

Stronger Somerset

**Our proposal for reform and
reorganisation to better
deliver for people, places and
productivity across Somerset**

Full Proposal



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Foreword

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 focused 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.

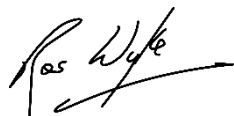
To achieve this, we propose a programme of reform to local government and public services to ensure modern and responsive services that are efficient, are close to people and which have the ability to act strategically. Our proposals will ensure collaboration and integration across the system so that organisations and services are connected 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 Western Somerset Council and a Eastern Somerset 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.



Stronger Somerset

Our proposal for
reorganisation and reform to
better deliver for people,
places and productivity
across Somerset

Executive Summary



Executive Summary

Our Vision for reform through reorganisation

**Stronger
Somerset**

The creation of Western Somerset Council and Eastern Somerset Council will deliver a sustainable local government structure, capable of effectively representing and responding to our diverse communities, growing an economy that works for all, tackling the climate and ecology crisis and supporting our residents to thrive. These councils would be supported by a Combined Authority, with the power and resources to manage devolution and help drive a wider strategic agenda for the region.

Why this option?

We believe this is the right option because:

- It passes the MHCLG tests for unitary authority proposals – it will improve services, save money, has strong and evidenced local support and covers a credible geography;
- It is the only option where re-organisation will provide an effective platform for the reform that Somerset urgently needs;
- It is the only option which delivers sustainable local government for Somerset. By combining intelligent organisation design with shared enabling services, and by bringing forward the benefits of reform, it delivers equivalent financial benefits to a single unitary over a five-year period and exceeds it over ten years;
- It establishes two representative authorities which will collaborate where it makes sense, but which have the capacity to meet the distinct needs and priorities of their local areas and economies
- It includes an ambitious agenda for devolution and the formation of a Combined Authority to enable accelerated progress on levelling up Somerset's economy, productivity, social mobility and tackling the climate crisis

- It establishes local organisations that can effectively represent constituents and cover a practical geography. A single unitary option would breach MHCLG's advisory population ceiling within a decade and create a disconnected local authority that cannot represent the diversity of Somerset.

Stronger Somerset represents a genuine opportunity for a fresh start, resulting in ambitious, agile and capable authorities, which will go further faster.

Options assessment

In coming to a preferred option, we have assessed a short list against the MHCLG tests, set out in the Secretary of State's invitation of 9 October, as well as a set of Critical Success Factors aligning to the HM Treasury Five Case Model guidance. These include tests for strategic fit, value for money, affordability and achievability. As well as national guidance for local government re-organisation, our critical success factors relate to the local context and wider public spending guidance.

From a long list we identified four short-listed options for consideration:

- **Option A: Status Quo** - keeping the current councils
- **Option B: Do minimum** - building more collaboration between current councils
- **Option C: Stronger Somerset** - reform around two new unitary councils in the East and West of Somerset
- **Option D: County unitary** - reorganisation to create a single county unitary

Option C best fulfils the criteria and is the foundation of the Stronger Somerset proposal.

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Councils in Somerset all 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. Despite this, Somerset is underperforming and falling far behind the national average in too many respects.

Our system of local government is not responding sufficiently to tackle the issues our communities face. A fresh start is needed to combat these challenges, while seizing the opportunity to push forward in growth areas.

Young People

Too many people – particularly children – in Somerset are experiencing deprivation. 25% of children in Somerset live in poverty and an increasing number of Somerset neighbourhoods are now ranked within the top 10% most deprived areas nationally. Some parts of Somerset have the lowest levels of social mobility in the country. Many young people move out of Somerset to gain the education and employment they need to succeed.

Older People

The population of Somerset is changing and becoming older. This has significant implications for what and how public services are delivered. Challenges to ageing well that are common across the country are amplified in Somerset by age profile, isolation and poor connectivity – both physical and digital.

Environment

The environment provides both natural capital and challenges in Somerset with the rural and coastal nature of the region having an impact on the cost of services and access and can raise issues of exclusion and isolation.

Somerset is particularly exposed to climate change impacts with significant coastal areas and the Somerset Levels, large parts of which are at or below sea level.

Economy

Low wages, skills shortages, poor productivity with a high cost of connectivity and housing all act as barriers to prosperity. The Somerset economy is less productive than comparable areas and more at risk of the economic impact of COVID-19. Lack of access to decent affordable homes and poor physical and digital connectivity is creating challenges in both accessing services and in supporting clean, inclusive growth.

National Policy

National policy issues also shape the context for our proposed reorganisation and reform and need to be considered in thinking through and designing our preferred option.

The unprecedented impact of COVID-19 is continuing to challenge public services across the world, but it is evident that the economic and social implications are only just starting to be fully felt.

We have the opportunity to be at the forefront of delivering on the Government's ambition to build back better post-COVID and after leaving the EU. Growing momentum behind the green agenda and the Government's 10-point environment plan also offer opportunities for Somerset.

The current system of local government is not set-up to address Somerset's strategic challenges. It is inefficient and does not respond to local needs and opportunities. Critically the complexity and challenges facing public services today require more than structural reorganisation – this must be coupled with **reform**, which can be boosted through devolution.

Through this proposal we set out our preferred approach, Stronger Somerset, as the basis for engagement with partners, the public and government. At its heart, this is about how best to organise councils, within the wider system, to provide the strategic leadership needed to drive better outcomes, meaning every child starts well, every young person lives well, our population ages well, our economy levels up and we tackle the climate emergency

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At the heart of the Stronger Somerset reform approach are four priorities: people, communities, connectivity and growth

People

People services provided by the County are struggling and are illustrative of the culture and approach that needs to change. Children's services have struggled for years – rated as inadequate in 2015 and requiring improvement to be good in 2017, with a recent SEND review finding significant weaknesses. Education services need to encourage the highest aspirations and achievement. In Adults' services performance is variable with an overly centralised approach.

The new approach, developed and tested with the Social Care Institute for Excellence (SCIE), will see two Directors of Adults' Services (DASS) and one Director of Children's Services (DCS) introduce, in collaboration with partners:

- A fresh start through establishing a new Children's Services Delivery Vehicle, separate from but accountable to the councils, enabling outstanding practice and with schools supported to play key local leadership roles. Reformed Adults' services to expand strength-based practice, delivered through locally specific neighbourhood teams which align to Somerset's 13 Primary Care Networks
- Strengthened pathways to independence maximising the independence of children, young people and adults with disabilities
- Investment in early intervention and prevention
- Technology-enabled care services.

Community

We will create a new relationship with communities at a scale and on the issues that matter to them. Working flexibly with localities on geographies and identities that relate to how people really live their lives. Key features include:

- Working with localities, based on geographies that make sense to people
- Developing locality agreements, and family and wellbeing deals, helping communities define their wants and needs
- A flexible, charter-based approach to support local ownership, governance, presence, building trust and joint working
- Working to establish a town council for Taunton.

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Connectivity

Collaboration between Western Somerset Council and Eastern Somerset Council will be achieved by creating new enabling services. This will support councils, partners, town and parish councils, as well as local businesses and residents.

Collaboration and connections between the independent councils will include:

- Integrated service delivery between councils and others on shared back office activities where it makes sense – to ensure efficiency and share expertise through a shared enabling service
- **Working together on strategic issues and sharing new strategic capabilities**, such as commissioning in the Integrated Care System (ICS) and investing in digital services as well as modern data and analytics with regional partners. This will provide insights and intelligence that enables better, data-driven and evidence-based decision making
- Providing enabling functions to towns, parishes, community and voluntary organisations (among others) to help them focus on maximising their impact

Growth

Poverty and inequality are bad for growth and have huge costs for individuals and services. Low paid work creates a cycle of poverty and can mean communities feel left behind and do not feel the benefit of growth. It also comes at a high cost to the taxpayer.

Whilst unitary local government will help us to address a number of our economic challenges more effectively, we also recognise that our ambitions need to be supported by an ambitious and progressive devolution agenda that can help us **become a positive net contributor to the Exchequer**.

We have identified seven devolution themes:

- Boosting business and productivity
- Carbon neutrality and climate resilience
- Delivering better digital connectivity
- Transport infrastructure and physical connectivity
- Improving skills and social mobility
- Creating thriving places
- Delivering sustainable housing development.

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Why two unitary councils?

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 reorganise. The One Somerset case is only about delivering direct transition savings to the councils but that will be quickly dwarfed by the growing costs; it does not provide for a reform agenda that will tackle the big challenges facing our communities and create sustainable services.

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 and 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 directing
From centralising
From assessing
From doing to
From compliance
From silos

...to enabling
...to sharing power
...to understanding
...to doing with
...to learning
... to systems

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Why two new unitary councils?

The Right Size

Somerset's population will be more than 600,000 people within ten years. Our county is also very large – 1,331 square miles – which means our population is dispersed, with 48% of residents living in a rural area (compared to 18% for England at the last census). It takes people in Somerset 50% longer than average in England to access key services.

Western Somerset and Eastern Somerset are distinct from one another. The West is characterized by towns and coastal villages and has reasonably good strategic road links to Bristol in the North and Exeter in the South. The East, by contrast, relies upon a network of A roads and minor roads.

In terms of our economy, Western Somerset and Eastern Somerset have different characteristics, comprising distinct functional economic areas, travel to work areas and housing markets. Whilst there are some issues that cut across the county there are many features of the economy that are different.

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

In addition, there are complex varying needs of physical geography, climate, demographic divergence and connectivity

It would be impossible for a single unitary to do justice to the unique characteristics across our people, place and economy. Two unitaries will allow for local, regional and national priorities to come to fruition.

Stronger Democratic Representation

Two councils working together will enable scale on strategic issues, as well as greater efficiency but crucially, remain accountable to the people they serve with a close understanding of their needs. In a county of this size, one council would be too remote, undermining the concept and role of "local" government as being close to, accountable to and representative of its communities.

The number of Elected Members proposed with up to 100 each in Western Somerset and Eastern Somerset Council will mean better representation and is more realistic in recognising Member workloads, diversity, capacity and resilience. It also guards against a democratic deficit and ensures stronger representation across our geography.

A Fresh Start to enable reform and cultural change

The task of genuine transformation is much easier to achieve by creating genuinely new organisations with a new identity. The current arrangements are costly and deliver poor outcomes across a number of areas from productivity to children's services. Genuine Transformation has been a challenge for the County Council and its proposal contains no acknowledgement of the need for or ambition for reform to create either sustainability or better outcomes. With one council, following the geography of the county council, current cultures and practices risk being perpetuated and standing in the way of genuine reform and cultural change required to deliver better services, better community outcomes and sustainable services.

Strong Local Support:

The Programme has engaged with the Devon and Somerset Fire and Rescue Authority and Avon and Somerset Police and we will continue to do so. This engagement has included discussion of what impact local authority arrangements would have on provision of wider local services. The same work has been undertaken with our partners in the NHS, at

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both strategic and operational level.

85% of District Councillors supported the Stronger Somerset proposal in votes at Full Council meetings in each of the four districts achieving significant cross-party support.

An opinion poll was undertaken to gauge public support for local government reorganisation in Somerset, and specifically, support for the Stronger Somerset proposal. A statistically representative sample of more than 2,000 individuals was canvassed by telephone survey. Respondents were asked to indicate their preference towards: No Change (23%), Closer Collaboration (27%), Stronger Somerset (29%) and One Somerset (just 15%). When questioned again, those that answered 'No Change' were asked to

indicate their preference between the Stronger Somerset proposal (58%) and One Somerset (20%).

An online campaign has reach 250,000 people across Somerset with 80% or respondents expressing support for the Stronger Somerset plan.

We are undertaking an extensive and ongoing programme of engagement to test our thinking to date, to gather further ideas and feedback on how we can best work with partners, providers, staff and service users to provide the best possible services to residents across Somerset.

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Affordable. Deliverable. Sustainable

A positive return can be achieved within three years

Our analysis illustrates that there is a clear benefit from Stronger Somerset and the reform agenda we propose.

As a report* commissioned by the County Council Network (CCN) has said "The challenge therefore is not to simply evaluate each scenario in terms of its ability to make savings but rather to identify the scenarios that relate best to the public service reform agenda, and hence create the most appropriate platform for sustainability, transformation and continuous improvement into the future".

Whilst the two unitary and single unitary options within a 5-year period achieve comparable overall NPV (between £50.98-£53.60m), 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 £183.29m (Option D). This is compared to the two unitary reform proposal (Option C) which **delivers financial benefit of £215.29m**.

*Independent Analysis of Governance Scenarios and Public Service Reform in County Areas. EY plc September 2016

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	-	(2.22)	(17.47)	(18.85)
Direct costs and benefits				
These are costs and benefits from structural organisational changes resulting from integration and alignment such as leadership, management, support services and assets				
Total direct benefits	-	19.39	74.48	84.86
Total direct costs	-	(3.22)	(22.84)	(22.18)
Indirect cost and 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	-	-	49.13	24.56
Total indirect costs	-	-	(19.47)	(8.06)
Net costs / benefits	-	13.59	63.83	60.33
Net Present Value (£m)	-	11.85	53.60	50.98
Repayment period	-	Year 3	Year 3	Year 3

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Introduction and purpose



1. Introduction and purpose

This proposal sets out our ambitious proposal for reform and reorganisation of councils within Somerset to create a sustainable model, capable of delivering desperately needed improved outcomes

Introduction

Councils in Somerset recognise the current arrangements of local government need to change.

We believe that the need to change is as much to do with culture and approaches of current organisations as it is to do with their structures

We have set out our desire to create a clear purpose and ambition for local government, which informed consideration of potential alternatives

In light of the County Council's decision to withdraw from shared discussions and pursue a proposal for a single county unitary we have considered alternatives

Our desire is to create closer collaboration and integration that improves outcomes relevant to all areas of Somerset.

Any change to local government structures needs to be agreed with government and approved by Parliament.

Purpose

This proposal sets out ambitions for reform and reorganisation of local government in Somerset.

We started by considering our objectives for reform. We then considered whether reorganisation would better enable the achievement of those objectives

We considered the options most likely to deliver the greatest benefits against critical success factors which draw on national objectives and our local context

We then developed our preferred option and how it would improve outcomes through how councils operate in the future

This process has helped develop our preferred approach and we now want to take time to properly engage partners, stakeholders and the public on our reform objectives and reorganisation proposals

We have now engaged partners, stakeholders and residents on our reform objectives and reorganisation proposals. We are committed to continuing to listen and engage as the process moves forward to address the challenges of Somerset.

Approach

We have applied the principles of the HM Treasury 'five case model' for business cases. This is an approved methodology that underpins

all major government business case decisions and helps ensure that key, relevant criteria and options are considered.

It also permits criteria such as the ability to affect the public service outcomes in Somerset to be considered and factored into the option appraisal and engagement process

The five cases follow the following themes:

- **Case for change** – This 'strategic case' sets out the legislative and strategic context, and critical success factors
- **Options** – This 'economic case' appraises the options (including the 'Status Quo' model), against the critical success factors to identify a preferred option

We have set out how we will implement the preferred option as one Stronger Somerset chapter (Section 04) covering the remaining three cases:

Commercial Case – sets out the implications and key features of the preferred option

Financial Case – reflects the financial benefits and costs to the Somerset system

Management Case – outlines how the preferred option can be delivered, including our next steps

Introduction and purpose

The criteria used for assessing local government reorganisation proposals are subject to review. The Ministry of Housing, Communities and Local Government has indicated that proposals should meet the following requirements:

1. Improving the area's local government
2. Command a good deal of local support across the area
3. Cover an area that provides a credible geography
4. Describe clearly the single tier
5. How the single tier is expected to achieve the outcomes desired
6. The need for evidence and analysis to support a proposal and an explanation of the outcomes expected to be achieved
7. Evidence of local support
8. Impact on other public sector boundaries / geographies
9. Any wider context around promoting economic recovery and growth, including possible future devolution deals and Mayoral Combined Authorities

The table below indicates how our Proposal will meet the criteria and signpost where in this document each is referenced:

Introduction and purpose

Criterion	Evidence	Reference in this document
1. Improving the area's local government	<p>This proposal outlines the following evidence against our Critical Success Factor 1, around 'improving the quality of public services' in Somerset. Option C Stronger Somerset will:</p> <ul style="list-style-type: none"> • Provide a fresh start with the capability to reflect the distinct needs of communities and to work together where advantageous to deliver better services and outcomes • Maintaining adequate and effective representation through up to 100 councillors per unitary • Work with localities and deliver alternative service models of care and support which will emphasise preventative and asset-based approaches, and taking a system wide partnership approach, bringing greater public sector benefits Create a strong incentive and potential to create a robust platform for change, through the generation of two entirely new councils • Provide critical mass to engage and influence sub-regional partnerships and respond to area needs on a local basis. 	Options, Section 3
2. Command a good deal of local support across the area	<p>In developing our proposals, we have engaged extensively with local MPs, partners, local councils, voluntary and community organisations and the public. This includes holding 23 engagement sessions with more than 200 organisations in total and a social media campaign reaching more than 250,000 residents. 117,000 people have engaged with a Stronger Somerset social media posts. Through our engagement and individual conversations, local public service leaders and organisations have been positive about our ambitions as well as our plans for reorganisation and reform. The sessions have been productive and we have used their feedback to iterate and strengthen our proposal.</p> <p>To quantify the public's opinion on the options available, we have engaged Ipsos MORI to carry out statistically representative polling in Somerset, this shows strong support for the Stronger Somerset proposal over One Somerset (see further detail below under 7).</p>	Delivering a Stronger Somerset, Section 4; Appendix of survey results

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<p>3. Cover an area that provides a credible geography</p>	<p>This proposal outlines the following evidence against our Critical Success Factor 5b, around 'local deliverability, assuming credible geographical coverage and minimising the impact on public sector boundaries. Option C Stronger Somerset will:</p> <ul style="list-style-type: none"> • Bring no change to the overall geographic footprint of Local Government with East and Western Somerset boundaries formed by utilising existing District boundaries • Simplify two-tier arrangements to a unitary which is the preference of policing, LEP and other partners. • Ensure good alignment with PCC and Fire and Rescue structures - each new unitary matches delivery boundaries for PCC, and Fire Authority – enabling strong operational linkages, whilst recognising that in Somerset the PCC and Fire & Rescue Authorities are not coterminous • Align to the ICS and ICP, which is coterminous with the boundaries of both areas (most ICS cover more than one authority) • Work closely with schools, colleges and other education providers so that every child can access the help they need to achieve the highest education standards • The geographic split takes into account the differing cultural, economic and social characteristics of East and Western Somerset, and retains democratic representation at a meaningful local level that is connected to people and communities 	<p>Options, Section 3</p>
<p>4. Describe clearly the single tier</p>	<p>We have a clear vision for a localised service model based on a West / East split and single reform principles across both. At the heart of this approach are four priorities: people, communities, connected and growth, which are made possible by two different councils working together and with others within the wider ecosystem. We describe this at a high level in appraising options and in detail through definition of our Operating Model and the approach to delivering Reform in Section 4.</p>	<p>Options, Section 3; Delivering a Stronger Somerset, Section 4</p>

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5. How the single tier is expected to achieve the outcomes desired	<p>We have developed an evidence-based appraisal against our agreed Critical Success Factors. This compares the outcomes being achieved under each option against our desired outcomes.</p> <p>In summary:</p> <ul style="list-style-type: none">• it establishes two authorities – Western Somerset Council and Eastern Somerset Council.• They will be designed to a common framework, which will make it easier to share the 'lights on' capabilities needed by any organisation to operate effectively, helping us drive efficiencies through a shared enabling service whilst retaining an independent focus on our priorities• it delivers comparable financial benefits to the alternative of a single county unitary over a five-year period and exceeds it over of a longer time frame because we will bring forward the benefits of reform• it brings together council responsibilities to enable benefits from integrated accountabilities both within what local authorities do and across the wider public sector• it strengthens our ability to work at the sub-regional level across a range of agendas such as climate change, boosting business and increasing connectivity, and to work towards a combined authority with devolved powers and responsibilities that can enable further accelerated progress on levelling up Somerset's economy, productivity and social mobility• Most importantly, Stronger Somerset represents a genuine opportunity for a fresh start. A new settlement for local authorities in our area, resulting in ambitious, agile and able authorities who go further faster than any continuation of authorities today can.	Options, Section 3; Delivering a Stronger Somerset, Section 4
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Introduction and purpose

<p>6. The need for evidence and analysis to support a proposal and an explanation of the outcomes expected to be achieved</p>	<p>Development of our Reform Priorities describes how these outcomes will be delivered in practice, detailing the operating model to deliver each. In summary we will:</p> <ul style="list-style-type: none"> • Create Western Somerset Council and Eastern Somerset Council to focus on the distinct needs of local areas • Establish a shared enabling service for 'lights on' capabilities that all organisations require to operate effectively and where we will drive internal efficiencies • Operate at a human scale closer to the communities that we service with shorter delivery chains, fewer layers and more decentralised management • Integrated working and place leadership bringing together multiple-discipline and multi-agency teams, including voluntary, community and social enterprise partners and redesigning processes to deliver effective outcomes • System leadership across the sub-region to provide strategic direction and create the foundations for a collaborative approach to achieving shared priorities. <p>Section 4 describes how we will deliver the change successfully, implementing a realistic timeline of activity, a robust programmatic approach, structures and governance and clear model for benefits realisation.</p>	<p>Options, Section 3; Delivering a Stronger Somerset, Section 4</p>
<p>7. Provide evidence of local support</p>	<p>To quantify the public's opinion on the options available, we have engaged Ipsos MORI to carry out statistically representative polling in Somerset. This reveals a strong public preference for two unitaries (Eastern and Western) over a single unitary. When presented with the options, respondents were asked to indicate their preference towards: No Change (23%), Closer Collaboration (27%), Stronger Somerset (29%) and One Somerset (just 15%). When questioned again, those that answered 'No Change' were asked to indicate their preference between the Stronger Somerset proposal (58%) and One Somerset (20%). The survey also revealed strong support for localism and devolution where 66% supported further devolution and 71% greater localism respectively. Further results from the survey are included in the appendix.</p>	<p>Delivering a Stronger Somerset, Section 4</p>

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8. Consider the impact on other public sector boundaries / geographies	<p>The policing of the area covered by Somerset County Council is managed by Avon and Somerset Police, with two divisions – West and East – whose boundaries are exactly coterminous with the proposed two unitaries.</p> <p>Fire and Rescue Services in Somerset are governed by the Devon and Somerset Fire and Rescue Authority. Regardless of the outcome of any Local Government restructure in the existing Somerset County Council area, the governance arrangements for the service would remain unchanged, except that appointments to The Fire and Rescue Authority currently made by Somerset County Council might be made by either one unitary authority or two unitary authorities, i.e. the total number of appointments would not change.</p> <p>Any changes to the existing local authority governance arrangements in Somerset would, therefore, have no impact on the provision of fire and rescue services across Devon and Somerset.</p> <p>Engagement with The Safer Somerset Partnership, currently hosted by public health, will be simplified by the move to unitary government, with fewer councils involved and boundaries unchanged.</p> <p>In terms of health – the boundaries of Eastern and Western Somerset are coterminous with the boundary of the emerging ICS, which covers both areas (established in shadow form in June 2020). Engagement with health will be simplified by the move to unitary government and our wider proposals are very much in keeping with the new Somerset ICS's vision "Fit for my Future."</p> <p>Our proposed reform of Adults' services will involve basing delivery around locally specific neighbourhood teams which will align with and strengthen Somerset's 13 Primary Care Networks, ensuring we work as closely and effectively as possible with local health services. Any locality agreements which include health and wellbeing elements will also be structured around the Primary Care Networks.</p>	Delivering a Stronger Somerset, Section 4
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9. Any wider context around promoting economic recovery and growth, including possible future devolution deals and Mayoral Combined Authorities	<p>Growth will be taken forward at three levels: i) Localism will empower town and parish councils, working with the unitary authorities to take forward place based growth for example revitalising town centres ii) each council will focus on driving growth specific to its functional economic area which it contains and to the specific sectors, strengths and opportunities which are different between east and west iii) both councils will work together and with others through a combined authority to address the strategic issues that will enable stronger economic growth for example connectivity and strategic infrastructure.</p> <p>Our devolution proposals are still formative and we will develop these further with our geographical neighbours and in the context of the broad partnerships and joint working arrangements that exist in our region. We also welcome the chance to further discuss our ambitions and plans with central government as future policy is developed and communicated as part of the white paper. We also recognise that the precise configuration and shape of any Combined Authority will also be critical decisions for the new authorities established post LGR.</p> <p>Whilst funding asks are still being developed, we anticipate seeking a “Single Pot” approach to Local Growth, which will involve:</p> <ul style="list-style-type: none">• A devolved, multi-year settlement. This will accelerate the delivery of public investment and leverage more sustained private sector investment in our region – both of which are critical issues for post-COVID-19 recovery• Flexible funding - which will enable investment to be made on a more integrated basis across policy areas, and thus allow us to prioritise a programme of interventions which will have maximum impact on productivity and good growth• Alignment of other funding sources and settlements set out below. This would provide more certainty and deliver better value for money• A 'gainshare' mechanism to share the benefits of improved growth and/or better outcomes• A robust single pot assurance framework, building on best practice and developed in line with HMT Green Book guidance, which we would agree upfront with Government.	Delivering a Stronger Somerset, Section 4
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02

Case for Change

2. Case for change

This section corresponds to the strategic case and sets out the legislative and strategic context, and the critical success factors for any reform of local government in Somerset

Summary

The case for change sets out the legislative and strategic context for considering the reform of local government in Somerset, setting out drivers for change and summarising the key opportunities and strategic risks.

This provides the context and critical success factors for appraising the options. It does not assess the reorganisation options but provides information that is material to that assessment in the options assessment. The strategic case does not recommend a particular option.

It is set out in four main sections:

- **About Somerset** – this provides the strategic context for change setting out key facts about Somerset and local government
- **Drivers for change** – this details the drivers for change at a national and local level. It looks at national policy direction, sector reviews and research evidence into the role and form of local government and public service challenges. It also considers continuing financial pressures and public perceptions about local councils
- **Reform objectives** – this considers the local case for change for any alternative model. It considers the local performance, financial considerations, demand and objectives which any future model will need to address in the medium to long term

- **Project objectives** – this sets out what we are trying to achieve through restructure of Local Government in Somerset

Somerset and key facts



2.1 About Somerset

There is more than one Somerset – we have distinct rural and coastal identities and numerous towns, spread over 1,331 square miles. Somerset* will be home to more than 600,000 people by 2028. However, economically, we are underperforming * Here we refer to the geographical coverage of Somerset County Council

Somerset place

Somerset is a large area representing around 2.6% of England's land area across diverse landscapes and many different towns.

- There are at least seven distinct landscape areas ranging from the Mendip Hills, Exmoor and Quantocks to the Somerset Levels and Moors
- The Levels and Moors are the UK's largest wetlands area at 650km², much of which lies below the level of the high spring tides. It is susceptible to flooding, as experienced in 2013-14 which led to the pioneering Somerset Rivers Authority
- All cities and towns are medium and small (under 75k population) but growing, with a diverse spread of employment growth. Taunton has garden town status and plans 13,000 new homes by 2028

Somerset people

Somerset has a significant, growing but unbalanced population that will reach more than 600,000 by 2031.

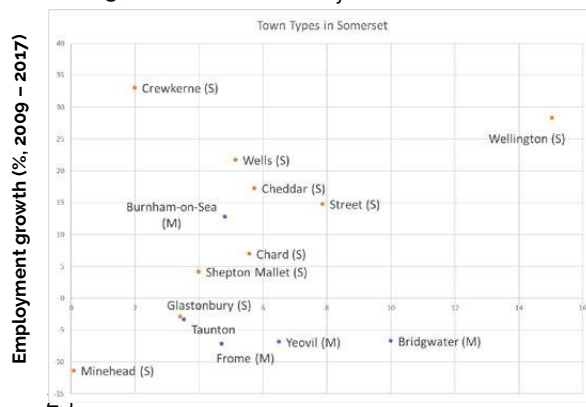
- The Somerset population is projected to rise by around 12% between 2016 and 2041, to 624,800
- Projected growth amongst the 65+ age group is even greater, at around 35%, and the number of people aged 75 or more is projected to almost double, to close to 117,500. By 2033 the population in their 80s will be equivalent to those in their 20s
- The 'working age' population is projected to witness a slight (-0.5%) decline. There are already fewer working age people (57.5%) than both the South West (60.1%) and England (62.4%)

Somerset performance

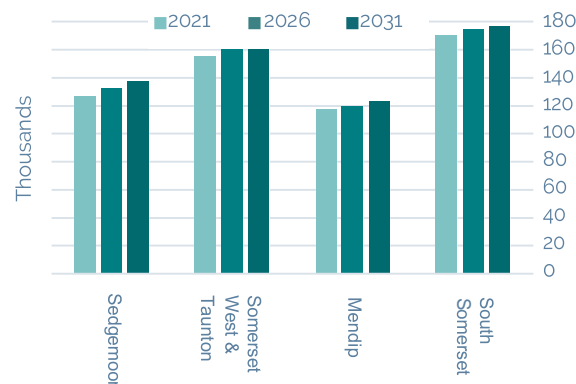
Somerset has significant potential but currently underperforms, both regionally and nationally.

