would take time to grow into their role. They should be encouraged to showcase their successes to inspire other areas and to show the "art of the possible" to council officers, who would also need to learn to work effectively with the LCNs. It is very important that officers learn to build involvement of the LCNs into the mainstream of their work. This is needed so that they are part of the toolkit for solving problems not an add on, or a forum that is seen as creating extra demand.
- Elected member development. With a single cohort of members elected every four years, it would be easier than in the two-tier system to focus resources on to member training and development. It is expected that training modules are devised with the local voluntary sector to support new members on how to identify and engage with community groups, understand the "art of the possible", and encourage them to be proactive.

6.8 Conclusion

To deliver on ambitions for Somerset, the creation of a single authority with strong local roots and connections is proposed. It will provide a strong external face for Somerset and will use its scale to commission and deliver excellent services for its residents and businesses. But it will balance this with easy public access and a local community network structure that allows it to listen to and harness the power of its communities.

The new council's operating model will consciously capitalise on the strong community focused building blocks of the current councils and will use these to cement the resilience of our communities. Accountability will further be enhanced through single member divisions across Somerset, while a programme of member development and community capacity building will lay the foundations to sustain strong local leadership through the coming generations.

7 Improving outcomes for Somerset

A new unitary council for Somerset will provide a platform from which to improve outcomes for the residents, businesses and visitors to Somerset. These cover a wide range of areas under the broad headings of people and place. Bringing services together in one authority will allow a more coherent approach across the piece, supporting people services through improvement to place and vice versa.

7.1 People of Somerset

The county council has improved children's services and is working on further improvement, including addressing weaknesses identified in a self-assessment and recent Ofsted/CQC inspection on SEND. Its adult social care has used innovative approaches at a community level. Since the transfer of public health responsibilities into local government, it has worked to focus on various social, environmental and economic factors that influence health and wellbeing. There is extensive partnership working with health partners, which is deepening in the run up to the launch of the Integrated Care System and day-to-day there are numerous links with district council services. As a whole system, there are joint working examples such as the Talking Cafés, One Teams (see case study 6 in Section 6.3) and social prescribing, which also bring in the voluntary sector, police and parish and town councils.

There are good co-operative relationships with district councils. Yet, however good the relationship, time and energy are inevitably expended on cross-tier issues. The innovation and strengths of Somerset could be taken further if it can channel all its energy at key issues not interfaces.

The county council has shown it can devolve power into local communities. It is deliberately light touch in its commissioning at community levels and takes a long-term view of results through partnership, learning and dialogue. This outcome focus could be further developed by having fewer tiers of local government structure in the way of the resident and communities.

Joined up action requires current county and district services to work together to meet needs strategically. This is highly relevant for links to the planning system and in focusing resources to support the *Improving Lives* [21] strategy.

Some more specific opportunities are described below.

7.1.1 Adult social care

Specific adult social care opportunities from a move to a new unitary authority include:

Simplifying the organisation landscape to the benefit of community action
The response to COVID-19 has been effective as a catalyst for breaking down boundaries. However, this does shine a light on the crowded organisational landscape. A move to a unitary authority would help to sustain the co-ordination gains made during this period, promoting the concept of an "enabling core" supporting communities.

Better integration with planning teams to improve specialist accommodation supply
Somerset has 68 care homes for older people but a limited supply of modern appropriate accommodation at scale across extra care, supported housing or through mainstream housing supply which is easy to adapt around changing needs. Equally the fragmented nature of Somerset's systems for planning housing development means that adult social care has not attracted interest from providers who can bring investment and development at

[21] Somerset's approach to promoting health and wellbeing is encapsulated in its Improving Lives Strategy 2019-2028, owned by the Health and Wellbeing Board.

scale to the county. Aligning the ambitions and track record of adult care with housing development and planning offers real opportunities. A unitary authority would be able to focus on suitable housing for all, addressing issues of affordability.

Case study: Developing Extra Care Housing in Wiltshire

In the early 2010s, Wiltshire Council identified the need for Extra Care housing.

A strategic and financial plan was developed to agree how Extra Care housing schemes could be developed. This included using a re–modelled housing revenue account (HRA), applying for and gaining Homes and Community Agency (HCA) grants and Department of Health care grants to fund some elements of the developments. The plan included using council land and the planning system through Section 106 agreements.

As schemes entered the development stage a stakeholder group of appropriate care, health and housing specialists influenced how schemes were built, with occupational therapists involved in setting design principles.

The procurement of care and housing providers to manage and support people was integrated.

The unitary structure of Wiltshire Council greatly supported this approach, enabling a single view of planning considerations; of land use over what had been five former council areas; and enabling housing and bidding priorities to be considered on a whole Wiltshire basis.

The scheme led to the creation of several new schemes meaning that Extra Care housing became a viable alternative to residential care, meeting individual and local need in a cost effective way.

Case Study 9 - Developing Extra Care Housing in Somerset

Housing and adult social care would better co-ordinate to reflect the needs of vulnerable people

District housing authorities understandably apply an approach which complies with legislation and practice for people who are able to make housing applications. Small numbers of people with complex needs consume a high proportion of resources, including cost. A unitary approach would create capacity where these issues could be tackled under one organisational roof with clear single lines of accountability to ensure issues are quickly addressed. There would also be benefits in having responsibility for social care and Disabled Facilities Grant in one organisation.

7.1.2 Children and Young People

The ambitions of children within the county straddle a range of issues across education, health, wellbeing and safeguarding, but also reflect their desire to find more opportunities to constructively engage in communities and meaningful activities. This understanding has been established through a range of engagement groups and techniques, with young people leading the co-production of the current Children and Young People's Plan (2019-

22). Engagement undertaken during preparation of this business case through the Somerset UKYP reinforced that many young people move out of Somerset for higher education and careers based upon living and working in cities. The group recognised the potential of a unitary authority to help and want to stay engaged to ensure that the voices of children and young people are heard.

Delivery on these aspirations requires a council that has direct influence over the means by which it can deliver against those priorities and be held accountable by young people. The wishes and asks of children and young people are not constrained or restricted by administrative boundaries. Moving to a unitary authority creates a much simpler local government structure which can work towards this and improve future outcomes for children and young people.

The opportunity centres on influencing more of the levers that support children and young people. A whole range of partners needs to be successfully engaged in governance. During its journey to outstanding, Leeds was able to set about becoming a "child friendly city" across all aspects of council, civic and commercial life. This singularity of message and purpose would be possible within the priorities of a new unitary authority and could link strongly with the ambitions for outcomes for the lives of children and young people. Areas where this would create improvements include:

Supporting the action plan to drive up performance in SEND
The inclusion service within the county council is small – its success relies on harnessing the wider system, from education and health through to business in support of children and young people. A unitary structure would help to provide a means to influence services consistently in a rural context and give a stronger council voice when joint commissioning with the CCG, which has been identified as needing improvement in the self-assessment and Ofsted/CQC report.

Enabling more consistent support to care leavers
This means easier co-ordination of the range of agencies that work with them and so enabling them to thrive within their local communities, leading to better adult life outcomes.

Influencing partners' commissioning of services that affect children
Services, such as wider mental health and wrap around support to help families can be more tailored to needs. Somerset has committed to adopt the Family Safeguarding Model, which has been deployed and evaluated in Hertfordshire. The aim would be to integrate drugs, alcohol, mental health and domestic abuse workers into the children's social care team. A unitary would enable an integrated graduated response from very early help to more complex safeguarding county wide.

A unitary authority's scale and influence would help to address problems of social mobility
Meeting the range of needs of children and young people requires an imaginative approach that maximises every resource. Through its influence over the factors, including housing, leisure and greenspace, that create a strong sense of place, there would be a greater opportunity to work in partnerships, creating a positive Somerset narrative that schools can share in. If communities "own" their schools, the place linkage can be developed through positive associations with local employers, leisure facilities and community groups, where all

have an interest in the education outcomes that schools achieve. This is also covered in Section 6.3 on LCNs and is further exemplified in the case study on the Education Business Partnership in Section 7.2.

Case study: Somerset care leavers

In Somerset there are on average 320 care leavers every year. These are young people aged between 16.5 years and 25 years who have lived some or most of their childhood as a child in care and are now ready to leave care. They are all entitled to support from their Corporate Parents* until they are 25.

Due to adverse childhood experiences and trauma a care leaver is:

- Likely to achieve less educationally than their peers.
- Less likely to be in employment and, if they are in work, more likely to be in low paid and unskilled employment.
- More vulnerable to substance misuse and being involved in the criminal justice system.
- More likely to self-harm.
- More likely to become pregnant at a younger age than their peers.

This is a national picture and Somerset does better in supporting young people in some areas, than the national average, such as helping care leavers access employment.

Currently, a care leaver receives support from a wide range of agencies acting as Corporate Parents:

- Social care support from county council workers.
- Housing via district councils and independent specialist housing providers.
- Physical and emotional support from county council, district based voluntary agencies, district councils and health providers.
- Criminal justice support from the county council (youth offending services), police and the courts.
- Education and employment support from schools, colleges, training providers and employers.

Often, these different organisations work in different ways in different parts of the county, so care leavers do not get a consistent service. An example of this is the different approaches to affordable, appropriate local housing and council tax relief by district councils. Having a unitary structure would be a means to help to co-ordinate this support around the needs of care leavers.

* "Corporate Parent" refers to the collective responsibility of the local authority, elected members, employees, and partner agencies, for providing the best possible care and safeguarding for young people in care and leaving care. More details are in the video at this link: https://www.youtube.com/watch?v=dh0iGAoabRU&feature=youtu.be

Case Study 10 - Care Leavers

Case study: Family Safeguarding Model – Hertfordshire

Hertfordshire's "Family Safeguarding Model" aimed to improve how children's services worked with families and the outcomes for children and their parents. In this case, a high proportion of families had parental domestic abuse (44%), alcohol (26%) or drug problems (38%) or depression/anxiety (69%).

This was a whole-system reform of the services, bringing together a partnership including the police, health (including mental health), probation and substance misuse services. Specialist adult workers with domestic abuse, substance misuse and mental health expertise were recruited and joined the teams. This aimed to facilitate a wide range of improvements by:

- Enabling parents to address their own issues, so creating a context within which they can parent more effectively.
- Similarly, social workers were more effectively equipped to practise if they are well supported and have the right tools to do the job.

Evaluation* of the Hertfordshire Safeguarding model found outcomes including:

- 53% reductions in emergency hospital admissions for adults.
- 50% reduction in child protection plans.
- 38% reduction in care proceedings.
- 38% improvement in school attendance.

This model has now been adopted by eight councils. Somerset has committed to it and other areas are developing a business case.

* See: https://www.gov.uk/government/publications/family-safeguarding-hertfordshire-an-evaluation

Case Study 11 - Family Safeguarding Model – Hertfordshire

Maintaining the improvement journey

Social care, SEND and school improvement are constant drivers of the agenda in children's services and will remain so. These require maintenance of the sustained focus and determined approach that has supported the improvement of recent years. This means that the implementation approach for the new unitary council will need to ensure that children's services are supported and developed through the movement to one council. Risk mitigations for this are covered in Section 9 on implementation.

7.1.3 Public Health

A unitary structure offers a number of ways to co-ordinate more factors that influence overall health and wellbeing.

Entrench an Improving Lives *approach across all local government services in the county*
Many of the features of towns and communities that affect people's health are affected by council policies and decisions in services such as planning, environmental health and licensing. For example, planning can help the design of healthy living space, encouraging play areas, and provision for cycling and walking. Having these services in one organisation would simplify the liaison – creating one conversation where currently there are four. Consistent approaches would help to address gaps in life expectancy and quality of life between people living in more and less deprived areas.

Build a single set of data to inform its work
The public health team have worked hard to provide a set of data showing the health needs of the local population but there are still cases where they rely on population data, which limits proactive action and targeting. Creation of a "frailty index" for identifying and targeting vulnerable people during the COVID-19 response showed how the addition of some district data that the county does not routinely hold changed the understanding of detailed patterns of need. Public Health outcomes should be a key beneficiary of the joined up data and intelligence capability described in Section 6.2 as part of the operating model for the new council.

Simplify working with parish and town councils and help maximise their potential to support public health
A single council approach, exploiting the Community Connect building blocks would enable and empower the many parish and town councils in taking action to support the wellbeing of their communities at the very local level. Related themes are developed in Section 6.3.

Bring stronger leadership to the importance of the wider determinants of health
At present, the composition of the Health and Wellbeing Board reflects the need to work across five political structures. Although it has made progress, in a unitary context, it could be a fully constituted sub-committee of a council that has a breadth of powers and a stronger focus on strategic issues across the full range of determinants of health. Alongside this stronger political framework, the sharper accountability from a single member and officer structure would provide real traction to the long-term plans that are needed for health improvement.

7.2 Somerset the Place

Across the range of place related services, including economy, infrastructure, environmental management, heritage and community safety and public protection, Somerset's local authorities already work with many partners and on a range of geographic boundaries. The county was the first to achieve a joint waste partnership, an area of collaboration where many two-tier areas still struggle to work together. The authorities routinely work together

on the most pressing issues and opportunities – on Hinkley Point C in planning and economic development, and since 2019 when all authorities declared a climate emergency.

Creating a unitary authority would provide a local government structure that would build on these successes. A major benefit of unitary local government is to have all local authority place-based powers, resources, influencers and enablers in one entity able to offer joined up, holistic approaches and a single front door for place-making. The case for change is built from three broad factors:

1. It provides a platform for a much stronger focus on strategic issues across the county, enabling prioritisation of effort on cross-cutting issues such as the productivity gap, population imbalance or carbon neutrality. This in turn would strengthen Somerset's position to mesh with increasingly important sub-regional and cross-regional partnerships.
2. Delivery of strategies would be made easier through simplified day to day working. This includes provision of an accessible and comprehensive wrap around service to business partners, but also being able to hear the concerns of communities about their places, and then take action as a system leader.
3. Finally, bringing the full range of place services together in one authority would support much closer linkage to the people services. This would strengthen the authority's ability to focus on shaping places where people can live healthier and more fulfilling lives. For Somerset, this would help it to make progress with the sustainability of its demographic challenge; to provide more of the right housing in the right places; and to lead inclusive economic recovery and growth post COVID-19 pandemic.

This Section highlights in more detail some of the outcome benefits that can be targeted from a unitary authority's influence over a range of place-making themes.

7.2.1 Economy and skills

Somerset's Growth Plan[22] sets out a vision for sustainable and productive growth for urban neighbourhoods, "left behind" market towns and rural areas. COVID-19 has made this more important than ever – there will be a great challenge in stimulating the economy to replace jobs that have been lost as a result of the pandemic.

