



Member Briefing Review of the One Somerset Business Case

April 2021

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Agenda

01 Brief introduction to PA Consulting, our credentials

02 Our approach to this report

03 Key findings

04 Questions on our analysis

About PA Consulting

- Innovation and transformation consultancy, 3200 people
- Significant public sector focus across all areas of government, including local government, NHS, policing, central government, higher education, associated bodies, regulators, service delivery organisations
- Recent local government experience includes working with 25+ local authorities on adult social care change programmes, central support to MHCLG during Covid-19 and multiple local government reorganisations
- Capabilities span organisational design, strategy and business cases, data and analytics, culture change and transformation, digital and care technology

98%

It's a fact that 98% of clients would recommend us based on our work

Source: PA's annual client satisfaction survey.



Leading experts in public sector business cases

- Extensive public sector business case expertise. We have supported over 50 cases with a combined value of over £50bn over the last 3 years including central government, local government, transport, health and policing
- We were the first consultancy to become an accredited training organisation for HM Treasury's Better Business Cases™ qualification
- We support all aspects of the business case process, developing, assuring and reviewing cases, as well as setting up business case centres of excellence within organisations
- We apply an in-depth understanding of the government's Green Book and Five Case Model guidance
- Extensive client list including central government (including MoD), NHS CCGs and Hospital Trusts, Universities and Local Authorities, delivering programmes at pace for ventilators to vaccines, road to railways



Approach and structure

Introduction to the PA report

- Analyses One Somerset business case
- Commissioned by Districts to inform their response to current consultation process
- Notes we have been supporting the District Councils to prepare the Stronger Somerset Business Case

Our methodology

- Primarily focused on desktop review of the document
- Referred to a range of other documents / data sources
- A number of conversations with the Stronger Somerset team – all listed

Outline Structure

1. An Executive Summary
2. A review of evidence and analysis included the business case
3. Analysis of the degree to which the business case meets the three MHCLG tests:
 - a) Improving the area's local government
 - b) Commanding a good deal of local support
 - c) Covering an area that provides a credible geography

Six key findings

1. Not a comprehensive, long-term business case to 'improve the local area.' It is focussed on the immediate reorganisation of structures.

2. One Somerset does not make the case for financially sustainable change

3. The case lacks the evidence and level of analysis commensurate to a decision of such local significance.

4. Does not seek to respond to significant challenges that Somerset faces

5. A single unitary structure risks Local Government becoming disconnected from its people and places

6. Regarding local support, we did not find sufficient evidence to substantiate One Somerset's claims of support





Questions ?

01

Appendices

Summary of findings

Further detail on analysis

1. Not a comprehensive business case to ‘improve the local area’ and reform local government for the longer term - focussed on the immediate reorganisation of structures.

- a) The financial analysis only covers the immediate restructure and is silent on anything beyond that (investment in op model, service reform)
- b) The starting point – what enables best services and outcomes - form follows function
- c) Case misses the opportunity to set out a compelling and detailed plan to reform services to improve outcomes

2. As a result - One Somerset describes a set of one-off financial benefits but does not make the case for financially sustainable change

- a) Financial analysis only goes up to 2024/25 and continues to project a deficit at that stage of approximately £3.7m
- b) Deficit will rise without further action to change trajectory of spending
- c) This is prior to considering the growing pressures on services, exacerbated by performance issues which need fixing

Further detail on messages

- 3. The case lacks the evidence and level of analysis commensurate to a decision of such local significance.**
- a) The broad ambition and vision is not backed up by plans, costs or detail
 - b) Detail of the case is not aligned to the overall scope it sets out – not in line with HM Treasury guidance for public sector business cases, stipulated in the Five Case Model. The case sets out the vision and ambition, but the subsequent evaluation of options does not correlate to them
 - c) The modelling is overly simplistic for a business case of this significance and assumptions are not stated in full
 - d) The qualitative options analysis not done vs. a clear framework and not always impartial
 - e) Conflates an argument for unitary government which Stronger Somerset also argues for, with an argument for a single unitary

Further detail on messages

4. Does not seek to respond to significant challenges that Somerset faces.

- a) There is a lack of detail and analysis of the current challenges or the key reforms required to deliver better services
- b) Despite performance challenges
- c) There is little discussion of how children's services plan to complete the long-running improvement journey they are currently on, or detail for how adult's services will deal with the substantial demographic challenges it faces
- d) This makes it difficult to be confident about the trajectory of key services in a One Somerset model

Further detail on messages

- 5. A single unitary structure risks Local Government becoming disconnected from it's people and places. The business case doesn't mitigate this risk.**
 - a) Somerset is large and diverse
 - b) One Somerset reducing the number of councillors from 269 to 100, leaving average representation of 5,630 per councillor compared with ~ 3,150 in the rest of England on average
 - c) This aggregates representative boundaries into bigger areas and risks losing the capacity and ability to "hear" local voice
 - d) The inclusion of Local Community Networks is a potentially promising but the design outlined here suggests the approach is too top down to foster a genuinely localist approach

- 6. Regarding local support, we did not find sufficient evidence to substantiate One Somerset's claims of support.**
 - a) Statements outlining local support are not supported with evidence, leaving them as assertions
 - b) The business case does not publish the any detail behind its survey establishing public support
 - c) Undermines confidence and robustness

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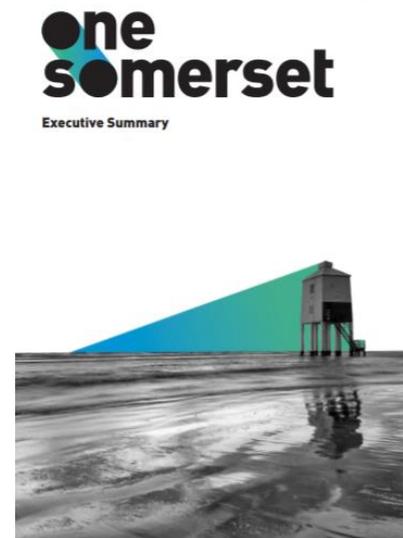
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About PA.

We believe in the power of ingenuity to build a positive human future in a technology-driven world.

As strategies, technologies and innovation collide, we create opportunity from complexity.

Our diverse teams of experts combine innovative thinking and breakthrough use of technologies to progress further, faster. Our clients adapt and transform, and together we achieve enduring results.

An innovation and transformation consultancy, we are over 3,200 specialists in consumer, defence and security, energy and utilities, financial services, government, health and life sciences, manufacturing, and transport. Our people are strategists, innovators, designers, consultants, digital experts, scientists, engineers and technologists. We operate globally from offices across the UK, US, Europe, and the Nordics.

PA. Bringing Ingenuity to Life.

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