Somerset GVA growth 2008-2017 was 60% of that of England - equivalent to £3.3bn in 2017. This gap is forecast to continue widening

- Productivity is 82% of the national average
- Skills at NVQ Level 4+ are below the national average
- Net business births were less than half the national average
- Somerset West was a distant worst performer in the national Social Mobility Index



Employment growth (% 2009 – 2017)



Measure	Somerset	CCN	England
Employment growth annual (2008-2017)	0.5%	0.8%	0.8%
Productivity level (£ks/job) (2017)	40.7	46.0	49.7
NVQ Level 4+ (16-64) (2016)	34.5%	36.5%	37.9%
Net business births per 1000 pop. (2015)	1	1.6	2.1

2.1 About Somerset

No single organisation is responsible for public services outcomes across Somerset. Partnerships and collaboration are essential as councils need to work not just with each other but with others to tackle complex issues

Economic recovery and growth

Somerset is part of the Heart of the South West Local Enterprise Partnership (HotSW), which covers Devon, Plymouth, Torbay and Somerset.

There are 38 Local Enterprise Partnerships (LEPs) across the country, established in 2011, which are business-led partnerships between businesses, councils, universities and colleges. The LEP identifies common priorities and seeks to attract resources and investment

HotSW has led development of the Productivity Plan and Local Industrial Strategy and has agreed Growth Deals with the Government of over £240m in three tranches (the 16th highest total of all LEPs). The first two rounds of growth deals saw investment of nearly half a billion pounds in strategic and local transport infrastructure

There is also a Somerset Growth Board involving the councils and representatives from the LEP, local businesses and the further education colleges which was established in 2014. This has developed the Somerset Growth Plan, and now recovery plan

As districts we have been developing some of the most innovative initiatives delivered at this level

growth (50+ since 1978), partnerships are and will continue to be vital for growth and productivity going forward. We need to work together better locally and regionally

Skills

Skills and employment funding streams are centrally managed in many instances, with departments and agencies responsible for spending more than £10bn a year.

In Somerset we need a focus on skills across all ages and to address the low skill and low wage economy we current experience. We have fewer people qualified to NVQ Level 4+ than elsewhere.

Much has been made of the lack of a university within Somerset, and we are a higher education cold spot, however, we are also blessed with numerous excellent universities in our wider region. Our local further education institutes were both successful as part of the first wave of 12 Institute of Technology collaborations which involve employer-led organisations offering higher-level technical education to help close skills gaps in key STEM areas such as education, digital, advanced manufacturing and construction

Yeovil College is part of the initiative led by Weston College and while Bridgwater and Taunton College is part of the initiative led by the University of Exeter

Climate and environment

All councils in Somerset declared climate emergencies over the last year and are committed to Carbon Neutrality by 2030. This is a real challenge for an area at high risk from flooding, sea level rises and coastal erosion, which threaten large areas of the Western Somerset Coast, the Levels and Moors and towns like Bridgwater.

- A shared, draft Climate Emergency Strategy is now being consulted on.
- Friends of the Earth produced a league table of performance on climate change by local authority area in 2019 which ranked Somerset West and Taunton joint second in the country
- The flooding in 2013/14, which caused a loss of £147m, directly led to the creation of the Somerset Rivers Authority, a joint partnership which is overseeing a 30-year management plan
- The source of emissions vary across Somerset, so that where 46.5% of emission are from the transport sector in Somerset overall it is 52.2% in Sedgemoor and 36.8% in Mendip
- On environmental issues such as recycling household waste, Somerset is ranked in the top 10% across the country. The well-regarded Somerset Waste Partnership, established in 2007, has enabled co-ordinated and joint action to deliver improved performance
- We need to deliver sustainable transport solutions, including walking and cycling infrastructure

Despite successive change in initiatives for local

2.1 About Somerset

Although no one organisation is responsible for public service outcomes, Somerset County Council has lead responsibility on some of the key issues where we urgently need fundamental reform to improve outcomes

Relationships with the NHS

In theory, Somerset is covered by a single Clinical Commissioning Group and two NHS Foundation Trusts; in reality, a significant number are treated at the Royal United Hospital in Bath and the Weston General Hospital in Weston-super-Mare.

- Somerset is in the process of transitioning to an Integrated Care System (ICS) – providing a vehicle for NHS organisations to work in closer partnership with councils and others to manage resources and take collective responsibility for improving health and wellbeing in Somerset
- By working together, including with local charities and voluntary and community groups, the ICS aims to help people live healthier lives for longer and stay out of hospital. Around half the country is now covered by an ICS. Somerset is some way behind in its formation of an ICS, with a shadow board formed in June 2020 and an expected April 2021 launch date. Part of the ICS will see the development of an Integrated Care Partnership (ICP) of providers and a Strategic Commissioning Function (SC)
- 13 Primary Care Networks went live in Somerset in 2019 and bring together general practices to serve patient populations of 30 - 50,000
- It is critical to engage with all health and social care providers that offer services to the residents of Somerset, including those located outside the geography of the four districts.
- While the County Council has been primarily involved, the Districts, communities and local charities all have responsibility for good work, housing, physical environments and social connections – substantial parts of those wider determinants of health which are crucial to the success of a more integrated health and wellbeing approach

Vulnerable people and social care

The County Council is responsible for adult services in Somerset and for the protection of vulnerable people. The impact of their decisions affects vulnerable people and demand for other services.

- Many families in Somerset are 'stuck' in a cycle of low income and low prospects. Somerset also has a growing ageing population. These issues are well known to increase demand and complexity for services, but we have also seen these residents disproportionately impacted by COVID-19
- Somerset County Council has received funding to tackle COVID-19 of £29m, (£10.5m of which it used to fund reserves).
- County's adult services are understood to have experienced increased costs of at least £16.5m during the pandemic (pre second wave)
- However, it was already a service under pressure substantial with cuts agreed in 2018 to help address the County's financial position, adversely impacting vulnerable people, including £1.75m of cuts in services for disabled people and £2.75m in services for adults in receipt of adult social care. Despite this, there remained an overspend of £1.338m for the FY 2019/20.
- Somerset's Health and Wellbeing Board brings together all council and care system leaders to consider people's health and social care needs for both children and adults. This recognises the need for partners to work together to help
- maintain healthy lives. These boards work well when based on robust data and insight, and when given strategic direction, driven by highly effective partnership working, neither of which are considered

2.1 About Somerset

strong in Somerset.

- Adults' services performance is variable in Somerset as shown by the 2019/19 data reported in the Adults Social Care Outcomes Framework (ASCOF). ASCOF ranks all 151 councils nationally and measures how well care and support services achieve the outcomes that matter most to people. It's used locally and nationally to set priorities for care and support, and measure progress.
- Of Somerset's performance against the 27 ASCOF indicators, in 2018/19 15 were ranked in the bottom half of all councils and 12 in the top half. For people using services, Somerset ranks 115th of 151 for overall satisfaction.

Selected ASCOF measures	Somerset ranking (of 151)
Overall satisfaction for people who use services	115
People who use services feeling safe and secure	118
Overall service user quality of life	51
Delayed hospital discharges due to Adults' Services	102
Overall satisfaction with carers services	134
Carers finding it easy to find information about services	133
Consulting carers about services for the people they care for	122

Children and young people

Local authority services for children and young people, including social care and education, are currently the responsibility of the County Council. Social care is requiring improvement and there is a mixed picture in terms of educational attainment, particularly for groups who are disadvantaged.

- Somerset Children's services were rated as inadequate by Ofsted in 2015 and, in 2017 were judged to be 'requiring improvement to be good'. A focus visit by Ofsted in 2019 review recognised improvements in leadership but still found too much variation in the quality of services that children received across the County.
- The Ofsted and Care Quality Commission joint inspection of SEND services (special educational needs and/or disabilities) determined that a Written Statement of Action is required because of significant areas of weakness in the local area's practice. They found that, fundamentally, area leaders had started to implement SEND reforms too late and that leaders from education, health and care services had been distracted by their individual challenges. This has resulted in 'widespread weaknesses in the identification and meeting of children's and young people's needs', with joint working between services seen to be underdeveloped.
- Whilst recognising the hard work and dedication of staff, with 25% of children living in poverty and 14,000 troubled families, performance evidence and that from inspections suggests that a new approach to the delivery of children's services has real potential to improve outcomes for very many children across Somerset. Evidence indicates that children's services performance has had a negative knock-on financial impact into Adults' services for young people with disabilities. Poor transition planning and ineffective joint working between Children's and Adults' services, and with partners, has resulted in too many young people being placed in expensive and less than ideal placements and settings which bear a financial commitment for many years
- Educational attainment in Somerset is broadly in line with national averages. In 2019 the proportion of five-year olds achieving a good level of development at the end of the Early Years Foundation Stage was 71.4%, in line with the England average (71.8%).

2.1 About Somerset

- The percentage of children achieving at least the expected level of development in communication, language and literacy skills at the end of Reception is 72.3% compared with 72.6% nationally. Key stage 4 attainment in English and Maths is 1% below the national average. There is a real imperative for councils to drive and deliver, with schools, colleges and other partners, a strong ambitious and inclusive education strategy that improves outcomes for all children, but especially those at key stage 4 and 5.
- Exclusions are a particular area of concern. Fixed term exclusions are very high, i.e. 9.71% in 2018/2019 compared to a national average of

5.36%, with permanent exclusions also higher. The implications for the wellbeing and achievement of children and families are significant. Educational absence levels have also been somewhat higher than national averages. Educational outcomes for Children and Young People with SEND in Somerset are below the national average attainment at Key Stages 2 – 4 (2019). Pupils with an education, health and care plan (EHCP) generally perform below national rates at all key stages, compared to national EHCP groups.

2.1 About Somerset - Western Somerset

Our Place



Western Somerset features Somerset West and Taunton and Sedgemoor District Councils, a combined area of 676 square miles.

The population is mainly distributed within the larger settlements of Taunton, Bridgwater and Wellington and across a number of smaller market towns. There are also a number of coastal and rural communities in the North of the district. Coastal areas and urban towns attract tourists to Western Somerset.

The area is home to the protected landscapes of the Blackdown Hills, Quantock Hills and parts of Exmoor National Park. Parts of Western Somerset are recognised as Special Protection Areas, Special Areas of Conservation and Sites of Special Scientific Interest and these attract visitors.

The M5 motorway runs through Western Somerset, which provides excellent road linkages to Bristol, Exeter and more generally the North and South of the UK for commuting and tourist purposes.

Key railway stations in Taunton, Bridgwater and Highbridge provide excellent links to London, Exeter, Bristol and Weymouth, although the main rail links suffer reliability issues which need to be addressed.

Over the past six years, Western Somerset has Delivered 6968 houses. Against the Government's own Housing Delivery Test, the area has delivered 131% of its requirement, placing our area amongst the highest

performing in the Country and fully playing its part in responding to the national housing crisis.

Key towns, aside from Taunton, Bridgwater and Wellington, and coastal communities have poor road networks and are remote from main centres of employment, education, public services and leisure opportunities.

Concerning digital connectivity, areas of Western Somerset are within the bottom third of rankings for broadband provision nationally.

2.1 About Somerset - Western Somerset

**Stronger
Somerset**

Our People

Western Somerset is projected to have a population of 301,840 by 2028. The population density for Western Somerset is

158 people per square kilometre, lower than the South West average of 236 people per square kilometre.

Western Somerset has low social mobility, with Sedgemoor ranked at 258th and Taunton Deane ranked at 206th out of 324 Local Authorities. The former West Somerset district ranked at 324th.

Our Businesses

Western Somerset businesses focus on nuclear and clean energy, tourism, construction, farming, food, retail, creative and culture, photonics, microelectronics and digital data.

There are two functional economic market areas (FEMA) in Western Somerset, the M5 corridor, which follows a ribbon of development in and around the M5 motorway, and the Coast FEMA, which is characterised by a smaller number of large employers and greater reliance on the tourism sector.

Hinkley Point C, Europe's largest construction project, will be the first new nuclear power station to be built in the UK in over twenty years. It is based in Western Somerset and will provide low-carbon electricity for around six million homes, create thousands of jobs and bring lasting benefits to the UK economy.

Our coastal communities are particularly vulnerable to coastal change, but have major opportunities including one of the biggest tidal ranges in the world with renewable energy potential.

Close working with Bridgwater and Taunton College, using legacy derived from Hinkley C, has resulted in the National College for Nuclear at Cannington. We are keen to replicate this success in other parts of the county.

2.1 About Somerset - Eastern Somerset



Our Place

Eastern Somerset comprises the current areas of Mendip and South Somerset District Councils, a combined area of 655 square miles.

Eastern Somerset is mainly rural with its population distributed across villages, hamlets and number of distinctive market towns each with its own unique identity, culture and heritage. These market towns are bustling with events, activities and weekly markets which drive tourism across Eastern Somerset.

Eastern Somerset is wonderfully picturesque and encompasses some of Somerset's most attractive and varied landscapes, such as the Mendip Hills, Somerset Levels and Moors, Cranborne Chase, Chard Reservoir. A large area of Eastern Somerset has been recognised as an Area of Outstanding Natural Beauty (AONB). The complex geology, topography and history of the area have resulted in a great variety of habitats, landscapes and cultural heritage which are of international value.

The natural beauty of Eastern Somerset makes it an outstanding tourist destination, tourists also visit the area in great numbers to attend Glastonbury Festival, thought to be the biggest green field festival in the world which generates at least £100 million a year.

Towards the north of Eastern Somerset there are good road linkages to Bristol and Bath. There are excellent railway links to London, Exeter and Bristol. There is a rail link to Weymouth, but this is beset by reliability issues.

The ratio of lower quartile house price to lower quartile earnings in 2016 in Eastern Somerset was 8.25, compared to 7.16 nationally.

Transport infrastructure within Eastern Somerset requires improvement, relying upon a network of A-roads and minor roads. There are few alternatives, so disruption within this network causes significant delays and diversions. Sustainable travel options - public transport, walking and cycling, will need to be considered.

There is poor public transport provision within Eastern Somerset. Evening and weekend services are extremely limited and residents of rural villages are forced to opt for private vehicles over public transport.

2.1 About Somerset - Eastern Somerset

Our People

Eastern Somerset will reach a projected population of 300,293

by 2028. The population density in Eastern Somerset is 166 people per square mile, Significantly lower than the national average of 432 people per square kilometre.

Our Businesses

Eastern Somerset businesses focus on Aerospace, Construction, Manufacturing, Food and Drink and Retail, Tourism and Agri-Tech.

The economy of Eastern Somerset is founded upon business and enterprise, as the area is home to a number of big businesses, a wealth of SMEs and many start-ups.

Tourism also plays a key role in the Eastern Somerset economy, building on the unique identity of each of its market towns and the historic significance of the area.

Aerospace also plays a key role in the economy of the East, especially Advanced Engineering and Manufacturing (AEM) and rotorcraft with Leonardo Helicopters producing high performance helicopters for commercial and military operators worldwide.

Eastern Somerset is home to two key functional economic market areas of the A361 Corridor and the A303 Corridor.

There are growth sector opportunities in agri-tech, advanced manufacturing, aerospace, retail and hospitality, manufacturing, as well as our food and drink sectors, which are world class. However, we need physical and digital infrastructure investment to become a better place for business.

Notable numbers of commuters are based within the Bath to Bristol corridor. Street, Wells and Yeovil are the three key travel to work areas in Eastern Somerset, where over 75% of the people who work in the area also live there.

2.2 Drivers for change

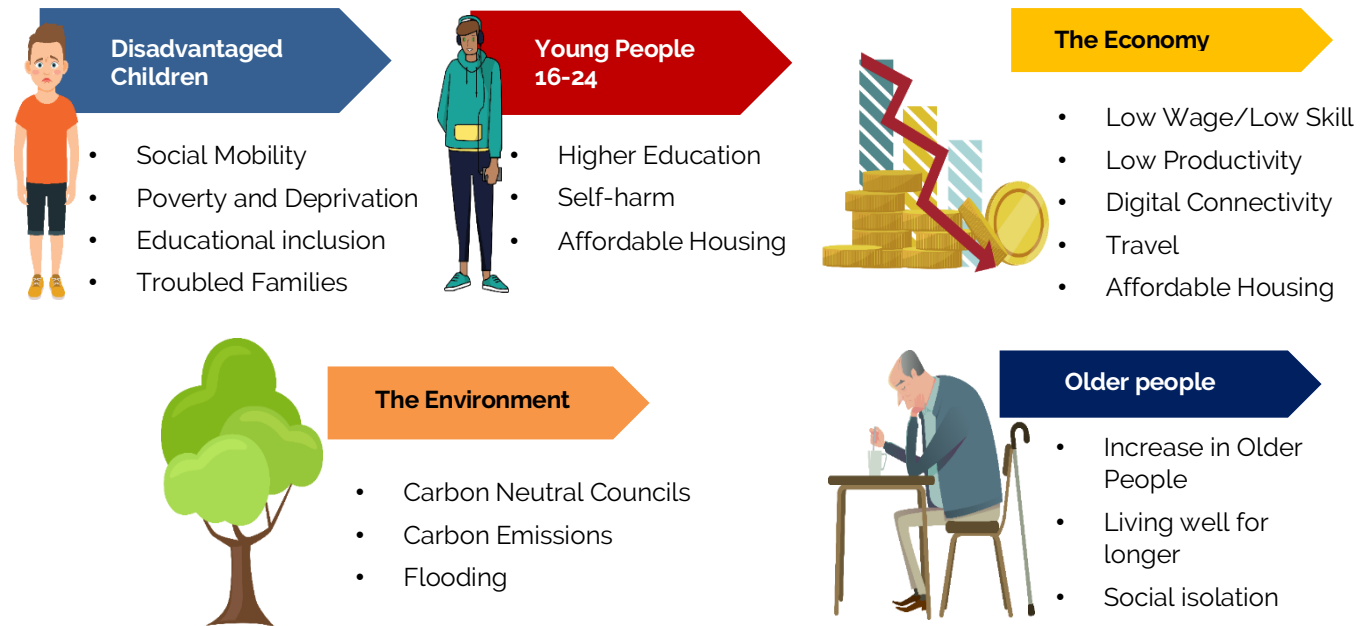
This section details the drivers for change at a national and local level. It looks at national policy direction, sector reviews and research evidence into the role and form of local government, as well as the challenges facing councils.

Summary

During the joint work by all councils before 2020 we agreed there were five main challenges for securing better outcomes.

- Many of the issues are inter-related and connected and they require a joined-up response. Their complexity requires councils and communities to work together to create sustainable and effective solutions
- The development of these key facts and trends highlighted the issues that many people and organisations are concerned about in Somerset
- They showed the importance of data and analytics in bringing together individual organisational knowledge and understanding with others to create awareness of the system-wide issues
- In this section we cover these and associated issues at the local level and the emerging national policy direction which will shape any consideration of reorganisation proposals

Five main challenges for Somerset



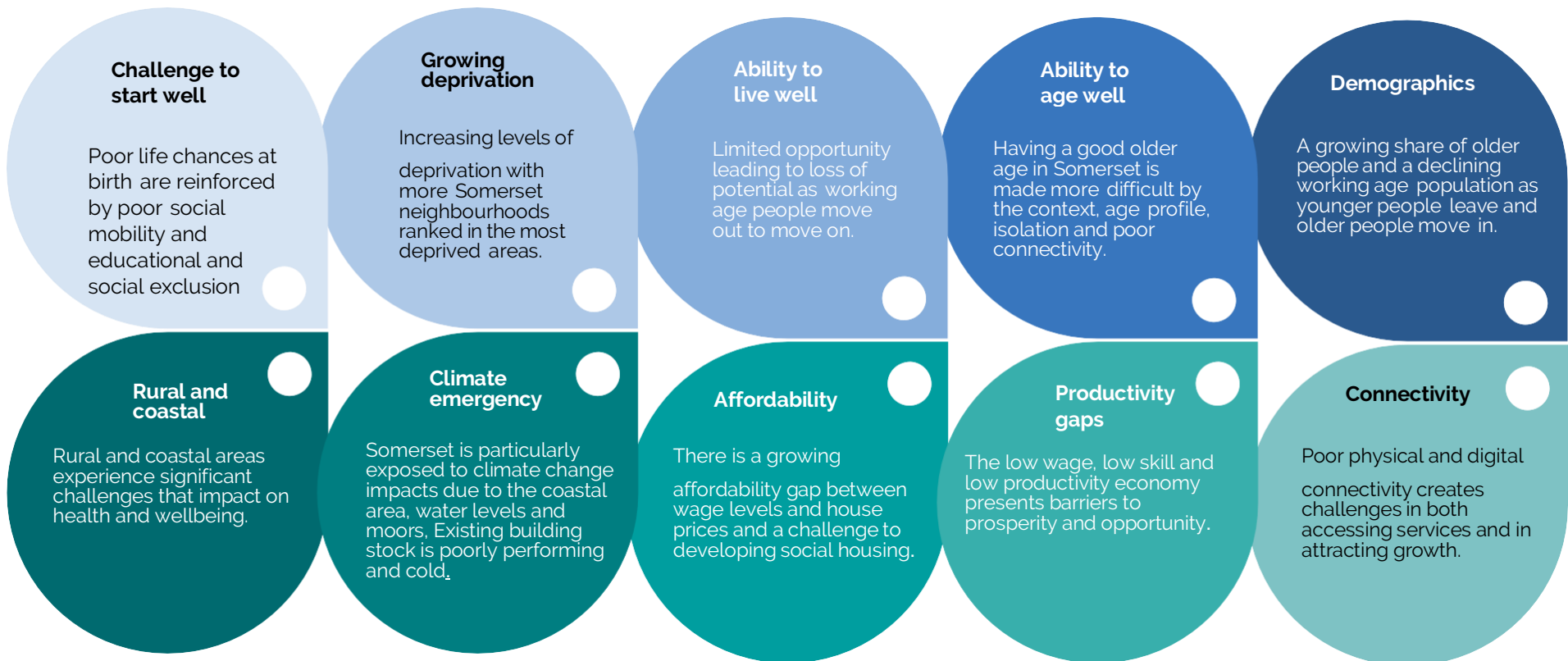
The Somerset authorities face a significant financial challenge resulting from a very low comparative council tax base. A 1% increase on the council tax in Somerset raises just over £2million. In other Counties a 1% levy would deliver £7million, or even more in places like Surrey. Somerset will never catch up from the six years of council tax freeze, in addition to this, the housing stock is of lower value than average.

2.2 System Drivers for change

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.

The impact of these challenges is disproportionately felt by those in those in lower social-economic groups. They have lower chances of improving their lives and require support and services from public bodies.

The emerging evidence from the pandemic is that it is these same people who will experience the most impact. Building on the five main challenges ten local drivers for change have been identified:



2.2 System Drivers for change

Too many people – particularly children – in Somerset are experiencing deprivation which is slowly getting more concentrated and challenging over time.

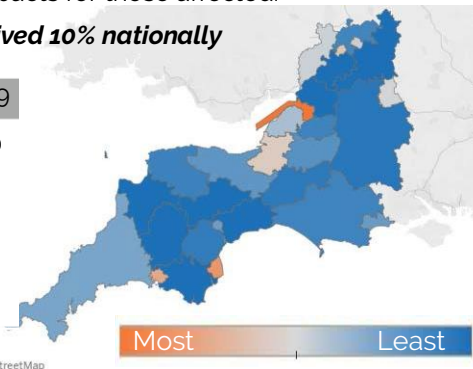
Starting well

Poor life chances at birth in Somerset are reinforced by poor social mobility, repeating a cycle of poor life chances.

- Being born into a disadvantaged background in Somerset, the chances of getting a good qualification and a good job are poor. The Social Mobility Index published in 2017 showed that the former West Somerset was the lowest ranked area in the country. It was selected by the Department for Education as an opportunity area to address specific challenges. Generally, it is recognised that coastal areas are real social mobility cold spots
- The Income Deprivation Affecting Children Index measures the proportion of children aged 0 to 15 living in income deprived families and shows that between 2015 and 2019 an increasing number of areas in Somerset became more deprived and the area ranks 103rd out of 151 upper tier areas. A quarter of children in Somerset live in poverty, with up to two-fifths in some localities.
- There are 14,000+ 'Troubled Families' in the county. Troubled Families can cost the system up to 11 times more than an 'average' family and Somerset has benefited from government funding to try and tackle the issue, with national evaluation showing £1 spent on the programme has £1.51 of fiscal benefits - namely the budgetary impact on services. Levels of school exclusion are higher than average with fixed exclusions almost twice the national average with long-term impacts for those affected.

IDACI Proportion of LSOAs in most deprived 10% nationally

%	2010	2015	2019
Sedgemoor	1.5	8.6	10.0
Somerset West & Taunton	1.1	3.4	3.4
Mendip	0.0	0.0	3.0
South Somerset	0.0	1.0	1.0



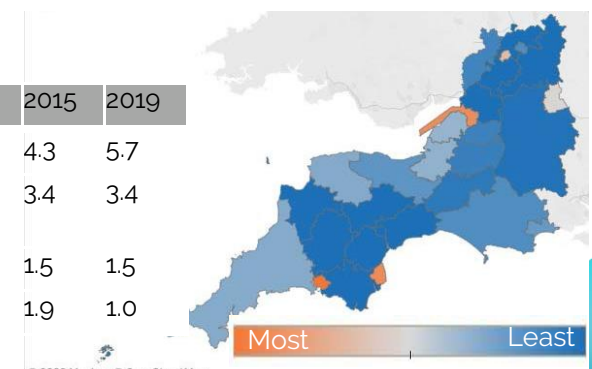
Deprivation

Increasing levels of deprivation have led to an increasing number of Somerset neighbourhoods ranked within the top 20% and top 10% most deprived areas.

- Deprivation in Somerset is slowly increasing although the area overall is generally better than the national average. Although not generally perceived of as a deprived area, in a rank of the 151 upper tier authorities by average IMD score Somerset ranks 92nd
- Although nationally 88% of LSOAs that were in the most deprived decile in 2019 were also in the 2015 index of multiple deprivation, 29% of Lower Super Output Areas (LSOAs) in Somerset moved down the scale. There are now 29 neighbourhoods in Somerset in the 20% most deprived in the country, up from 25 in 2015. The greatest increase was in the 30-40% most deprived LSOAs
- The most deprived area of Somerset is Highbridge South West in Sedgemoor, with the urban areas and rural areas in the west continuing to have the greatest proportions of deprived neighbourhoods
- Barriers to housing and services is a key driver of deprivation scores in Somerset but the quality of the living environment is also a growing issue

IMD Proportion of LSOAs in most deprived 10% nationally

%	2010	2015	2019
Sedgemoor	2.9	4.3	5.7
Somerset West & Taunton	3.4	3.4	3.4
Mendip	0.0	1.5	1.5
South Somerset	0.0	1.9	1.0



2.2 System Drivers for change

The population of Somerset is changing and becoming older as people of working age move out, older people live longer, experiencing poor health, and others move in. This has significant implications for what and how public services are delivered.

Demographics

The population of Somerset is growing but on an unequal basis. There is a higher proportion of older residents versus the national average and a declining working age population.

- The Office for National Statistics (ONS) has forecast that Somerset's population will reach 625,000 by 2041 - a 12% increase over 2016
- The projected growth amongst the 65+ age group is even greater at around 35%, while the population of those over 75 is projected to more than double
- In contrast the population of under 16s is forecast to grow by 3% while the working age population is expected to experience a decline of 0.5%
- As illustrated below our population pyramid will have inverted since 1961 with a greater



Live well

Children and young people growing up in Somerset experience limitations to achieving their aspirations locally and many move away to progress.

- There are around 116,000 children and young people under 18 in Somerset, 48% living in rural areas and 13,000 young people under 18 living in poverty
- In a recent health and wellbeing survey 77% of 8- 11-year-olds and 78% of 12-16-year-olds say they worry 'quite a lot' or 'a lot'. Only 29% of primary school leavers report high self-esteem compared to 38% nationally. This trend is also seen in terms of more acute mental health issues with high rates of hospital admissions for mental health conditions for 0-24 years- 146.3 per 100,000 in Somerset compared to 84.7 nationally.