The scale of a county unitary would allow it to operate more strategically in a sub-regional context

A unitary authority would bring together parts of four functional economic market areas (FEMAs) and five travel to work areas (TTWAs) into one administrative unit. Dependent on COVID-19 impact, this would mean:

- A stewardship of a £12 billion per annum gross value add (GVA) economy.
- A labour force of around 300,000 with a slightly lower number of local jobs
- A business base of 25-30,000 local enterprise units.

[22] Somerset Growth Plan 2017 – 2030. A refresh of the plan is pending.

This is of a similar scale to Wiltshire or Cornwall, larger than Nottingham, over double the size of Plymouth, and close to 90% of the size of Sheffield and Liverpool. Even though it would straddle multiple FEMAs and labour markets, this scale is a strength for an area that does not have an anchor city or polycentric city region to drive growth and development. Wiltshire's experience immediately to the east provides evidence to support this.

The new large unitary would provide singular decision-making, strategic leadership and voice. It can expect this to enable it to strengthen relationships with its partners to the south (HotSW LEP and Joint Committee, Sub-National Transport Board (SNB) and Great South West (GSW) partners) and north (WECA and Western Gateway). Exact economic positioning will be influenced by a national white paper on devolution and recovery that is expected in autumn 2020 but there is strong potential for benefit to the sub-regions, wider regional networks and to Somerset itself.

There are clear opportunities to embed Somerset into a sub-regional model:

- A distinctive approach to Taunton-Wellington (which together have a population over 80,000). As a centre and transport node between Bristol and Exeter this has the potential to be the South West's largest, and an exemplar, 21st century Garden Town. This would build on the nationally recognised UKHO as a catalyst for digital and big data businesses.
- A tailored place-based approach would recognise Yeovil's relatively self-contained 50,000 sub-regional centre and role as a crucial node in the Bristol-South Coast aerospace corridor with a specialism around rotorcraft (see case study 3, iAero).
- Bridgwater's 45,000 settlement, with its large enterprise zone at the Gravity site (see case study 2), positions it well as a centre for the nuclear and low carbon supply chain service for Hinkley Point C.
- Agriculture has been the mainstay of the Somerset economy for many years and building upon this, the development of a cluster of Agritech businesses in the Mendip area provides inward investment opportunities for Somerset.

Case study: Somerset Energy Innovation Centre (Phases 1,2 and 3)

The first phase of the Somerset Energy Innovation Centre (SEIC) 1 opened in 2016, comprising 3,000m2 of flexible office, meeting and collaboration space. This was the first of three key investments in infrastructure to support growth in the nuclear and renewable sector in the county. This concept was brought to reality as a result lobbying for investment in the region alongside the Hinkley Point C developer contribution. The SEIC also provides innovation and collaboration support to businesses in, or looking to supply into, the nuclear and renewable energy markets. The Centre is also home to EDF Energy's national induction centre.

Following the success of the first Centre two further phases have been developed.

The SEIC campus completes a key strategic infrastructure investment by Somerset County Council working in partnership with Sedgemoor District Council and other key stakeholders to deliver economic opportunity in the low carbon and nuclear sector. This collaboration maximises the opportunities for local SMEs to benefit from the HPC development and wider local carbon and renewable energy sector.

SEIC is located in close proximity to Somerset's Gravity Enterprise Zone which has a complementary focus on low carbon development, including energy. SEIC has the potential to supply a pipeline of innovation and business growth opportunities that can be accommodated subsequently in the Enterprise Zone.

Case Study 12 - Somerset Energy Innovation Centre

A unitary authority would provide more strategic leadership and simplified partnership working

As the second largest council on the Peninsula and the nearest to London and the Bristol City-metro, it would be likely to be an even stronger policy influencer, proposition developer and attractor of inward investment (public and private) when it would be less susceptible to internal competition between and across districts. A unitary Somerset would be better placed to articulate skills demand and take advantage of national policies at scale and locally. The session run with the UKYP highlighted that because there is no university in Somerset, there is a perceived need to leave to pursue higher education.

A unitary structure would create a focused economic development service that can work more closely with business

A unitary authority offers the opportunity to build a single economic development service with capacity to deploy a range of specialist skills compared to generic approaches inherent when spread over five teams. This would be an asset for post COVID-19 recovery, where good practice in recovery planning suggests a "whole-system" approach is needed.

The case study below describes the Somerset Education Business Partnership (EBP). All the councils in Somerset are supportive of having a single county-wide EBP service. A single unitary council would simplify the liaison and funding arrangements, particularly with moves towards increased business rate retention. This would help to maintain funding in a joined up approach to the skills and availability of the local workforce for future business resilience.

Case study: The Somerset Education Business Partnership

The Somerset Education Business Partnership (EBP) was created in 2018 in response to employer demand for a joined-up service that created a bridge between employer skills pipeline requirements and the education establishments at Key Stages 4 and 5 who produce our future workforce. The service supports employers by helping them to become visible to young people when they are making crucial career choices, promoting their sector and encouraging young people to see the opportunities presented by Somerset employers. They support education by supplying them with up to date labour market information so that advice and guidance is appropriate and details are shared of companies that want to recruit or work with education either as part of a recruitment strategy or for corporate social responsibility purposes. The EBP is extremely well placed to help LEP-wide careers initiatives, funded by the Careers and Enterprise Council, be successful in Somerset.

Case Study 13 - Somerset Education Business Partnership

7.2.2 Planning

In planning, the key challenge is to provide the spatial basis for sustainable inclusive growth and well-being. This is proving difficult to achieve in the two-tier system as considerations that need to be assessed in the round are the responsibility of different authorities.

A unitary authority would be able to approach spatial planning strategically

As neighbouring combined authorities and other sub-regional geographies like LEPs seek to agree strategic spatial plans, the interface with a larger single planning authority at whole Somerset scale can help enable issues of housing supply and connection between residential and employment development to be addressed more holistically. A single strategic and local spatial plan would also help to assure delivery of employment and related housing sites and infrastructure, and consistent approaches to Community Infrastructure Levy and planning agreements ("Section 106").

Consolidating Somerset's planning resources would enable better integration of place and economy services

A unitary authority would have an integrated planning service – including development, highways, minerals and waste together with critical mass to consolidate specialist professional services like ecology and landscape. This should lead to improved management of major strategic projects and programmes – simplifying business engagement, especially for regionally-significant schemes where two-tier working has been complex and challenging. A single planning team should also make Somerset more attractive for potential planning officers and for talent retention in a team with the scale to offer opportunities for progression.

Case study: Hinkley Point C

Somerset now hosts the largest construction site in Europe with the first of the two nuclear reactors at Hinkley Point C (HPC) due to be operational in 2025/6. As at June 2020, the project is halfway through its build phase and has resulted in:

- £1.67 billion spent with companies in the South West.
- 10,300 job opportunities created.
- 40% of the workforce are local* to the project.
- 644 apprentices receiving some, or all, of their training on the project.
- £119 million of community investment delivered.

Whilst the project is valuable in the short to medium-term through its job creation, investment and innovation, it has a longer-term contribution to make to our climate change and carbon neutrality targets for the production of energy. It also contributes to the clean growth strand in the local industrial strategy. There will be positive legacy outcomes from HPC beyond the build phase related to skills, supply chains and local infrastructure.

A unitary authority would offer a future major investor or nationally significant infrastructure project a more streamlined and potentially simpler process for negotiation of agreements, mitigation funds, planning and subsequent ongoing management of the project.

* "Local" is defined here as coming from within a 90 minute commute zone from the main site.

Case Study 14 - Hinkley Point C

Strategic advantages would be balanced by enhanced local perspectives

Precise details of the political and officer structures for planning would be for the Shadow Executive to determine during transition. However, it is recognised that this is an issue of high interest to local people and to parish and town councils and an opportunity to promote improved arrangements to facilitate neighbourhood planning to inform strategic planning. While the new authority would have a single strategic planning committee, it is anticipated that day-to-day matters would be accountable to a set of area planning committees, supported by area officer teams. The expectation would be as far as possible that these teams should represent no larger a geographic unit than they do at present.

7.2.3 Housing

Somerset's Housing Strategy establishes the central role that good housing supply, quality and affordability play in supporting employers with a local workforce and in contributing to the wellbeing of the area generally. It also describes how public services generally, as well as developers, have an important role to play in leading the delivery of Somerset's housing needs.

Across the four district councils, provision is mixed with two having transferred stock to registered social landlords (RSLs), one using an arms' length management organisation and one managing its own housing stock. There is strength in this diversity of delivery and the presumption is that a unitary authority would not only retain the present housing stock in the Somerset West and Taunton district, but also build more houses for social rent and commercial sale.

However, creating a unitary authority would be a very significant opportunity to create much stronger integration between services to meet the strategy and to design solutions to suit the needs of clients and service users. The sub-Sections in Section 7.1 on adult social care and children's services highlight the benefits of bringing together care and housing services in the same organisation. Additional points are:

A unitary authority would be a means to link housing and planning to strategic economic needs

A key example here is affordable and social housing for young people. A unitary structure would enable better links to be made between mapping of need and to planning applications across Somerset.

Through a unitary authority it would be possible to drive consistency in meeting the need of vulnerable people, including young care leavers and those with a learning disability.

People who have complex needs, especially linked to drugs and alcohol face major challenges in obtaining and maintaining a home. Developers often consider that specialist/supported housing development is too risky; local lettings policies can restrict access for high priority applicants to rural homes; and supported housing is not always well integrated with general needs housing. A unitary authority would offer a means to break down the silos that drive these factors and to make it easier for professionals to work together to find solutions and develop better pathways.

7.2.4 Environment

This covers a wide range of local authority services and partnerships that have a visible impact on people's immediate surroundings as well as a strategic importance for sustainability and quality of life. There are multiple benefits to these services from a more strategic voice, intervention, commissioning and delivery management that can be most coherently be articulated at a whole Somerset level.

Key advantages would include:

A simpler structure for directing action against the climate emergency
The five Somerset councils have committed to net carbon neutrality by 2030 and agreed a Climate Emergency Framework as a stepping-stone to a comprehensive strategy. A single unitary authority would be likely to be able to deliver this strategy more effectively and consistently than the two-tier structure. This is both in terms of rationalising the carbon footprint of one organisation, rather than five; and also in terms of promoting resource efficiency programmes at scale. The new unitary could procure and scale up good practice more effectively than dispersed responsibilities across a fragmented two-tier system.

Providing a clear structure from which to build on existing strengths
A unitary authority would be better placed to marshal resources in an area such as control of flooding and integrated coastal management. It would build on the Somerset Rivers Authority and extend this type of arrangement to the coast. As a unitary authority it would also be able to consolidate contract and service arrangements for grounds maintenance in a way that has not been possible through collaboration among five authorities.

Provide enhanced and better targeted service delivery and development
Creating a unitary authority would enable a joined-up view to be taken over the full range of local government environment, green space and street scene responsibilities. Benefits would include:

- Scaling up the county council's commissioning approach to outcome-based specification of results and activity.
- Creating a critical mass of expertise for specialist areas and professions; a more streamlined consistency to generalist good practice; and more appealing career progression for retention.

7.2.5 Transport and infrastructure

Delivering effective infrastructure is necessarily about connections. Having a unitary authority would help to connect thinking and delivery of vital infrastructure improvements across the range of local public services. Improvements are anticipated in areas including:

- Stronger strategic voice in negotiations with government and sub-regional institutions and with private suppliers and operators.
- Creating a critical mass of expertise for major programme and project delivery.
- Expertise for managing locally responsive specialist services such as school, community and local transport schemes and shaping public transport provision. In built infrastructure, the county council has already delivered major investments in schools, enterprise and innovation centres – with a pipeline of further schemes over the 2020s.
- Ensuring and supporting migration to more sustainable and green transport modes and influencing business and consumer behaviour.
- Service improvement through single integrated services – such as planning and highways; environment and street scene; transport and school/health/business travel plans.

7.2.6 Community safety and public protection

Most community safety statutory duties are with the county council in a two-tier area, yet need the input of districts to deliver effectively. When viewed in the context of community safety and wider public protection, such as regulatory services, there is a strong theme of how creation of a unitary authority would simplify day to day working and create economies of scale.

Easier to co-ordinate activity to protect vulnerable people across the whole area

Community safety work increasingly focuses on addressing complex vulnerability. Even though Somerset has a single statutory partnership, it pulls together a plethora of community, district, county and sub-regional arrangements. District councils now have very little capacity dedicated directly to community safety work. This means that considerable energy is spent in identifying the right district representatives to contribute to case and thematic work (such as when supporting those at risk of radicalisation in Somerset's Channel Panels, which seek to prevent vulnerable people from being drawn into extremism and terrorism.). This creates a process that relies heavily on the effectiveness of relationships and where changes in personnel can have a real impact on progress.

A unitary authority would create a simpler structure for co-ordinating community safety activity

The Somerset *Improving Lives* strategy notes that "feeling safe and secure in the area they live and work has a significant impact on people's health"[23]. A unitary authority would bring all the levers together, from public health and housing to fly-tipping and public space protection, supporting a co-ordination and tailoring of approaches to the wider needs of the area. The community focus would help too, for example seeking the LCNs support to assist in championing recruitment to volunteer activities, such as Community Speedwatch.

Provides the opportunity for better planning and deployment of resources

Creating a unitary authority would bring the ability to manage local authority community safety activity closely alongside regulatory work. A single regulatory service itself would also offer economy of scale benefits.

The stronger voice of a unitary would give a stronger role in working with the Police and Crime Commissioner

Somerset is the only two-tier area in the remit of the Avon and Somerset Police and Crime Commissioner (PCC). Its liaison with the PCC's office is channelled through the county council, which creates practical challenges about cascading information and insights to all the districts. Bringing all those with an interest together in one organisation would strengthen Somerset's ability to work closely with the PCC potentially attracting funding and building on other links to the WECA area.

[23] *Improving Lives in Somerset Strategy*, page 12

7.3 Conclusion

There are clear outcome advantages from a unitary authority for both the people and place services that directly affect the lives of Somerset's residents and the success of its businesses. These derive from:

- Clarity of accountability and delivery. Somerset has shown how it can respond to urgent situations. A unitary structure would put this on a business as usual footing and help to sustain and extend the determination showed in responding to flooding and the COVID-19 pandemic. A simpler structure will be key for sustained direction of local action against the climate emergency.
- Enhanced resilience within services from a stronger local connection.
- A stronger strategic voice with Government and with the intermediate-tier arrangements Government currently prefers for many economic and place-based strategies.
- Stronger leadership with key partners. A clearer voice into the Health and Wellbeing Board and in influencing commissioning and operational activity of partners like the CCG and police would enable single and coherent political leadership of county-wide town and rural agendas - enabling a more nuanced approach to the sub-regional centres, market towns and other localities.

