

Stronger Somerset

**Our case for reform and
re-organisation to better deliver
for people, places and
productivity across Somerset**

Executive Summary

Final draft v1.3 19



Foreword

Stronger Somerset

We are committed to the best possible future for Somerset, its people and its communities. This commitment transcends political and organisational allegiances as we strive to ensure the system of local government is fit for purpose and focussed wholly on the needs of the residents and communities of Somerset.

The current system does not work well enough and as a result, Somerset lags behind the UK in a number of areas and some of the services are unsustainable. But simply reorganising is not enough. Instead, a deeper reform is required to improve the places and quality of life in Somerset and to give residents the excellent services they deserve.

Our vision is for a Stronger Somerset with:

A stronger economy – delivering on “Levelling Up” with increased productivity, higher skills, better wage levels that everyone feels they benefit from.

Great places to live and work with enough homes that are genuinely affordable to local people and the community infrastructure to support them.



A Green Somerset achieving net zero carbon, more green businesses and jobs and sustainable transport



to connect our places and communities.

Stronger communities with greater power and control devolved to local people over the things that matter to them and the challenges of child poverty, deprivation and isolation dealt with.

To achieve this we propose a programme of reform to local government and public services to ensure modern and responsive services that are efficient, are close to people and have the ability to act strategically. Our proposals will ensure collaboration and integration across the system so that organisations and services are “joined up” and focussed on the different needs of the people, communities and places of Somerset. Crucial in this is the reform of care services to ensure we deal with the reasons why people need the services and help people to have happy, healthy and independent lives. Our reforms will ensure services are financially sustainable where currently they are not.

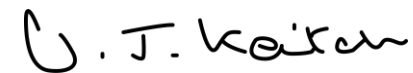


As part of this, we propose the creation of two new councils for Somerset, to replace the four districts and the county council. Our proposals demonstrate these are the right building blocks to ensure in a county of our size, local government remains close, accessible and accountable to the people it serves, and can shape the places it is responsible for. A

Somerset West Council and a Somerset East Council will ensure a focus on the differing challenges, community identities and functional economic areas that exist in what is a large county. They will work together and integrate with others to ensure efficiency and to tackle the strategic issues that the wider region faces, including by being part of a wider Combined Authority with the powers and resources needed to Level Up in Somerset, drive our economy forward and improve quality of life.

Our proposals offer a once in a generation opportunity for genuine reform that will ensure sustainable services that are focussed on the needs of the people and communities of Somerset and improved quality of life for all.

This is our proposal for a Stronger Somerset.



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Councils In Somerset recognise the need for change

Somerset is a great place to live with historic towns and villages, an unrivalled natural environment and strong communities with unique identities. But Somerset, its places and communities face many challenges as well. Our system of local government is not doing enough to tackle the challenges we face in Somerset.

People, places and partners in Somerset deserve better. We have an ambition for reform but are being held back by an inward looking system, overly focused on the short term.

The complexity and challenges facing public services today require more than re-organisation – they demand **reform**. Through this business case we set out our preferred approach as the basis for engagement with partners, the public and government.

Stronger Somerset is about how best to organise councils to secure better outcomes that mean every child starts well, every young person lives well, our older population ages well, our economy levels up and we deal with the climate emergency.

The failure of the current system is hampering progress. People deserve better from a Stronger Somerset – councils with the ambition to drive whole system change, to work collaboratively and integrate with others and catalyse revitalised services, well-being and prosperity.

Ambition - drive meaningful change in the local system, to ensure:

Every child starts well - 25% of children in Somerset live in poverty and more communities are becoming deprived. This must be tackled.

Every young person believes they can live well – some parts of Somerset have the lowest levels of social mobility in the country. Many young people feel the need to move out of Somerset to gain the education/employment to succeed. This must be tackled.

Our older population ages well – there is a growing older population and to ensure they stay healthy and have connectivity and suitable housing. Change is needed.

Our economy levels up and contributes nationally – we need a system where Somerset works across the sub-region to close the 15%+ productivity gap and improves skills, wages and opportunities in a clean and inclusive future economy. We need to ensure that our residents have a decent and affordable home.

Our transition to net zero – we need to turn our pledges on climate emergency into action in achieving a zero-carbon economy, reduce flooding and deliver sustainable transport.

The five main challenges are not felt in isolation. They reinforce each other, meaning citizens in Somerset generally experience lower levels of prosperity, have poorer life chances and experience a lower quality of life than elsewhere.

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We need reform to drive long term benefits for the people, places and productivity of Somerset

There are also national policy issues which shape the context in which our reform and re-organisation case needs to be considered. These include the unprecedented impact of Covid-19 and its longer term consequences.