There are also high rates of hospital admissions due to substance misuse for 15-24 year olds – 131 per 100,000 in Somerset compared to 83.1 nationally as well as 40% higher admission for self-harm than the national average (163 in Somerset compared to 116 nationally, with a particular prevalence amongst girls)

- There is a 22% performance gap in English and Maths between disadvantaged learners and their peers

- In the JSNA research, 60% of young people expressed a desire to stay in Somerset but recognised that this would be self-limiting

"I would love to be able to make a difference here and stay with my family – but I know I might not be able to"

www.youngsomerset.org.uk

2.2 System Drivers for change

Age well

Challenges to ageing well that are common across the country are amplified in Somerset by the context, age profile, isolation and poor connectivity – both physical and digital.

- Not only is the proportion of our population over 65 growing but there are more people living their later years with declining quality of life, ill health and with long term conditions
- Older people in Somerset with two or more long term health conditions cost the health and social care system c£300m per annum
- The rural and coastal nature of many areas also contributes to health inequalities, one factor of which is social exclusion and social isolation. Research suggests that loneliness can increase the risk of premature death by 30%
- Other factors include access to and awareness of health and other community services, financial difficulties including fuel poverty and housing issues, a lack of transport and distance from services and low levels of physical activity
- Limited ongoing reform in adults' services particularly for people of working age and local delivery has not been felt consistently across the county as the council is too far away from its communities and too bureaucratic in terms of access.
- The demographic trends of younger adults moving out and older adults living longer in ill-health, combined with low population density creates a significant and growing

challenge to delivering effective services. These include challenges in building a stable, and sustainable workforce as well as accessibility and equity issues. It reinforces why service delivery needs to reflect the local context and requires more localised and variable models of delivery

2.2 System Drivers for change

The environment provides both natural capital and challenges in Somerset with a need for strong place-based leadership and appropriate service delivery models to adapt and reduce reliance on competitive grant programmes

Rurality

The rural and coastal nature of the region has an impact on cost and connectivity of services and can raise issues of exclusion and isolation.

- The low population density of 1.5 people per hectare in Somerset (compared to 4.1 England average) presents service delivery challenges
- Many villages and towns lack frequent and reliable public transport and high-speed internet, but attract in-migration that fuels house prices – with more than 3,000 second homes in the county
- Previous government research on service delivery identified sparsity as increasing costs in 15 service areas from public transport, street lighting and libraries to adults under 65 with learning disabilities, other children and family services and development control
- Various government funding initiatives recognise the specific challenges of rural and coastal areas such as the Coastal Communities Fund, Coastal Revival Fund, Coastal Community Teams, Stronger High Streets Fund and Towns Fund and Tourism Zones. However, each programme requires significant effort and investment to bid for

funding with uncertain outcomes

- Various places in Somerset, like Watchet and Glastonbury, have been successful in applying for and securing funding through these programmes. Community organisations like the [Onion Collective](#) work hard to attract additional investment for innovative community led projects

Climate change

Somerset is particularly exposed to climate change impacts with a significant coastal area and the Somerset Levels, large parts of which are at or below sea level.

- The flooding of 2013/14 cost of £147m locally and led to the creation of the Somerset Rivers Authority
- The geography of Somerset is vulnerable to increases in sea level and from flooding. Projects like the Bridgwater Tidal Barrier are intended to reduce the risk and are being taken forward in partnership
- Somerset's traditional agricultural base is also vulnerable to a changing climate with increased risk of summer heatwaves and drought, increasingly unpredictable but heavier rainfall, storms and associated flooding, and increased prevalence of pest species
- The aging and more deprived elements of Somerset's population are at increased risk to certain climate impacts including increased heatwaves and other extreme weather events as well as other issues such as air pollution
- We are working on a Somerset Climate Emergency Strategy and action plan to take further action and transition to net zero.
- We need sustainable transport solutions,

2.2 System Drivers for change

including walking and cycling infrastructure

- With growing momentum behind the green policy agenda and increasing consumer awareness, there are also opportunities for low carbon and clean business growth. For Somerset, this is perhaps most notable in energy (particularly with tidal, wind and solar resources) but also in other areas including engineering, tourism and the digital economy.

Affordability

There is a growing affordability gap with house prices more than 9 times wage levels across Somerset, compounded by a peak in accommodation demand due to construction of Hinkley Point C.

- Housing availability and affordability is a major barrier for communities in Somerset, and a significant contributor to deprivation
- The region with the ratio in 2016 of lower quartile house prices to lower quartile earnings ranging was 8.1 for Somerset as a whole compared to 7 in England
- Housing delivery is a national priority and the local housing strategy has been agreed by all councils. Supply is an issue particularly for one-bedroom properties and meeting the needs of single person households
- All the net need for new housing in the next twenty years will be for households over 65's necessitating the need for more flexible models of supported housing and independent living
- There are particular concerns for the under 35's who often struggle to access housing due to the changes in benefits and the high cost of open market housing

Flood risk in Somerset



2.2 System Drivers for change

Productivity and connectivity in Somerset both need attention to realise our economic and social ambition, with challenges to the local economy from the pandemic and to infrastructure improvement through slow delivery.

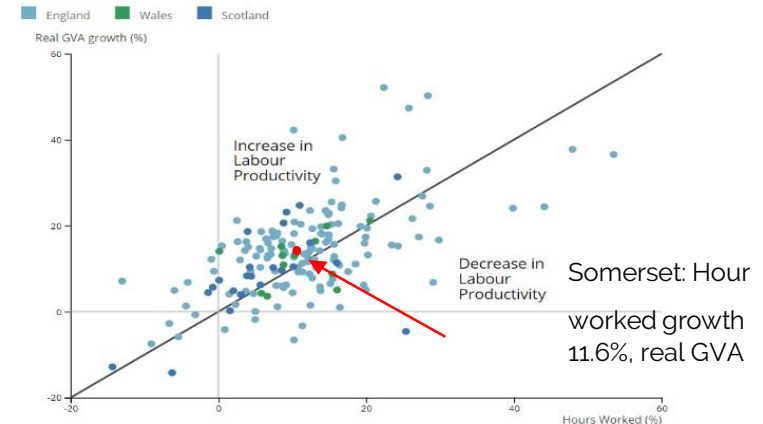
Productivity

Low wage, skill and productivity levels, with high cost of connectivity and housing all act as barriers to prosperity. The Somerset economy is less productive than comparable areas and at risk of the economic impact of COVID-19.

- The University of Exeter forecasts that Somerset's economic output could fall by 37% during Q2 2020, slightly more than the national and HotSW averages (35%). RSA research on the localised impact on employment of the pandemic shows that between 26% and 28% of all jobs in each of the Districts are at risk
- The Somerset Recovery and Growth Plan recognises that there are underlying challenges for the economy that need to be tackled to stimulate growth which include:
- Infrastructure and connectivity challenges, including broadband, road, rail, public transport
- Low productivity and wages
- Labour market pressures in the longer term linked to an ageing population
- Poor housing affordability
- Rurality and low population density
- Deprived communities lacking opportunities, and not benefiting from the economic growth that has taken place

Real labour productivity increases are middle of the pack in Somerset

Scatter plot of real GVA growth versus hours worked growth for NUTS3 subregions, 2010 to 2018



Connectivity

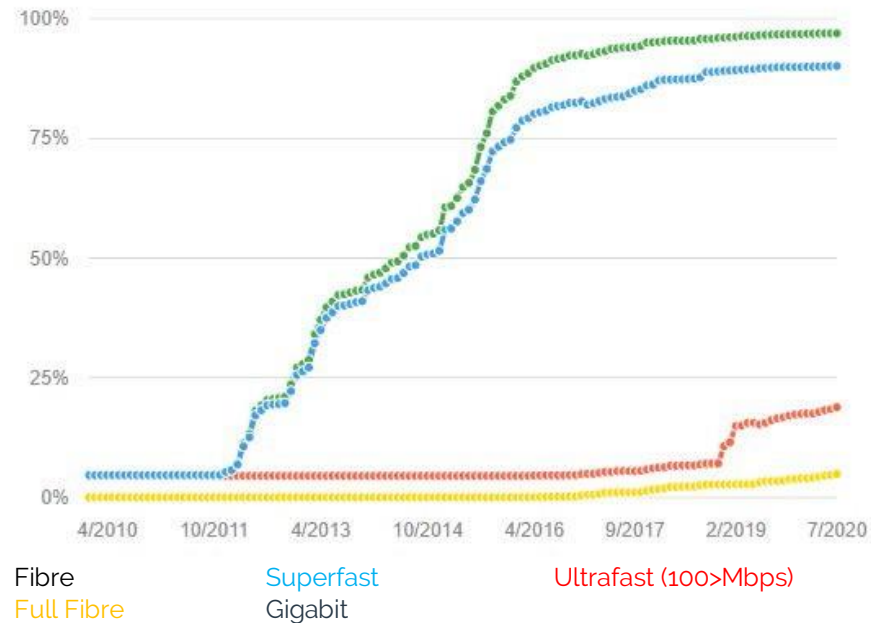
Poor physical and digital connectivity is creating challenges in both accessing services and in supporting growth with slow progress on addressing both.

- Digital connectivity is a major concern across Somerset. Only 90.1% of Somerset has Superfast broadband (≥ 30 Mbps) compared to 95.3% for the South West region and 97% for England. Speeds vary across Districts with Mendip at 87.3%, South Somerset 90.7%, Somerset West & Taunton 89.7% and Sedgemoor 92.4%. CCN research in 2017 showed Somerset had the second slowest average download speeds of all its members. 4G mobile covers the vast majority of Somerset, but the mean downloading and uploading speeds remain poor at 22Mbps and 6.1Mbps respectively. This is far lower than the national mean at 46.8Mbps and 9.6Mbps.
- Digital connectivity is an economic driver and essential to modern economies. Ofcom research into the link between broadband and economic

2.2 System Drivers for change

growth showed that an increase in broadband adoption over a 15-year period (2002-16) increased GDP by 0.37% per annum – a cumulative increase of 5.3%. The UK Broadband impact study projected a £20 net economic impact for every £1 of public investment

- Connecting Devon and Somerset (CDS) is a partnership vehicle with government, EU and LEP funding to improve access which has sought to improve connections since 2013. Delivery contracts were terminated between CDS and Gigaclear in September 2019 and a new procurement for Gigabit-capable broadband is underway and expected to start in 2021



2.3 System drivers for change

The complication for Somerset is that, as a system, we have lacked strategic leadership and collaboration to work effectively together to address our underperformance, resorting instead to arguing about responsibilities and roles

Summary

The public service challenges in Somerset are amplified by a system which has failed over a sustained period to adapt to a more collaborative model. With some key exceptions there is limited co-operation across responsibilities. Key players seek to command and control activities in a way that works against joint working.

Limited trust

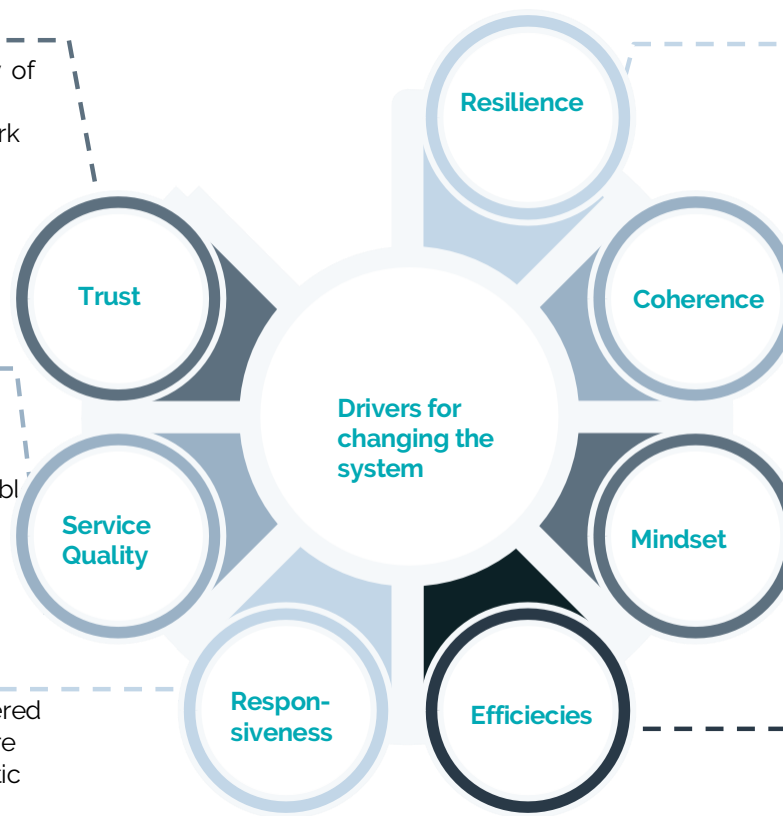
Organisations across Somerset lack a history of deep collaboration and trust required for strategic leadership and do not currently work effectively in partnership to deal with the strategic issues and challenges

Poor service quality

There are long standing concerns about the standard of public services in key areas of County responsibility (such as in SEND and Children's services). This means vulnerable people can lack the support they need

Lack of local responsiveness

County services are not designed and delivered in partnership with local communities and are perceived as distant, centralised, bureaucratic and unresponsive to local needs



System resilience

All Councils experience financial pressures, in common with the public sector overall. The County is particularly challenged with unsustainable demand pressures and a history of failing to meet savings targets or modernise and transform its service delivery models

Limited coherence

There is an organisational rather than a system approach to developing and delivering objectives. Partners find it frustrating that councils are not aligned and working together

Short-term mindset

The county's service-mix is increasingly dictated by the need to make immediate savings, with cuts to preventative services and limited appetite to invest for long-term benefit

Inefficiencies

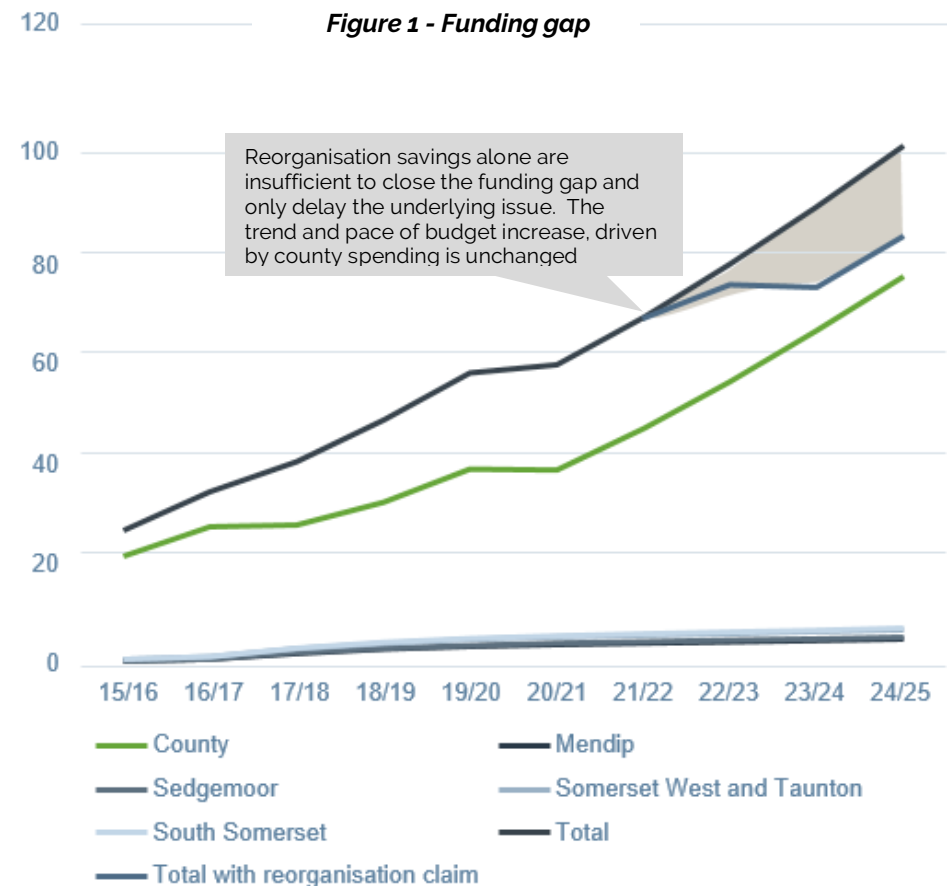
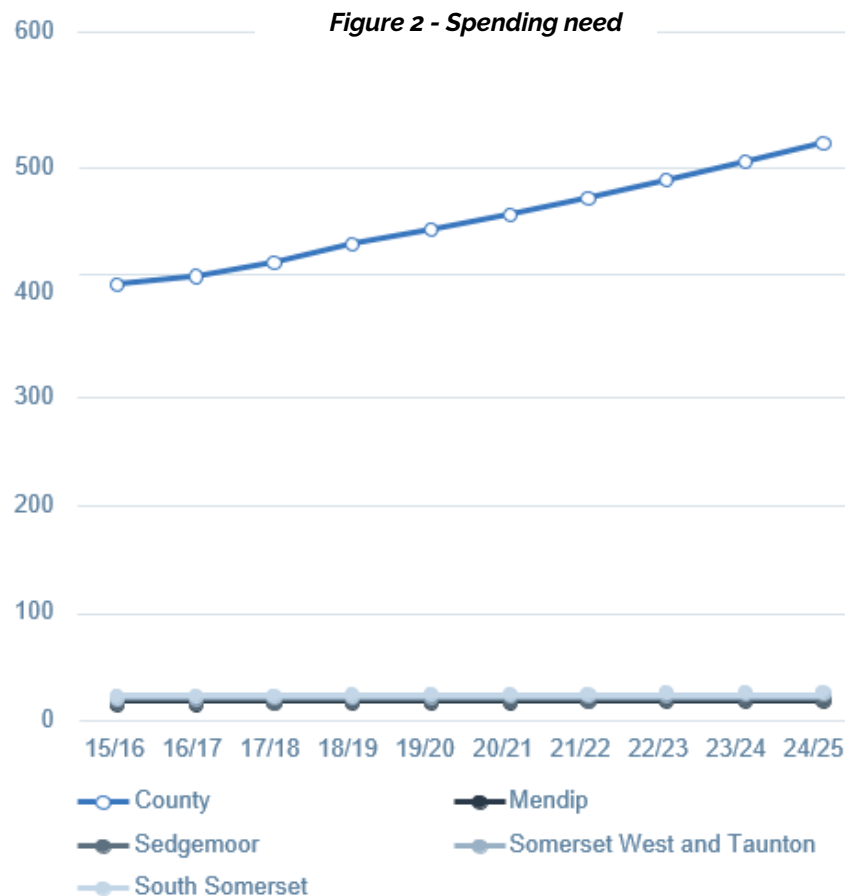
The current two-tier structure is inefficient in service delivery and outcome delivery – particularly for support services and the delivery of growth and improvements in quality of life

2.3 System drivers for change

All councils in Somerset have had to make financial savings to address increasing funding gaps and are experiencing increased uncertainty due to the pandemic. The major driver of our growing funding gap is in County run services.

The pandemic has added to the uncertainty of council finances which were already strained with national reforms such as the Fair Funding Review and Business Rates reform further postponed.

Based on work completed for the County Council Network and adjusted to Somerset population forecasts, the charts below show how efficiency from reorganisation alone will not be enough for Somerset.



2.3 System drivers for change

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

Building back better

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.

- As we move to the next phase of the pandemic there is a real desire across communities and councils to ensure a durable and resilient economic recovery and not just a return to normal
- Councils have experienced a testing period and continue to face uncertainties outside of their control. This is both on what services they can and need to provide to safely support people and how they can influence the shape and speed of the recovery
- The Somerset Growth and Recovery Plan is part of this agenda, but the implications will go much further and be felt much longer in our communities
- Overall government decisions on council funding and local plans in Somerset will make a significant impact on foundations and starting position from which any reform agenda and reorganisation proposal is considered

- This is an opportunity for the government to consider long term viability by applying criteria for reorganisation that offers the best chance of building place-based leadership in tune with the needs of the local economy, communities and the environment

Recovery and Devolution white paper

The government has announced that it will be publishing a white paper on devolution and local recovery in 2021. This will connect local recovery with levelling up.

- The indications are that the white paper will provide for:
- **Places based strategies to boost regional economic performance** – this will build on initiatives such as the Northern Powerhouse, Midlands Engine and the Western Gateway. It will therefore be an opportunity to push forward with local plans around the Great South West
- **Strengthening local institutions** – including an expected call for more unitary councils and for more elected mayors building on the experience of Dorset, Buckinghamshire and Northamptonshire. These recent unitary developments have adopted different models which reflect their specific local context and all involved a period for all councils to develop and

consult on their proposals

- **Making space for towns and parish councils** – this is expected to enhance the powers and potential duties of local councils to support their communities.
- The government has indicated that it is open for ideas on shaping and taking forward the ambitions of the white paper and will be led by evidence

2.3 System drivers for change

Other key policies

There are other key policy issues beyond the recovery agenda that have significant implications for the consideration of any new council, particularly around the funding and finance regimes.

- The NHS long-term plan sets out the ten-year strategy for the service covering priorities such as service model reform, activity on prevention and inequalities, strengthening its outcomes focus, workforce planning and digitally enabled care
- The government recognises that COVID-19 has brought a perfect storm of increased costs and reduced revenues and has made various funding packages available
- The government had intended to implement the Fair Funding Review in April 2021, but this has been delayed. The review will change the funding formula used to assess relative needs of local authorities, introduce 75% business rate retention and abolish the revenue support grant
- The government had also indicated in February 2020 it might implement another multi-year settlement for local government finance as part of the multi-year Comprehensive Spending Review. This would build on the previous four-year settlement between 2015-2019 that helped

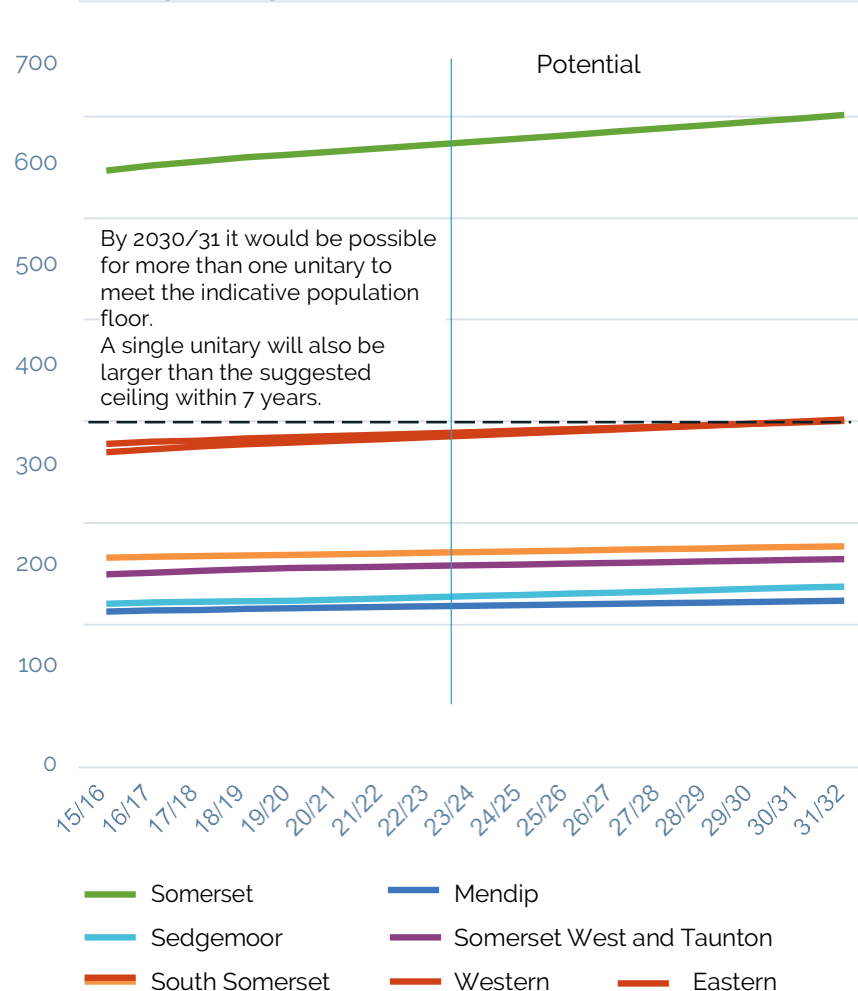
provide a level of certainty for councils in their longer-term planning

- These factors will impact on the medium-term financial planning considered in this proposal and the context for any reorganisation proposal

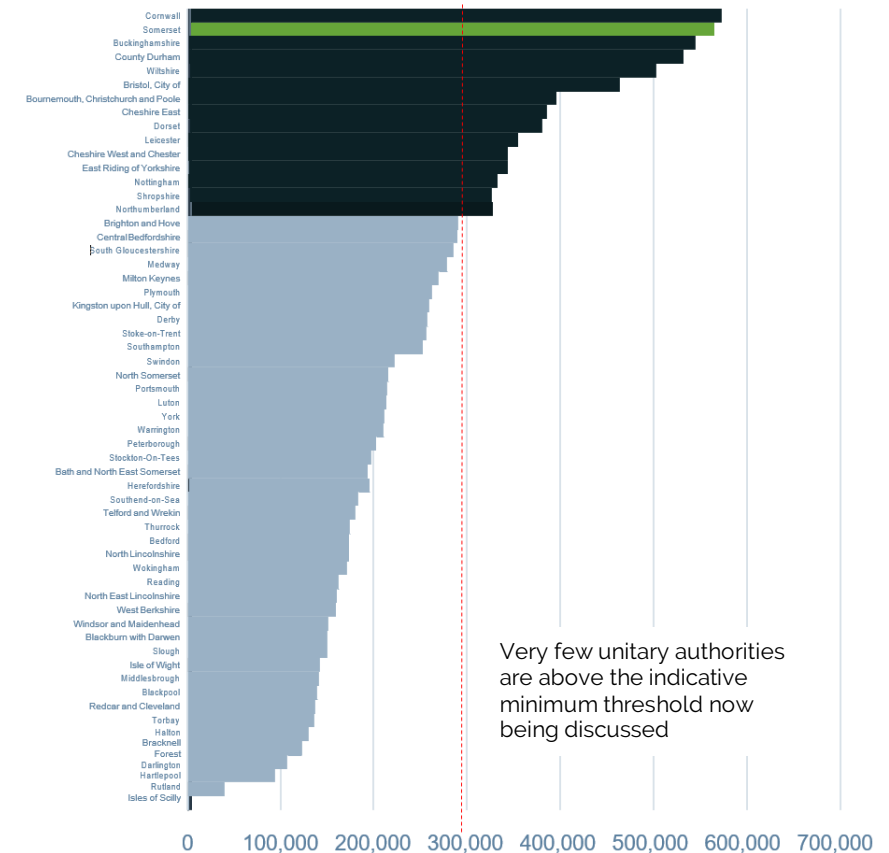
2.3 System drivers for change

The population of Somerset is growing and will be more than 600,000 by 2028, making it possible for more than one authority above the indicative floor

Population forecast



Unitary authorities by 2019 population estimate



2.3 System drivers for change

Reorganisation of councils requires the agreement of government and approval from Parliament and has followed a process whereby all existing local authorities in Somerset have been invited to submit proposals for consideration.

Approach

There is an established legislative process through which local government reorganisations are considered set out in the Local Government and Public Involvement in Health Act 2007.

This process can be amended but usually follows an invitation from the Secretary of State to all councils to develop reorganisation proposals

There has typically been a period of three months after an invitation for the submission of those proposals which are then considered on their relative merits

Proposals can be agreed with or without modification

Types of structural change for unitaries

Proposals can be of four different types:

- TYPE A: a single tier of local government for the area which is the county concerned
- TYPE B: a single tier of local government for an area which is currently a district, or 2+ districts in the county concerned
- TYPE C: a single tier of local government for an area which currently consists of the county or one or more districts in the county concerned, and one or more relevant adjoining areas; or
- TYPE D: a combined proposal that consists multiple Type B, Type C, or combination of Type C proposals

Criteria

The criteria used for assessing local government reorganisation proposals are subject to review. Government has previously said proposals should be likely to:

- which are likely to improve local government and service delivery across the area of the proposal, giving greater value for money, generating savings, providing stronger strategic and local leadership, and which are more sustainable structures;
- which command a good deal of local support as assessed in the round overall across the whole area of the proposal; and
- where the area of each unitary authority is a credible geography consisting of one or more existing local government areas with an aggregate population which is either within the range 300,000 to 600,000, or such other figure that, having regard to the circumstances of the authority, including local identity and geography, could be considered substantial.