It is easy to assume that a single county unitary case would be rooted in addressing the fragmentation that the two-tier system creates for place focused services, and that change would be small for the people services that are already led at a whole Somerset level. However, the Somerset case draws huge strength from the difference it can make to health and wellbeing. The people and place cases are interlinked and this means that improving outcomes related to the biggest spending local government services are integral to the vision.

There are clearly challenges in making the changes to deliver the desired outcomes. There are risks and there are enablers that need to be put in place. Detail is set out in Section 9.5. But there is clear evidence that a new single unitary council can maximise the area's talents and resources and help to build a county where people and places are thriving.

8 Financial Sustainability

Local government has been under significant financial pressures in recent years. All the councils have needed to continually adapt to changing demands and ever tighter funding. The COVID-19 crisis brought this need to adapt to the fore as councils have had to rapidly mobilise new capabilities to protect the vulnerable – this has not all been funded and required reprioritisation of services on a scale never seen before.

8.1 A changing funding environment

Balancing the financial impact of reducing revenue and increased demand is something local government has become accustomed to managing. The challenges of austerity have been with the sector for many years and the councils in Somerset have, like others, had to take difficult decisions about the services they provide. The district councils are particularly exposed when there are significant changes in the financial balance. Recent experiences of responding to COVID-19 has shown the need for stability in our finances and the scale of a single unitary is a key element of this.

As the country moves forward in a post-COVID-19 environment, communities will need support to rebuild their own new normal. This will put increased pressures on all public services and they need to be able to respond and react to these.

Further to the impact of demand growth (additional expenditure) the councils are likely to see reductions in income. The impact of COVID-19 itself will reduce the business rate income which the councils share. Its estimated impact is a loss of between 2% and 11% of the current income figure of £106m. Additionally, the New Homes Bonus scheme which currently generates around £10m will reduce to zero over the next 3 years

The system of local government funding will inevitably change over the coming years as the government look again at health and social care funding. The Devolution and Recovery White Paper, due in the autumn of 2020, is expected to see greater devolution of funding to the regions and new responsibilities will be devolved to local authorities but as yet there is no agreement around what they will be. Some form of local government reorganisation for England is also expected.

Whilst the impact of some of these changes is not known at this stage, it is probable that the Somerset authorities will see real terms reductions in income at a time when resources are already tight. The savings achieved by the creation of a new single county unitary would be able to protect against some of this impact – thus allowing allow the county and its communities to transform the end-to-end service delivery model to sustainably meet future needs.

8.2 Ensuring financial viability

8.2.1 Starting position

To support this business case, LG Futures were commissioned to estimate a medium-term revenue budget projection for a prospective unitary authority. Without considering unitary transition and transformation savings and implementation costs, this translated existing revenue resources and expenditure commitments to a unitary context. This shows that the financial position of a unitary council would be very similar to the estimated budget position for the aggregate of the five current councils, as shown in Table 18. The small variances in a single unitary would be due to increases being capped at 2% rather than the district element at £5. As this difference is small, the savings in this Section have been estimated in relation to the aggregate current position which projects a growing deficit, up to £22.7m in 2025/26.

Authority	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26	
					£m	% of total revenue expenditure
Somerset County Council	*3.5*	*(0.7)*	*(5.3)*	*(9.7)*	*(14.3)*	*3%*
Mendip	*(1.2)*	*(1.7)*	*(2.6)*	*(2.9)*	*(3.2)*	*16%*
Sedgemoor	*(1.5)*	*(2.1)*	*(2.7)*	*(2.7)*	*(2.8)*	*13%*
Somerset West and Taunton	*0.6*	*0.2*	*(0.6)*	*(0.8)*	*(1.1)*	*6%*
South Somerset	*(0.1)*	*0.2*	*(0.5)*	*(0.8)*	*(1.2)*	*7%*
Total Aggregate for current councils	**1.4**	**(4.1)**	**(11.7)**	**(17.0)**	**(22.7)**	
Total for new single unitary council	**1.4**	**(3.6)**	**(11.5)**	**(17.1)**	**(23.1)**	

Table 18 - Medium term financial deficit position of the aggregated local authorities and if translated to a unitary structure

8.2.2 Transition savings

Establishing a unitary authority provides the opportunity to make a number of revenue savings, associated with consolidation of services, support functions, democratic and officer structures and economy of scale. These "transition" savings have been estimated at £18.5 million annually, once the full level of benefit has been realised.

These savings would reduce the projected budget deficit and allow the council to proactively invest in local communities and more fundamental transformation activity.

A summary of these savings is shown below. It is estimated that they should be fully achieved within two years of vesting day in April 2022. The savings amount to £32.66 per head of population.

Category	Annual saving (£m)	Rationale
Member Allowances	0.5	• Reduced number of members
Elections and Democracy	0.8	• Fewer elections and reduction of member support
Senior Management	2.9	• Consolidated senior management structure
Corporate Services	4.3	• Support service efficiencies
Technology	1.5	• Reduced cost of single system platforms for unitary services
Contract Efficiencies	3.6	• Economies of scale on larger contracts
Property Rationalisation	0.5	• Rationalisation of property holdings across the council estate
Service Opportunities	4.4	• Consolidation of administration of existing cultural, economic development, environmental, regulatory and revenues and benefits services
Total	**18.5**	

Table 19 – Single unitary transition savings

These estimates are based on prudent assumptions about the savings that would be made by streamlining and consolidating services and functions once they are brought together into a single council. As shown in Table 2 in Section 4.5, there is evidence from other unitary authorities that savings have proved to be higher than estimated.

The Future of Local Government in Somerset Costs and Savings

The Future of Local Government in Somerset (FoLGiS) report suggested savings could be made of around £47 million for a single unitary (option 3a), substantially higher than the £18.5 million transition savings outlined in this report. The FoLGiS report assumed a large level of savings from service change and transformation, which have not been quantified in this case. These savings are ultimately dependent on the appetite for change and risk within the new unitary council.

8.2.3 Implementation Costs

The process of making the change to a unitary authority (including a new town council for Taunton) would need to be robust and there would be a range of one off costs, covering factors such as redundancy and early retirement, cost of a central programme team, communication and training and technology change. It has been estimated that the transition programme would cost £16.5 million.

A summary of these costs is shown in Table 20.:

Category	One off value (£m)	Description
Staffing	8.4	• Redundancy and pension strains for staff reductions
Transition Team	1.7	• Programme team covering several workstreams
Technology	2.3	• Consolidation of existing systems and transfer to single enterprise resource planning (ERP) system
Accommodation	0.6	• Reconfiguration of the estate
Culture Change and Communications	1	• Communications, branding, signage and training
Other Costs	1	• Legal, specialist support and contract novation
Contingency	1.5	• 10% Contingency
Total	**16.5**	

Table 20 – Single unitary implementation costs

Taking into account the estimated level of savings, it is expected all transition costs will be repaid in the in the second year following vesting day. More detail on the realisation of savings and payback period in is the Section 5.2 quantitative options appraisal.

8.2.4 Council Tax Harmonisation

Where a unitary authority forms by combining existing authorities, council tax levels need to be harmonised. The impact on the tax paid by residents is determined by the differences in the district council element of council tax currently levied. In assessing the impacts of harmonisation, it has been assumed that existing authorities would make annual increases at the maximum amount available without triggering a referendum.

The variation in current council tax rates is relatively small. For a Band D property, the lowest annual rate is in Somerset West and Taunton, at £165.15 and the highest is South Somerset, at £172.11 (4.2% higher). This relatively small difference between the current districts' band D rates means that the new authority would harmonise council tax from vesting day.

There will also need to be a decision about whether harmonisation is implemented at the lowest, highest or average of the current rates. Harmonisation to lowest leads to a loss of £1m and harmonisation to highest would lead to a gain of £0.5m in 2022/23. The figures would be different if a continuing 2% social care precept is assumed (since the council tax precept would also be levied on the notional "district" part of the council tax).

Table 21 – Council tax yield at different harmonisation levels, assuming the maximum increase available without triggering a referendum is made, and current levels of population increase continue shows the different potential impacts:

Harmonisation	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Existing 2-tier (Baseline)	*314.7*	*324.4*	*334.4*	*344.6*
Lowest	313.7	323.1	332.7	342.6
Highest	315.2	324.6	334.3	344.2
Existing inc Social Care Precept	*320.2*	*335.8*	*352.1*	*369.2*
Lowest inc Social Care Precept	319.9	335.9	352.7	370.3
Highest inc Social Care Precept	321.4	337.4	354.3	372.0

Table 21 – Council tax yield at different harmonisation levels, assuming the maximum increase available without triggering a referendum is made, and current levels of population increase continue

The precise harmonisation scheme will need to have regard to the impact on the new council's finances and the impact on council taxpayers. A consideration here will be that the rates in Somerset West and Taunton were recently harmonised during the merger of the former West Somerset and Taunton Deane districts. Former Taunton Deane residents saw an increase in council tax rate of 3.27% in 2019, which amounted to a £5 increase on their 2018 council tax rate.

However, the main point is that the need to achieve council tax harmonisation can be achieved in one year and without a material impact on the financial sustainability of the new authority.

8.2.5 Reserves

The following table sets out the current level of general fund reserves held across Somerset County Council and the four district councils. The level of earmarked reserves within Somerset County Council has increased to £65m since these projections were made; however, this figure has been excluded to keep the data between authorities comparable.

	General Reserves	Earmarked Reserves	Total Reserves
Year	**2020/21**		
Authority	**£m**		
Somerset CC	19.7	38.3	58
Mendip	1.6	11.9	13.5
Sedgemoor	7.3	7.2	14.5
Somerset West & Taunton	3.1	22.5	25.6
South Somerset	3.9	26.7	30.6
Total	**35.4**	**106.6**	**142.0**
% of Net Budget Requirement	9%	25%	33%

Table 22 – Projected reserves position of all authorities as at April 2020

This level of reserves is a sustainable position, and above CIPFA good practice guidance which requires that general fund reserves should be at least 5% of the net budget requirement or more. In addition to the general fund reserves, the county and districts hold a total £106.6 million in earmarked reserves in the latest financial documents. A new unitary authority would want to review the purpose of these funds in order to meet the priorities of the new council.

One key risk to the reserves position is the ongoing impact of COVID19, as unforeseen budgetary pressures may lead either one or a number of local authorities in the county to reduce their reserves. It is therefore important to examine other possible areas of funding.

8.2.6 Funding the transition

There are a number of options for funding transition costs. Funding them all from general fund reserves would reduce the overall amount from 9% of net revenue expenditure to 4%, if the unitary savings achieved were not used to replenish the reserve stock.

In practice, the transition would be funded through a mix of sources, possibly including:

- Reinvesting transition savings.
- Funding part of the transition through capital receipts, which could be made following the reduced office space requirement.
- Capitalisation directives.

8.2.7 Summary of financial impact

Figure 15 shows the positive impact a unitary authority would have on the finances of local government in Somerset. Using the projected combined deficits and taking into account the impacts of implementation costs, transition savings, council tax harmonisation assumed at the lowest level and an applied 2% social care precept, it is shown that the reorganisation will lead to small in year budget surpluses in 2022/23, 2024/24 and 2024/25, and a reduction in the projected deficit in 2025/26 from £22.7 million to £3.4 million or 0.5% of the net revenue budget.

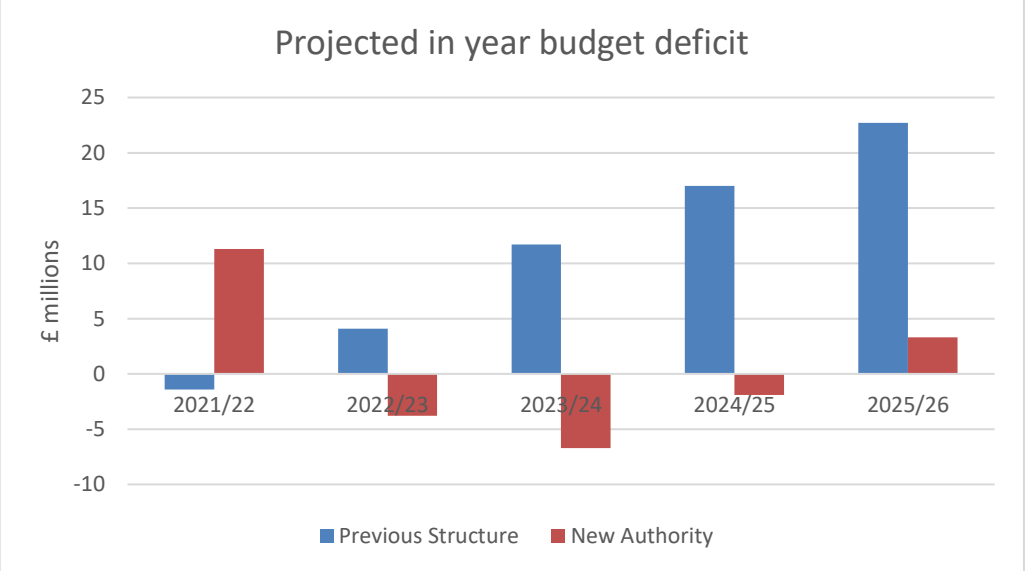

Figure 15 – the effect of unitary on in-year budget deficits

8.2.8 Further savings through transformation

The operating model for the new authority described in Section 6, and the outcome benefits described in Section 7, envisage a new way of working in which local government would work more effectively with its communities and partners to maximise the impact of its work and spending. It is expected that this would develop more sustainable preventative services which leverage local capacity to reduce the cost of service delivery.

Similarly, creating the new authority can be used as a vehicle to achieve a level of transformation that is not possible with separate change programmes in five organisations. For example, in a unitary authority, policy, process and technology redesign can apply with a consistent method across all local government services and be driven as a single programme. The range of potential savings identified in the FoLGiS report (which were principally transformational) show the single unitary to have larger benefits than either the no change or closer collaboration options.

The transformation process may include, but would not be restricted to:

- Redefining strategies to maximise the benefit of related services sitting in the same organisation.
- Building greater resilience through communities and a focus on preventative services.
- Implementing new ways of working to deliver a greater customer experience including the use of digital technology.
- Developing and extending a commissioning-led approach to service delivery and achieve savings across the internal/external supply chain.
- End-to-end customer led service redesign to improve user experience.
- Reimagining the council's delivery model and approach to partnership working across the local public sector.