Covid-19 has caused a public health crisis that is on-going and continuing to challenge public authorities across the world but it is evident that the economic and social implications are only just starting to be fully felt.

The government has announced that it will be publishing a white paper on devolution and local recovery in the autumn. This will connect local recovery with levelling up through:

Place based strategies to boost regional economic performance

A call for more unitary councils and for more elected mayors building on the experience of recent unitary developments which have adopted different models

Enhanced role for towns and parish councils in supporting their communities

We anticipate a White Paper on Planning reforms and our proposals assume that Plan for and deliver new homes in line with the White Paper; building on the districts' strong track record of delivery over and above the objectively assessed housing need.

Options assessment

We have assessed options using the HM Treasury Five Case Model, including tests for strategic fit, value for money, affordability and achievability. Under these headings we developed critical success factors which relate to the local context, national expectations for local government re-organisation and wider public spending guidance.

We considered a long list and identified four short listed options for consideration:

- **Option A: Status quo** - keeping the current councils
- **Option B: Do minimum** - build more collaboration between current councils
- **Option C: Stronger Somerset** - reform around two new councils working in collaboration with others
- **Option D: County unitary** - re-organise to create a single county unitary

These have been analysed for their suitability for Somerset: **Option C is the option that best delivers the Critical Success Factors.**

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Latest thinking on public service reform

Previous work by all Somerset councils before 2020 evidenced the need for new thinking and approaches. The County Council and the Districts fundamentally differ in our view of why we need to re-organise. The One Somerset case is only about delivering direct transition savings to the councils but that is dwarfed by the growing costs; it does not provide for a reform agenda that will tackle the big challenges facing our communities and stem growing costs. It is traditional and lacking in vision for better, modernised services and an improved quality of life for Somerset's communities.

Stronger Somerset would see those issues addressed through two completely new councils which adopt the latest thinking on public service reform, working in collaboration and combination integrating with others to drive change. This is unlike the One Somerset approach that simply creates a larger entity to do broadly what existing councils do today.

Traditional public service

approaches where organisations work alone to deliver services are ill suited to today's society.



Stronger Somerset represents a new approach, adopting leading practices around reform to make a tangible difference to services and quality of life by collaborating as part of an ecosystem – councils, communities, other service providers.

Our approach is designed to enable **flexible and adaptive service delivery** that is fit for this new age of public services with a different culture and ethos:

- From directingto enabling
- From centralising..... to sharing power
- From assessing.....to understanding
- From doing toto doing with
- From complianceto learning
- From silos.....to systems

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Why two new unitary councils?

Stronger Democratic Representation

The number of Elected Members proposed in total for the two Unitary Authorities compares favourably with that in the One Somerset proposal. It is more realistic in recognising Member workloads, capacity and resilience. It also guards against a democratic deficit and ensures adequate representation across our geography.

Our large geography and poor connectivity will lead to a greater risk of democratic deficit if the right structure is not in place.

Stronger Place Leadership

Our County is very large – 1,331 square miles – and has a very dispersed population, with 48% of residents living in a rural area (compared to 18% for England at the last census). It takes two hours to drive from the furthest reaches of the county from West to East.

Added to this, it takes people in Somerset 50% longer to access key services than the average for England. It would be impossible for a single unitary to do justice to the unique characteristics across our people and place.

The two areas comprising West and East are distinct from one another. West is characterised by towns and coastal villages and has reasonably good strategic road links to Bristol in the North and Exeter in the South. East, by contrast, relies upon a network of A-roads and minor roads. There are few alternatives, so disruption within this network causes significant delays and diversions.

People

The whole of Somerset is characterised by poor social mobility, but this is perhaps most felt in Somerset West. The former West Somerset authority area ranks 324th out of 324 Lower Super Output Areas (LSOA) for social mobility.

Business and Economy

The West and the East are characterised by distinct functional economic areas, travel to work areas and housing markets. Therefore, whilst there are some issues that cut across the county there are many features of the economy that are distinct in the East and in the West.

In the West businesses focus on nuclear and clean energy, tourism, construction, farming, food, retail, photonics, microelectronics and digital data. The East is different, with a concentration of aerospace, construction, manufacturing, food and drink, retail, tourism and agri-tech.

The West is home to Hinkley Point C, Europe's largest construction project and Bridgwater, the home of carnival. The East has the Glastonbury Festival, thought to be the biggest green field festival in the world and a large number of SMEs and start-ups.

With its heritage in alternative energy, and its coastline, Somerset West is well placed to explore further opportunities for alternative energy production. In the East, there are opportunities in agri-tech, advanced manufacturing, aerospace, retail and hospitality, manufacturing and food and drink.