2.4 Reform objectives

Our reform objectives are needed to ensure any new system can address these drivers to create positive outcomes for the people, places and performance of Somerset. These are grouped into Reform Priority areas.

People in Somerset deserve a local government system that better address challenges at every life stage so we can start well, live well and age well, can access housing and good work and have community connections.

Make it essential – objectives for reform:

Make it ready...things the system needs to do:

Starting well 	Support system change to build social mobility, rather than tackling issues in silos	Interventions to support children and young people to have a good start in life	Reform Priority: People
Living well 	Support people to live well by improving quality of life factors within localities, rather than needing to travel to facilities	Interventions that enable people to live a good life closer to home	Reform Priority: Community
Ageing well 	Support people to age well, staying active and healthy at home for longer, rather than reliance on medical institutions or being placed in care settings	Interventions that give people greater control over the care they receive, with more care and support being offered in or close to people's homes, rather than in hospital or care home settings.	Reform Priority: People
Housing 	Deliver housing of the right type, where it is needed, with associated infrastructure	Interventions to ensure people can access appropriate housing in quality places	Reform Priority: Growth
Connect communities 	Prioritise connecting communities online as our infrastructure priority as an enabler for all other objectives	Interventions provide people with access to social interaction where they live and better access to services and leisure	Reform Priority: Communities
Close the productivity gap 	Be proactive in driving up skill levels and productivity to drive clean economic growth that is inclusive and levels up incomes	Interventions that increase social mobility, inclusive education and continuous learning	Reform priority: Growth

2.4 Reform objectives

Our reform objectives are needed to ensure any new system can address these drivers to create positive outcomes for the people, places and performance of Somerset.

Make it essential – objectives for reform: Make it ready...things the system needs to do:

Urban centres		Supporting towns and cities to ensure they build on their role as vibrant economic and community centres	Interventions that create and maintain quality local environments	Reform Priority: Community
Rurality		Treat our natural capital as an asset while developing delivery models that work for dispersed communities. Enable connecting infrastructure and increase productivity in rural and coastal communities as a driver for increased prosperity	Interventions that respect our natural environment	Reform Priority: Community
Decarbonisation and adaption		Support the local economy and residents to reduce climate impacts. Work to mitigate the impacts of climate change that we cannot avoid	Interventions that reduce our reliance on fossil fuels and support our journey towards carbon neutrality	Reform Priority: Growth
Community-led		Build and nurture community strengths and assets, rather than a deficit model	Interventions that facilitate participation and involvement	Reform Priority: Connected
Systems-led		Build relationships and partnerships to operate across a system, rather than individual	Interventions that wrap services around the person	Reform Priority: Connected
Agreed priorities		Create a shared strategic intent that transcends organisations, rather than distinct organisational priorities	Interventions that avoid duplication and align effort	Reform Priority: Connected
Improve quality and sustainability		Improve the quality of local government services across Somerset, while ensuring financial sustainability for public services	Interventions that protect services to the public	Reform Priority: Connected

2.5 Overall programme objectives

Our Stronger Somerset programme objectives set out the overall rationale for change and the outcomes we are seeking to achieve through reorganisation. They must answer the question 'why are we undertaking this change?'

#	Objective	Government guidance	Stronger Somerset programme objectives
1a	Enables Somerset to reform local public services to improve quality and effectiveness (the Reform Objectives)	Improve local government	<p>Enable Somerset to reform local public services to better address challenges at every life stage so we can start well, live well and age well, can access housing, be socially mobile and participate in their community. This will mean:</p> <ul style="list-style-type: none"> • Starting well - Support system change to build social mobility, rather than tackling issues in silos • Living well - Support people to live well by improving quality of life factors within localities, rather than needing to travel to facilities • Ageing well - Support people to age well, staying healthy and active for longer at home, reducing reliance on medical interventions or being placed in care settings • Housing - Deliver housing of the right type, where it is needed, with associated infrastructure • Connect communities - Prioritise connecting communities online as our infrastructure priority as an enabler for all other objectives • Close the productivity gap - Be proactive in driving up skill levels and productivity to drive clean economic growth that is inclusive and levels up income • Urban centres - Supporting towns and cities to ensure they build on their role as vibrant economic and community centres • Rurality - Treat our natural capital as an asset while developing delivery models that work for dispersed communities. Enable connecting infrastructure and increase productivity in rural and coastal communities as a driver for increased prosperity • Decarbonisation and adaptation - Support the local economy and residents to reduce climate impacts. Work to mitigate the impacts of climate change that we cannot avoid.

2.4 Overall programme objectives

Our Stronger Somerset programme objectives set out the overall rationale for change and the outcomes we are seeking to achieve through reorganisation. They must answer the question 'why are we undertaking this change?'

#	Objective	Government guidance	Stronger Somerset programme objectives
1b	Enables Somerset to reform local public services to improve quality and effectiveness (Reform Objectives and Priorities)	Improve service delivery Stronger strategic and local leadership, more sustainable structures	<p>Enable Somerset to reform and improve local public services through stronger communities and connections. This will mean:</p> <ul style="list-style-type: none"> • Community-led - Build and nurture community strengths and assets, rather than a deficit model • Systems-led - Build relationships and partnerships to operate across a system, rather than individual organisations • Agreed priorities - Create a shared strategic intent that transcends organisations, rather than distinct organisational priorities • Improve quality and sustainability - Improve the quality of local government services across Somerset, while ensuring financial sustainability for public services • Harness opportunities for devolution - provide an effective platform for a strong sub-regional agenda to drive regional productivity and harness opportunities for devolution to enable Somerset to level up and become a net contributor to national GDP.
2	Enables Somerset to deliver value for money for public expenditure	Provides greater value for money	<ul style="list-style-type: none"> • Reduce the delivery cost of public services balancing flexibility and scalability • Tackle the causes of demand • Enable a medium-term transition to an invest to save model reinvesting savings in a cycle of continuous improvement and better economic and community outcomes.
3	Brings greater financial sustainability	Generates savings	<ul style="list-style-type: none"> • Deliver within the identified budget and bring savings • Deliver long-term financial sustainability for local government in Somerset.

2.6 Critical success factors

Critical success factors (CSFs) are the attributes essential for the successful delivery of reorganising local councils, against which options have been appraised. They answer the question 'what does good look like?'

Summary

These are the factors that local leaders consider critical for the development of a reorganisation proposal to government. They are structured in line with HM Treasury's Five Case Model.

This is an approved methodology that underpins all major government business case decisions and helps ensure that key, relevant criteria and options are considered. It also permits criteria such as the ability to affect the public service outcomes in Somerset to be considered and factored into the option appraisal and engagement process.

This goes beyond the Ministry of Housing, Communities and Local Government published criteria for reorganisation which have previously said proposals should be likely to:

- improve local government and service delivery in the area, giving greater value for money, generating savings, providing strong strategic and local leadership
- command a good deal of local support
- cover an area that provides a credible geography for the proposed new structures, including that any new unitary council's aggregate population would be expected to be in excess of 300,000, or having regard to local identity and geography, could be considered substantial

The rationale for the CSFs is that government has announced it will publish a white paper on devolution and local recovery next year. This is expected to set out an updated approach and further detail on devolution and reorganisation. Our CSFs anticipate this agenda will be more focused on reform and productivity.

#	CSF (link to HMT)	Purpose
1	Enables Somerset to deliver public service reform, improving the quality of public services (HMT: Strategic fit and business needs)	<p>The option provides a viable platform for long-term service reform, allowing Somerset to meet our reform objectives through:</p> <ul style="list-style-type: none"> • Enabling collective and coordinated leadership • Strengthening the democratic voice within Somerset by recognising the diversity of communities and needs and building on meaningful locality identities • Effectively involving communities in designing and delivering services that are tailored to local needs, harnessing local strengths and assets • Providing a platform for a modern culture and service excellence rooted in preventative and whole systems working removing silo cultures and working, that are in the way of better community and economic outcomes • Providing an effective platform for a strong sub-regional agenda to drive regional productivity and harness opportunities for devolution to enable Somerset to level up and become a net contributor to national GDP
2	Enables Somerset to deliver value for money for public expenditure	<ul style="list-style-type: none"> • Reducing the delivery cost of public services balancing flexibility and scalability • Tackling the causes of demand • Enabling a medium-term transition to an invest to save model reinvesting savings in a cycle of continuous improvement and better economic and
3	Investment attractiveness	<ul style="list-style-type: none"> • Levering additional investment in reform and services to deliver improved infrastructure, housing and economic prosperity
4	Financial sustainability	<ul style="list-style-type: none"> • Being achievable within the identified budget and repayable through savings • Delivering long-term financial sustainability for local government in Somerset
5	Achievability / deliverability	<ul style="list-style-type: none"> • Ensuring transformation can be implemented successfully, mitigating key strategic risks • Is deliverable locally, assuming credible geographical coverage and minimising impact on public sector boundaries.

2.7 Case for change – conclusion

There is recognition that local government in Somerset needs to change. While one argument focuses on a short-term, one-off efficiency, this case for change has at its heart a reform agenda, focussed on long-term effectiveness and efficiency that enables better connections and partnering to improve Somerset.

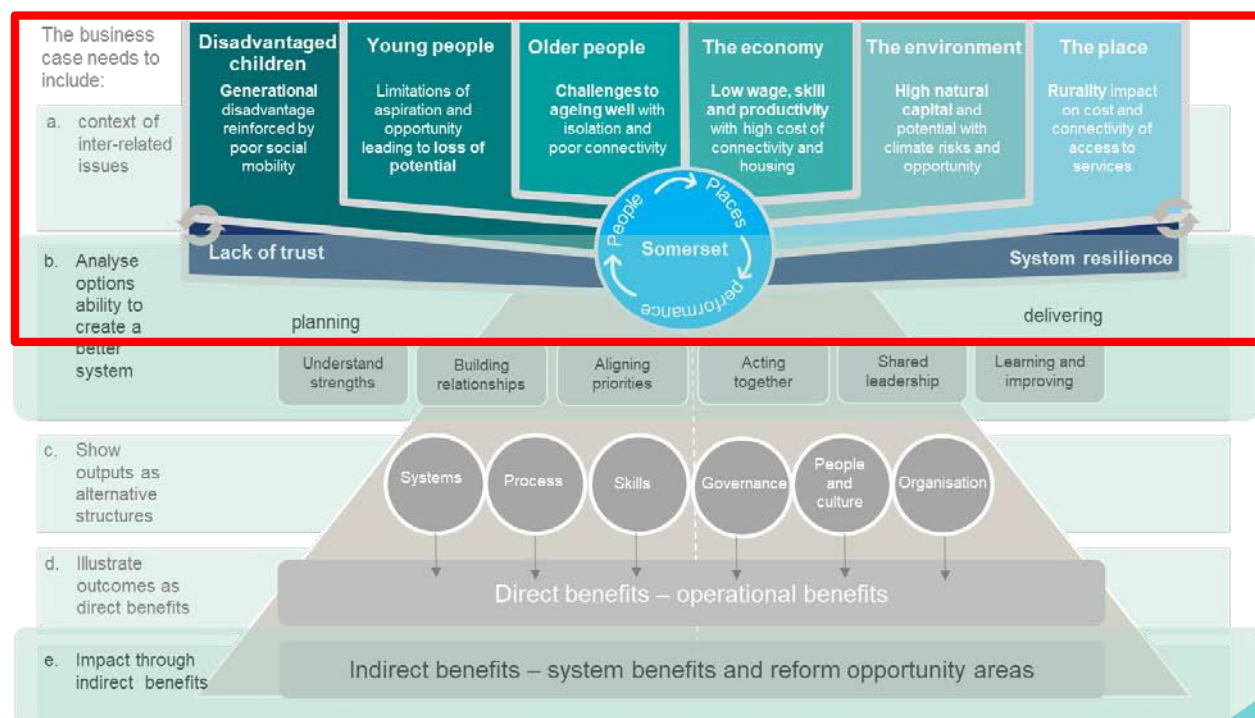
Summary

There is agreement that local government in Somerset needs to change amongst all councils and consensus within the districts on how to achieve it. Nationally there is also an emerging call for re- organisation of local government.

- Local government in Somerset has been under review for many years with a previous single unitary council bid led by Somerset County Council being rejected by local people 2007
- Pioneer Somerset was developed afterwards to attempt to enable all six councils to work together seamlessly by 2013. This arrangement failed in 2009 following slow progress and a decision by the County not to step-up support
- Over the last two years renewed efforts have been made on how to reform through work on the Future Local Government in Somerset programme. This initiative forms the basis of the current cases being developed and we have a shared understanding of the challenges Somerset is facing. Local consensus ended in January of this year when the County decided to return to proposals for a single county unitary proposal
- A focus on reorganisation must not distract from addressing the drivers for change facing the area that generally mean people, places

and performance experience fewer good outcomes than they should

- Our reform objectives are an opportunity to create a proposal for a sustainable future system that recognises and acts on the long-term challenges we face, rather than re-organise structures in isolation.



GALLERY

03

Options Appraisal



3 The options

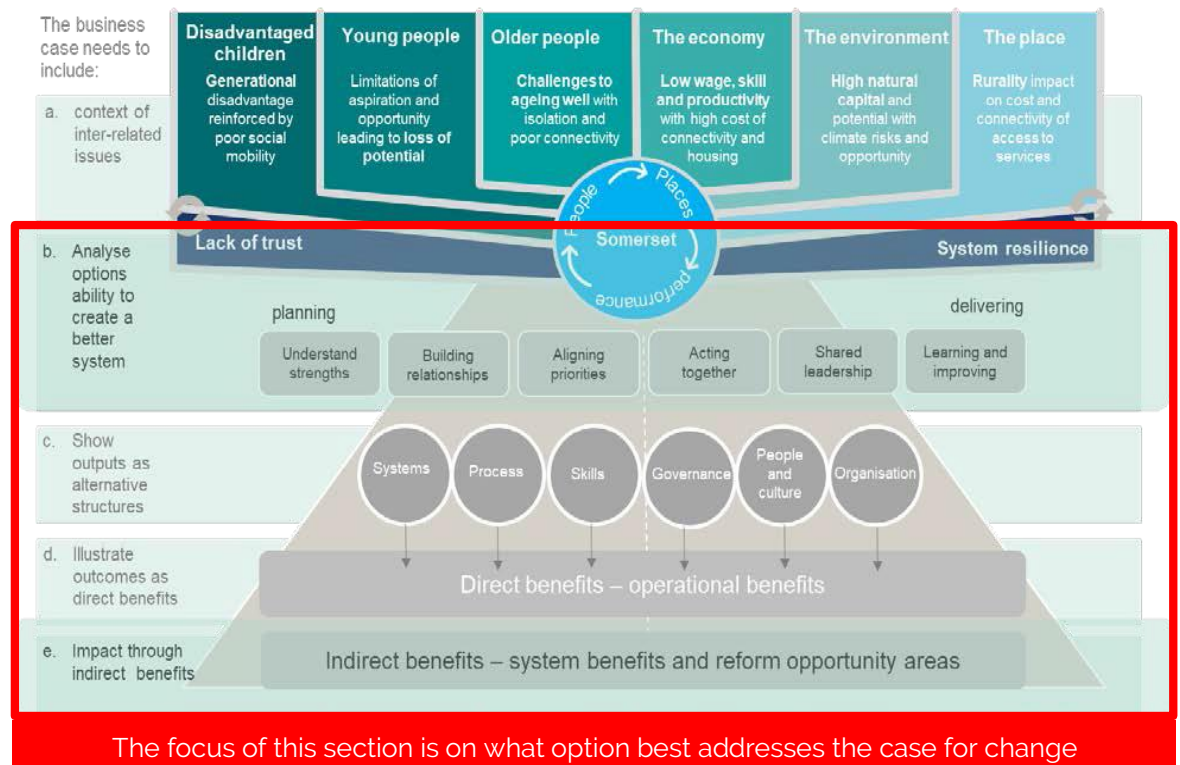
This section addresses the economic case. It sets out the options that have been considered and assesses a shortlist (including the 'Do Nothing' option), against critical success factors to identify a preferred option.

Introduction

The drivers and context described in the previous section describe the situation in which reform options have been considered. In this section options have been analysed to determine their likelihood to improve the system of local government. The analysis has been based against critical success factors for any reorganisation process.

- The process involved consideration of a long list of potential options and development of a short list. Work by all councils before 2020 identified seven potential options for consideration but as this work also included North Somerset and Bath and North East Somerset some options were discounted
- Our previous work provided useful framing but is not directly transferable to the current context. Instead a framework was developed considering:
 - the degree of council consolidation within the administrative area of Somerset (from the current five, to four, two and one council); and
 - the **degree of change to ways of working** (from do nothing, transform and reform)
- This resulted in a shortlist of four options covering the status quo, do minimum, a 'Stronger Somerset' 2-Unitary option and a single county unitary along the lines of 'One Somerset' These have been assessed against project objectives as described as critical success factors. These take into account government guidance on reorganisation and our reform objectives

Figure 2: Options Analysis



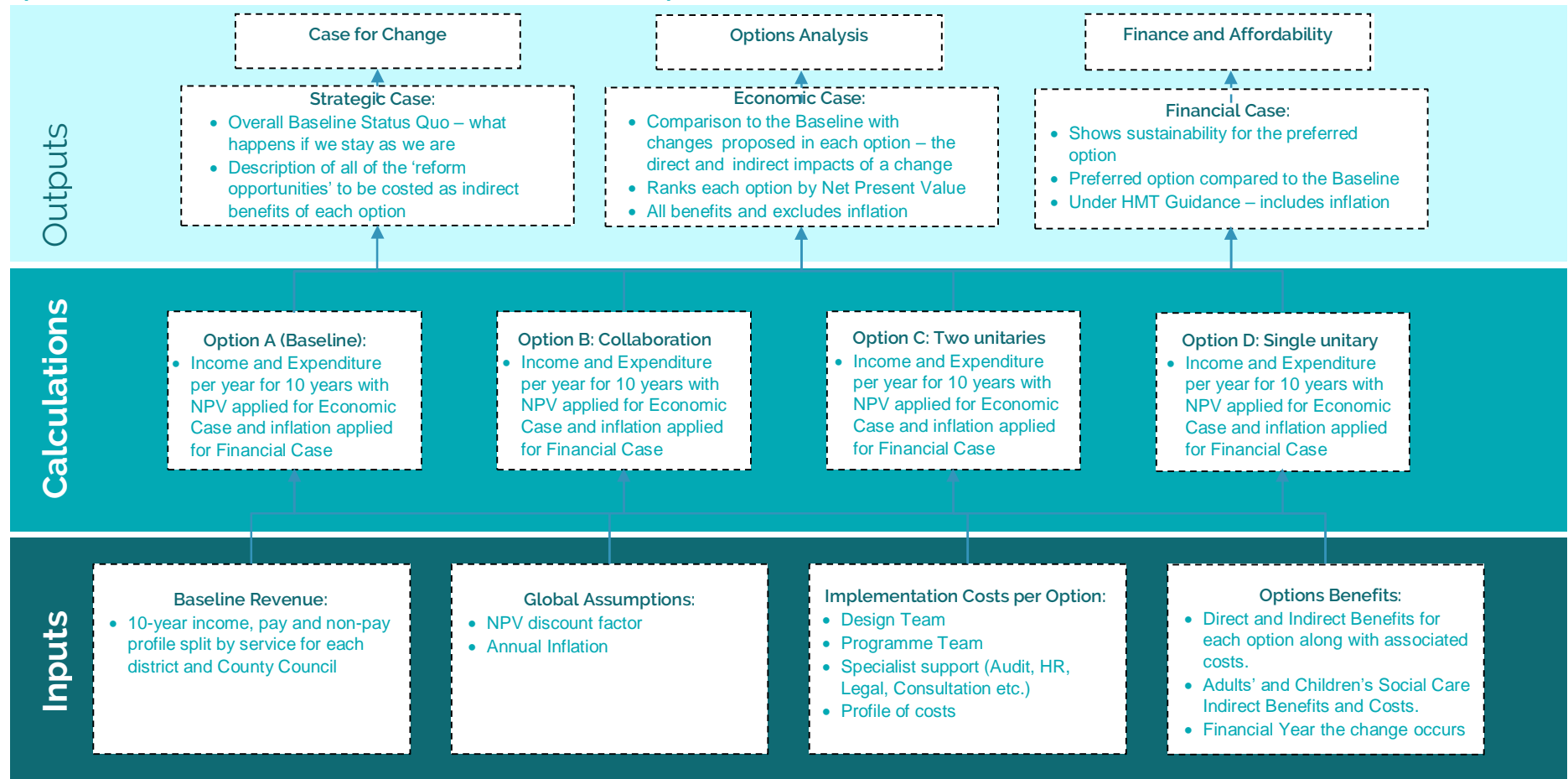
3.1 Approach to assessing options

Each shortlisted option is assessed against the critical success factors to test whether they meet the ambition for *'what does good look like?'*

#	CSF	Purpose
1	Enables Somerset to deliver public service reform, improving the quality of public services (HMT: Strategic fit and business needs)	<p>The option provides a viable platform for long-term service reform, allowing Somerset to meet our reform objectives through:</p> <ul style="list-style-type: none"> • Enabling collective and co-ordinated leadership • Strengthening the democratic voice within Somerset by recognising the diversity of communities and needs and building on meaningful locality identities • Effectively involving communities in designing and delivering services that are tailored to local needs, harnessing local strengths and assets • Providing a platform for a modern culture and service excellence rooted in preventative and whole systems working removing silo cultures and working, that are in the way of better community and economic outcomes • Providing an effective platform for a strong sub-regional agenda to drive regional productivity and harness opportunities for devolution to enable Somerset to level up and become a net contributor to national GDP
2	Enables Somerset to deliver value for money for public expenditure (HMT: Value for money)	<ul style="list-style-type: none"> • Reducing the delivery cost of public services balancing flexibility and scalability • Tackling the causes of demand • Enabling a medium-term transition to an invest to save model reinvesting savings in a cycle of continuous improvement and better economic and community outcomes
3	Investment attractiveness	<ul style="list-style-type: none"> • Levering additional investment in reform and services to deliver improved infrastructure, housing and economic prosperity
4	Financial sustainability	<ul style="list-style-type: none"> • Being achievable within the identified budget and repayable through savings • Delivering long-term financial sustainability for local government in Somerset
5	Achievability / deliverability	<ul style="list-style-type: none"> • Ensuring transformation can be implemented successfully, mitigating key strategic risks • Is deliverable locally, assuming credible geographical coverage and minimising impact on public sector boundaries

3.1 Approach to assessing options

The quantitative assessment includes considering implementation costs, as well specific costs and benefits modelled based on each option's characteristics.



Note: The Net Present Value (NPV) is the discounted value of a stream of future costs and benefits. The NPV is used to describe the difference between the present value of a stream of costs and a stream of benefits. It allows comparison of options by taking account of the fact that we give more weight to current values and events than to the future.

3.2 Shortlisting the options

The assessment of a long list of options considered the degree of council consolidation and change to ways of working, resulting in four short listed options covering the status quo and two unitary options.

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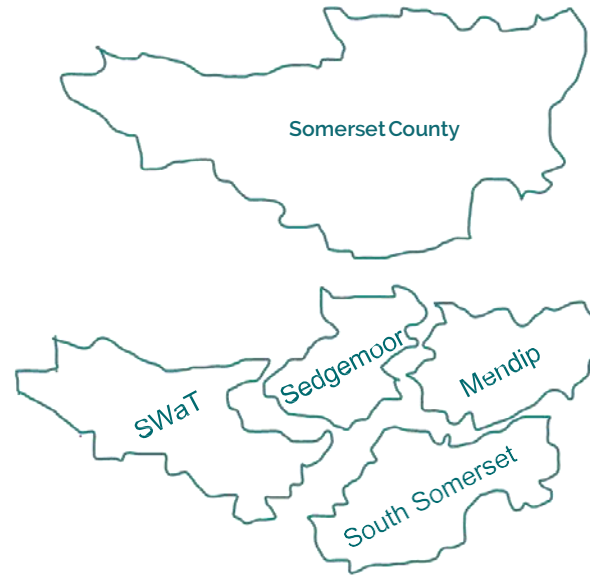
	Consolidation of authorities	Five authorities within Somerset County boundaries	Unitary authorities within Somerset County boundaries			Single unitary authority for Somerset	
Way of working	Possible options	Current state <i>Four Districts and County Council</i>	Transform in current state <i>Four Districts and County Council</i>	Four Unitary <i>Four unitary on district boundaries</i>	North-South <i>Two new unitary</i>	West / East <i>Two new unitary</i>	One Council <i>Single County Unitary</i>
	Do nothing	Not possible to 'do nothing' as organisations are already transforming	Not possible to 'do nothing' as organisations are already transforming	Localised service model, running county services as-is in parallel with district services	Localised service model based on an North-South split and a single reform programme	Localised service model based on a West / East split and a single reform programme	Centralised service model and a single reform programme
	Rationale	Reflects a backwards step	Reflects a backwards step	Too small to be viable	Too unbalanced	Reflects a backwards step	Reflects a backwards step
	Transform	No structural change; five distinct transformation programmes	No structural change; five distinct transformation programmes	Disaggregate county services and run four distinct transformation programmes	Disaggregate county services and run two distinct transformation programmes	Disaggregate county services and run two distinct transformation programmes	Aggregate district services and run a single transformation programme
	Rationale	Must include – Status Quo option	No different from status quo	Too small to be viable	Too unbalanced	Won't achieve reform outcomes sought	Won't achieve reform outcomes sought
	Reform	No structural change; five distinct reform programmes	Strategic alliance model with some structures and reform but mainly distinct reform programmes	Disaggregate county services and run four distinct reform programmes	Disaggregate county services and run two distinct reform programmes	Disaggregate county services and run two distinct reform programmes	Aggregate district services and run a single reform programme
	Rationale	Cannot take place w/o structural change	A degree of structural form on specific scope areas	Too small to be viable	Appropriate structures but unbalanced size northern authority may be too small	Appropriate structures to achieve level of reform required	Appropriate structures to achieve level of reform required
	Shortlisted options	Option A: Current State <ul style="list-style-type: none">Transform: No structural change; five distinct transformation programmesMust include – Status Quo	Option B: Transform current state <ul style="list-style-type: none">Reform: Strategic alliance model with some structures and reform but mainly distinct reform programmesMust include – Do Minimum	Option C: Stronger Somerset <ul style="list-style-type: none">Reform: Localised service model based on an West / East split and a single reform programmeOption for consideration	Option D: One Somerset <ul style="list-style-type: none">Reform: Centralised service model and a single reform programmeOption for consideration		

3.2 Shortlisting the options

Option A – Current State – would see the continuation of the current two-tier structure of local councils in Somerset delivering existing transformation plans. This represents the status quo option.

Summary

- **This approach reflects the current state and status quo. It would see the continuation of all five existing councils who would continue to operate their existing transformation plans.**
- There would be no changes to the democratic structures with retention of all existing councillors
- There would continue to be local elections for every two years – for the County Council in 2021 and the Districts in 2023
- The relationship with the City of Wells, Town and parish councils under this approach would remain as today
- Geographic coverage and relationship with other public service boundaries unchanged
- As this option would continue on the basis of existing plans it has been considered as the baseline position and no benefits or costs of re- organisation have been included in the assessment



Option A	Population	
	2021	2031
Sedgemoor	127,000	137,000
Somerset West & Taunton	155,000	164,000
Mendip	117,000	123,000
South Somerset	170,000	177,000

Option A: Current state

Four Districts and County Council

Transform: No structural change; five distinct transformation programmes

- Existing Districts and County remain
- Towns and Parishes remain with no choice on additional responsibilities supported by area working for local areas
- No change to democratic structures with 269 councillors across Somerset
- No changes to leadership team with five management teams
- Transformation programmes currently planned continue separately within each district council and county council
- Existing service split between County and Unitaries continue
- Current relationship with other public service geographic boundaries continues unchanged
- Existing collaboration such as current joint delivery arrangements such as the Waste Partnership continue on a case by case basis
- Each council continues to operate separate enabling functions, systems and processes
- Each council retains its operating culture
- Current trends and trajectory in service delivery
- Unlikely to justify a combined authority within Somerset or beyond
- No change to regional voice / influence

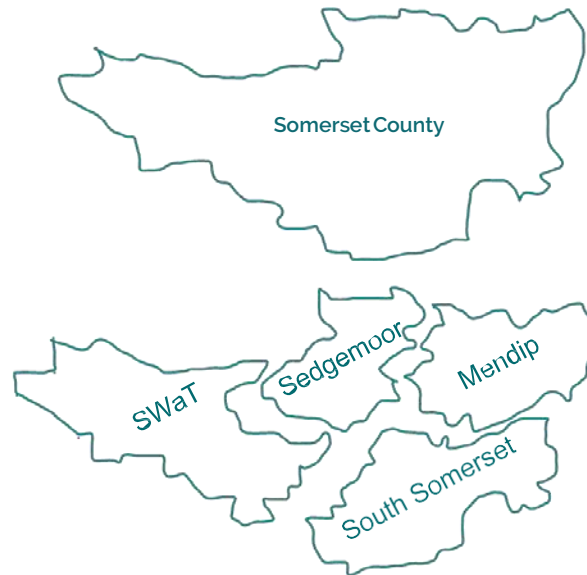
3.2 Shortlisting the options

Option B – Transforming the current state - would see all five councils continue but pursue an ever closer collaboration between authorities. This represents the do-minimum change.