The scale of transformation would depend on the ambition and appetite of the new authority and in many cases its local partners. This means that the savings associated with transformation are difficult to quantify, but based on experience from elsewhere could be much greater than the transition savings which have been estimated.

8.2.9 Investment under a unitary council

The approach to investment is a further element of transformation, and one which could have an important impact on the financial sustainability of the new authority. Under a unitary council the disparate treasury assets and debt portfolios of the five county and district councils would be brought into a single portfolio managed by a single team. This would be a natural progression of creating a single unitary council rather than something that would require special provision or set-up.

By bringing the assets and debts under the management of a single team, the unitary would be able to maximise the expertise and use less total resource than is currently the case, making the management considerably more efficient. Treasury officers with experience and expertise are relatively hard to recruit and so there are advantages to not competing for this resource.

The district councils in Somerset currently have exposure to circa £200m of commercial properties and loans for revenue generation and regeneration purposes. Bringing these

commercial agreements together could provide greater resilience and ability to manage economic impacts on differing sectors within the portfolio, as may happen as part of the post-COVID-19 economic recovery. Further, the financial scale of a single unitary council may open up new types of investments/debt instruments or better variants of existing opportunities that are only available at certain size brackets that are not currently reached.

After becoming a unitary authority, Dorset Council took advantage of the ability to rationalise its investments and develop its investment strategy. This resulted in an improvement of £2m in the treasury budget and a further improvement of £750k has been incorporated into its current budget[24]. This demonstrates the opportunity which would be available for a unitary authority in Somerset.

8.3 Conclusion

Creating a unitary council would be a very significant step in improving the financial sustainability of local government in Somerset. The estimated annual revenue saving of £18.5 million will provide the new council with scope to invest in our local communities, prevention, and service improvement initiatives to ensure long term financial sustainability.

The transition would require investment of £16.5m, but this is a one-off cost that can be funded through a mix of reserves, asset rationalisation, capitalisation directives and reinvestment of savings.

Once the unitary authority has been created, it offers significant opportunities for further transformation savings. By bringing all the local government levers affecting Somerset in one organisation, there is an opportunity to make much more efficient use of the resources available. In addition, it will provide a platform for new ways of working with partners that in turn can build up a county-wide focus on prevention.

[24] *Dorset Budget Strategy Report*, Dorset Council Cabinet. January 2020.

9 Implementation

Delivering the new unitary council for Somerset presents a major transformational change opportunity for the entire county. It presents the opportunity to align all the districts and county councils' change requirements to meet their in-year change agenda and importantly the Somerset's COVID-19 recovery plan. By co-ordinating the recovery and reinvention actions across a wider footprint, Somerset's residents and economy will benefit from a more holistic and sustainable improvement programme.

9.1 Implementation programme

The Shadow Executive will determine the exact nature of the implementation programme. With representation from all the current councils, the Shadow Executive will need to validate the vision and importantly agree the design principles and cultural ambitions for a single new unitary council. To deliver the subsequent structural change implementation, they will need to establish a comprehensive change management programme to ensure that the new Somerset Council is launched successfully and is able to achieve the benefits articulated in this business case. The programme will need to establish strong links into the community, parishes, towns and city to ensure the benefits of community centric working can be realised.

The programme will be able to draw on the recent history of collaboration around the COVID-19 response where the five councils have developed closer working ties than in recent years. For example, the expertise of developing a single contact number for residents to help accelerate the transition from five separate organisations into one. The challenge of developing a brand new organisation with a common culture is a journey that will take a number of years to mature, but if done well, will set up the new council for the long term.

The new council will provide a strong foundation for true service transformation where services can be reimagined and recast. This can only be progressed if that core foundation of quality statutory services are in place. A programme will be developed that will transition services into the new council up to vesting day – this will incorporate opportunities to improve where possible by learning from the five existing councils' experiences. But this will not get in the way of developing a safe and legal new council which is able to deliver good business as usual services. After vesting day some transition activities will continue to integrate services and teams.

The five legacy councils have some skills and capacity to support the delivery of transformational change. It is intended that a single delivery programme is established which will be supported by external expertise as required. Depending on the decision-making process and timing it may be feasible to combine the COVID-19 recovery programme to align these major change demands in the county.

9.2 Delivery milestones

The programme is envisaged in three phases over a two year period (assuming the Shadow Executive 2021 go live):

1. Preparation: MHCLG decision – September 2020 – January 2021.
2. Transition: January 2021 – October 2022 (with go live in April 2022).
3. Transformation: April 2022 – May 2024.

From the approval of the business case through the first year of the new council, the emphasis would be firmly on service continuity rather than change. In this period, priority would be given to retaining existing staff, and to the ongoing effective operation of existing systems, processes and contracts, with a strong focus on performance management to ensure that performance of front line services and resident satisfaction remains sound. Whilst there may be some opportunities to integrate services from Vesting Day, the realisation of benefits through harmonising teams, systems, policies and contracts, would be phased across the programme as and when it makes sense. Whilst this defers the benefits until later in the plan period, it would ensure that residents and businesses can be confident in the continuity of services and support from the new Somerset Council. The financial modelling in the business case reflects this cautious approach to the phasing of service redesign.

Assuming that parliamentary orders are laid by January 2021, key milestones are envisaged as follows:

Milestone	Milestone Description	Forecast Date
Business case submitted to Secretary of State	Somerset County Council submits proposal to Secretary of State	July 2020
Secretary of State decision on proposed business case	Secretary of State decision on proposed business case	December 2020
Unitary Programme start	Official start of the unitary programme	January 2021
Parliamentary procedure formally begins to change the Somerset structure		Quarter 1 2021
Shadow authority active		April 2021
Budget setting for the new authority approved	Budget for new authority	February 2022
Vesting Day for new authority		1st April 2022
Elections to the new authority	First elections for the new authority	May 2022

Table 23 – Unitary transition milestones

9.3 Transition workstreams

The anticipated transition approach is to deliver the new unitary council through six distinct workstreams:

1. **Programme Management and Governance**: This workstream will ensure that all the required pre-planning, planning, governance and delivery activities that would support the programme and the other workstreams are in place and tracked accordingly.
2. **Community, Customer and Partnerships**: This workstream will be responsible for leading the work with communities, parishes and towns to develop the local community networks (LCNs). Partners will be engaged on how to work effectively with the new council across all the extended service range. It will also manage the delivery of new customer access channels.
3. **Assets Optimisation (Technology and Property)**: This workstream will deliver the requirements for Information Technology (IT) and the property portfolio for the new unitary council.
4. **People**: This workstream will cover communication strategy and delivery, HR processes and procedures, Trade Union engagement and overall people and cultural change for the new Unitary Council.
5. **Service Alignment and Improvement**: This workstream will act as a service integrator for the programme ensuring all existing services are aligned and new policies, processes and procedures are in place for the creation of the new unitary council.
6. **Finance:** This workstream will be responsible for the delivery of a new financial strategy, set of financial policies, processes and procedures and budget for the new unitary council.

The new council's financial position is predicated on the successful delivery of current councils' savings and statutory improvement commitments. Given the potential interdependencies, it is expected that the existing council's transformation programmes and COVID-19 recovery activities will be aligned to ensure the committed benefits are delivered. These may be delivered within the above workstreams or defined within additional workstreams as part of the overall governance.

9.4 Implementation Plan

A detailed implementation plan is shown in Appendix F.

9.5 Programme delivery risks

As with any complex change programme there are a number of key risks that need to be managed to ensure success. Recent experiences from Dorset and Buckinghamshire Councils show that if well managed the programme can be delivered on time and budget.

Risks identified to date fall into two categories:

- Delivery of the transition.
- Realising the benefits of the new council.

9.5.1 Delivery of the transition

Risk	Risk Mitigation
Complexity of the transition and transformation programmes may lead to cost overruns and delays with key dependencies not being identified.	Introduce a rigorous governance platform with regular pro-active and transparent reporting cycles and ensure the programmes are suitably resourced with the correct capabilities and capacity to deliver.
Delay in Secretary of State approval for business case beyond December 2020 may delay the start of the transition programme.	Keep in close contact with Government following submission of business case. Make clear that delay could in turn delay vesting day by 12 months.
Potential loss of resilience in business as usual capability and capacity.	Early establishment of programme management for the transition and transformation stages, with appropriate staffing, so that disruption to business as usual is planned and minimised accordingly.
Predecessor authorities may not support the new unitary transition programme.	Strong leadership and clear management of governance forums e.g. programme boards to be implemented with agreed terms of reference.
The formation of a new unitary council may reintroduce instability to the children's services improvement journey.	Continuity of the children's services improvement journey to be given priority within the transition and implementation plans to ensure no impact. Dependencies to be tracked and reported on a regular basis.
Existing capacity and capabilities may not be available within the existing councils to successfully deliver the programme of change within the agreed timeframe.	Engagement partnerships to be investigated to assist in bolstering the internal team's capacity and capabilities as and when required.

Table 24 - Delivery of the transition

9.5.2 Realising the benefits of the new council

Risk	Risk Mitigation
Expected benefits may not be realised, leading to an adverse effect on the expected business case outcomes.	Requirements and benefits are to be signed off upfront and fulfilment of these are to be tracked throughout the programme's lifecycle to ensure benefits are realised.
Government decision making process takes longer than expected adversely impacting business case.	Maintain close dialogue with central government and relevant partners to ensure any issues can be resolved in a timely manner.
Changes to central government policy or additional responsibilities taken on by local government may distract the new unitary council's ability to deliver the business case.	Ensure interdependencies between programmes of work are centrally managed and co-ordinated. Maintain close dialogue with central government and relevant partners to ensure any issues can be resolved in a timely manner.
Predecessor authorities may make commitments which may have an adverse impact to the opening financial position of the new authority.	Agree a spending protocol between and with all existing authorities and monitor to ensure adherence.
The introduction of additional complex change programmes (Transition and Transformation) in parallel to undertaking the COVID-19 recovery activities may adversely impact the effectiveness of all change.	Align all programmes of work to ensure benefits are maximised between the recovery and implementation programmes.
Legacy ways of working may mean the new unitary council may not place community at the heart of its operating model.	Development of a clear vision owned by the new unitary council's leadership team to ensure cultural change takes place (alongside a robust training programme for all staff).
New local community networks (LCN) may interfere with the working effectiveness of the community structures.	Collaborate with local communities, parishes and towns to design appropriate structures for each area.
The expanded remit of a smaller number of members may impact the effectiveness of governance and decision making in the new unitary council this could further lead to a 'democratic deficit'.	Implementation of an effective members development programme to take place. The setting up of LCNs will allow for greater reach within the county's communities.
Potential loss of experienced staff through the re-organisation process to a new unitary council.	Ensure a robust selection process is implemented and communicated to ensure the best fit for all new roles created within the new unitary council Internal communications programme to maintain staff engagement.

Table 25 – Realisation of benefits

10 Conclusion

Change is urgently needed to the structure of local government in Somerset. There have been repeated debates about this, in 1993, 2007 and with the FoLGiS exercise involving all the councils in 2018-19. However, while there has been a 20 year shift to unitary structures among most of our immediate neighbours, the two-tier system has remained in Somerset. Somerset's position is increasingly outdated. The dedication and talents of the staff in all the councils, and our partners, mean that successful working relationships, strategies and operational plans deliver a high quality of service to our residents and businesses. But the reality is that we have an overly complex patchwork of institutional arrangements that cannot provide the area with the strong and coherent leadership that it needs.

Somerset's core challenge is its demography – a rapidly ageing population and a difficulty for a small and medium sized enterprise led economy to attract and retain younger people and families. There are necessarily tensions between the different components of the policy response to this. The need for skills, growth, housing, carbon reduction and older people's interests will not always align.

We know that bringing together all the local government services in one place will not be a panacea for such a deep-seated strategic issue. However, unless there is change, the repeated need for time-consuming negotiation across five authorities will suppress strategic response in favour of tactical case by case problem solving. We can also balance the strategic scale with a new approach to local engagement. With the input that we expect from our parish and town council colleagues in designing a concept of Local Community Networks and local devolution, we will create an authority that places identification and response to community needs at the heart of its operating model.

Establishing one new unitary authority for the whole of the present two-tier Somerset area is the best option for delivering this change. Attempts to reform the existing system without structural change have stalled in the past, and would in any event rely on an ongoing coalition of the willing that cannot drive difficult strategic choice. A two unitary solution would deliver some advantages, but would lack the scale to deliver the step change in efficiency that is needed (and would not meet the Government's minimum population requirement).

A single unitary authority would enable achievement against the Government's long-standing criteria for local government structural change.

Credible geography. The county council has demonstrated that a principal authority on the administrative county geography is well-placed to address a wide range of the county's issues, for example in the way that it has created a strengths based approach to social care and other community led responses on public health. Strategically, it will connect well with its sub-regional partners to the south and north.

Good deal of local support. The 2018-019 FoLGiS exercise established a clear consensus among local government leaders and partners for change to the way of working of local government. There is not yet agreement on the form that that change should take – publicly the district councils have voiced their opposition to the single unitary proposal, arguing that it is not right during the period of post COVID-19 lockdown easing and recovery. However, our key local partners support the change and recognise the chance it provides to drive public sector reform and a strategic leadership of the area's future, which will include cementing progress on COVID-19 recovery. A recent research exercise also shows a foundation of support which is expected to build. The Devolution and Recovery White Paper, expected in autumn 2020, is likely to include expectations of local government reorganisation in England as part of the post-COVID economic recovery.

Improve the area's local government. Changes to local government structures provide a platform for leadership, that will build on Somerset's many strengths and address its challenges. This document has described a wide range of expected outcome improvements across both people and place related services. A constant theme is the advantage of bringing all of the levers of local government together under one roof, whilst enabling a stronger

voice for community involvement and solutions. By allowing time to be spent on addressing issues, rather than the interfaces between five councils, it will strengthen the offer to Somerset's residents, businesses and visitors. A step change is anticipated in the way that the new Somerset council orchestrates provision of accommodation and housing options for older and vulnerable people, and for working age families. It will provide the basis for a "whole-system" approach to sustain post COVID-19 recovery and will be a much simpler basis on which to co-ordinate climate change action. It will also provide the best chance to deliver on the aspirations of our children and young people.

A single point of contact will reduce residents' and businesses' confusion about responsibility and accountability. When combined with the very local governance being proposed through LCNs and greater devolution to parish and town councils, the unitary would be a council that both hears the voices of its residents and businesses, and represents them with a stronger external voice, locally, nationally and globally.