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At the heart of the reform approach of Stronger Somerset are four priorities: reforming care, enabling communities, working together and collectively driving growth through two radically different councils within an ecosystem

Care

Social Care services provided by the County are struggling and are illustrative of the culture and behaviour that needs to change. The SEND review found significant weaknesses in identifying and meeting needs. Children's services provided by County have struggled for years - rated as *inadequate* and *requiring improvement* since 2015.

The new approach would introduce:

- Whole system commissioning - an alliance agreement
- Leading practice solutions to improve independence, restore preventative services and enable multi-disciplinary teams working in localities
- A fresh start for Children's Services, establishing a new Children's Trust **These proposals have been developed and tested with the Social Care Institute for Excellence (SCIE)**

We will create a new relationship with communities at the scale and on the issues that matter to them. Working with localities on geographies and identities that make sense to how people really live their lives.

Key features to include:

- Working with localities, based on geographies that make sense to people
- Developing Locality Agreements, helping communities define their wants and needs
- A flexible, charter-based approach to support local ownership, governance, presence and to build trust and joint working

We recognise the need to establish a Town Council for Taunton and commit to delivering this as part of our ongoing relationship with communities.

Connected

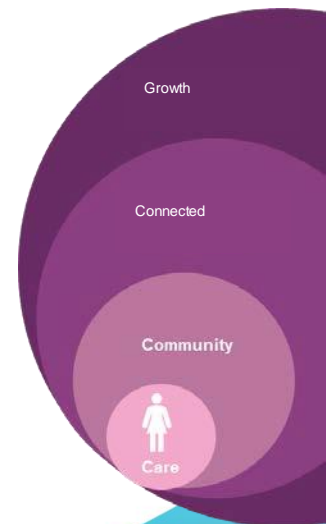
Collaboration between the two new councils will be assisted through creating new enabling services - to support Councils, Partners, Town and Parish Councils as well as Local Businesses and Residents.

- Integrated services delivery between councils and others where it makes sense – to ensure efficiency and share expertise
- New strategic capabilities, such as supporting the strategic commissioning capability in the Integrated Care System (ICS) and investing in modernising data and analytics to provide intelligence that enable better, data-driven decision making

Growth

We are committed to driving economic growth to "Level Up" and improve quality of life. This includes raising productivity across Somerset to the national average and working in combination with other authorities in the South West. Our offer is to work to create a Combined Authority – including a mayor - in return for powers and resources that results in Somerset becoming:

- a community of talent
- a great place to do business
- a great place in which to invest
- an imaginative place with a distinctive, proud identity



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Affordable. Deliverable. Sustainable

Stronger Somerset

Implementation costs repaid in less than three years

Our analysis illustrates that there is a clear benefit from change.

The County Council Network (CCN) said 'we should not just be looking at savings, rather which scenarios deliver the most appropriate platform for change, savings and improvements, now and in the future, so that we develop a sustainable sector for the future'.

Whilst the two unitary and single unitary options within a 5 year period achieve comparable overall NPV (between £52.75-£55.3m), it should be noted that **the reform agenda set out by two unitaries delivers greater long term benefits**. The reliance on direct financial benefits in a single unitary results in a lower long term financial benefit of £170.1m (option D). This is compared to the two unitary reform proposal (option C) which **delivers financial benefit of £203.7m**.

Our analysis has been predominantly focused on the combined revenue general fund budgets using available Medium Term Financial Planning information to assess costs and benefits that could be achieved by re-organisation and reform. Consideration will need to be given to factors such as reserves, business rates retention, council tax harmonisation, pay harmonisation, pensions, redundancies and potential receipts from property portfolio rationalisation. The financial analysis will need updating once the government plans for local government funding and finance are announced.

Summary of cost and benefits over five years	Option A: Status Quo	Option B: Do minimum	Option C: Stronger Somerset	Option D: One Somerset
Value of five years (£m)				
Cost to implement These are costs such as the programme team, support and advice, recruitment and redundancy, contingency and investment in better capabilities in areas like analytics				
Total implementation costs	-	2.22	13.81	12.81
Direct benefits These are costs and benefits from organisational changes to the structure resulting from integration and alignment such as leadership, management, support services and assets				
Total direct benefits	-	19.03	74.36	83.99
Total direct costs	-	3.22	22.84	22.18
Indirect benefits These are the indirect costs and benefits to the cost of service provision as a result of doing things differently in the new option, such as adopting leading practices in social care and in working with communities				
Total indirect benefits	-	-	39.29	16.57
Total indirect costs	-	-	12.48	4.75
Net costs / benefits	-	13.59	64.52	60.82
Net Present Value (£m)	-	11.54	54.56	51.94
Repayment period	-	Year 3	Year 3	Year 2