Summary

This approach reflects the do minimum option as it maintains the current structures but pursues ever closer relationships.

- There would be no changes to the democratic structures with retention of all existing councillors
- There would continue to be local elections for every two years – for the County Council in 2021 and the Districts in 2023
- The relationship with the City of Wells, Town and parish councils under this approach would remain as today but options could be explored for closer joint working aligned to existing areas
- Geographic coverage and relationship with other public service boundaries unchanged
- This option is similar to the approach previous tried through Pioneer Somerset in 2007-2009. It would represent an incremental change process
- There would be no requirement for Secretary of State approval for this option to proceed and due to the lack of Parliamentary process could commence immediately



Option B	Population	
	2021	2031
Sedgemoor	127,000	137,000
Somerset West & Taunton	155,000	164,000
Mendip	117,000	123,000
South Somerset	170,000	177,000

Option B: Transforming in the current state

Four Districts and County Council

Reform: Strategic alliance model with some structures and reform but mainly distinct reform programmes

- Existing Districts and County remain
- Towns and Parishes remain with options for additional responsibilities supported by area working for local areas
- No change to democratic structures with 269 councillors across Somerset
- Some changes to leadership team with five management teams but potential for shared roles
- Transformation programmes are enhanced to encourage shared services but continue separately within each district council and county council
- Existing service split accountability between County and Unitaries continue
- Current relationship with other public service geographic boundaries continues unchanged
- Existing collaboration such as current joint delivery arrangements such as the Waste Partnership continue and more sharing is prioritised
- Each council commits to convergence of enabling functions, systems and processes
- Greater integration of enabling services over time, with a range of separate integrated services in the medium term (e.g. legal shared service)
- Each council retains its operating culture
- Incremental change to trends and trajectory in service delivery
- Unlikely to justify a combined authority within Somerset or beyond
- Limited change to regional voice / influence

3.2 Shortlisting the options

Option C – Stronger Somerset - would see two new unitary authorities created in Somerset based on the combination of the areas of Sedgemoor and Somerset West & Taunton (West) and Mendip and South Somerset (East).

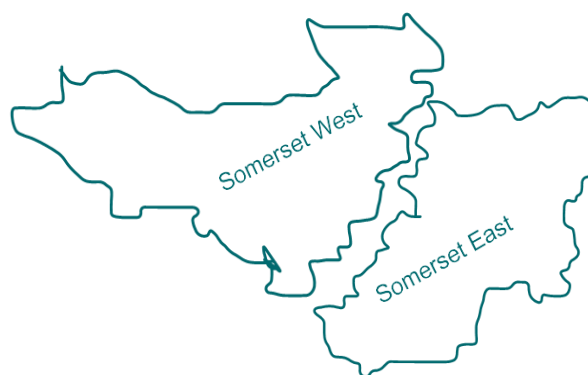
Summary

This approach reflects a move to unitary councils in Somerset based on a West / East axis. All five current councils would be abolished and replaced with two new authorities.

- There would be changes to the democratic structures with new councillors and councillor numbers determined on the advice of the Local Government Boundary Commission
- There would be local elections every four years starting in the year the councils went live
- The relationship with city, town and parish councils under this approach could be transformed with opportunities to design a new approach
- Geographic coverage of two unitaries is the same as the existing footprint of Districts and County, with two tiers replaced with one
- This option is similar to the approach currently being undertaken in Northamptonshire where the current two tier arrangements are being replaced by two new unitaries

- There would be a requirement for Secretary of State agreement and Parliamentary approval for this option to proceed.

Option C	Population	
	2021	2031
Western Somerset	282,000	301,000
Eastern Somerset	287,000	300,000



Option C: Stronger Somerset

Two new unitaries based on West and East alignment

Reform: Localised service model based on a West / East split and a single reform programme

- Existing Districts and County abolished and replaced with two Unitary Authorities based on a West / East split
- Towns and Parishes remain with options for additional responsibilities supported by area working for local areas
- Changes to democratic structures with a maximum of up to 100 councillors per unitary (based on LGBCE guidance)
- Changes to leadership team with two management teams
- Two new transformation programmes to create new councils
- Existing service split between County and Districts removed with opportunities to design new service models at three levels: Somerset-wide level in collaboration, at the unitary level and in localities
- Current overall geographic footprint remains unchanged
- Intersect with other public service geographic boundaries is simplified by creating a single tier of local government.
- Unitary boundaries match the functional delivery boundaries for both PCC and Fire Authority
- Existing collaboration such as current joint delivery arrangements such as the Waste Partnership continue and new merged services across two councils
- Each council creates new enabling functions, systems and processes
- Each council creates a new operating culture
- Potential for new services to change trends and trajectory in service delivery
- Will justify a combined authority and stronger sub-regional involvement with our close neighbours.
- Will strengthen regional voice / influence

3.3 Shortlisted options summary descriptions

Option D would see a single new unitary authority created in Somerset covering the entire administrative area of the existing five councils. This option is what the County Council is proposing through its One Somerset proposal.

Summary

This approach also reflects a move to unitary councils but with a single council cover the entire county. All five current councils would be abolished and centralised into a single county wide unitary.

- There would be changes to the democratic structures with new councillors and councillor numbers determined on the advice of the Local Government Boundary Commission
- There would be local elections every four years starting in the year the council went live
- The relationship with city, town and parish councils under this approach could be transformed with opportunities to design a new approach
- Geographic coverage of two unitaries is the same as the existing footprint of Districts and County, with two tiers replaced with one
- This option is similar to the approach currently being undertaken in Buckinghamshire where previous two tier arrangements were replaced by a single Unitary Authority

- There would be a requirement for Secretary of State agreement for this option to proceed and Parliamentary approval



Option D	Population	
	2021	2031
One Somerset	569,000	601,000

Option D: One Somerset

Single County Unitary (as per the County PID)

Reform: Centralised service model and a single reform programme

- Existing Districts and County abolished and replaced with one Unitary Authority
- Towns and Parishes remain with options for additional responsibilities supported by area working for local areas
- Changes to democratic structures with a maximum of up to 100 councillors across Somerset (based on LGBCE guidance)
- Changes to leadership team with single management team
- One new transformation programme to create the new council
- Existing service split between County and Districts removed with opportunities to design new service models at two levels: Somerset-wide level (unitary), and local basis
- Current geographic footprint remains unchanged
- Intersect with other public service geographic boundaries is simplified by single tier of government.
- Existing collaboration such as current joint delivery arrangements such as the Waste Partnership are extended with merged services in one council
- Council creates new enabling functions, systems and processes
- Council creates a new operating culture
- Potential for new services to change trends and trajectory in service delivery
- Cannot justify a combined authority within Somerset but

3.4 Assessing options against critical success factors

Improving public services - enabling improvements to the delivery of public services

is central to the purpose of any proposed reorganisation, which requires collective and co-ordinated leadership.

Critical success factor	Option A: Status Quo	Option B: Do minimum	Option C: Stronger Somerset	Option D: One Somerset
1.a How well does the option enable collective and co-ordinated leadership?	M	M	H	M
1.b To what extent does the option enable a strong democratic voice within Somerset which recognises the diversity of communities and needs and builds on meaningful locality identities?	L	L	H	M
1.c How well does the option effectively involve communities in designing and delivering services that are tailored to local needs, harnessing local strengths and assets?	M	M	H	M
1.d To what extent does the option provide a platform for a modern culture and service excellence rooted in preventative and whole systems working removing silo cultures?	L	L	H	M
1.e To what extent does the option provide an effective platform for a strong sub-regional agenda to drive regional productivity and harness opportunities for devolution to enable Somerset to "level up" and become a net contributor to national GDP?	L	M	H	H

Summary Rationale	
Option A: Current State	<ul style="list-style-type: none"> The five political and officer leadership groups need to manage priorities and find time for co-operation and collaboration with a poor track record Concern about duplication and fragmentation of representative roles across the 269 councillors in Somerset but also closer to community concerns District area working enables a close community understanding with pockets of good practice but concern on centralised / standardised
Option B: Transform the current state	<ul style="list-style-type: none"> As above - maintains challenges of the current state and difficult to sustain As above - retains fragmentation of roles As above - but potential for more closely involving communities As above but with a focus on cultural reform embedded in the option
Option C: Stronger Somerset	<ul style="list-style-type: none"> Two new leaderships providing a fresh start with aligned but distinct leadership prioritising distinct needs whilst encouraging joint working. Balance of clear councillor role with less reduction in councillors overall keeping manageable (less than 100 per unitary) Working with localities and alternative service delivery of care are envisaged which emphasise preventative and asset based approaches By creating entirely new councils on new geographies there is a strong incentive and potential to create a robust platform for change
Option D: One Somerset	<ul style="list-style-type: none"> One new leadership team with potential for a strong co-ordinated structure to speak with one voice to partners but risk of maintaining current culture More limited potential to retain a balance of councillor number and manageable council size, so likely to be a maximum of 100 councillors Envisages a large area locality model called Local Community Networks loosely aligned to Primary Care Networks but option to model Potential to create a new culture but it would be operating on the same footprint and basis for many existing services so less impetus for change

3.4 Assessing options against critical success factors

Summary Rationale	
Option A: Current State	<ul style="list-style-type: none"> • No fundamental changes to delivery with incremental improvements from existing transformation programmes and limited short-term savings • SCC track record of cuts in preventative services continue, increasing medium term demand and shunting pressures elsewhere in the system • SCC not expected to undertake invest to save on core services, based on previous track record so limited potential for change
Option B: Transform the current state	<ul style="list-style-type: none"> • Only incremental changes but more potential for additional activity to target areas of cross-over between councils and encourage shared approaches • Limited short-term savings, with no available resource for additional preventative work • Ability to target specific programmes and joint initiatives but with higher barriers to entry from managerial effort needed to agree case by case
Option C: Stronger Somerset	<ul style="list-style-type: none"> • High potential to redesign services and make a fresh start, including high cost areas like care services and in areas of overlap between councils • Reform objectives bring strong focus on preventative agenda and a platform for designing to tackle the upstream causes of cost pressures and collaboration and integration alleviates short term budgetary pressure and reinvestment designed to strengthen capabilities for further savings, such as data and analytics capabilities to enable data driven decision making • Ambitious service- reform agenda following an invest to save model

Value for money - the approach should reduce delivery costs, enabling resources to be redeployed and

Critical success factor	Option A: Status Quo	Option B: Do minimum	Option C: Stronger Somerset	Option D: One Somerset
2.a Reduces the delivery cost of public services balancing flexibility and scalability	L	L	H	H
2.b How well does the option enable local government to tackle the causes of demand?	L	L	H	M
2.c How effectively does the option enable local government in Somerset to transition to an invest to save model reinvesting savings in a cycle of continuous improvement and better economic and community outcomes?	L	L	H	M

Option D: One Somerset

- Potential but less incentive to redesign services, including high cost areas such as social care services, with focus limited to 'back office'
- Integration savings provide initial financial breathing space but reinvestment opportunity is used to address existing services not their reform
- Invest to save not expected to be undertaken, based on previous track record

provide a platform for redesigning services to tackle demand upstream and alleviate the causes of cost pressures.

3.4 Assessing options against critical success factors

Investment attractiveness - the approach position the councils to attract and secure additional investment that enables improvements to infrastructure, housing and economic prosperity

Critical success factor	Option A: Status Quo	Option B: Do minimum	Option C: Stronger Somerset	Option D: One Somerset
3.a How effective are the options likely to be leveraging additional investment in reform and services to deliver improved infrastructure, housing and economic prosperity?	L	L	H	M

Summary Rationale	
Option A: Current State	<ul style="list-style-type: none"> Does not provide platform to secure additional investment through devolution / further mechanism
Option B: Transform the current state	<ul style="list-style-type: none"> Does not provide platform to secure additional investment through devolution / further mechanism apart from specific grant programmes where co-operation could improve conversion rates and enhance capabilities
Option C: Stronger Somerset	<ul style="list-style-type: none"> Reform and transition provides a unique moment in time to negotiate for additional investment to enable improvements in the economic and social infrastructure Creation of the new councils established a more coherent basis for partner engagement Councils have the ability to invest in capabilities to further stimulate economic growth and development, building on a track record of commercial investment
Option D: One Somerset	<ul style="list-style-type: none"> Major restructuring and change provides a unique moment in time to negotiate for additional investment to enable improvements in the economic and social infrastructure Creation of the new councils established a more coherent basis for partner engagement but track record suggests a more isolated approach

3.4 Assessing options against critical success factors

Achievability / deliverability - the approach should be capable of being delivered successfully and of managing strategic risks.

Critical success factor	Option A: Status Quo	Option B: Do minimum	Option C: Stronger Somerset	Option D: One Somerset
5.a Transformation can be implemented successfully, mitigating key strategic risks	L	M	H	H
Structural reform is not treated as a platform for service reform	L	M	H	M
Organisations lack the capacity, capability and staff morale to successfully implement change	L	L	H	H
Damage to key stakeholder links: Health, Police, Fire, Education	L	L	M	H
No effective platform to engage in devolution discussions	M	M	H	H
5.b Is deliverable locally, assuming credible geographical coverage and minimising impact on public sector boundaries	L	L	H	M

Summary Rationale	
Option A: Current State	<ul style="list-style-type: none"> Fragmentation persists with lack of scale, stimulus or drive for reform increasing frustration amongst partner organisations and no compelling rationale or offer for devolution No change to geographic footprint and intersect with other public sector boundaries but current two-tier arrangements persist with complexity for public sector partners
Option B: Transform the current state	<ul style="list-style-type: none"> Fragmentation persists with lack of scale, stimulus or drive for reform increasing frustration amongst partner organisations and no compelling rationale or offer for devolution, requiring greater creativity to secure additional capacity and change Staff morale will suffer due to feeling of stagnation and frustration if ambition of greater collaboration is not realised No change to geographic footprint and intersect with other public sector boundaries but current two-tier arrangements persist with complexity for public sector partners
Option C: Stronger Somerset	<ul style="list-style-type: none"> Significant reform agenda based on invest to save model provides scale, stimulus and incentive for resetting relationships and driving through reform Greater potential engagement with stakeholders in governance structure Sufficient scale but with additional flex for each unitary No change to overall geographic footprint of Local Government with East and Western Somerset boundaries formed by merging existing District boundaries Current two-tier arrangements simplified to a unitary which is the preference of policing, LEP and other partners Good alignment with PCC and Fire and Rescue structures - each new unitary matches delivery boundaries for PCC, and Fire Authority - enabling strong operational linkages whilst recognising that in Somerset the PCC and Fire & Rescue Authorities are not coterminous Alignment to the ICS and ICP, which is coterminous with the boundaries of both areas (most ICS cover more than one authority) The boundaries are coterminous with the Local Economic Partnership (LEP) but can also respond adeptly to differing functional economic market areas (FEMAs) The geographic split takes into account the differing cultural and social characteristics of East and Western Somerset, and retains democratic representation at a meaningful local level that is connected to people and communities
Option D: One Somerset	<ul style="list-style-type: none"> Change creates a platform for improvement Current One Somerset documentation does not include reform agenda and previous track record is not strong Significant scale of unitary improves platform No change to overall geographic footprint of Local Government Current two-tier arrangements simplified to one tier Boundaries of new unitary provide good fit for PCC, and Fire Authority although cannot flex to differing operational boundaries in the same way as option C Alignment to the proposed ICS and ICP boundaries - unusual with a single authority covered by one ICS Coterminous with the LEP

3.5 The options – qualitative assessment summary

The assessment identified that Stronger Somerset – creating two new unitaries on a West and East axis across the area, would provide the best fit against the qualitative critical success factors.

Critical success factor (Low = 3, Medium = 5, High = 10)	Option A: Status Quo	Option B: Do minimum	Option C: Stronger	Option D: One Somerset
Improving public services				
1.a Enables collective and co-ordinated leadership	M	M	H	H
1.b Strengthens the democratic voice within Somerset by recognising the diversity of communities and needs and building on meaningful locality identities	M	M	H	M
1.c Effectively involves communities in designing and delivering services that are tailored to local needs, harnessing local strengths and assets	M	M	H	M
1.d Provides a platform for a modern culture and service excellence rooted in preventative and whole systems working removing silo cultures and working, that are in the way of better community and economic outcomes	L	L	H	M
1.e Provides an effective platform for a strong sub-regional agenda to drive regional productivity and harness opportunities for devolution to enable Somerset to level up and become a net contributor to national GDP	L	M	M	M
Value for money				
2.a Reduces the delivery cost of public services balancing flexibility and scalability	L	M	H	M
2.b Tackles the causes of demand	L	M	H	M
2.c Enables a medium-term transition to an invest to save model reinvesting savings in a cycle of continuous improvement and better economic and community outcomes	L	M	H	M
Investment attractiveness				
3.a Can lever additional investment in reform and services to deliver improved infrastructure, housing and economic prosperity	L	M	M	M
Deliverability				
5.a Transformation can be implemented successfully, mitigating key strategic risks	L	M	H	H

5.b Is deliverable locally, assuming credible geographical coverage and minimising impact on public sector boundaries	L	L	H	M
QUALITATIVE SUMMARY	L: 8 M: 3 H: 0	L: 2 M: 9 H: 0	L: 0 M: 2 H: 9	L: 0 M: 9 H: 2

The two remaining Critical Success Factors were assessed under the financial assessment:

- 4.a Achievable within the identified budget [budget TBC] and repayable through savings
- 4.b Delivers long-term financial sustainability for local government in Somerset

Stronger Somerset

3.5 The options – quantitative assessment summary

We have followed HMT guidance in analysing the financial benefits of each of our shortlisted options.

Like much of the sector, Somerset councils face significant financial challenges. The medium-term financial plans for SCC and the Districts show that by 2025/26, there will be a £22.7m annual budget gap. This was before the current pandemic, which has increased costs and depressed income levels for all councils.

Our analysis shows that only one option - of re-organisation and reform will enable Local Government to get onto a financially sustainable path; one that provides an effective platform for improving services and driving economic prosperity. Achieving sustainability requires finding more efficient ways to operate – reducing replication in, and modernising enabling services for example. But just as importantly, it requires service reform that can start to reduce demand for complex services over the longer term. Without this second strand of work, any savings will only postpone a financial crisis.

While the structure and culture of local government cannot deliver service reform on its own – it is a critical enabler to the success of those efforts. As a result, in evaluating the economic impact of each of the shortlisted options, we have considered three categories of costs and benefits:

1. **One-off implementation costs** associated with the transition to a new structure. this excludes one-off implementation costs associated with each direct / indirect opportunity area.
2. **Direct costs and benefits** which flow directly from structural change presented in each option. These are recurrent, based on changes to leadership and management positions, enabling services and governance and democratic services.

Indirect costs and benefits. Those that arise from key areas of service reform – in this case Adults' and Children's social care.

In line with HMT guidance, a net present value (NPV) has been used for each option. We have calculated this for five years from 21/22 – 25/26, and for 10- years.

Only financial benefits and costs that impact the councils in scope have been included in the NPV calculation – we have not attempted to model the significant wider economic value of interventions at this stage. The NPV must therefore be viewed alongside the non-financial benefits of a change in governance.

In terms of reform around localism and levelling up, reforms have incorporated minimal costs at this stage, and benefits are included qualitatively/ quantitatively in the appraisal of options. We have modelled costs and benefits of reform in social care – thorough analysing the key planks of a reform agenda for these services. It should be noted that all individual opportunity areas are subject to more detailed analysis in individual business cases.

This quantitative analysis draws on PA Consulting analysis and data, publicly available data for SCC including MTFP and budget documents, financial data and assumptions from the four Somerset District Councils, documentation shared by other Local Government Reform programmes, previous publicly available work and analysis by Pixel, as well as a wide range of published evidence on social care.

Please note that for this presentation the benefits are positive and the costs are negative. Therefore a positive Net Present Value means the benefit present values over the five years are higher than the present values of the costs.

3.5 The options – quantitative assessment summary

The assessment of costs and benefits shows that the two new unitaries would present similar costs to a county model and achieve similar direct benefits, but would establish the foundations and confidence to deliver greater indirect reform benefits and a more sustainable future in the long run.

Summary

In terms of Direct benefits – intelligent design of an Option C, using integrated services across both organisations means the option achieves the large majority of benefits achieved by Option D

Option C incurs greater levels of Indirect cost reflecting a larger focus on investment in service reform

Over a five-year period, Options C and D achieve a comparable overall net present value (NPV). Over a ten-year period, the more successful achievement of a reform agenda set out by Option C would result in overall greater long term benefits

In our analysis, Indirect benefits are based on likely generation of benefits through service improvement and control of long-term complex demand in social care

Our analysis has been predominantly focussed on the combined revenue general fund budgets using available Medium-Term Financial Planning information to assess costs and benefits that could be achieved by reorganisation and reform.

Consideration will need to be given to factors such as reserves, business rates retention, council tax harmonisation, potential harmonisation of terms and conditions, pensions, redundancies and potential receipts from property portfolio rationalisation. The financial analysis will need updating and managing through the transition, particularly once the government plans for local government funding and finance are announced

Note: Please note that for this presentation the benefits are positive and the costs are negative. The Net Present Value (NPV) is the discounted value of a stream of future costs and benefits. The NPV is used to describe the difference between the present value of a stream of costs and a stream of benefits. It allows comparison of options by taking account of the fact that we give more weight to current values and events than to the future.

3.5 The options – quantitative assessment summary

	Option B: Do minimum	Option C: Stronger Somerset	Option D: One Somerset	Option B: Do minimum	Option C: Stronger Somerset	Option D: One Somerset
Investment period	5 year (£m)			10 year (£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)	(17.47)	(18.85)	(2.22)	(17.47)	(18.85)
Direct benefits						
These are the 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	19.39	74.48	84.86	51.64	188.23	213.96
Total direct costs	(3.22)	(22.84)	(22.18)	(5.22)	(33.84)	(32.18)
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	-	49.13	24.56	-	176.66	88.30
Total indirect costs	-	(19.47)	(8.06)	-	(36.79)	(16.72)
Net costs / benefits (£m)	13.95	63.83	60.33	44.20	276.74	234.55
Net Present Value NPV (£m)	11.85	53.60	50.98	34.83	215.29	183.29

3.6 Sensitivity Analysis

We have conducted a range of sensitivity analysis on the options. In one sensitivity scenario, Option D's achievement of indirect benefits has been updated to reflect SCC's social care reform agenda, published in their most recent MTFP.

The comparison between Options C and D is sensitive to changes in the level of indirect costs and benefits ascribed. It should be noted that, in our analysis for Option D, a single unitary, the anticipated indirect costs and benefits (those applying to reform of social care) are based on assumptions of what is likely to be achieved, given SCC's lack of a successful track record of investment and reform – particularly in some aspects of children's services. Over the last 5 years:

- Somerset's children's social care services were judged inadequate (2015); following progress being made, they were subsequently judged by Ofsted (2017) to be requiring improvement to be good.
- Recent SEND performance as reported by Ofsted *"raised significant concerns about the local area"* and reported that *"in many respects, their (sic families) experience at this point is getting worse"*
- Whilst SCC has often set ambitious budgets, the outturn for Children's services has been consistently in excess of budget, sometimes significantly so (between 15/16 – 18/19, the spend was between four percent and 14 per cent greater than budget for the year)

By way of comparison, we have also modelled an amended option D, which replaces our assumptions around social care with transformation plan data taken directly from Somerset County Council's most recent MTFP – using the predicted costs and benefits around their social care transformation plans in place of our assumptions. The results are shown below and do not have a material impact on the overall analysis.

Option	5 Year NPV (£m)	Difference compared to Original Option C	10 year NPV (£m)	FY 21/22 Y1 (£m)	FY 22/23 Y2 (£m)	FY 23/24 Y3 (£m)	FY 24/25 Y4 (£m)	FY 25/26 Y5 (£m)
Original Option C	53.60	-	215.29	(13.70)	(2.82)	18.16	20.57	31.39
Original Option D	50.98	(£2.62m) (-4.9%)	183.29	(11.70)	(2.29)	18.49	19.41	27.07
Option D MTFP	50.66	(£2.94m) (-5.5%)	164.04	(11.39)	(2.41)	18.99	20.53	24.94

3.7 Sensitivity Analysis

We have conducted additional sensitivity analysis on Option C as the preferred option, in line with HMT guidance.

Three sensitivities were performed on Option C, listed below, and compared against the original Option C and Option D.

1. If only achieve 50% of all benefits and incur all costs
2. If only achieve direct benefits and incur all costs
3. If implementation costs are 50% higher (e.g. the programme delays, or incurs more costs)

Changing the benefits has the biggest sensitivity to Option C with achieving 50% of benefits reducing the NPV by 101% and only achieving direct benefits reducing the NPV by 80%. Changes to implementation costs are less sensitive as a 50% increase reduces the NPV by only 16%.

Option	5 Year NPV (£m)	Difference compared FY 21/22 to Original Option C					
		Y1 (£m)	Y2 (£m)	Y3 (£m)	Y4 (£m)	Y5 (£m)	
Original Option C	53.60	-	(13.70)	(2.82)	18.16	20.57	31.39
Original Option D	50.98	(£2.62m) (-4.9%)	(11.70)	(2.29)	18.49	19.41	27.07
Option C Sensitivity 1	(0.40)	(£54.00m) (-100.7%)	(13.70)	(7.50)	3.27	4.80	12.73
Option C Sensitivity 2	10.93	(£42.67m) (-79.6%)	(13.70)	(5.57)	8.55	8.61	13.04
Option C Sensitivity 3	45.28	(£8.32m) (-15.5%)	(19.06)	(5.78)	18.16	20.57	31.39

Please note that Option D will also change due to the three sensitivities above. Option D has more direct benefits than Option C so is more sensitive to scenario 1, less sensitive to scenario 2 due to fewer indirect benefits than Option C and similar implementation costs to Option C so will have a similar sensitivity.

We have also looked at the sensitivity of staffing costs on both Option C and D. If staffing (redundancy and pension costs) are removed from the appraisal, Option C still represents a better NPV over 5 years versus Option D, although overall benefits are more comparable.

3.7 Sensitivity Analysis

Option	5 Year NPV (£m)
Option C – no staffing costs	57.07
Original Option D – no staffing costs	56.10

More specific sensitivities will be conducted in later stages of this process.

3.8 Our preferred option is Stronger Somerset

Following the overall assessment, Stronger Somerset, involving two new unitaries - Western Somerset and Eastern Somerset - offers the greatest potential to achieve the critical success factors and offer long-term financial benefits.

Options assessment – four viable options were reviewed – maintaining the status quo, do minimum by transforming joint working or restructuring to create either one or two

unitaries on both a qualitative and quantitative basis with **Option C – Stronger Somerset** scoring highest on both aspects through tackling the reform outcome for Somerset's people, places and productivity, not simply finding organisational efficiencies.