Crucially, it will also place local government in Somerset on a more sustainable basis. While the councils have worked hard to deal with major financial challenges in recent years, the impact of the COVID-19 pandemic has suppressed income and created new, unfunded, spending pressures. A move to a unitary authority would bring £18.5m of annual revenue savings, and the outcome improvements anticipated have common themes of community resilience, prevention and cross public sector working that will be a key part of the response for sustainable management of our demand challenges. It will be for the shadow and then the new authority's executive to determine precise spending and policy plans, but the structural change will provide it with choices so that it can be set up for long term financial sustainability and better local outcomes.

Is addressing the impact of the COVID-19 pandemic a reason to park structural reform? In a word, no. A robust and implementable programme has been designed, which will ensure that the move to a unitary authority dovetails with pandemic recovery. If anything, it is even more important that action is taken to ensure these programmes and their outcomes work in harmony, for the benefit of everyone in Somerset. To delay would risk more disconnects and wasted public money. The mistake would be once again to ignore the structural issues. Somerset needs to seize this opportunity to settle the issue for current and future generations, and create the conditions to allow communities to flourish. We urge the Secretary of State to decide quickly in favour of this One Somerset proposal.

11 Appendices

Appendix A – Glossary of selected terms

Term or Acronym	Definition
AI	Artificial Intelligence is the concept of computing hardware making decisions based on data it is fed.
Capital receipts	Cash received from the sale of a fixed asset.
CCG	A Clinical Commissioning Group commissions hospital and community NHS services in the area in which they operate.
CIPFA	Chartered Institute of Public Finance and Accountancy - accountancy body for the public services providing education and training in accountancy and financial management.
Combined Authority	A legal body set up by two or more councils to make collective decisions across council boundaries.
Community Connect	A way of working adopted over the last five years in Somerset. The council and voluntary sector partners promote independence and improve people's lives by working with communities.
COVID-19	Coronavirus disease 2019, an infectious respiratory illness which has been declared a pandemic by the WHO.
CQC	Care Quality Commission is the regulatory board for hospitals, care homes and other care and healthcare services.
DTOC	A delayed transfer of care where a patient who is fit to go home, or to another setting, is left occupying a bed.
FEMA	Functional economic market areas which should be considered during economic planning.
FoLGis	The Future of Local Government in Somerset, previous reports on the reorganisation of local government in Somerset completed in February 2019.
Great South West (GSW)	The brand to promote the LEP areas of Cornwall and the Isles of Scilly, Heart of the South West and Dorset.
Gross Value Added (GVA)	The value of goods and services produced in an area.
HotSW LEP	The Heart of the South West LEP (see table) covering Devon, Plymouth, Somerset and Torbay.
Implementation cost	One off costs associated with moving to a new local government structure.
Joint Strategic Needs Assessment (JSNA)	An assessment which supports commissioning decisions and the development of strategies and local community plans.
Local Community Network (LCN)	A collection of unitary and parish members, representatives from the CCG, the emergency services and other public sector bodies.

Term or Acronym	Definition
Local Enterprise Partnership (LEP)	A voluntary partnership between local authorities and businesses to determine local economic priorities.
MTFP	Medium Term Financial Plan.
Ofsted	The Office for Standards in Education, Children's Services and Skills.
Pioneer Somerset	A collaborative working proposal completed in 2009.
Precept	An order issued by one local authority to another specifying the rate of tax to collect on its behalf i.e. Council Tax.
RA Data	Revenue Account Data.
RSL	Registered Social Landlord – a not-for-profit housing provider, approved and regulated by Government.
SALC	The Somerset Association of Local Councils (SALC) is a membership organisation that represents, supports and provides advisory services to more than 260 town and parish councils and parish meetings across Somerset.
SEND	Special educational needs and disabilities.
SLCC	Society of Local Council Clerks, a membership scheme for local council clerks and officers.
Sub-National Transport Board (SNB)	A statutory transport governance organisation, intended to provide strategic transport governance at a larger scale than existing local transport authorities, by grouping councils together.
Transformation	Activity which aims to change and develop authorities to create savings or improve performance.
Transition	The period during which the new authority is being established.
Unitary authority	A local authority responsible for all local government services within an area.
United Kingdom Youth Parliament (UKYP)	A youth organisation in the United Kingdom, consisting of democratically elected members aged between 11 and 18. The county council worked with Somerset UKYP to engage with a group of young people from the county, including representatives of Somerset In Care and Leaving Care Councils (SiCC and SLCC) and the UnStoppables Special Educational Needs and Disabilities (SEND) group.
Vesting day	The day on which a unitary council is established, taking over operations from the predecessor organisations.
WAP	The population of working age individuals.
UK Hydrographic Office (UKHO)	UK Hydrographic Office (UKHO) is a world-leading centre for hydrography.
WECA	West of England Combined Authority (WECA) is made up of three of the councils in the region – Bath & North East Somerset, Bristol and South Gloucestershire.

Appendix B – Somerset Profile

This profile Section gives an overview of Somerset today and the challenges and opportunities that form the background to the case for a single unitary council.

Characteristics

A mix of rural and urban

Somerset has a mix of urban and rural characteristics. Its area of 3,452 square kilometres and population density of just over 162 people per square kilometre[25] is similar to Cornwall and Wiltshire. Using Office of National Statistics definitions, 48% of Somerset's population is rural. However, it has three sub-regional centres (Taunton, Yeovil and Bridgwater) which comprise around 35% of total population and closer to 40% if Taunton and Wellington are treated as a strongly connected urban area.

These centres, together with seven further towns with over 10,000 population, mean that Somerset has both urban and rural characteristics and this is reflected in the opportunities and challenges described in this Section.

Ageing population

Somerset has a population of 560,000[26] and it is growing faster than national and roughly at regional averages. It will surpass 600,000 by 2030 with a projection of 635,000 by 2043[27]. Almost all of its projected population growth is of elderly persons outside the working age population. The former West Somerset has the oldest population profile in England, and together with its now merged neighbour as Somerset West and Taunton will be the fastest growing district over the next 25 years. By 2043, without major policy change, West Somerset is expected to have 855 persons over retirement age (by then this will be 68) against every 1000 of working age. Somerset overall will stand at 557 against a 377 national and 445 South West average. The graph below shows Somerset's old age dependency ratios (OADR) for 2018 to 2043 against regional and national levels[28].

[25] ONS 2018 mid-year estimates.
[26] ONS 2018 mid-year estimates.
[27] NOMIS population projections https://www.nomisweb.co.uk/
[28] ONS 2018-2043 population projections

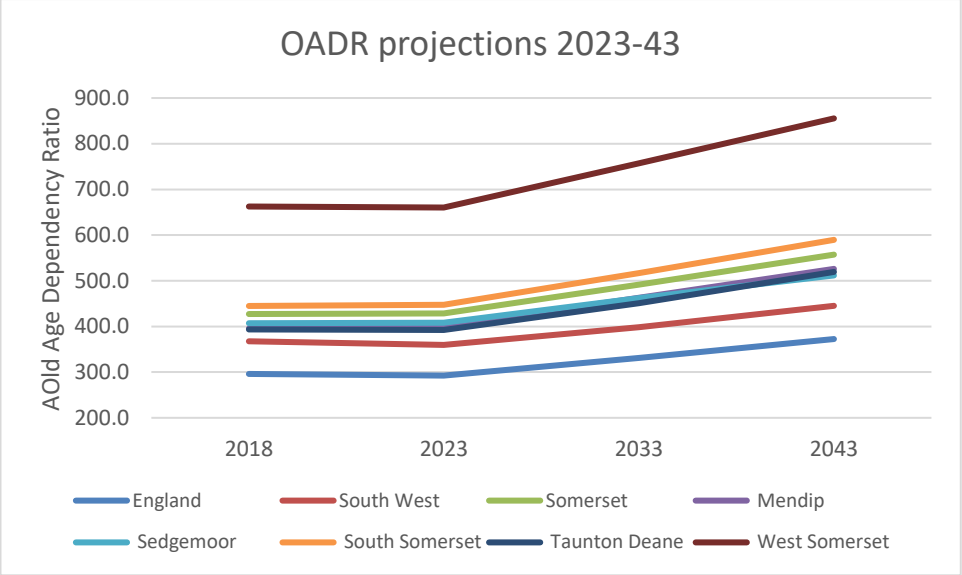

Figure 16 - OADR Predictions

There is also a net loss of younger people. A key challenge therefore is attracting and retaining, talented family households and individuals of younger (i.e. 25-45) working age.

This is shown in Figure 17:

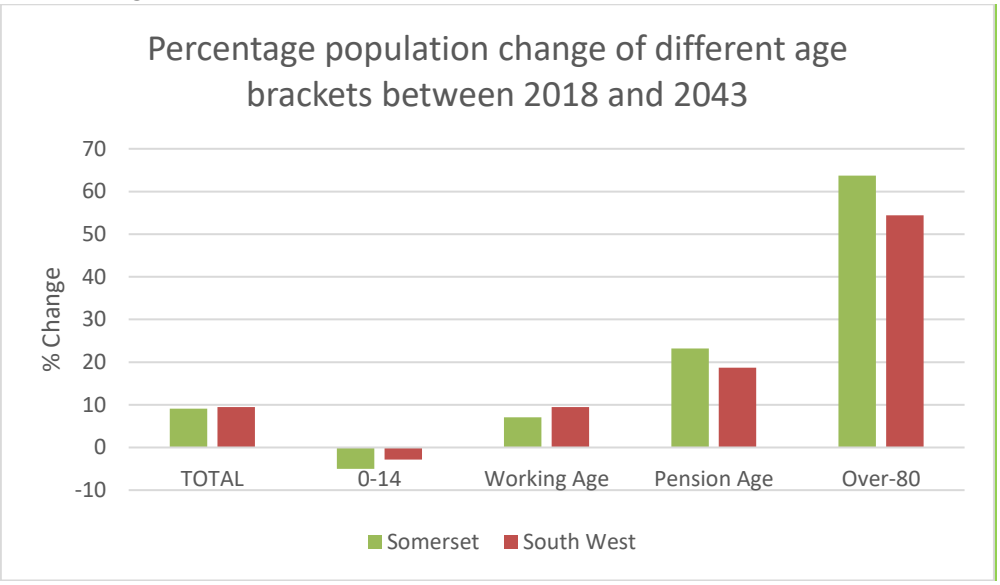

Figure 17 - Percentage change in age profile 2018-2033

Health and wellbeing

This Section describes key trends, challenges and opportunities for overall health and wellbeing. This is structured to reflect the perspectives of the three large people services, adult social care, children's services and public health.

Strength of community engagement in provision of adult social care

Somerset has transformed its financial position in adult social care and delivered better outcomes through innovative ways of working in a whole community approach. Rather than be overwhelmed by the demographics, Somerset is showing that it sees the contribution older people can make to communities through volunteering and neighbourhood initiatives.

The development of 500 "micro providers" within a standards and principles framework to deliver a variety of care in people's homes and communities shows an innovative approach to using informal and social care support in ways that develop the economies of local communities. The Community Connect approach supports this track record of delivery. This approach includes:

- Community and Village Agents.
- Volunteer Community Networks.
- Talking Cafes in 14 locations.
- This drives a network of Peer Forums which encourage and support the involvement of people with lived experience in strategic development, coproduction activities and feedback activities with senior leaders.
- Use of Asset Based Community Development and Health Connections alongside the Compassionate Neighbourhood[29].
- Published research of impact of these approaches on hospital admission (Abel et al, 2018).

In addition to the budget improvements, the approach has also improved the number of referrals resolved and reduced pressure on formal care options.

There has been considerable focus nationally upon Somerset having shown tangible strengths at a community level that were particularly evident in the early stage of the COVID-19 response: there were 32,000 contacts made by Community and Village Agents in the first weeks of lockdown and over 70 community networks were mobilised[30]. The strength of this community support meant that Somerset was able to fully support health care and focus support on care homes in ways that were praised nationally[31]. Community engagement is also strong in wider public health work – for example the county council leads the Somerset Armed Forces Covenant Partnership, and is actively involved in the Somerset Voluntary, Community and Social Enterprise strategic forum, along with the CCG, district councils, and other key county-wide public and private sector agencies.

It is worth noting, however, the emerging implications of the pandemic for people with dementia. The disruption of routines within communities has particularly serious effects for those people who have been used to long established patterns of behaviours within the community where they live, and to which Somerset's approach has been tailored. The effects of the disruption within communities and the impact of dramatic changes to social behaviours upon people with dementia are still being identified but this has the potential to disrupt the good work done to date and see a rise in residential care admissions. Somerset needs to be able to use all the levers it possibly can to support communities and all the people within them at a period of time when the inclusive approach it is trying to build is threatened.

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[29] Abel, J. (n.d.). Frome Model. [online] Compassionate Communities UK. Available at: https://www.compassionate-communitiesuk.co.uk/projects [Accessed 13 May 2020].
[30] *Surviving the Pandemic - New Challenges for Adult Social Care and the Social Care Market*, May 2020, pic.brookes.ac.uk. Available at: https://ipc.brookes.ac.uk/publications/ASC_Pandemic.html [Accessed 13 May 2020]
[31] Jane Townson, CEO of CEO of United Kingdom Homecare Association on Twitter, https://twitter.com/drjanetownson/status/1251035328066007040/photo/1

Improvement journey in services for Children and Young People

The services for children and young people are several years into an improvement journey. Somerset children's services were rated by Ofsted as 'inadequate' in 2015, with particular concern about a lack of stability in leadership. With new senior management and a strong sense of corporate support, the county council was raised to "requires improvement" in 2017. A focused visit in January 2020 found that more needed to be done to achieve consistency, but there were also signs of strong practice, particularly in arrangements at the "front door" for accessing services. Somerset has resolved that it should soon become Ofsted good but know that this requires sustained hard work. There is an immediate challenge to respond, with the CCG, to a March 2020 Ofsted and CQC finding of serious weaknesses in SEND services.

Opportunities for Somerset's children and young people

There are also long-term issues facing the outcomes for children and young people in Somerset, which create opportunities for a fresh unified approach:

- Social mobility is weak – with West Somerset designated an "Opportunity Area" by the Government. On the 2017 Social Mobility Index, West Somerset ranked lowest nationally for overall social mobility. There is a particular opportunity to bring together what this looks like in a rural context – connectivity, transport, environment and community ways of life are all dimensions that make this unique.
- Somerset is planning to adopt the Family Safeguarding Model, which has been deployed and evaluated[32] in Hertfordshire. The aim would be to integrate drugs, alcohol, mental health and domestic abuse workers into the children's social care team. A unitary would enable an integrated graduated response from very early help to more complex safeguarding county wide.
- Outcomes from education are not always strong – the gap facing the most disadvantaged learners is 22% in English and Maths.
- Whereas nationally close to one in two young people go on to University, in Somerset it is closer to one in three (49%/38%).
- There is a clear need for children and young people to be part of thinking about a strong future for them in Somerset, which raises their ambition whilst they are at school and retains their economic value afterwards. The county council works actively with the Somerset UK Youth Parliament. An online discussion in June 2020 (also involving Somerset In Care and Leaving Care Councils (SiCC and SLCC) and the UnStoppables Special Educational Needs and Disabilities (SEND) group showed a clear wish from young people to have an ongoing role in having a voice into reorganisation work to support their wish to be able to live and develop their career in Somerset.

[32] *Family Safeguarding Hertfordshire – evaluation report*, Department for Education, July 2017.

Public health

Life expectancy in Somerset has increased in the last 15 years[33]. By 2019, men were expected to live until 80.3 years and women 84.1 years. This is higher than for the national average. When put together with an attractive natural environment and high employment rates (pre COVID-19) compared with the national average, the county offers many of its residents the opportunity for active and healthy living. This is reflected in factors such as high rates of volunteering. Over 70% of adults in Somerset volunteer at least once a year and the county council is works actively with Spark Somerset (an information, advice, training and support organisation for the voluntary and community sector in Somerset).

However, this conceals inequalities between deprived communities in the county and the rest of Somerset. This affects life expectancy and likelihood of experiencing both physical and mental health issues. Deprivation also affects quality of life and in Somerset's deprived areas, people are more likely to smoke or experience obesity. Breastfeeding rates are 19% lower in deprived communities. In parts of the county there is a high instance of loneliness and social isolation - 33,500 people aged over 65 live on their own.

There are other systemic challenges in the county. For example, despite having the highest ratio of GPs, Care Quality Commission (CQC) ratings show these services as the worst in the South West. Accident and Emergency attendance is high and the county has the highest referral to treatment time in the region.

There are complex challenges; however, the need for whole systems improvement is fully recognised.

The Home First approach, developed across the health and care system has improved outcomes and substantially reduced delayed transfers of care and points the way to what can be achieved with whole system involvement.

[33] *Improving Lives in Somerset Strategy 2019 – 2028*, Somerset Health and Wellbeing Board

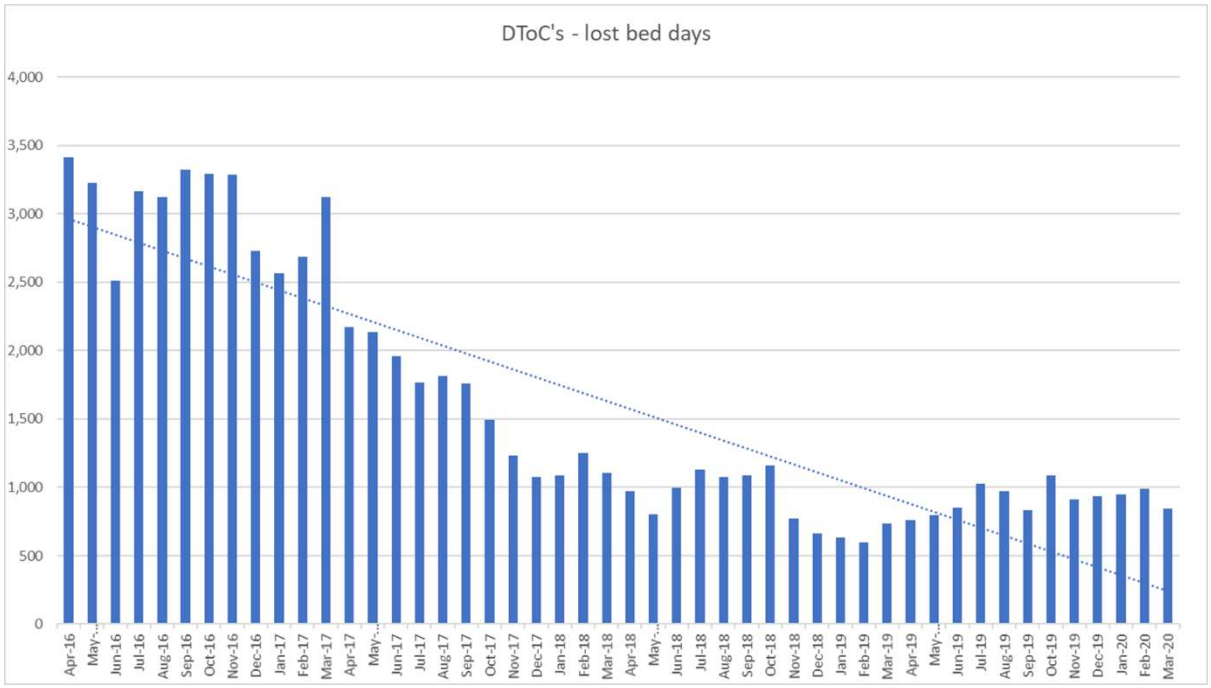

Figure 18 – Delayed discharges over time 2016-20

Since April 2018, the *Fit for my Future* initiative has been focused on getting the different parts of the health and care system working more closely together. This includes:

- Shifting focus towards prevention of ill health and the promotion of positive health and wellbeing and tackling inequalities.
- Moving to more integrated, holistic, services based on the needs of the individual and supporting their independence.
- Recognising that mental health is as important as physical health.
- Shifting resources from hospital inpatient services towards community-based services, supporting people in their own homes and sustaining their independence.

Economy and skills

Somerset's economic status is influenced by low wages, skills and productivity; having no major city or university anchors; its ageing demographic and major climate change pressures.

Lower economic performance against comparators

The challenge of delivering a healthy productive economy with Somerset's ageing demographic is highly demanding. Figure 19 shows Somerset outcomes compared to England/GB, South West, and HotSW LEP against six major economic metrics – proportion of working age population, of students, of higher occupational jobs, higher level skills and recent GVA and productivity hours growth. The gap with national and regional averages on all measures is significant and widening. Whilst on some measures, Somerset mirrors HotSW LEP, and even exceeds the LEP on productivity hours growth, it pulls down LEP averages on student density and senior occupational jobs.

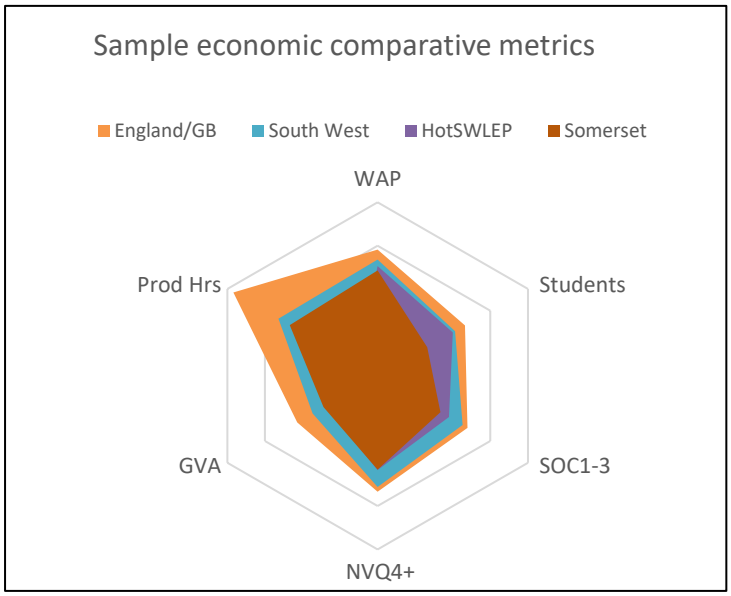

Figure 19 - Sample economic comparative metrics

These metrics illustrate the extreme skills challenges facing the county. The lack of a local university (although there is some HE in FE colleges) means there is large net emigration of the 16-24 cohort – often going to university and not returning.

Lack of a strong Somerset economic geography

Somerset's economic geography is pulled in at least two and possibly up to four directions. On major national road and rail transport corridors into the Peninsula (M5, A30/303, London and Midlands rail to Devon and Cornwall), the administrative county straddles five travel to work areas (TTWAs) and approximations of four functional economic market areas (FEMAs).

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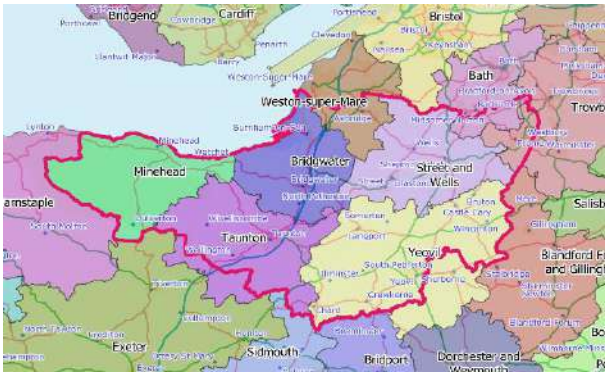

Figure 20 - 2011 Census TTWAs
https://geoportal.statistics.gov.uk/datasets/b248db54996c469c917ac3421d8e2975

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Figure 21 - Peninsula FEMAs https://www.somersettrends.org.uk/topics/economic-geography/

Broadly speaking, the Street and Wells TTWA sits in a FEMA heavily influenced by commuting into BANES and the Bristol city region, as are the parts of Sedgemoor within the Weston TTWA. The Bridgwater and Taunton TTWAs occupy the M5 corridor with strong linkages between and to Bristol and Exeter. The Yeovil TTWA sits in an east-west A303 corridor. Minehead represents a more North Peninsula TTWA stretching along Exmoor and into North Devon.

Key economic assets

Within what is a fairly typical non-metropolitan sub-regional geography without a large city, Somerset has a number of strong assets and capabilities. The most notable of these are probably the nuclear developments and decommissioning at Hinkley Points A, B and C on the north coast, the Gravity Enterprise Zone just off the M5 in Sedgemoor and the aerospace cluster centred around Yeovil.

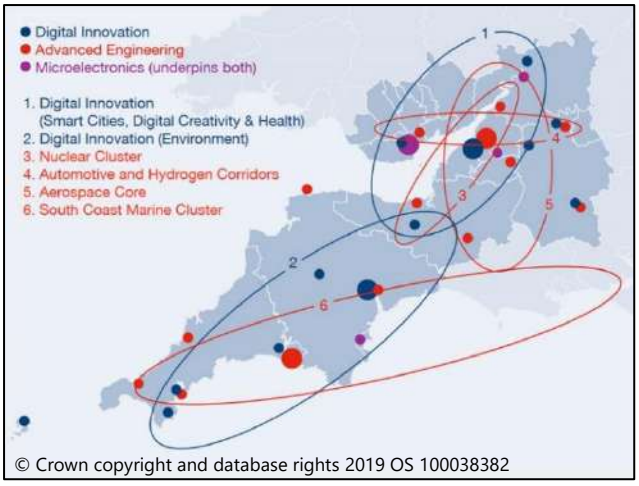


Figure 22 - Key economic assets

Taunton also hosts higher value knowledge-based businesses including the genuinely world-leading UK Hydrographic Office.

Inclusive growth challenge

Somerset faces distinctive sustainability and inclusive growth and access to employment challenges – even pre-COVID-19. The climate emergency declared by all five Somerset local

authorities is made more immediate by the risks of flooding, sea-level rises and coastal erosion which threaten some of the major settlements – including Bridgwater.

Medium deprivation with highly deprived hotspots
Although in terms of the Index of Multiple Deprivation (IMD) Somerset performs at similar levels to comparator areas and neighbours like Devon and Dorset and is in a 7th decile (where 10 is least deprived) in average score, this obscures persistent deprivation hotspots. Highly deprived (i.e. national bottom 20%) neighbourhoods increased to almost 50,000 residents between the 2015 and 2019 IMDs – with even higher incidence in barriers to housing and living environment domains.

Small tourist economy compared to regional peers
The county has a low productivity, seasonal sector with a more modest impact than the rest of the peninsula, Dorset/South Coast and the Bristol/Bath areas. Latest Visit Britain figures (2016-18) place Somerset's 24mpa visitors and £1bnpa spend 24th out of 49 county areas in England – around half the size of the Devon sector (4th) and well behind Cornwall (10th), Dorset (13th) and Bristol/Bath (14th). Visit Somerset already brings together a county-brand including the county, four district councils plus North Somerset. The sector can be highly locally significant – for instance Glastonbury Festival, Cheddar, Exmoor, Fleet Air Arm Museum, and the West Somerset Coast (the highest visits and spend of the five Somerset districts that existed in 2018 although it has the smallest population).

Planning
As a two-tier area, planning is divided between district councils that lead on Local Plans and much of the development regulation and management processes, and the county council which leads on minerals (where Somerset is one of the largest producers and exporters of aggregates in the UK), waste and on transport and highways development. As is typical in two-tier areas, there are examples of tensions between county highways and transport, and school place planning, and district development management, and added complexity for dealing with Development Consent Orders on Nationally Significant Infrastructure Projects like Hinkley Point C and the A303 upgrade.

Multiple local plans

A further issue is the lack of a consistent approach to strategic spatial planning and development management between districts. The county currently has six Local Plans that have been adopted between 2012 (Taunton Deane) and 2019 (South Somerset). Each council has different schemes of delegation and different approaches to area-based working – with South Somerset having area committees. The recently merged Somerset West and Taunton has two Local Plans – adopted in 2012 and 2016 – and the need to develop a new single approach. Finally, the county also has part of Exmoor National Park, a planning authority in its own right, with a 2017 Local Plan which currently interfaces with both county and district key role players.

Housing demand
The Somerset Housing Strategy (2019-23)[34], is based on 2014 ONS projections and Government's 300,000 new homes per year national target and the Strategic Housing Market

[34] *Somerset Housing Strategy 2019-23 - Priorities and Ambitions for Homes and Housing in Somerset*

Assessments envisage delivering 2,000-2,500 new homes a year, with up to 1,000 of these being affordable[35]. This appeared achievable in the late 2010s (prior to COVID-19 pandemic impacts). An associated challenge is to create new homes that are suitable for older people. Research shows that most of the current housing stock is not currently suitable for older occupants with limited mobility as it lacks accessibility features. Building homes that can be easily adapted to the needs of older people will be important to allow people to remain in their own homes[36]. There is also a shortage of affordable and social housing for young people in the right places to support employment and training.