Critical success factor (Low =3, Medium = 5, High = 10)	Option A: Status Quo	Option B: Do minimum	Option C: Stronger Somerset	Option D: One Somerset
• 1.a Enables collective and co-ordinated leadership	M	M	H	H
• 1.b Strengthens the democratic voice within Somerset by recognising the diversity of communities and needs and building on meaningful locality identities	M	M	H	M
• 1.c Effectively involves communities in designing and delivering services that are tailored to local needs, harnessing local strengths and assets	M	M	H	M
• 1.d Provides a platform for a modern culture and service excellence rooted in preventative and whole systems working removing silo cultures and working, that are in the way of better community and economic outcomes	L	L	H	M
• 1.e Provides an effective platform for a strong sub-regional agenda to drive regional productivity and harness opportunities for devolution to enable Somerset to level up and become a net contributor to national GDP	L	M	M	M
• 2.a Reduces the delivery cost of public services balancing flexibility and scalability	L	M	H	M
• 2.b Tackles the causes of demand	L	M	H	M
• 2.c Enables a medium-term transition to an invest to save model reinvesting savings in a cycle of continuous improvement and better economic and community outcomes	L	M	H	M

<ul style="list-style-type: none"> • 3.a Can lever additional investment in reform and services to deliver improved infrastructure, • housing and economic prosperity 	L	M	M	M
• 5.a Transformation can be implemented successfully, mitigating key strategic risks	L	M	H	H
• 5.b Is deliverable locally, assuming credible geographical coverage and minimising impact on public Lsector boundaries	L	L	H	M
Qualitative assessment	L:8 M:3 H:0	L:2 M:9 H:0	L:0 M:2 H:9	L:0 M:9 H:2
Five-year Net Present Value (£m)	0	11.85	53.60	50.98
COMBINED RANKING	4th	3rd	1st	2nd

Our Vision for reform through reorganisation

The creation of Western Somerset Council and Eastern Somerset Council will deliver a robust and sustainable local government structure capable of responding to our diverse communities, building resilience and better representing all parts of Somerset.

Why this option?

We believe this is the right option because:

- it **passes the** MHCLG tests for unitary authority proposals and the critical success factors we have defined
- it is the only option that provides the platform for reform that Somerset needs;
- it is the only option which delivers sustainable local government within Somerset – delivering comparable financial benefits to the alternative of a single county unitary over a five-year period and exceeds it over of a longer time frame because we will bring forward the benefits of reform;
- it establishes two authorities designed to a common framework, but which have the capacity appropriate to meet the needs of their area and set priorities which reflect their local characteristics and priorities;
- it brings together council responsibilities to enable benefits from integrated accountabilities both within what local authorities do and across the wider public sector; and
- it strengthens our ability to work at the sub-regional level across a range of agendas such as climate change, boosting business and increasing connectivity, and to work towards a combined authority with devolved powers and responsibilities that can enable further accelerated progress on levelling up Somerset's economy, productivity and social mobility.

Most importantly, **Stronger Somerset represents a genuine opportunity for a fresh start.** A new settlement for local authorities in our area, resulting in ambitious, agile and able authorities who go further faster than any continuation of authorities today can.

Option C: Stronger Somerset

Two new unitaries based on West and East alignment

Western Somerset

- **Place** - Western Somerset would comprise the current areas of Somerset West & Taunton and Sedgemoor District Councils. This area comprises some areas of deep rurality, combined with coastal areas to the North and West along with the towns around Taunton, Bridgwater and Burnham-on-Sea
- **People** - Provides a balanced split of population. The Western Somerset area has a population around 5,000 smaller than the Eastern Somerset area, although it is set to grow rapidly with new developments around Taunton garden town, for example. The rurality of the west means there is a lower population density of 158 people per Km2 over a large geography of 1752 km2
- **Community** - Seven LSOAs in the Western Somerset area are in the 10% most deprived nationally. Care needs are roughly balanced with Eastern Somerset- in April 2018 there were 252 Looked After Children in the Western Somerset area and 9,333 adults receiving social care services in 2017
- **Economy** - three travel to work areas around Taunton, Bridgwater and Minehead where most people who live in the area also work and two main functional economic areas linked to the M5 corridor and Western Somerset coast. There are growth sector opportunities such as clean energy including nuclear linked to Hinkley C and climate and environmental sciences including the UK Hydrographic Office in Taunton and connectivity through the M5 spine
- **Existing Public service boundaries** – Western Somerset retains the same footprint as Somerset West and Taunton District Council and Sedgemoor District Council – so boundary intersects with other public services do not change. Our relationship with other public service organisations will be simplified by unitary government. It is also notable that the East-West split in option C maps onto existing operational boundaries of our regional police and fire services.
- In terms of Fire and Rescue Services, Western Somerset matches the operational delivery boundary of the Devon and Somerset Fire and Rescue Authority, Taunton Group. Meetings with Devon and Somerset Fire and Rescue Authority have confirmed that a two-unitary option (as well a single unitary) would “have no impact on the provision of fire and rescue.”
- In terms of Police services, the proposed Western Somerset boundaries exactly matches Avon and Somerset Police's 'Somerset West' operational boundaries and permits us to develop even closer working practices
- The development of the Integrated Care System and Integrated Care Partnership is an

Eastern Somerset

- **Place** - Eastern Somerset would comprise the current areas of Mendip and South Somerset District Councils. This area is mainly rural with main towns Frome and Yeovil Street and Glastonbury and the city of Wells, together with a large number of market towns
- **People** - Provides a balanced split of population although currently slightly larger than the West but also growing through new developments and longer lives.
- **Community** - Two LSOAs in the Western Somerset area are in the 10% most deprived nationally. Care needs are roughly balanced - in April 2018
- there were 232 Looked After Children in the Eastern Somerset area and 9,356 adults receiving social care services in 2017
- **Economy** - Two travel to work areas around Street & Wells and Yeovil where most people who live in the area work and two main functional economic areas linked to the A361 corridor and A303 corridor. The growth sector opportunities include agri-tech and advanced manufacturing and aerospace core including rotorcraft around Yeovil.
- **Existing Public service boundaries** – Eastern Somerset retains the same footprint as South Somerset and Mendip District Councils – so, as with Western Somerset, boundary intersects with other public services do not change. Our relationship with other public service organisations will be simplified by unitary government.
- In terms of Fire and Rescue Services, Eastern Somerset matches the operational delivery boundary of the Devon and Somerset Fire and Rescue Authority, Yeovil Group.
- In terms of Police services, the proposed Eastern Somerset boundaries exactly matches Avon and Somerset Police's 'Somerset East' operational boundaries.
- Health – As with the West, Eastern Somerset's development will

04

**How a
Stronger
Somerset
would**



4.1 How a Stronger Somerset will operate

This section addresses the commercial, management and financial cases. It describes how the preferred option of Stronger Somerset (Option C), moving to two new unitary councils, will better position us to provide the strategic leadership and drive for reform and productivity that Somerset needs. We set out the Stronger Somerset vision, proposed operating model, reform priorities, key benefits and the programme implementation approach.

Making a fresh start

Continuing authorities as they are in Somerset is not a viable option. Our proposal involves creating two closely aligned new unitary councils that will offer the fresh start necessary and offer the greatest benefit.

These unitaries will appear similar in structure but will differ in their strategic priorities or balance of priorities as they respond to the specific challenges and opportunities of their area.

Stronger Somerset puts new councils at the heart of an ecosystem for driving public service reform and productivity across Somerset. It is more than reorganisation. Crucially, it is not just about the unitary councils but about their connections to the wider ecosystem of local public services and improving how we all work together to achieve better outcomes. There are multiple benefits from the outward-looking system-wide solution we propose. We have highlighted four key priority themes in more detail to demonstrate how we will differentiate from limitations in the current system of local authorities.



- ← Aligned public service leadership team to transcend organisational silos
- ← Sharing data, information and insights to make data driven decisions
- ← Shared resources between sectors and organisations
- ← Local integrated teams and institutions reducing hand offs
- ← Building strengths through community and voluntary action

4.1 How a Stronger Somerset will operate

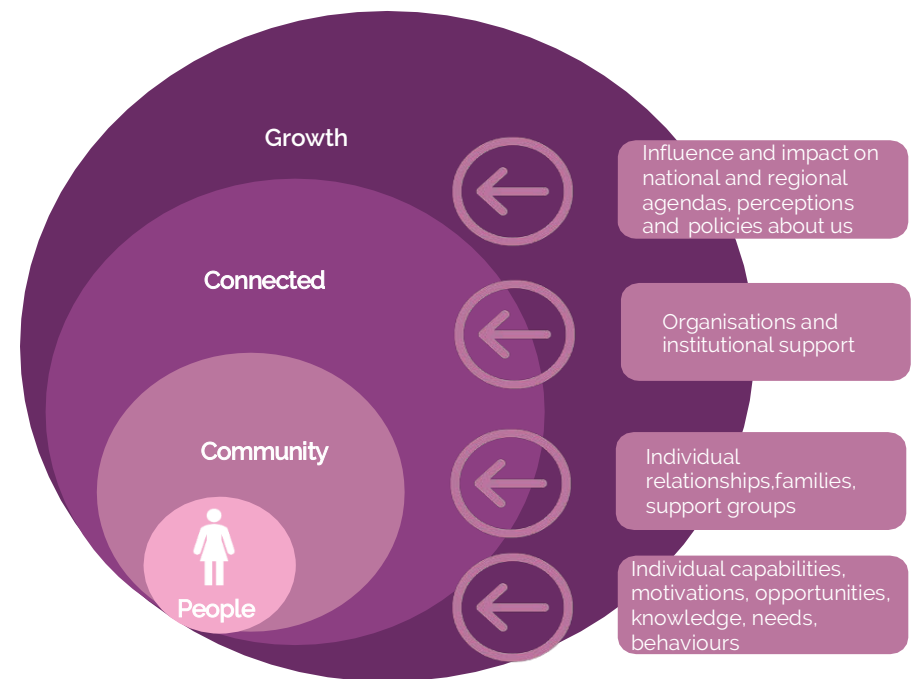
Four priorities from our reform objectives

Our Stronger Somerset reform objectives can be grouped into four priority themes: people, communities, connected and growth radically different councils working within the wider ecosystem. Stronger Somerset is not just about the councils but about the connections to the wider eco-system that need to work together to achieve outcomes. Building on our previous work with leading public service reform advocates, such as Collaborate, we welcome and endorse the principles established in their Manifesto for the Collaborative Society and the Manchester model of public service reform. We also believe in the power of what can be achieved when we stand and act together.

As advocates of collaborative public services and servants we will create an era of collaborative services based on a series of shifts:

<i>from directing</i>	...to enabling
<i>from centralising...</i>	...to sharing power
<i>from assessing...</i>	...to understanding
<i>from doing to...</i>	...to doing with
<i>from compliance...</i>	...to learning
<i>from silos...</i>	...to systems

These shifts informed how we are proposing to embed our reform objectives in four priorities. Those themes have then informed our approach to reforming the system of local public services through two new unitary authorities capable of providing the strategic leadership and direction we need.



4.2 Our operating model

To inform how we should organise to deliver the Stronger Somerset vision, we have developed system design principles to describe the way we want the system to change.

Our proposition is to create two new Councils based on common design principles, both will deliver the sustainability and prosperity the County needs but will be sensitive and agile enough to make the detailed choices to reflect local needs and aspirations. This will allow us to go further, faster in driving real public service reform.

Why we need change

These unitaries will share some structures where this offer advantages but crucially, they will differ in other aspects, including their strategic priorities and specific responses as they respond to the specific challenges and opportunities of their area.

We were making progress until Somerset County Council decided to walk away from the discussion. But all councils recognised that something needed to change. This is what we also hear from our engagement with partners across the public sector who would welcome unitary local government in Somerset but who also want to see much more ambitious and stronger strategic leadership.

Previous attempts at creating a single solution for Somerset have stalled because they were inward looking and outdated, focusing on service delivery and organisational performance, not on how to influence outcomes and enhance impact. The most effective local authorities recognise they do more than deliver services. They convene, they shape, they influence, and they work in partnership with others. These dimensions have been lacking in previous proposals for reorganisation and are what Stronger Somerset now aims to address.

The fresh start we propose is a genuine break from past, failed approaches. It is an opportunity to establish forward thinking, ambitious authorities that work in partnership with each other, with citizens, communities and business and with the wider public sector.

We will be more outward facing at every level, working with communities to inform and shape approaches, working with partners across places on co-ordinated and integrated actions and working sub-regionally beyond the boundaries of Somerset to influence the context in which we operate.

This means we need to organise and operate differently in Somerset. And we believe that reorganisation can be a catalyst for a fresh start.

Western Somerset Council and Eastern Somerset Councils are an opportunity for a fresh start

By creating new unitary councils that are committed to improving the system of local public services, this proposal provides the opportunity for a fresh start in a way that continuing authorities would not.

Our ambition and reform agenda across the system can be summarised in the following six system design principles. They are based on our belief, experience and evidence that any future council arrangements in Somerset need to do more than just reorganise. They need to drive an accelerated reform agenda. **We want to go further and faster.**

4.2.1 System design principles

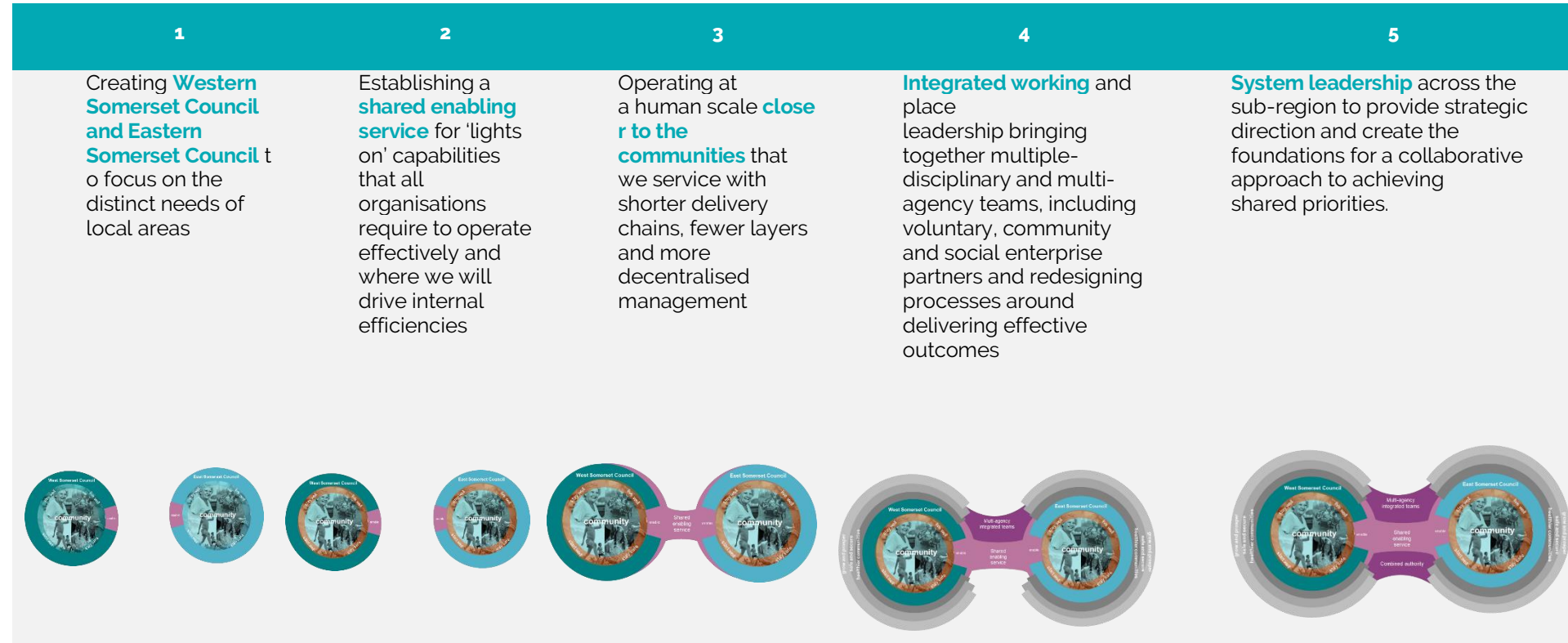
We will test all design activity against six system design principles that represent a fundamentally different response to how local government will work in Somerset from any other proposal on offer.

System Design Principles	Rationale
We go further, faster to achieve better outcomes by starting with purpose	By starting with purpose, we have the basis for establishing a new relationship between Somerset's public servants and the citizens, communities and businesses we serve. Together we will co-produce a genuine shared purpose to act earlier and shape better outcomes.
We work as a system creating trust- based relationships	By building trust-based relationships we will provide the stronger system leadership needed in east and Western Somerset. We will build trust and relationships by changing the tone and context of the engagement with citizens, communities, businesses and public sector partners to co-design, develop and deliver solutions together.
If others can do it better, we enable them by using the right resources	By using the right resources, we will create the conditions in which better outcomes can be achieved. We will enable, nurture and support others to do it better where this delivers better economic and social value.
We recognise different communities have different needs and we respect local autonomy and diversity, to build community assets and strengths	By building community assets and strengths, we will design systems for specific places and people, working with communities to shape their outcomes together, recognising differences in capability, capacity and appetite.
We are insight led and impact focused, making evidence-based decisions	We will transition from organisational performance information to system insight and intelligence with closer to real time data. This will enable councils and other decision makers to understand whether their actual impact meets their desired aims, and to use evidence to decide what they should do next to realise their purpose.
We learn, reflect and innovate to continuously improve	Through continuous improvement, the system we create and shape will improve through feedback and reflection to further improve and bring forward tangible change and innovative solutions.

4.2.1 System design principles

The system design principles shape how we will design the councils and how we implement them to create the organisations that we want to become.

The key differences from both business-as-usual and alternative proposals are:



4.2.2 Creating Eastern Somerset Council and Western Somerset Council

We are creating two individual unitary authorities, Western Somerset Council and Eastern Somerset Council.

This will deliver a single tier of local government, replacing the predecessor two-tier authorities, and reducing the number of councils from five to two.

The needs of local citizens, communities and businesses will be at the heart of both council operating models and decision-making. They will develop individual corporate strategies and plans that reflect and emphasise local needs and priorities. Having two unitaries give us much greater capacity for greater awareness, understanding, sensitivity and representation that these two, human scale organisations can create.

The target operating models for both councils will follow a similar set of organisational design principles that balance the benefits of using a consistent framework whilst retaining flexibility to reflect individual priorities. Both councils will have the same responsibilities but there will be key differences in their context and choices about how they operate, reflecting for example that Western Somerset Council will have retained housing stock whereas Eastern Somerset Council will not.

The individual councils will retain accountability for detailed decisions on their respective Target Operating Model but work through a shared reform programme design to maximise value from joint working during transition, manage development costs and maximise efficiencies.

The individual councils will retain accountability for detailed decisions on their respective Target Operating Model but work through a shared reform programme design to maximise value from joint working during transition, manage development costs and maximise efficiencies.



4.2.3 Community based

We will work at a human scale on local priorities, developing with communities an agreed shared purpose in different localities

By taking a more holistic and asset-based approach to community development and citizens strengths and needs within the distinctive towns, villages and rural communities of Somerset, we will be more customer outcome focused. We will also be taking forward action on proposals the Prime Minister asked Danny Kruger to consider in relation to social infrastructure, including his recommendations for professional 'connectors' charged with linking local services together¹.

Our approach will make it easier for individual citizens, whole communities and businesses to engage with the individual councils on the issues that matter to them where they live or work. Shorter, simpler engagement channels and delivery chains will make it easier for the councils to be agile and responsive to emerging and diverse priorities. What we have experienced during the response to COVID-19 has demonstrated the value of our greater understanding of localities, enable those of us working in communities to do that in partnership with those that we serve.

Our community and locality centred approaches draw on a wealth of experience from councils across the country who recognise that increasing scale and standardisation can also come with costs. We recognise the value of scale for some activities, but these are mainly things that support us rather than communities (hence our emphasis on scale and focus on enabling support) but locality working in service delivery. In many of the outcomes we want to see, operations require a detailed, multi-disciplinary and localised approach, particularly for the family, community and wellbeing issues.

More detail on our approach to working with communities is provided under the section on reform priority 2: enabling communities



¹ Levelling up our communities: proposals for a new social covenant – Danny Kruger MP,

4.2.4 A shared enabling service

We will develop a shared enabling service to provide the business capabilities required to operate effectively

Legal, administrative and facilities are good examples of the types of functions that we cannot do without but where we can streamline expenditure to enable more resources to focus on delivering service outcomes.

The aim of this foundational building block is to maximise efficiencies from processes and activities that are necessary, but which do not impact on the distinctive focus of each council on its local priorities. The shared enabling service will be set up to drive greater efficiency and simplicity allowing the engine room to drive the public service reform that our people and communities so desperately need.

With a clear focus and remit for delivering excellent support, the Shared Enabling Service will be able to change the way that service support is delivered, being more innovative and agile in adopting modern working methods and systems. It will **build on the emerging learning from the Local Government Digital Service Standard and experience of GDS, Essex and others to make integrated services and standardised elements easier.** It will all the councils to focus on eliminating, simplifying, standardising and automating support activities, using technology to augment staff resource and reduce the time spent on procedural activities.

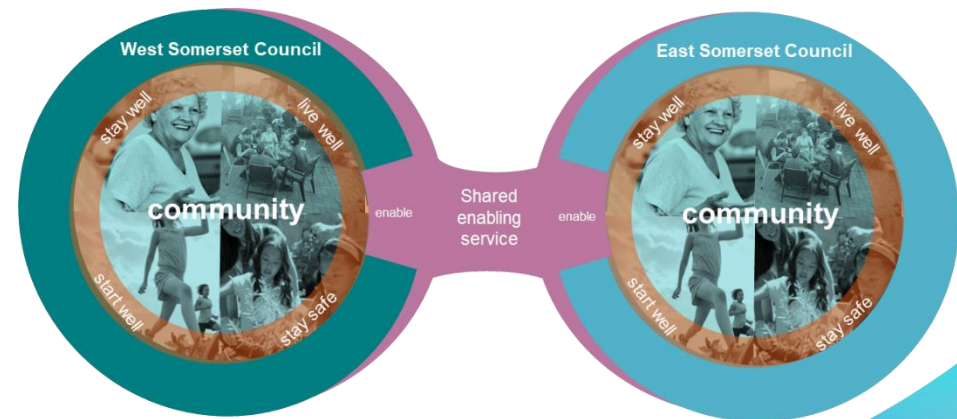
In doing so it will also open up opportunities for additional organisations to access the support it provides. Working closely with town and parish councils, communities and businesses we want the enabling support to become an enabling *service* across Eastern Somerset and Western Somerset. This will further contribute to the integration and alignment of social purpose organisations within the region and free up their resources across the system to focus on where they most add value. It is also likely to be responsible for accelerating the transformation of citizen, community and business engagement portals through technologies that make the customer experience 'frictionless', namely reducing the energy required by an experience so for example a resident does not need to repeat details each time they need support.

Without prejudging the detailed design, it is likely that each council will retain strategic aspects across enabling service functions such as finance, HR and

procurement. Strategic market, communications and democratic services and investment /economic development are likely to be retained within individual councils as these are capabilities where the councils will want to differentiate from each other to reflect respective community priorities. But that still leaves significant areas where we can drive more efficiencies.

Variable approaches may be determined with regard to the degree of operational, transactional and customer services that councils want to share and aspects they want to retain, and functions like PMO and Performance Management they may want to create independently once the initial transformation is complete. These are standard operational decisions and will help ensure the shared enabling service continually improves so that it is, and is seen to be, an essential component of the operating model for both councils.

There is on-going work to evaluate the delivery model and structure in this area as the benefits and potential of such an approach is not dependent on government approval for reorganisation. This includes assessment of alternative delivery models, corporate structures and implications for staff. That we are doing this work now is illustrative of the proposing districts commitment to finding ways to go further faster within the constraints in which we currently operate.



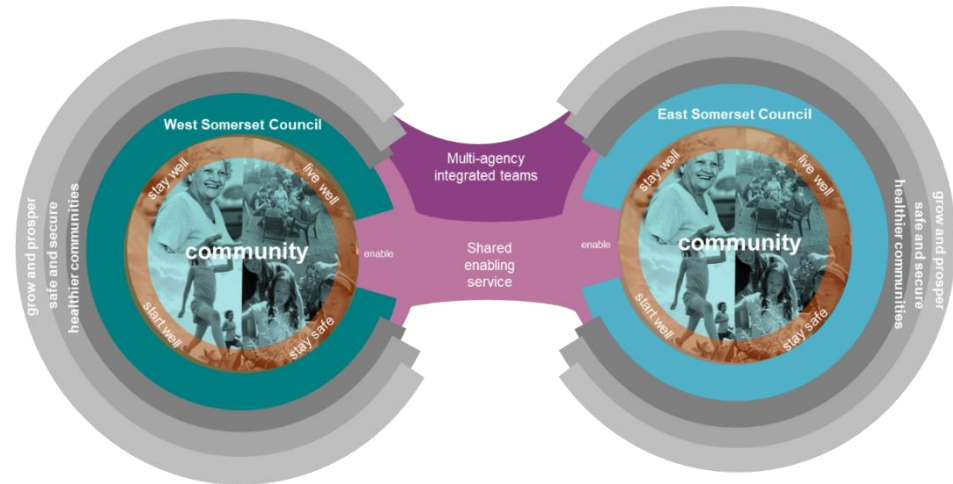
4.2.5 Integrated working and place leadership

Stronger Somerset will involve Western Somerset Council and Eastern Somerset Council developing a greater emphasis on integrated teams, not just within the councils but across public services.

We will convene and align partner organisations and other stakeholders through our system leadership to better integrate efforts on creating the conditions in the system that enable more effective working. Reorganisation will become a catalyst for reforming how services are delivered, enabling a rethink that removes departmental and organisational siloes and introduces more holistic solutions.

Making it easier to cross the divide between services and operational teams will improve the experience for the many citizens, communities and businesses who have relatively simple requirements. For those with complex support requirements and where we have duties to protect the current experience of 'firefighting' and focus on more acute cases will be relieved by spending less time co-ordinating and more time doing at a scale people can relate to. We will protect the resources for the complex cases and issues requiring in-demand specialists across both the council and our partners by working together upstream on creating more sustainable solutions.

Integrated locality working does not need to stop with the responsibilities of one organisation. It can and should work across organisational boundaries, which is exactly what will happen with Stronger Somerset. Integrated locality working is about developing ways of doing things differently and enhancing ways of working to improve experiences and outcomes for people that are being supported. We will go further, faster to develop integrated working that works for our respective communities – not simply to reduce costs within council operations but to add value.



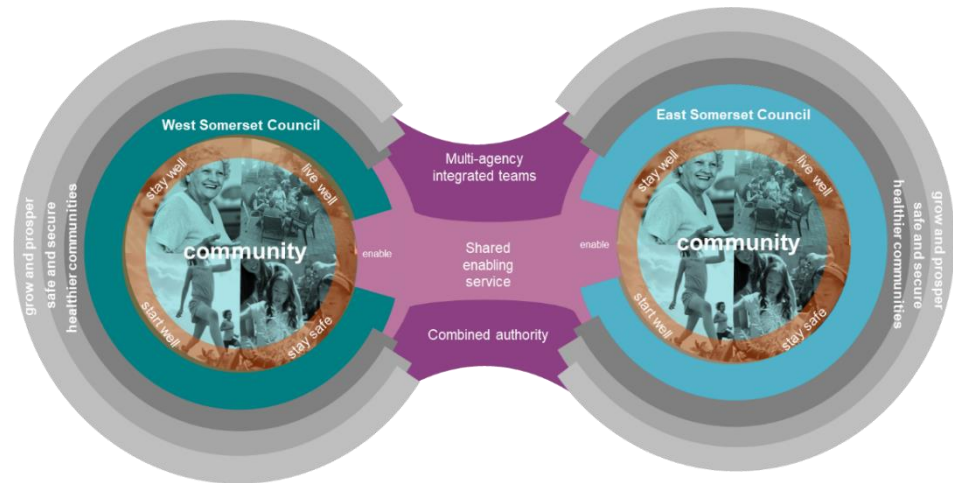
4.2.6 System leadership across the sub-region

We will work together to combine our influence on the increasingly important sub-regional agenda for issues such as growth, prosperity and transport.

The architecture of public services, particularly at the sub-regional level, is constantly evolving but we have consistently heard how partners want stronger strategic leadership in Somerset and quality partners that they can work with effectively.

Western Somerset Council and Eastern Somerset Council will be outward looking and ambitious authorities that influence the operating environment for the wider sub-region. Somerset does not operate in isolation and it does not have a strong core. Instead, it is influenced by what happens in Bristol to the North, to Exeter to the South, and to local 'market' areas for housing, functional economies and travel to work. To improve connectivity, we need to work together on agendas and decisions beyond our own that affect us. We can do that better through this proposal.

We will create organisations that want to work with others and that others want to work with. We will be a partner that organisations can trust to deliver and work collaboratively with on mutually agreed agendas. That includes stronger relationships and leadership on delivering government priorities such as levelling up, net zero and delivering homes.



4.3 Delivering our reform priorities

Our approach is designed to enable flexible and adaptive service delivery that is fit for this new age of public services. This section outlines how Stronger Somerset will start delivering on our reform objectives by summarising our plans for four council priorities: transforming people's lives and education, enabling communities, connecting services and collectively driving growth.