Environment

Somerset's natural and historic environment is highly valued and appreciated by residents, businesses and the large visitor economy. Within Somerset's borders are:

- Exmoor National Park.
- Areas of Outstanding Natural Beauty (AONB):- Mendip Hills, Quantock Hills, Blackdown Hills and Cranborne Chase.
- 127 Sites of Special Scientific Interest (SSSI), from Cheddar Gorge to Cleeve Hill, Vallis Vale to Langport Cutting.
- 15 National Nature Reserves (NNR), including Shapwick Heath, which is part of the landscape scale Avalon Marshes project.
- 21 Local Nature Reserves (LNR).

In one recent year there were 92,750 visits to Somerset heritage sites in a year, 27,177 volunteer hours in Heritage. Heritage services are provided through a Heritage Trust with Devon County Council.

Quality of life challenges in rural areas

However, this does not paint the whole picture. Many people living in towns have fewer opportunities to enjoy the rural landscape and may be experiencing poor conditions in their immediate environment. At the same time, hidden rural deprivation and social isolation can be a significant issue in otherwise more prosperous rural communities. Living Environment is the deprivation domain on which Somerset scores most poorly, with 28% of Local Super Output Areas (LSOAs) in the most deprived 20% and rising significantly between 2015 and 2019.

High flood risk and challenges of coastal erosion

With 15% of the county at or very close to sea-level, flood risk is amongst the highest in the UK. The 2014 floods led directly to the Somerset Levels and Moors Flood Action Plan co-ordinated by the county council and establishment of the Somerset Rivers Authority – involving the Environment Agency, all district councils and internal drainage boards.

Similarly, the Bristol Channel coastline is under current and increasing threat from coastal erosion – from, inter alia, sea-level rises and increased storm incidents. Although relevant on

[35] Estimated from information on Somerset Intelligence: http://www.somersetintelligence.org.uk/shma.html. We have quoted a range as former West Somerset is in a Northern Peninsula SHMA.

[36] *Markets for an Ageing Society – scoping study*, Hardisty Jones Associates, report for Devon County Council and HotSW LEP, April 2019.

both sides of the whole Bristol Channel, there are acute risks on the Somerset coastline. This crosses the Sedgemoor/Somerset West and Taunton boundary and in extremis threatens areas around Hinkley all the way inland to Bridgwater. Elsewhere in the county, flooding remains a risk to major road (e.g. A303) and rail mainline corridors.

Infrastructure

The county council has taken a holistic approach to infrastructure provision in the county – combining both traditional transport roles, broadband enabling, and provision of build infrastructure like enterprise and innovation centres.

The county council is a founder member of the Peninsula Sub-National Transport Board (SNB) and provides the eastern and northern gateways to the south west peninsula. The M5 and A303 strategic road network (SRN) and the railway lines from Exeter to London, Bristol and the Midlands are national transport corridors that also provide the primary local connections between the county's major population centres. Together with the Western Gateway SNB, these two new bodies cover the South West regional geography – with Somerset arguably a pivot and link between the two.

Intra-Somerset congestion

The strategic network in Somerset suffers from difficulties at pinch points and bottlenecks – especially during the peak tourist season; vulnerability to extreme weather events – particularly the periodic flooding in the Somerset levels; over-reliance on private cars due to the rural character of public transport; limited connectivity outside and between the major strategic corridors; and relatively low spend per capita compared to other regions. The financial challenges are likely to endure through the 2020s given Government's post-pandemic fiscal challenges in general, and transport priorities on High Speed 2 rail (HS2), Northern Powerhouse and Midlands Engine, and rail electrification on the corridor from London – Bristol and into Wales.

Growing importance of the Peninsula SNB on infrastructure investment

Peninsula SNB positions transport investment and services as enablers of wider goals. These include transformational housing and employment growth, increasing resilience, supporting the visitor economy, protecting natural environment and progressing low carbon agendas, connecting with international gateways for which the neighbouring Bristol Airport is of particular significance.

The evolving SNB is of increasing importance in contextualising the now rather dated suite of county transport strategies covering the 2011-26 period and reflects Government's increasing appetite for determining sub-national policies and programmes through intermediate tier bodies founded on amalgamations of LEP and Combined Authority geographies.

Ability to exploit digital infrastructure investments

On a slightly different geography – HotSW, BANES and NS – Somerset County Council has also been a major player and accountable body for digital infrastructure through the Connecting Devon and Somerset programme. The programme has achieved 82% superfast coverage in deeply rural areas through a mix of delivery mechanisms – and generally

exceeded government targets at below average cost. For the future, digital connectivity will play an increasing role in encouraging social mobility.

Community safety

Since 2012, there has been a single Community Safety Partnership, the Safer Somerset Partnership and there are no longer separate partnerships at district level. County priorities are contained in Somerset's Local Crime Plan for 2017-2021, which was co-produced with the Avon and Somerset Police and Crime Commissioner. This establishes four key priorities:

- Protect people from the harm of domestic and sexual abuse.
- Identify and prevent the exploitation of vulnerable people.
- Identify inequalities and vulnerabilities and offer support to improve health outcomes and reduce harm.
- Meet our statutory duties.

The Index of Multiple Deprivation illustrates that Somerset has less crime related deprivation than the national average. 9% of the population lives in neighbourhoods classified in the 20% most crime-deprived nationally and 23% lives in the 20% least crime-deprived. However, the figures show that there are some concentrations of deprivation in Sedgemoor, and in some parts of Somerset West and Taunton. These figures take into account violence, theft, burglary and criminal damage.

Area	% of population in most crime-deprived 20% of country	% of population in least crime-deprived 20% of country
Mendip	8%	24%
Sedgemoor	14%	21%
Somerset West and Taunton	9%	20%
South Somerset	6%	25%
Somerset average	9%	23%
South West region average	8%	24%

Table 26 - % of population living in LSOAs classified in the most and least crime-deprived 20% nationally

Key challenges in Somerset include serious violence against the person and the county is in the second year of operating a Violence Reduction Unit, with Government funding. Domestic abuse makes up a significant proportion of violent offences reported in Somerset but it is also acknowledged that at a national and local level this crime is known for under-reporting, in particular in rural areas where it can be harder to report. In the most isolated communities – where there are large numbers of older people – there is a susceptibility to burglary and theft offences.

A growing problem is "county lines", where gangs from outside the area set up drug distribution networks using children and vulnerable people. This is associated with the practice of "cuckooing" where a drug network uses coercive behaviours to use the dwelling of a vulnerable person as a base for their activities.

Appendix C – County, District and Unitary Service Range

Service	County	District	Unitary
Education	✓		✓
Highways	✓		✓
Transport planning	✓		✓
Passenger transport	✓		✓
Adult social care- Older People	✓		✓
Adult social care- Learning Disabilities	✓		✓
Adult social care- Mental Health	✓		✓
Adult social care -Safeguarding	✓		✓
Housing and homelessness		✓	✓
Libraries	✓		✓
Leisure and recreation		✓	✓
Environmental health		✓	✓
Waste collection		✓	✓
Waste disposal	✓		✓
Planning applications	✓ [37]	✓	✓
Strategic planning	✓		✓
Local tax collection		✓	✓
Children's social care – children and young people with disability needs	✓		✓
Children's social care – early help	✓		✓
Children's social care – looked after children	✓		✓
Children's social care – family support	✓		✓
Children's social care – safeguarding	✓		✓
Trading standards	✓		✓
Economic development	✓	✓	✓

Table 27 - Local authority services

[37] Minerals and waste planning and regulation 3 planning applications only.

Appendix D - Savings and Costs

This appendix details the method and assumptions used during financial modelling. This covers both transition benefits and implementation costs, and helps inform the confidence and sensitivity analysis (Appendix E).

Benefits Methodology and Assumptions

One of the key considerations when considering the viability of a unitary authority is in its ability to create savings. Savings are based on Revenue Account (RA) data, detailed budgets, and other data as detailed in the appendix. Although the profile of benefits differs for the different options, the same analysis and assumptions have been applied throughout. The saving areas, analysis approach and assumptions are listed in the following table.

Area	Data Sources and Baseline Analysis	Savings Rationale/Assumptions
Member Allowances	• County and district Member allowances have been taken from publicly available member allowance schemes • Total member expenditure and comparator data taken from most recent statements of accounts	• There will be 100 members total in the new unitary area, which is in line with unitary comparator* numbers of electors per member • The new member structure will have a basic allowance and special allowances in line with unitary comparators • The new allowance schemes include special allowances for Local Community Network Chairs
Elections and Democracy	• County and District election annualised spend is taken from annual statements of accounts • Estimated democratic expenditure was extrapolated from detailed budget breakdowns of Mendip and South Somerset	• There will only have to be one unitary election every four years, replacing the four district and one county election • Assume a reduction in the total spend from the five authorities due to some duplication in democratic services
Senior Management	• Senior Management salaries are publicly available and published within annual statements of accounts	• Assumes each authority would require one structure, including 3 statutory positions

Area	Data Sources and Baseline Analysis	Savings Rationale/Assumptions
	• Support staff estimated spend is based on county council expenditure • Estimated on costs are included in calculations, based on SCC's on costs • Savings are the total cost of the future structure taken from the total current structures spend	• Assumes all duplicated senior roles across the authority would be removed
Corporate Services	• County Council, Mendip and South Somerset corporate services spend was taken from their detailed budget breakdowns • Extrapolated Mendip and South Somerset's spend in corporate services to the other districts, weighted by their total revenue expenditure	• Corporate service areas reduced based on the proportion of duplication estimated between the current authorities
IT	• IT expenditure within Somerset County Council was taken from their IT budget 19/20 • Sedgemoor IT expenditure was taken from their IT budget 19/20 • IT expenditure per user for Mendip, Somerset West and Taunton and South Somerset is assumed to be at the same level as Sedgemoor • District IT expenditure per user was checked against the Socitm Improve report 2020	• Assumes a reduction of 10% on IT spend per user, based on experience of other unitary councils
Accommodation	• Somerset County Council FM spend was provided by the Estates team • Assumes office cost per head in the districts to be	• Accommodation savings will be realised through a reduction in office space requirements

Area	Data Sources and Baseline Analysis	Savings Rationale/Assumptions
	the same as for the county council	• Saving is the reduction in cost/desk multiplied by the number of desks
Contracts	• Contract information was extracted from districts publicly available contract registers in May 2020	• Contracts have undergone a percentage reduction related to what type of contract they are
Service Consolidation	• Total Somerset service expenditure was taken from local authority revenue expenditure 19/20	• Adults, Children's, Housing, Planning and Public Health Services have all been excluded from this analysis • Assumes that moving to unitary would allow Somerset to operate at the same head per population as comparator*[38] unitary councils

Table 28 - Benefits method and assumptions

[38] **Comparator Unitary Councils used in benefit analysis have been Cornwall, Dorset and Wiltshire, due to their similar size and geographies to Somerset*

Implementation Costs Methodology

To weigh up the relative value of savings, there must also be consideration of the implementation costs. Costs will arise in any option where there is consolidation of activity and functions. To understand the viability of each option, an analysis has been undertaken to broadly estimate expected costs in relation to the options.

Category	Description	Rationale and Assumptions
Staffing	Covers potential redundancy and pension strain costs incurred due to FTE reductions	• Redundancies will come from current organisations proportionately in relation to their size • Redundancies will reflect the age / length of service profile of the authorities,
Transition Team	Covers the programme team implementing the unitary authority.	• A transition team with an average of 27 members has been costed for 15 months for the single unitary option • This includes one programme lead and 6 workstream leads • Two transition teams with an average of 20 members, including one programme lead and 4 workstream leads each have been costed for the two unitary option
Technology	Covers the cost of migration to legacy systems, and the procurement of new ones where legacy systems are insufficient. Also covers consolidation to one ERP system and data migration.	• Assumes the use of two legacy systems and two new systems for revs and bens, planning, housing and regulatory • Costs reflect previous examples of system implementation • There is also an allowance for ERP and data migration, cleansing and interface development
Accommodation	Costs to repurpose and reconfigure the estate to enable effective operations	• Note that this does not include capital receipts, which can be used to fund local regeneration
Culture Change and Communications	Costs incurred communicating changes with residents and staff, and in rebranding buildings and vehicles as a unitary brand	• Some cost allowed for other culture change such as retraining • Organisation wide change programme to include co-development of new common culture with all staff representation • Cost included for resident communications which is over and

Category	Description	Rationale and Assumptions
		above that which could be incorporated into business as usual communications
Service Disaggregation	Covers costs incurred during disaggregation of legacy County Council services	• Disaggregation of legacy County Council services such as care services
Other Costs	Other costs allow for legal costs, contract negotiations and specialist support	• Based on experience of other unitary authorities
Contingency	Contingency for unforeseen costs	• A 10% contingency has been included

Table 29 - Implementation costs assumptions and method

Appendix E – Confidence Intervals and Sensitivity Analysis

This appendix analyses the potential impact of uncertainty on the financial benefits of a single unitary authority. As detailed in Appendix D, the financial modelling is based on Somerset County Council internal data, publicly available county and district data, and comparator data. This means that to calculate certain savings, assumptions have had to be made where data is not available, or where there is data missing.

The following table shows the confidence intervals of each benefit category, and therefore the range of value the new arrangements could realistically expect to save. Following this, there is some explanation as to the varying confidence intervals, and finally some description of what this could mean for financial viability and payback in a 'worst case scenario'. Implementation costs include a contingency of 10%, so they are excluded from this analysis. However, it is worth noting that in the case that some prospective benefits are overstated, it is likely that the corresponding implementation cost will also be overstated.

Category	Confidence Interval (+-)	Benefit	Lower Bound	Upper Bound
Members Allowances	5%	£491,172	£466,613	£515,730
Elections and Democracy	10%	£815,916	£734,325	£897,508
Senior Management	5%	£2,877,468	£2,733,595	£3,021,341
Corporate Services	20%	£4,363,407	£3,490,725	£5,236,088
IT	20%	£1,480,245	£1,184,196	£1,776,294
Accommodation	10%	£581,582	£523,424	£639,740
Contracts	10%	£3,265,559	£2,939,004	£3,592,115
Services	20%	£4,397,703	£3,518,163	£5,277,244
		£18,273,052	**£15,590,045**	**£20,956,060**

Table 30 - Confidence analysis

The confidence intervals are decided based on multiple factors, but most important is information quality. Where information on the opportunity is very thorough (such as members allowances and senior management), a range of +-5% has been allowed. Where data is subject to assumptions, such as in IT where district IT spend was extrapolated from the IT budget for Sedgemoor, a range of +-20% has been allowed.

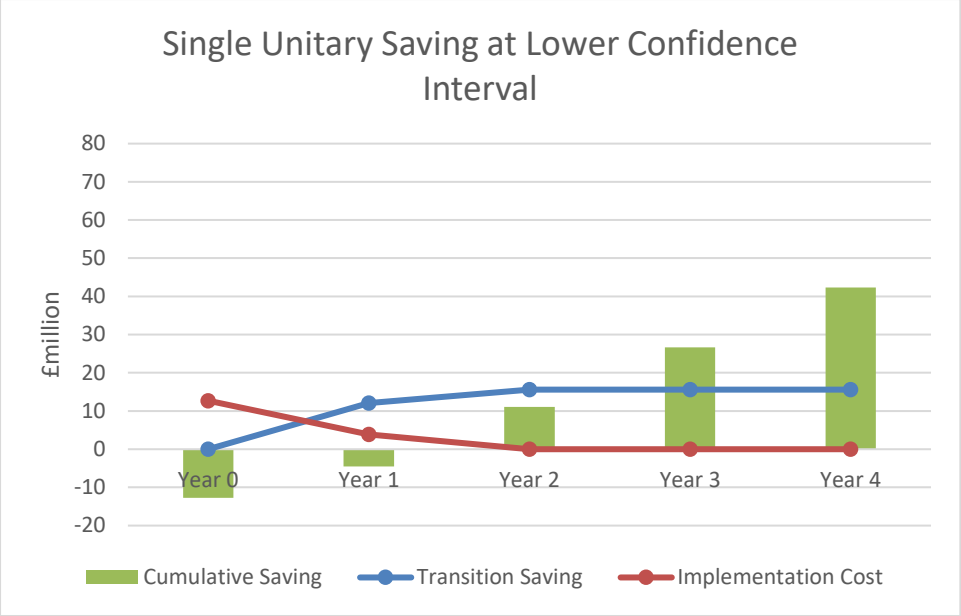
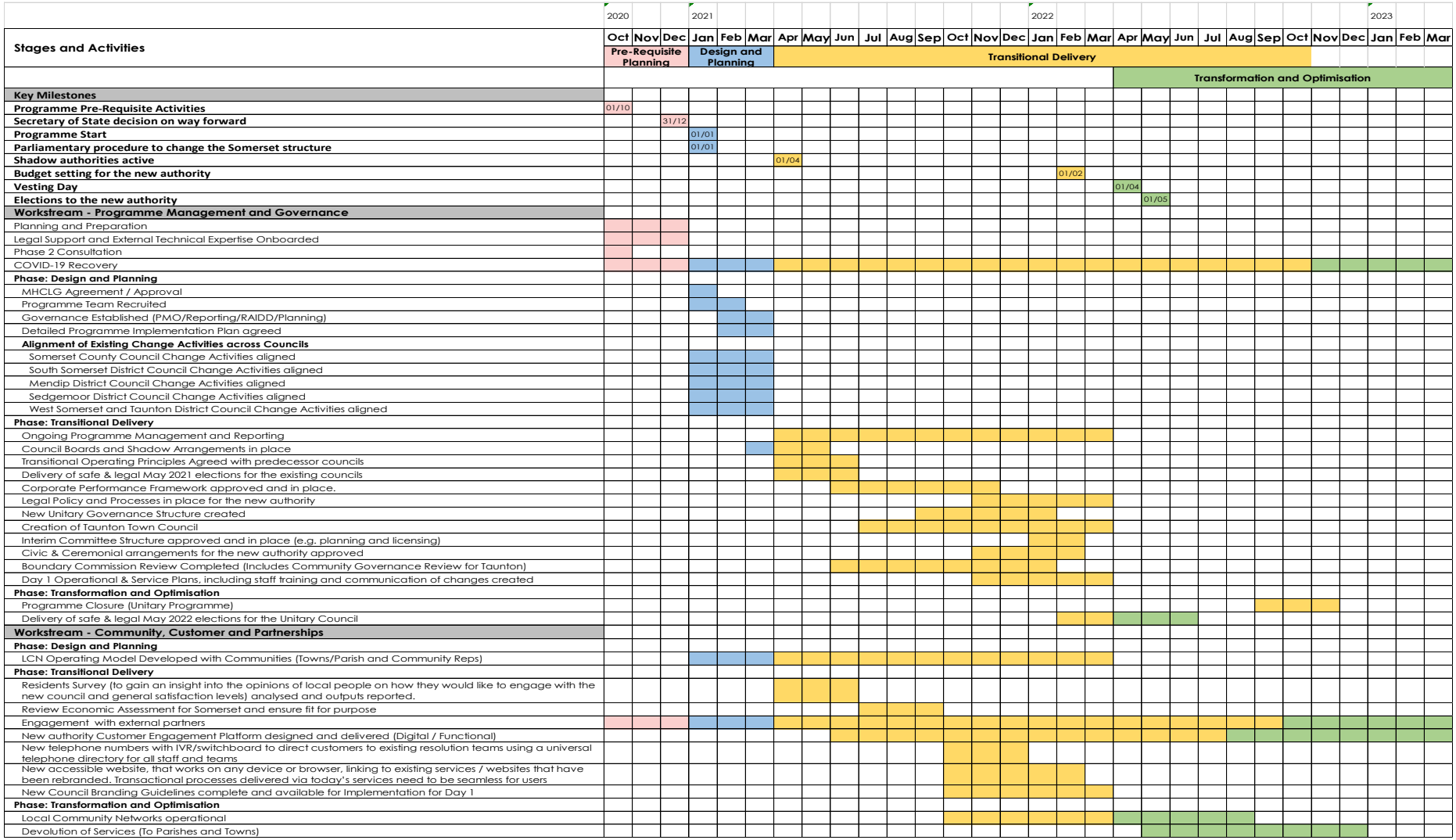


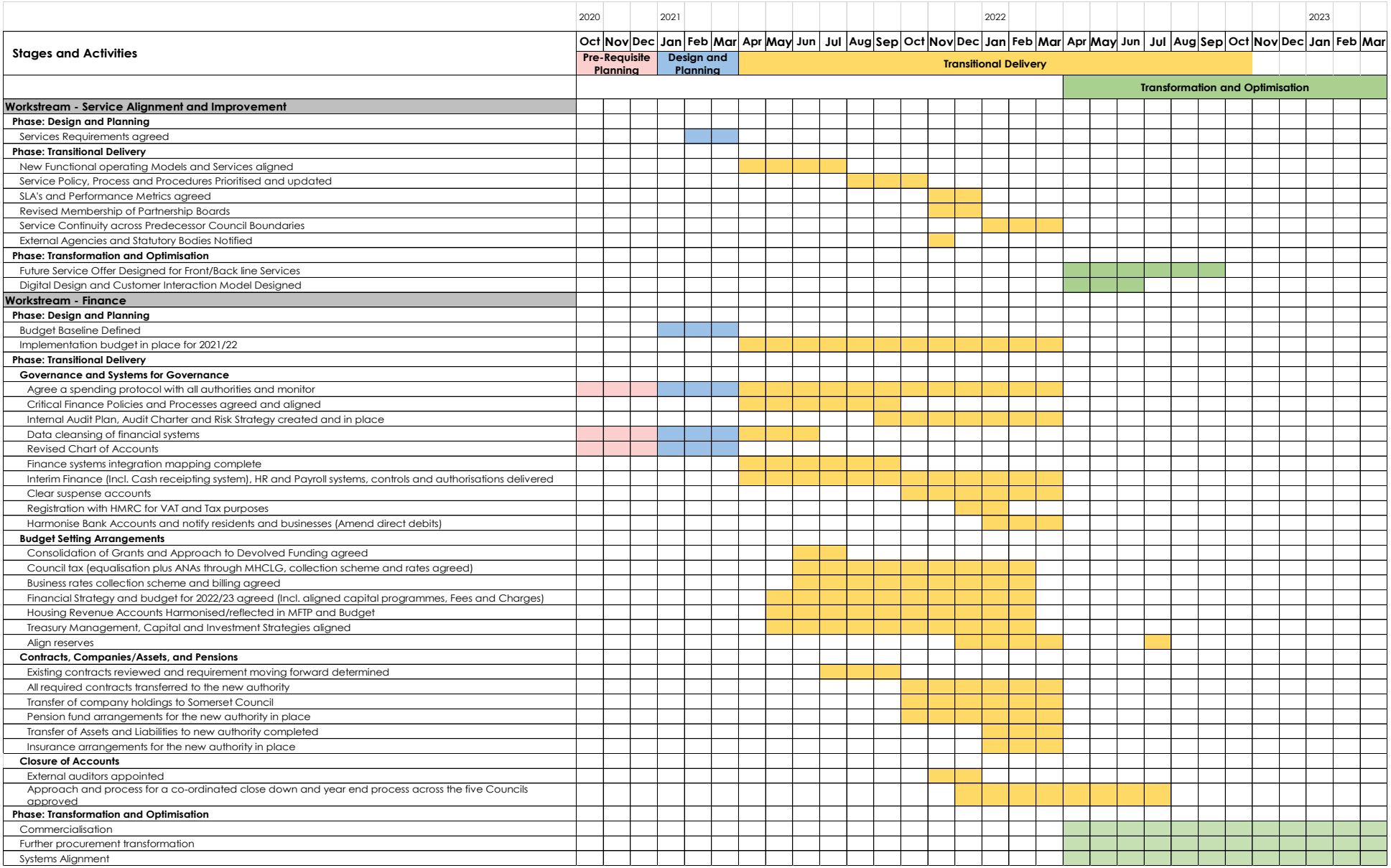
Figure 23 - Single unitary worst case payback

The consequences of benefits being at the lower bound rather than the expected benefit level would not negate the viability of moving to a unitary authority. The graph above shows that if a reduced level of savings at the lower bound of the confidence interval was used, this would lead to an increased payback period of 2 years and 3 months. Furthermore, the 5-year saving would decrease from £52.9 million to £42.3 million. However, this is still much greater than the two unitary and closer collaboration alternatives.

Appendix F – Implementation Plan



Stages and Activities	2020			2021												2022																2023		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	Pre-Requisite Planning			Design and Planning			Transitional Delivery																								Transformation and Optimisation		
Workstream - Assets Optimisation (Technology and Property)																																		
Phase: Design and Planning																																		
IT Architecture Review Complete and Migration Plan agreed																																		
Property Plan baselined																																		
Phase: Transitional Delivery																																		
IT Infrastructure/Systems Aligned																																		
Connect all ICT networks to enable sharing of business critical data and systems																																		
Accommodation Strategy, Interim HQ and Touchdown accommodation plan approved and implemented																																		
Develop capital investment cases																																		
Shared Online space for Members created																																		
New email address (@SomersetCouncil.gov.uk) to all users																																		
Data Management Policy and Processes agreed and in place																																		
Security Protocols and Policies agreed and in place																																		
Phase: Transformation and Optimisation																																		
Future IT Architecture defined																																		
New IT Capabilities delivered																																		
Property Stock rationalised																																		
Workstream - People																																		
Phase: Design and Planning																																		
Communication Strategy and Plan agreed																																		
HR Transition Management Plan agreed																																		
People and Culture Model agreed																																		
Phase: Transitional Delivery																																		
External and Internal Communications delivered																																		
Develop and Deliver Staff Engagement Plan																																		
Senior Management Roles and T&Cs Approved (Tiers 1/2)																																		
Appointment of new Chief Executive																																		
Selection Process and Recruitment of Senior Management up to Tier 3 complete																																		
Values and behaviours statement approved and in place																																		
Organisational Development Strategy approved and in place.																																		
New authority Staff Terms and Conditions finalised and approved.																																		
·Single recruitment process for the new authority																																		
Onboarding process for new staff joining Somerset Council is approved and in place.																																		
Single set of HR policies for all staff documented and approved and available on intranet																																		
TUPE transfer of all staff to new Council																																		
Single payroll in place																																		
HR&OD Service ready for Day 1																																		
Contracts - temp labour, Occupational Health, EAP, Recruitment, e-learning																																		
Staff Benefits																																		
Trade Union Engagement Principles and Operating Procedure agreed and in place																																		
Ongoing Trade Union Engagement																																		
Phase: Transformation and Optimisation																																		
Ongoing Change Management																																		
Review of Pay, Terms & Conditions, Policies and Job Evaluation processes																																		
Recruitment Process for new authority agreed and in place																																		
Staff T&C's and JD's updated and aligned to new authority Policy and Process																																		
Selection Process and Recruitment for new authority staff agreed																																		


2020
2021
2022
2023
Stages and Activities
Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar
Pre-Requisite Planning
Design and Planning
Transitional Delivery
Transformation and Optimisation
Workstream - Service Alignment and Improvement
Phase: Design and Planning
Services Requirements agreed
Phase: Transitional Delivery
New Functional operating Models and Services aligned
Service Policy, Process and Procedures Prioritised and updated
SLA's and Performance Metrics agreed
Revised Membership of Partnership Boards
Service Continuity across Predecessor Council Boundaries
External Agencies and Statutory Bodies Notified
Phase: Transformation and Optimisation
Future Service Offer Designed for Front/Back line Services
Digital Design and Customer Interaction Model Designed
Workstream - Finance
Phase: Design and Planning
Budget Baseline Defined
Implementation budget in place for 2021/22
Phase: Transitional Delivery
Governance and Systems for Governance
Agree a spending protocol with all authorities and monitor
Critical Finance Policies and Processes agreed and aligned
Internal Audit Plan, Audit Charter and Risk Strategy created and in place
Data cleansing of financial systems
Revised Chart of Accounts
Finance systems integration mapping complete
Interim Finance (Incl. Cash receipting system), HR and Payroll systems, controls and authorisations delivered
Clear suspense accounts
Registration with HMRC for VAT and Tax purposes
Harmonise Bank Accounts and notify residents and businesses (Amend direct debits)
Budget Setting Arrangements
Consolidation of Grants and Approach to Devolved Funding agreed
Council tax (equalisation plus ANAs through MHCLG, collection scheme and rates agreed)
Business rates collection scheme and billing agreed
Financial Strategy and budget for 2022/23 agreed (Incl. aligned capital programmes, Fees and Charges)
Housing Revenue Accounts Harmonised/reflected in MFTP and Budget
Treasury Management, Capital and Investment Strategies aligned
Align reserves
Contracts, Companies/Assets, and Pensions
Existing contracts reviewed and requirement moving forward determined
All required contracts transferred to the new authority
Transfer of company holdings to Somerset Council
Pension fund arrangements for the new authority in place
Transfer of Assets and Liabilities to new authority completed
Insurance arrangements for the new authority in place
Closure of Accounts
External auditors appointed
Approach and process for a co-ordinated close down and year end process across the five Councils approved
Phase: Transformation and Optimisation
Commercialisation
Further procurement transformation
Systems Alignment

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