Reform Priority 1: People – key differences:

Addressing the fragility of our care and education services will be central to the work of the new councils. We will help people in Somerset start, live and age well through:

- Developing a new Children's services delivery model as a vehicle for driving a step change in leadership, partnership working with schools, colleges and stakeholders to help children thrive, achieve and stay safe
- Implementing a new model of social work practice in Children's services, based on multidisciplinary teams and which will deliver outstanding services to children and families
- Reforming Adult's services to expand strength-based practice, delivered through locally specific neighbourhood teams which align to Somerset's 13 Primary Care Networks
- Strengthening Pathways to independence maximising the independence of children and adults with disabilities
- Investing in services that maximise independence such as Local Area Coordination, Living Well and Stabilise and Make me Safe schemes
- Agreeing social care components of locality agreements, such as Compassionate Frome – an exemplar from our region
- Developing technology-enabled care services.

Reform Priority 2: Communities – key differences:

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

We will engage with towns and parishes by:

- Creating a charter for localism in Somerset

- Supporting the capacity and capability of the city of Wells, town and parish councils and wider community networks
- Working together on local agreements between the unitary councils and localities to devolve assets and services in return for improved outcomes
- Agreeing local governance arrangements to ensure genuine participation and partnership
- Enabling integrated working for service delivery at a local level
- Offering practical help for parishes from enabling services, helping parishes to work together.

We will work to deliver a town council for Taunton as part of our new relationship with communities.

4.3 Delivering our reform priorities

Our approach is designed to enable flexible and adaptive service delivery that is fit for this new age of public services. Key differences and benefits will come from plans for transforming care and education, enabling communities, connecting services and collectively driving growth.

Reform Priority 3: Connected – key differences:

Collaboration between the councils will be established through the creation of new enabling services. There are opportunities we are already exploring to join up our enabling functions and we will go further through:

- Joint enabling services with pooled effort and access through an alternative service delivery model to support the councils, our partners, the city of Wells and Town and Parish councils
- Integrated external services delivery between councils and others where it makes sense
- New digital capabilities, facilitating connection and sharing
- New strategic capabilities, such as supporting the strategic commissioning capability in the Integrated Care System (ICS) and investing in modern data and analytics to enable intelligence and data driven decisions
- Practical help for parishes from enabling services, helping parishes to work together.

Reform Priority 4: Growth – key differences:

Strong, green, inclusive growth is vital to address poverty and inequality. Low paid work creates a cycle of poverty and can mean communities feel left behind and do not feel the benefit of growth. It also comes at a high cost to the taxpayer.

Stronger Somerset will see councils with a distinctive ambition working in partnership to lead our recovery and build forward to a clean and inclusive economy.

Whilst unitary local government will help us to address a number of our economic challenges more effectively, we also recognise that our ambitions need to be supported by an ambitious and progressive devolution agenda that can help us become a positive net contributor to the Exchequer. We have seven themes:

- Boosting business and productivity
- Carbon neutrality and climate resilience
- Delivering better digital connectivity
- Transport infrastructure and physical connectivity
- Improving skills and social mobility
- Creating thriving places
- Delivering sustainable housing development.

4.4 Reform priority 1: People

Stronger Somerset is an opportunity for a fresh start and a chance to realise a new and inclusive vision to help residents live well. This section outlines our proposed reform of Adults' and Children's services that will help Somerset's residents to start, live and age well.

We acknowledge concerns about disaggregation and disruption to existing county services that are already challenged and focused on service improvement. That is why we have engaged leading practitioners to act as interim 'shadow directors' in shaping our proposals for these critical services.

Why it matters

We are proposing a radical and ambitious plan for social care and education; a plan that will greatly improve people's outcomes and experiences whilst building services which are financially sustainable. We want to create a strong future for every Somerset resident, regardless of their characteristics or background – a future where everyone is enabled to start, live and age well. We want to support the ambitions and aspirations of every child and ensure that none are left behind.

We will build a holistic education and care system which is:

- **Preventative:** With increasing demand for both Adults' and Children's services, including social care, we know we cannot afford to continue to support people in the way we currently do. We will invest in place-based preventative and early help services, which are adept at anticipating and responding to needs before they escalate. We will deploy predictive analytics to ensure we understand the needs of our population, and how we can best support people to maintain their independence.
- **Asset based:** All our interactions with local people will start with what is strong about individuals, families and communities rather than what is wrong. We will seek to connect and build on the rich assets of people and local communities, training and supporting our staff to work on this basis.
- **Local and integrated:** We will create multi-agency, multi-disciplinary neighbourhood hubs which provide seamless, person-centred care and support to children, families and adults close to their homes. In the future, people will only have to tell their story once, accessing locally the coordinated and personalised services they need. The hubs will be community facing – enabling people to access formal services as well as local community resources and networks. We will seek to break down some of the unhelpful barriers between organisations involved in supporting people through a whole county approach to linking. We will break down the barriers between schools and social care.
- **High Quality:** We will develop a rich and varied market of local providers. Those which are regulated will consistently be rated good or outstanding. We will build on some of the best local practices in Somerset, such as village agents and micro enterprises. We will find ways to encourage local, innovative social enterprises and charities which provide support to grow. The care workforce will be well trained, well paid, and supported to grow their careers and stay in Somerset.
- **Step-change in outcomes:** We will bring about a step-change in outcomes and experiences in Somerset by delivering operational change priorities that focus on:
 - increasing continuity of care for children, families and adults
 - closing the gap in outcomes for vulnerable children and those with additional needs
 - greater independence and higher quality of life for young adults with disabilities
 - greater independence and wellbeing for older adults (living where they choose)
 - financial sustainability for council services and investment in new approaches
 - anticipating, planning for and managing demand reducing inequalities based on protected characteristics.

4.4 Reform priority 1: People

Despite the hard work of staff and stakeholders in Somerset, there are aspects of Children's services that have been weak for many years. There are evident performance challenges highlighted by social care and SEN inspection outcomes, achievement 'gaps' and poor social mobility.

We need a fresh start for Children's services, based around a strong strategic vision, emphasising collective ambitions and aspirations for all children, promoting inclusion and equality. Our whole system approach will mobilise strengths and assets in communities, families and organisations, addressing weaknesses so that improvement is delivered faster, and working to a shared inter-agency practice model/framework.

Stronger for Somerset – A New Delivery Model

Improvement will be underpinned by a new Alternative Delivery Model (ADM) – Stronger Somerset for Children (working title) that has the capacity to drive meaningful change with pace and momentum to deliver excellent outcomes for children. Jointly owned by the two proposed unitaries, the organisation will deliver the full range of services for both new councils including: prevention and early help; children in need /child protection; children looked after and care leavers; education and learning (including early years) functions; and, youth offending.

The ADM will provide a vehicle for critical reform through:

- **Strengthening leadership:** A strong focus on creating the right leadership culture and conditions for excellence will support better outcomes. For example, Achieving for Children has demonstrated how a new delivery model can offer a powerful ADM leadership will give unstinting focus to tackling strategic priorities in creating a dedicated children's organisation that create the conditions for outstanding services.
- **Implementing an agreed Stronger Somerset practice model:** this will underpin not only children's social care but also that of the wider children's workforce, including schools. External models that will be considered include the Hertfordshire Family Safeguarding approach and systemic and strengths-based approaches. This model will be

underpinned by simplified processes to share and record information, meaning that practitioners can spend more time with families (e.g. through a safeguarding workbook).

- **Transforming services:** We will have an opportunity to reinvent how we work together, emphasising strategically and operationally the importance of creating effective multidisciplinary teams that work with the whole family (for example in cases of domestic abuse or mental health issues). The model would ensure children have seamless journeys through services, universal, targeted and specialist (and not have to repeat their family stories). There would be a strong emphasis on corporate parenting responsibilities and enabling children looked after and care leavers to realise their ambitions and have secure happy lives.
- **Prioritising partnership working:** Our engagement with the sector has highlighted the widespread view that there is currently too much professional and organisational 'silo' working in children's services. We will foster effective working relationships with key partners, including schools/colleges, the NHS, housing, the police and the voluntary sector. Every school /college will have a link social worker (with some being placed in schools), drawing upon learning and evidence from the What Works Centre pilots on social workers in schools. We will seek to involve school leaders in key commissioning and delivery decisions. Whilst an 'internal' partner, there will be effective links with Adults' services, with particular focus on those with adult mental health services (including drug and alcohol services) and on supporting good transition for young people with disabilities and SEN. Finally, and crucially, we will work with children families to design services that improve their lived experiences of services.
- **Accelerating progress towards shared commissioning:** Priority will be given to giving

necessary momentum to shared commissioning (and delivery where appropriate) with the NHS CCG, focusing on specific groups of children, including those with emotional and mental health needs, those with disabilities and complex needs.

- **Developing a new early help offer:** A locally based 'early help' offer will be commissioned and delivered, covering both unitary authority areas but flexed to meet local needs. Local organisations, including

parish and town councils will be fully involved in creating a 'hyper local' approach, maximising local resources and capacity.

- **Making sure that strategic and operational decisions are outcome focussed and evidence based:** linking to Stronger Somerset's plans to deliver robust data, insight and analysis to inform decision-making.

4.4 Reform priority 1: People

Stronger Somerset's collaborative two unitary model, and our adoption of a locality working approach means that Children's services can be flexed and delivered at the right level.

Structural advantages of delivering at the right level

We propose to have one Director of Children's Services to promote consistency and effectiveness of outcomes. This is similar to the Achieving for Children joint arrangement in Richmond and Kingston. A number of services would likely be delivered on a 'one service/across two unitary' basis; these include school place sufficiency, children's placements commissioning, and youth offending.

There would be single local safeguarding children arrangements across both unitary authority areas, with at least two more local safeguarding panels promoting high quality inter agency work. However, our model will be able to balance this with a distinct Eastern / Western focus through area-based delivery and commissioning functions. Most services will be delivered on a unitary authority and small geographical unit basis, operating to common standards, quality assurance, and with integrated management. These include:

- A single front door for all support and services (including statutory child protection investigations/assessments)
- Social work: children in need, child protection
- Caseholding teams for children looked after and care leavers, whilst

taking a cross unitary approach to delivering outstanding corporate parenting responsibilities

- A range of education functions, including SEN 'case management'
- The development and use of 'family, community and wellbeing deals will encourage and support focused attention from all partners on priority issues of concern to specific localities; for example, there may be a need to address high rates of school exclusion in a particular locality
- We will seek to establish children and families 'voice' forums across both unitary areas to ensure that their voices, expertise and feedback shapes decision making.
- This structural approach allows us to balance the benefits of both scale and localism. We will balance a Somerset wide perspective with an equally strong attention given to flexing between and responding to the needs of different parts within the two unitary authority areas.
- Specific details around ownership, governance and legal form will be developed further but the new councils would retain ownership of and control over services

4.4 Reform priority 1: People

We propose targeted reform of Adults' services in Somerset – based around a strengths-based, neighbourhood model, working with PCNs and the emerging ICS.

We need to deliver a consistently high level of quality and access across Somerset, while ensuring that we provide care and support which recognises the diverse geography of Somerset and responds to different local needs.

We will create momentum for improved population health and care management by creating a strengths-based, integrated and local authority-led care model that can wrap around the planned thirteen Primary Care Networks in Somerset. This will help us deliver local services that meet local need in the East and West unitary areas in the most joined up, efficient and cost-effective way.

Our proposed model will facilitate change to focus on prevention, health, wellbeing and independence at all stages of life, through:

- Ensuring that wellbeing, social value and strengths-based approaches are part of all practice, policy and decision-making
- Ensuring that prevention and early intervention are prioritised
- Targeting resources based on need and place, maximising impact, and value for money
- Challenging and developing our culture and practice
- Working in partnership with a focus on system integration at all levels.

Strengths-based practice in adults

Recent events such as the floods and COVID-19 nationally have presented social care as a problem that needs to be “fixed”. A strengths-based, locally defined approach to adult social care offers an alternative frame: that the wider health and wellbeing context that people live in, the choices they make and the behaviours they adopt can be the pivot needed to address an issue. It is not just another word for change, it involves a new vision, a different solution, and a new business model. What is required is help to make and

sustain changes in day-to-day lives and invert the triangle from a reliance on services and formal care to more participation and investment in communities. This is supported by skilled community workers and navigators who listen as well as support people with actionable steps they can take to support their life and wellbeing.

This is more than simply a different way of doing assessments or implementing a new model. Strengths-based practice can enhance health, wellbeing and resilience and reduce long term pressures on the health and care system, especially when the practice is co-produced with people who use Adults' services such as carers, providers and the community and voluntary sector.

Whilst strengths-based practice has started in Somerset, our research and engagement during the past months shows it has not been implemented consistently with some communities not experiencing the approach nor the necessary culture change. The aim of our approach is to consolidate and extend strengths-based practice across adults' services and public health in Somerset.

The importance of working in neighbourhoods

“A health system based on prevention and health equity would involve a focus on place – on small areas and on influencing the environment and social and economic conditions of places in order to improve the health of residents.” **The Marmot Review, 10 Years On**

Evidence shows the most successful models are built on population or place-based neighbourhood hubs. The focus of these hubs will be on providing the right services, capacity and local care offers to meet local needs. There are 25,000 older adults with two or more long term conditions (LTCs) in Somerset and resources will be targeted at helping this population reduce isolation, strengthen community connections and regain/retain independence. The model of support will be

tailored to local context, but draws on a variety of national and local evidence, including:

Local Area Coordination - a localised approach to providing support to people on the edge of requiring formal care, leading to reductions in social isolation, GP visits and referrals to adult services.

**Stronger
Somerset**

4.4 Reform priority 1: People

Adults' services will work and commission collaboratively with partners, informed by a public health agenda that works across and supports all organisations.

- The Living Well scheme, which improves prevention and resilience amongst older people with multiple long term conditions by providing low-level support to day-to-day living and using asset-based resources to promote empowerment and wellbeing. The Living Well scheme, which improves prevention and resilience amongst older people with multiple long-term conditions by providing low-level support to day-to-day living and using asset-based resources to promote empowerment and wellbeing.
- The Compassionate Frome model which combines primary care with community wellbeing approaches.
- A Stabilise and Make Safe approach will be introduced to improve Somerset's rehabilitation and reablement performance.
- Depending on how the package of support is drawn down locally, we estimate the Somerset-wide package of support to cost £1m per annum. In each locality paid coordinators would be appointed, each working with a network of local volunteers.
- Our locality model will also have the option to deliver locality health and wellbeing agreements, which will provide the ability to draw down resources to support the connections and relationships of people who need support, particularly older adults.

Working with partners

Collaborative planning and delivery are critical to our future sustainability. Our recent engagement shows this is a shared priority across our partners. Crime and wellbeing are interrelated to housing, economic prosperity, and a sense of community. We know that deprivation worsens health conditions and hospital admissions and links to pressures on Adults' and Children's Services. We know too that in rural areas, isolation can drive up admissions and social care costs. These are local issues for communities that no single actor can

resolve. In building a collaborative service, Western Somerset Council and Eastern Somerset Council will be committed to:

- Accelerating integration of Health and Social Care through the ICS and 13 PCNs
- An Adults' service that is clearly joined-up with other services and partners including the Children's ADM, CVS, and providers
- Actively working with Public Health colleagues to ensure a more coordinated service across wellbeing, commissioning and sharing of information.
- Closer working relationships with colleagues across Housing, Communities and Leisure and environmental services to tackle the wider determinants of health.

Embedding strategic and integrated commissioning in the two unitary model

We are committed to integrated commissioning with NHS partners and expanding joint commissioning to its fullest and most effective extent. The model of strategic commissioning needs to be worked through in partnership with the emerging ICS with the goal of building an agreed and integrated ICS vision and model of commissioning, accelerating the work done to date. This activity would include agreeing commissioning footprints, types of services to be commissioned and strategies to improve market management. In our model, the two unitaries would share a Director of Strategic Commissioning to support the development of this approach.

The Somerset ICS was newly established in shadow form in June 2020. There are opportunities in a two unitary model and the relative immaturity and simplicity of the ICS to consider how to best support its further development (for instance how the system will organise itself to assess and plan service needs for the future).

Stronger Somerset proposals are entirely in keeping with the new Somerset ICS's vision "*Fit for my Future*". Our focus is on prevention, keeping people well and independent at home and out of hospital, living healthier lives in connected and supportive communities, recognising the need for parity between mental and physical health and the wider determinants of health such as employment, education and housing and tackling the often hidden inequalities and inequality gaps that exist in our county.

By tackling these issues together, we will not only improve people's outcomes in the short, medium, and long term but also make the very best use of the Somerset health and care pound, equivalent to c.£1.2 billion.

**Stronger
Somerset**

4.4 Reform priority 1: People

We will develop a new strategy to maximise the development and independence of children and adults with disabilities and where relevant to help them find secure employment and participate fully in their community.

Pathways to independence

There are too many people of working age in non-ideal settings such as residential care and out-of-area care.

We anticipate this strategy will contain the following strands:

- Rapid reversal of the poor performance of SEND services as set out by Ofsted in 2020 via stronger leadership and local collaboration with schools and other partners
- Investing a pathway and services for adults with learning disabilities which increases people's ability to live independently and find employment (cut by SCC in 2019/20)
- Expanding the Shared Lives Programme by at least 75 places.
- In developing a more preventative agenda, our reform programme also intends to:
- Institute a widespread technology enabled care offer, deploying technology as a key tool in keeping people at home, independent and connected (we have included budget to launch and grow this service)
- Developing a Somerset Living Well scheme, building on evidence from Cornwall that suggests targeting 2000 people in our first phase

4.5 Reform priority 2: Communities

Stronger Somerset will enable the two radically different councils to establish strong working relationships with localities and to respond to the ambitions of city, town and parish councils.

Why it matters

We know Towns and Parishes are the places where much of community life takes place. Our experience through the COVID-19 lockdown showed this to be truer than ever. There are many examples of places that have developed a sense of active community, where people feel they are part of the place they live, they take pride in it, have a say over what happens there, feel connected to one another, able to look out for each other and create the future they want.

These places work to ensure that people are not lonely or isolated, but active and included, and harness the contribution of all the people who live there, their generosity, ingenuity and enterprise. In such places we see different forms of capital: 'service capital' (the services available in a local area) is only part of it, these places are rich also in human, social, financial, political and infrastructure capital as well. The benefits are clear to see, places like these are more prosperous, more equal and their citizens need formal services less in their lives, or later in their lives, than places that have yet to develop these things. We want to work with people at a local level to build this sense of community across all of Somerset. Our costings show the importance we attach to this work, investing in staff to make this a reality.

We are also aware of places across the country where parish councils have stepped beyond their traditional role. The National Association of Local Councils '*Points of Light*' publication shows the contribution they are making in areas as diverse as arts and culture, canals and rivers, community safety, economic development, flood management, health and wellbeing, sports and leisure, and transport on demand. Many of these schemes harness the contribution of local people to make their places better, and in some areas this activity is even having an impact on services that are usually provided by the County and the NHS. We want to enable more of this activity.

In looking for national exemplars of this we are lucky in Somerset to have many

within our own borders. Many places in Somerset have led the way in showing that this can be done. In Frome for example, isolated people who have health problems are supported by community groups and volunteers. The number of emergency admissions to hospital has fallen significantly. In a three-year study it was shown that while across the whole of Somerset emergency hospital admissions rose by 29%, in Frome they fell by 17%.

We want to create the conditions for there to be many more places that choose to step up and take greater action, whilst making sure that nowhere gets left behind.

Working with localities

We want to create a localism approach that provides people with the flexibility to participate at the level and in the way they choose, to create a framework of support that inspires participation but does not require it. We want to make it easier for a positive choice to be made, and we want the approach to work with the grain of existing neighbourhoods and identities, as well as relating to the boundaries of the Primary Care Networks.

We will avoid the tokenism that stems from creating fora with no powers or remit, where trifling amounts of money are gifted to Unitary councillors to bestow on local areas that can be taken away as quickly as they are given when the going gets tough, entirely missing the point of the potential of real local working.

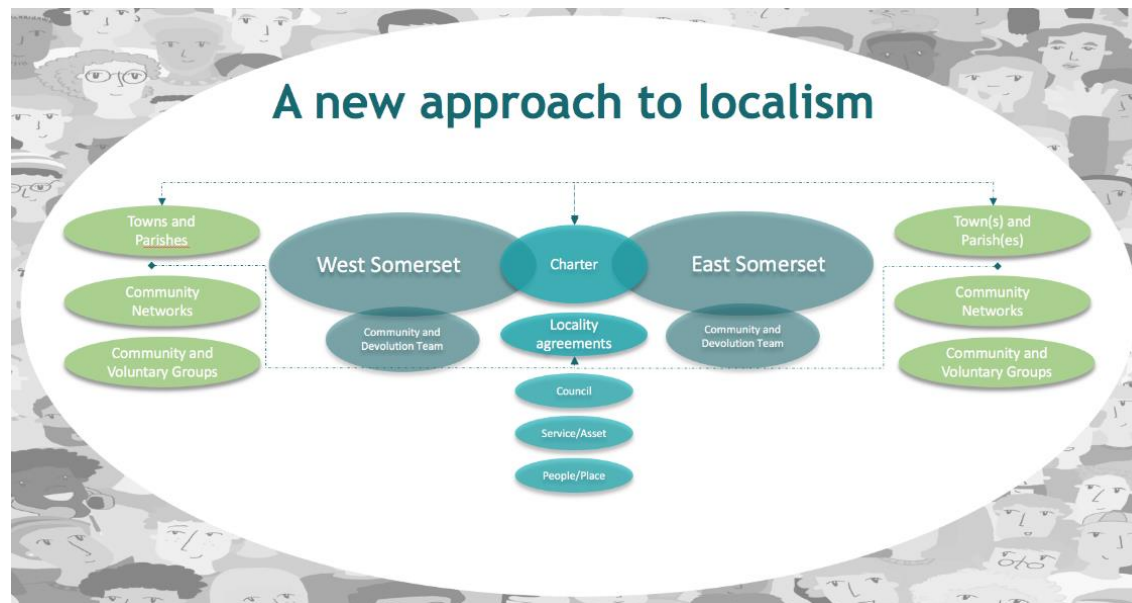
We agree with the view of The Somerset Association of Local Councils that the keystone of a new relationship with towns and parishes should be captured in a Charter and we commit to doing this. We are engaging with parishes and other interested parties to involve them in the detailed design of the Locality Agreement approach, through participation in 'design sprints' to flesh out the proposed approach, methodology and geographies by which it would work.

4.5 Reform priority 2: Communities

Stronger Somerset will see the creation of Locality Agreements, developed and designed with localities and communities in Somerset building on the foundation of the charter, to provide a basis for a strong and stable relationship.

Our approach to localism is based on a number of elements which have been the subject of extensive engagement with town and parish Councils in recent weeks. These elements are

1. The development of a charter for our work with local councils to describe the relationship we want to have
2. The establishment of a community and devolution team in each Unitary to work pro-actively with local councils
3. The creation of locality agreements to further the ambitions of local councils and to provide better outcomes for local communities
4. The establishment of community networks to provide an opportunity for local councils to work together and to create an interface with other public service partners



4.5 Reform priority 2: Communities

A charter

The intention of the Charter is that it will help establish and articulate a strong collaborative relationship between Town, Parish and City Councils and the Unitaries. Whilst not legally binding, it will be a statement of serious intent to work together to achieve sustainable outcomes for communities. It will set out mutually agreed rights and responsibilities and be flexible, recognising the range of local councils and localities across Somerset. A living document, it will be reviewed regularly.

Community and Devolution Team

We will establish a Community and Devolution Team in each Unitary Council , to support local councils and the voluntary and community sectors. The teams will provide

- A consistent way of looking at the assets and needs of an area
- A close developmental relationship with towns and parishes and an understanding of the networks that exist between them
- The identification and promotion of best practice
- Access to enabling services
- Help to develop locality agreements

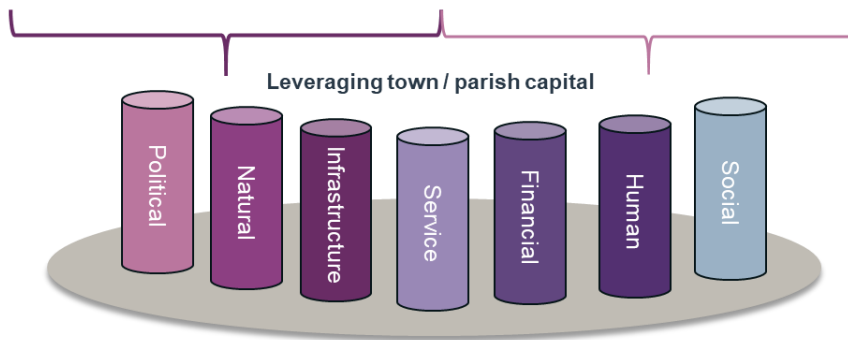
Locality Agreements

We plan to create a Locality Agreements framework that provides a consistent process for facilitating tailored, place-led solutions that bring together local partners to address local priorities within each area.

- A Locality Agreement would be an arrangement between the unitary and the locality as equal partners confirming the vision and ambition of the area and what each party agrees to do to achieve this. It would specify powers and responsibilities to be devolved in return for agreements about outcomes to be achieved
- It is the intention that the town and parish councils will be at the heart of co-ordinating local partners to developing these agreements. City, town and parish council would be invited, separately or together, to work with the unitary in developing proposals.
- Depending on the focus of the agreement, local councils may need to demonstrate the involvement and engagement of other local partners and institutions, such as schools, businesses and voluntary and community sector organisations, in shaping the proposals.
- In our engagement we have proposed the creation of three types of agreement, and these are illustrated in the table below.
-

Development areas (one or more)	Potential outcomes - achieved in partnership
Specific service/asset devolution; e.g. car parks, libraries, spaces,	Better quality/lower cost services Shared commercial return
Community group investment; in priority groups such as older people, troubled families	Better quality of life and outcomes, prevention and early intervention, lowered demand for services
Infrastructure investment; in digital connectivity, buildings or housing	Affordable housing, carbon reduction, channel shift to digital, greater self help
Organisational investment in services to grow the Council and community groups;	Greater capability and capacity of Councils, more able community groups and community interest companies
Specific sustainable growth initiatives and innovations	Increased inclusive prosperity, lessening in equality gap, increased shared business rate revenue

Enabled through joint investments with a forecast payback period	Governed with joint accountability
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- a) Council Development- agreements to help develop local councils: governance arrangements, community engagement, as well as access to enabling services; favourable procurement frameworks, HR/Finance by the hour Software as a service.
- b) Service/Asset based agreements, which could involve assets transferred in perpetuity or temporarily, for example, a building or a service.
- c) People/Place based agreements , for example an agreement to undertake work to lessen isolation and inactivity of older people, in order to reduce demand on residential care places or the number of emergency hospital admissions. These kinds of agreements could support wider policy agendas such as population health, or crime prevention. They could involve the investment of money for evidence based activity with projected benefits to public services.
- Where the agreement involves the devolution of assets and budgets and the achievement of service standards or outcomes, the convening town or parish would need to demonstrate their ability to be able to take on and sustain the additional powers and responsibilities, we are working with city town and parish councils to establish the criteria this.
 - It is important these agreements are not just made available to the most affluent and vocal places, potentially increasing inequality. A focus of the communities and devolution team will be to work across the whole geography not just respond to the most developed areas. In all places the approach to service provision would be to create locally present and integrated provision.

Community Networks

Throughout our engagement with local councils they have stressed the need for the new Unitary Councils to facilitate the ability for them to work together. We have been made **aware of the existence of networks and co-operative agreements**, sustaining vital local initiatives such as transport services, which we want to help to sustain and develop. It may well be that these existing networks will want to develop locality agreements to deliver specific initiatives and we will support this. We will not impose a 'top down' working arrangement that fails to reflect ways that communities operate and interact.

We are aware also of the development of **areas based on the boundaries of Primary Care Networks** and these are vital to the delivery of the NHS long term plan and for the promotion of work on the wider determinants of health. We want to ensure that city, town and parish councils have the opportunity to participate in the networks that best reflect their ambitions and priorities. We will also support the formation of community networks based on these boundaries and these will be the places for the wider engagement of other public sector agencies

Within the Primary Care Network based clusters we will involve the Unitary functions most relevant to the issues in the network, and we will provide the relevant data needed for the network to make informed decisions. These will be facilitated **by the community and devolution team and will employ facilitative techniques to make these discussions as focused, inclusive and productive as possible.**

Review, reflect and innovate

As well as establishing these new approaches it is an important commitment to keep these under review. We will use the experience of Locality Agreements to invest, develop and learn from new ways of working that will have benefits locally and be of interest nationally.

There will also be a commitment to create a continuous, learning system through which lessons are shared across towns, parishes and neighbourhoods to create an on-going approach to supporting and developing capacity, capability and appetite. It is envisaged that a programme of training and development will be designed to build trust between partners, reinforce the community development approach and strengthen relationships. It is proposed that this would be formalised and embedded through a formative and summative evaluation programme over five years.

4.6 Reform priority 3: Connectivity

Stronger Somerset councils will create shared services and a collaborative platform both with each other and crucially with local partners, to improve public services and system working

The shared enabling service as a collaborative support platform

As well as developing an efficient shared enabling service to provide best in class business capabilities *between* the two new unitaries, we propose to use this as a basis to build an external enabling service that can provide good quality and affordable services for towns and parishes, community and voluntary organisations, other public service organisations and socially focused businesses. These services will be provided on a cost basis, using the two unitary authorities' scale to help enable these organisations to have effective services at reasonable cost.

For city, town and parish councils, we anticipate this service will make it easier for them to take on additional responsibilities and still access and integrate with systems to share data, payments and human resources.

- We also anticipate supporting partners including local community organisations, Housing Associations, Citizens Advice Bureau, Credit Unions etc., particularly where they can act upstream in helping prevent failure demand. Local businesses, specifically start-up companies that need reliable core support services at a reasonable price.
- We will further explore which model will best enable us to collaborate meaningfully with local businesses and services that improve public services in our area – and share the benefits of doing so with them.

- We want the collaborative support platform to be a genuine system enabler – not just a service we provide to others. This approach will benefit the two unitary authorities by allowing them to retain control, whilst providing flexibility over the model to suit any future needs in Somerset.

Collaborative sharing and analysis of data

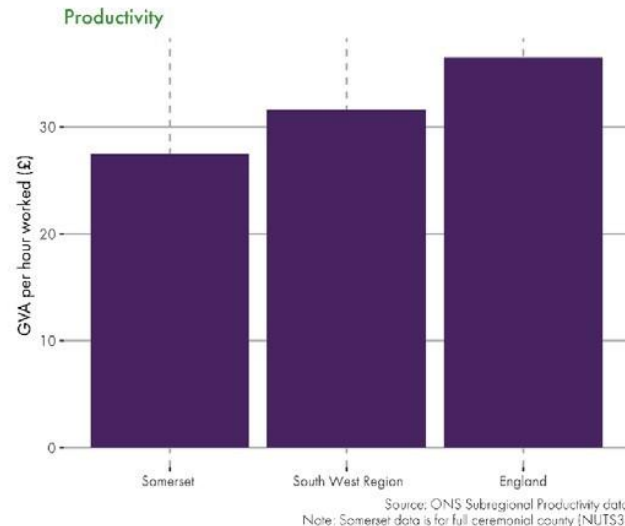
We are ambitious and want to develop the collaborative platforms that underpin better system working across organisations not just councils. We know that an important driver for creating a sustainable future for public services in Somerset will be collective pooling and analysing data and generating insights insight to predict, target and deliver effective services that prevent people as far as possible from experiencing difficulty. The foundation of this is a collaborative and practical data sharing ethos across public service organisations. The new Councils will need to work together with partners across the area to create a rich data picture, ensuring collective understanding, learning and the joint targeting of resources. We want to create a world-class approach for Somerset ideally co-owned and developed with our police, health, town, parish, and other partners. To prove this approach, we propose to participate in a collaborative and hypothesis-led data sprint, working with these partners on mutually agreed topics.

4.6 Reform priority 4: Growth

Somerset epitomises the UK's so called 'productivity puzzle' – it has consistently lagged behind the UK economy and the South West and is generally a low productivity, low skills and low wage economy. We can and should do better.

Why it matters

Somerset's economy lags behind many other parts of the country and is particularly vulnerable to economic shocks such as the COVID-19 pandemic. Around 90% of our businesses employ fewer than 10 people and there are high levels of self-employment. As a rural county, Somerset has a higher proportion of businesses in agriculture as well as the retail, manufacturing and tourism and leisure sectors than the national average, all of which have been disproportionately affected by COVID-19.



The local economy is characterised by the following challenges:

- Low productivity, skill levels and average earnings
- Infrastructure challenges (including poor integration of road, rail and public transport)
- Poor digital connectivity
- Labour market pressures linked to challenges in providing attractive and productive careers to younger people and also a longer-term impact of an ageing population
- Poor housing supply and affordability
- Rurality and rural isolation, as well as low population density
- Industries vulnerable to climate change such as agriculture
- Low footfall and accessibility to services in town centres
- Deprived communities lacking opportunities and where the benefits of economic growth have not always been felt.

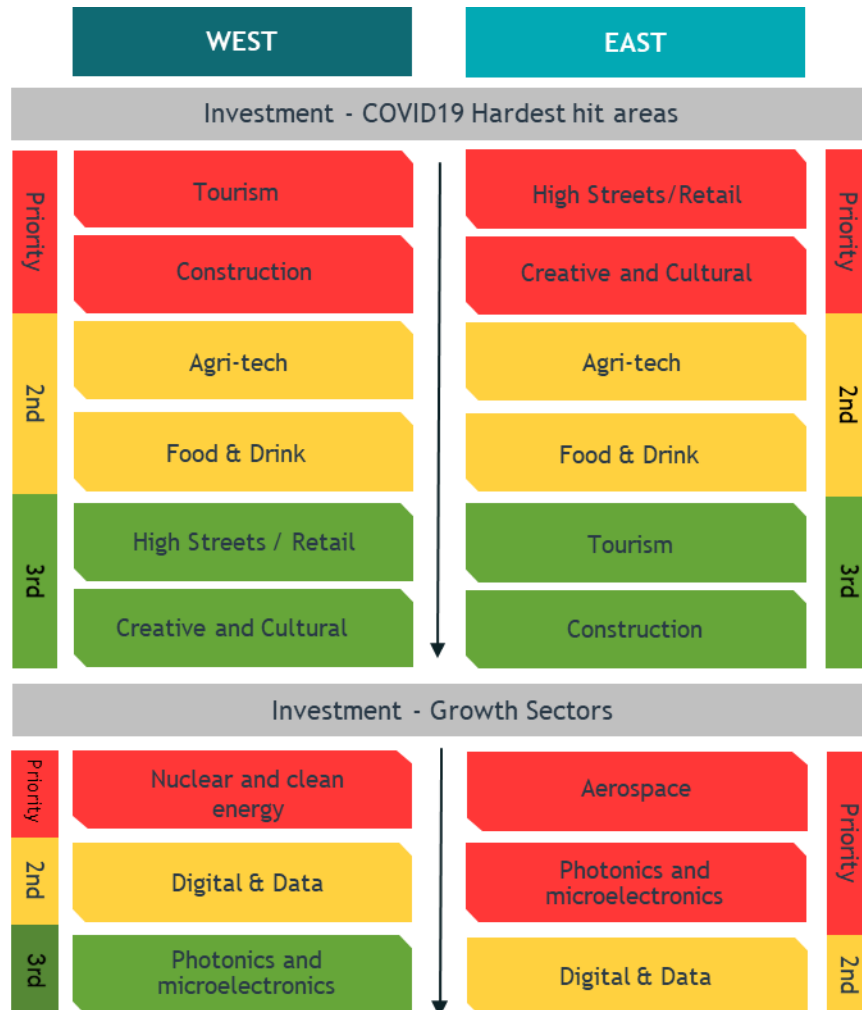
Importantly, we also recognise that there are opportunities for change and have identified a number of priority, high growth sectors in our local industrial strategy and defined our aspiration to bring greater levels of inward investment to accelerate growth. These include high productivity sectors such as Clean Growth/Energy, Aerospace & Advanced Engineering, Digital & Data and Agri-Tech.

There are also significant opportunities associated with improving infrastructure, planned housing and regeneration.

We believe there are great opportunities to create a more distinctive, high performing economy that is sustainable, clean and carbon neutral. An economy fit for the 21st century.

4.6 Reform priority 4: Growth

Somerset's location and economic make up means the COVID-19 pandemic has hit Somerset businesses disproportionately hard.



The Impact of COVID-19

As the table on the left demonstrates, Somerset has a number of industries in both the East and the West that have been disproportionately impacted by COVID-19.

Not only does this increase economic productivity risks and give rise to greater social and economic challenges – for example, increased unemployment, debt, homelessness, greater economic deprivation etc – it also will impact health, wellbeing and demand for public services.

There is a clear link between social and economic conditions and population health. Research analysis clearly shows areas with greater economic challenges are more likely to have a range of health conditions including serious mental illness, obesity, diabetes and learning disabilities.

The evidence so far indicates that COVID-19 has affected people with underlying health conditions, learning disabilities and lifestyle issues more severely. There is also growing evidence that COVID-19 is also giving rise to new populations that were previously on the 'cusp of care' starting to become less resilient and exhibit greater needs (as a result of greater anxiety, social isolation and reduced mobility).

This may well accentuate health inequality and strengthen the need for further action across Somerset. This 'double whammy' could be very damaging to the Somerset economy and its communities. The imperative to develop robust 'build and recover' strategies arising out of the pandemic is greater in Somerset and critical to our economic and social futures.

4.6 Reform priority 4: Growth

Stronger Somerset will see councils with a distinctive ambition working in partnership to lead our recovery become a revitalised, resilient, carbon neutral and climate change ready economy well positioned for the 21st century.

We need to perform better

Historically Somerset has not been able to clearly articulate its ask of Government or indeed its offer. A combined authority supported by two unitary councils will be able to set out clearly how Somerset can respond to the levelling up agenda and use a devolution deal to unlock growth.

Our reform agenda recognises that poverty and inequality are bad for growth. It has huge costs for individuals and services, low paid work creates a cycle of poverty and can mean communities feel left behind and do not feel the benefit of growth. It also comes at a high cost to the taxpayer. Our response is to design Stronger Somerset to deliver inclusive growth which:

- Raises productivity, skills and wages to regional and national levels
- Addresses the supply and affordability of housing by enabling, and where appropriate delivering, the housing to meet the needs of our communities
- Connects our communities with better quality digital infrastructure as well as improved transport solutions, including investment in lower carbon forms of transportation
- Creates opportunity and reduces isolation, particularly for our most deprived communities.

Devolution and a Combined Authority

The Stronger Somerset economic vision is to:

Level up the Somerset Economy; by improving productivity and social mobility. We will grow a productive, connected and sustainable Somerset which is a great place to live, work and visit.

We are ambitious about the future of Somerset. We want to define a future which recognises local distinctiveness and our communities from West to East, reflecting the opportunities and challenges of our market towns, coastal and rural communities and our principal towns of Bridgwater, Taunton and Yeovil.

Whilst unitary local government will help us to address a number of our economic challenges more effectively, we also recognise that our ambitions need to be supported by an ambitious and progressive devolution deal.

At the moment, Central Government makes a large number of decisions about what happens here in Somerset. Some of these decisions, for example around digital connectivity and investment, education and skills, housing and regeneration would involve local people more, deliver better outcomes and increase returns to government if they were made here locally or regionally. Devolution will give us the powers and resources to help fulfil our economic and social ambitions.

As noted above, Somerset suffers from the key challenge of a low productivity, low wage economy and the need to 'level up' economic performance. Much of the county could be characterised as rural, but we also face barriers to growth and social mobility in some neighbourhoods in our urban areas with a number ranking poorly in the Indices of Multiple Deprivation.

There is a great opportunity for Somerset to redefine its economic ambitions and to become recognised as a distinctive, clean, green and innovative economy based on bedrock and high-growth industries supported by better social and economic infrastructure.

4.6 Reform priority 4: Growth

The seven interconnected devolution themes speak to Somerset's distinctive challenges and opportunities. These deliver our ambition to provide an effective platform for a strong sub-regional agenda to drive regional productivity, enable Somerset to level up and become a net contributor to national GDP

Seven devolution themes

Beyond the immediate decision for reorganisation, we want to work with adjacent authorities and MHCLG on a future devolution deal. These issues detail our devolution priorities in support of overall growth objectives within our overarching reform vision.

Our progress on these issues can be significantly boosted through a Combined Authority and bold and ambitious devolution deal.

This in turn, will help us in our ambition to reduce reliance on central government funding and become a positive net contributor to the exchequer.

Our devolution tests

Our proposals across each of our devolution themes have been put forward on the basis they pass four 'tests' – they should:

- Accelerate recovery from COVID-19
- Support the levelling up of the national economy
- Deliver on national and local climate change commitments
- Enable delivery that is more efficient and effective through a locally and regionally based approach



4.6 Reform priority 4: Growth

The seven interconnected devolution themes speak to Somerset's distinctive challenges and opportunities.

Making this happen

The districts of Somerset believe these goals are best achieved through the delivery of a Combined Authority and a bold and compelling devolution deal.

Our devolution proposals are still formative and we will develop these further with our geographical neighbours and in the context of the broad partnerships and joint working arrangements that exist in our region. Part of these conversations will explore the potential shape of a combined authority looking at options which include our close neighbours.

We welcome the chance to further discuss our ambitions and plans with central government as future policy is developed and communicated as part of the White Paper. We recognise that the precise configuration and shape of any Combined Authority will be critical decisions for the new authorities established post-LGR.

Whilst funding asks are still being developed, we anticipate seeking a "Single Pot" approach to Local Growth, which will involve:

A devolved, multi-year settlement. This will accelerate the delivery of public investment and leverage more sustained private sector investment in our region – both of which are critical issues for post-COVID-19 recovery

Flexible funding - which will enable investment to be made on a more integrated basis across policy areas, and thus allow us to prioritise a programme of interventions which will have maximum impact on productivity and good growth

Alignment of other funding sources and settlements set out below. This would provide more certainty and deliver better value for money

A 'gainshare' mechanism to share the benefits of improved growth and/or better outcomes

A robust single pot assurance framework, building on best practice and developed in line with HMT Green Book guidance, which we would agree upfront with Government.

We are also interested in exploring innovative ways of delivering our devolution deal with Government. We are attracted to new ways of delivering deals for example, by building and empowering local and sub-regional communities of interest around our particular themes, using digital technologies and more agile ways of engaging stakeholders. Using digital platforms can create a more vibrant and collaborative programme involving a wider group of local stakeholders and talent in investment in the formation of our plans.

The combined authority would:

- Articulate our ask of and offer to government; identifying the package of powers and delegated authority as well as funding. In return it would identify the new homes, jobs and increased prosperity this investment would unlock
- Take responsibility for sub-regional planning, including the identification of key strategic housing and employment sites and supporting infrastructure
- Establish a revolving infrastructure fund to forward fund the delivery of infrastructure associated with new development
- Set Economic Development Strategy and delivery programmes that are administered across Somerset's geography.

The unitary authorities would:

- Provide enabling services
- Prepare Development (Local) Plans to provide the statutory framework for planning decisions
- Directly deliver key projects including where appropriate local authority-led regeneration and Housing Revenue Account schemes.

4.6 Reform priority 4: Growth

Our ambitious plans will transform our future prosperity and contribute towards levelling up the economy

Our ambitious plans will transform our future prosperity and contribute towards levelling up the economy. We want to deliver growth that is:

- **People-based:** We will reverse the trend of outward migration of the young and economically active by supporting better opportunities to stay and thrive through up- skilling, developing our employment offer and embracing digital opportunities.
- **Business-based:** Creating sector-based approaches which strengthen our assets and reshape our economy. We will adapt our bedrock industries to the digital age and grow sectors that use new technologies to shape the future.
- **Place-based:** Delivering investment to enable our towns and villages to realise the true potential of their distinctive cultural, heritage and retail offer. We will plan for and deliver new infrastructure to unlock homes and jobs, maximising the opportunities for investment in clean growth, digital, agri-tech and in our world class food and drink sectors, tourism, and manufacturing industries. We will ensure that our small and medium-sized enterprises secure the investment needed to thrive and grow.

4.7 Financial sustainability

Previous sections have outlined how Stronger Somerset will deliver a sustainable new operating model for growth. This section outlines the financial impact of changes. Indicative modelling as part of this proposal indicates that the Stronger Somerset Programme Option C (the preferred option) is expected to deliver a net benefit of ~£70m over the next 5 years.

Financial summary

The table below shows the overall impact of costs of change and direct costs/benefits, for the preferred Option only. Analysis indicates that this change would result in a net cost to the Somerset system until Year 3, at which point there would be an overall net benefit annually.

This section corresponds to the Financial Case in line with the HMT Five Case Model. It should be noted that the figures quoted here differ from those in the Options appraisal (Section 3.5) because they include inflation. Figures presented earlier are at current prices (excluding inflation). Those including inflation should be used for the purposes of informing affordability and funding. Note that VAT is also typically included in the Financial Case, but is not included here as it is assumed that Councils can recover VAT.

In line with HM Treasury guidance, only cashable benefits should be shown in the Financial Case. Indirect benefits in this case can be considered cashable, however they are not achieved as a direct impact of the structural change being proposed in this case. For completeness, total overall direct and indirect benefits are shown here, with a sensitivity showing the overall financial position if indirect benefits are not achieved.

Summary table (all costs and benefits)

5 Year Net Costs and Benefits (£m)	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
	Y1 (£m)	Y2 (£m)	Y3 (£m)	Y4 (£m)	Y5 (£m)
70.51	(14.46)	(3.12)	21.38	25.55	41.16

4.7 Financial sustainability

Our analysis includes an assessment of the expected costs of delivery and implementation, including a contingency, based on consulting other peer Local Government Reform programmes. These are high-level at this stage, and all costs are subject to further detailed work, including any staffing costs being subject to formal consultation.

Refining and updating our Proposal

Additional analysis around the financial case will be conducted in Phase 4. This will include:

- More detailed business cases for each individual opportunity area
- Updates in light of government announcement on future funding for local government this autumn
- Attribution of implementation costs to participating authorities (capital and revenue)
- Analysis of further likely sources of funding
- Analysis of the impact on participating authorities' income and expenditure accounts and balance sheet, duly confirmed by an external auditor
- Detailed analysis of staffing implications and costs, including impact on pensions and any harmonization of terms and conditions
- Forecasts are subject to more detailed analysis of business rates retention and council tax harmonization. The County Council has a comparatively low Council Tax base, which may present unitary councils with limited financial flexibility due to the existing capping regime.
- Overall affordability and funding arrangements, including (written) confirmation from the organisation's Members and other key stakeholders and any contingency arrangements for overspends

Implementation costs for Option C

The implementation costs for Option C. Implementation costs are split over a two-year period, with the majority of expenditure taking place in 2021/22

Sub-Category	5 Year Value (£m)	FY 21/22	FY 22/23
		Y1 (£m)	Y2 (£m)
Programme Team, Org Design and Change Programme	(4.18)	(2.07)	(2.11)
Accommodation	(1.03)	(0.51)	(0.52)
Audit / Finance one-off support	(1.22)	(1.22)	-
HR one-off support	(1.22)	(1.22)	-
Skills / learning costs	(1.03)	(0.51)	(0.52)
Legal one-off support	(0.77)	(0.77)	-
Other specialist advice	(0.26)	(0.26)	-
Consultation, communications and rebranding	(1.23)	(0.61)	(£0.62)
Consultation of development of localism	(0.41)	(0.41)	-
Staffing (redundancy and pensions)	(3.76)	(1.86)	(1.90)
Contingency	(2.83)	(1.89)	(0.94)
Implementation Total	(17.94)	(11.33)	(6.61)

4.7 Financial sustainability

Direct benefits are expected to deliver benefits from Year 2 onwards. Estimates of costs and benefits for all benefit areas will be subject to more detailed business cases.

The table below shows the Direct costs and benefits for Option C.

Direct costs and benefits for Option C

Type (Direct cost or benefit)	Sub-Category	5 Year Value (£m)	FY 21/22 Y1 (£m)	FY 22/23 Y2 (£m)	FY 23/24 Y3 (£m)	FY 24/25 Y4 (£m)	FY 25/26 Y5 (£m)
Direct Benefit	Leadership and management integration	8.16	-	1.98	2.02	2.06	2.10
Direct Cost	Leadership and management integration	(0.24)	(0.12)	(0.12)	-	-	-
Direct Benefit	Shared Enabling Services	21.00	-	-	6.77	7.01	7.22
Direct Cost	Shared Enabling Services	(23.52)	-	(4.16)	(8.49)	(8.66)	(2.21)
Direct Cost	Shared Enabling Services – Insight and Analytics	(0.66)	-	-	(0.22)	(0.22)	(0.22)
Direct Benefit	Joined up commissioning & procurement	25.24	-	-	8.25	8.41	8.58
Direct Benefit	Governance change	2.11	-	-	0.69	0.70	0.72

Direct Benefit	Single commercial strategy	22.22	-	5.39	5.50	5.61	5.72
Direct Benefit	Focused asset strategy & portfolio management	1.62	-	-	0.53	0.54	0.55
Direct Costs and Benefits Total		55.93	(0.12)	3.09	15.05	15.45	22.46

4.7 Financial sustainability

Indirect benefits will deliver a longer term return, with benefits ramping up from Year 4 onwards.

The table below shows the overall indirect costs/benefits only, for Option C, which results in a £32.5m overall increase in net benefit over 5 years. Indirect costs exceed benefits in 21/22 by approximately £3m. However, a positive return begins to build from 2023/24 onwards.

Indirect costs and benefits for Option C

Type (Direct cost or benefit)	Sub-Category	5 Year Value (£m)	FY 21/22 Y1 (£m)	FY 22/23 Y2 (£m)	FY 23/24 Y3 (£m)	FY 24/25 Y4 (£m)	FY 25/26 Y5 (£m)
Indirect Benefit	Social care – Adults' and Health	21.40	-	-	5.06	5.29	11.05
Indirect Benefit	Looked After Children	31.90	-	3.07	6.25	9.57	13.01
Indirect Cost	Family Safeguarding (practice improvement)	(4.74)	(1.22)	(0.85)	(0.87)	(0.89)	(0.91)
Indirect Cost	Transition to Alternative Delivery Model	(3.09)	(1.53)	(1.56)	-	-	-
Indirect Cost	Pathways to employment - recurring	(0.82)	-	-	(0.27)	(0.27)	(0.28)
Indirect Cost	Accelerate alliance commissioning	(0.93)	(0.26)	(0.26)	(0.13)	(0.14)	(0.14)
Indirect Cost	Locality model	(3.24)	-	-	(1.06)	(1.08)	(1.10)
Indirect Cost	Expansion of the shared lives programme	(0.82)	-	-	(0.27)	(0.27)	(0.28)
Indirect Cost	Technology Enabled Care Service	(3.69)	-	-	(1.11)	(1.03)	(1.55)
Indirect Cost	Change in culture and practice	(3.45)	-	-	(1.27)	(1.08)	(1.10)
Indirect and Benefits & Costs Total		32.52	(3.01)	0.40	6.33	10.10	18.70

4.8 Implementation approach

This section sets out the proposed implementation approach to ensure successful delivery of the programme. This will ensure that programme and reform objectives are met and benefits are sustainably delivered.

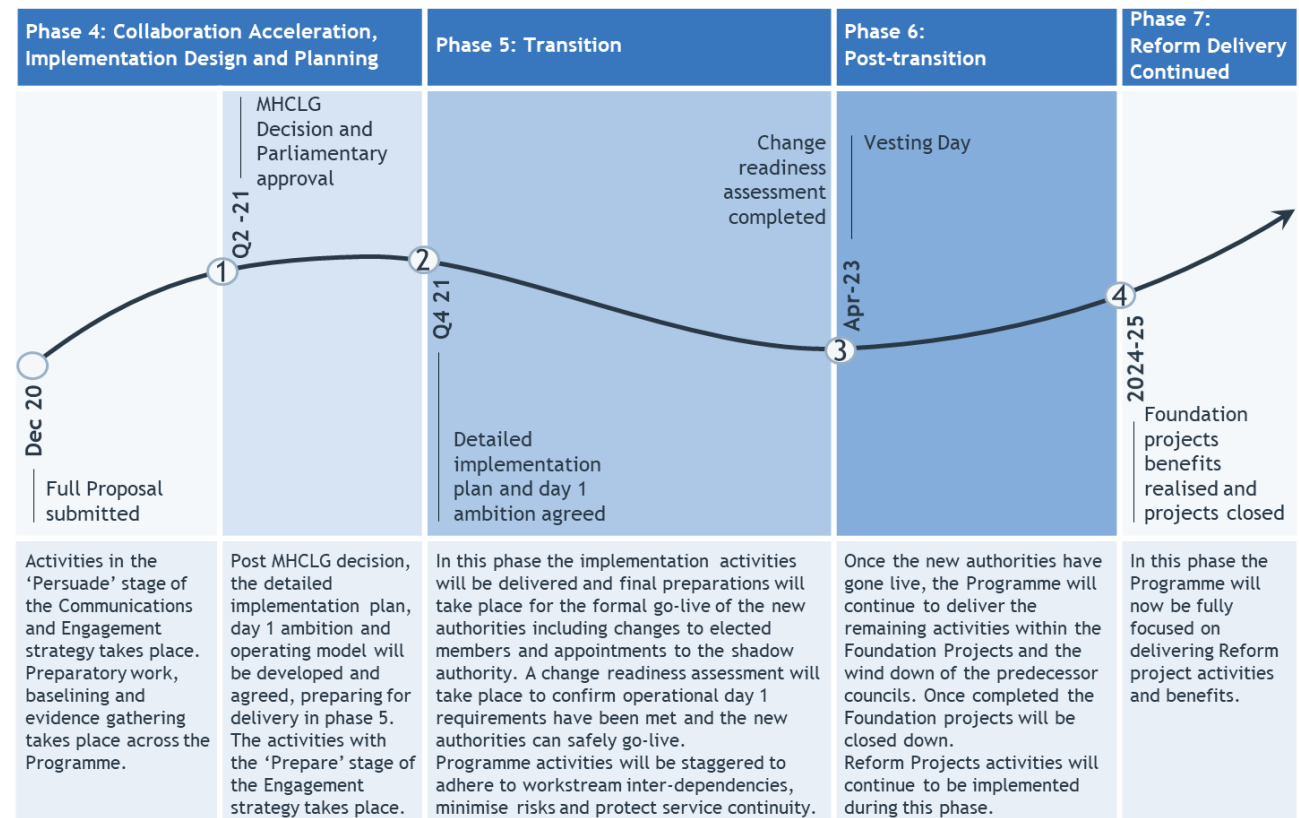
Programme phasing

The Programme is split into four future phases, which continue to deliver the programme of work to date (Phases 1-3). Details of the high-level timeline and activities taking place in each phase are provided in the diagram on the right.

At this early planning stage, the Programme has made a number of assumptions, which are subject to confirmation pending approval of this proposal

The lengths of these phases are subject to the Programme passing formal reviews known as assurance gateways, which are discussed in the Programme assurance section.

Programme assurance activities will be established to assess the performance of the Programme and provide reassurance to its' stakeholders on a regular basis. This will include assurance gateways which divide the Programme phases and a detailed post programme evaluation. Further details are provided in the appendix.



4.8.1 Programme assumptions and commercial / legal considerations

We have illustrated a 24 month implementation programme. Details of projects and activities within the Stronger Somerset Programme will be further developed during Phase 4.

Our planning assumptions

A high-level plan to support this Proposal is provided below and is based on the following assumptions:

- Ministerial decision on the Full Proposal is expected to take place in Spring/Summer 2021 with Parliamentary approval sought shortly after
- For planning purposes it is assumed that the earliest launch of the new authorities would be April 2023
- County elections are currently scheduled to take place May 2021, followed by District elections May 2022. MHCLG has written to councils asking for their preferences over elections in May 2021 and whether they would wish for the Structural Changes Order to cancel County elections in 2021, thereby avoiding having such elections as members will be elected to new authorities in May 2022. This will be decided during Phase 4.
- The Programme plan is assumed to start from the point of submitting the Full Proposal in December
- The length of the implementation phases are subject to the Programme passing the assurance gateways. For high-level illustrative purposes we have shown the programme over 24 months to the point of launching the new authorities. More details on Programme assurance are included in section 4.8 Programme assurance and post programme evaluation
- The Programme will be continuously engaging with staff, unions, wider partners and stakeholders and members of the public throughout the life of the programme. The formal staff consultation period once new staffing structures have been defined is assumed to last c~6 months
- An assumed '100 day plan' of activities will take place following vesting day, with a focus on immediate priority projects. The two new authorities will carry forward their own corporate Programmes of work through the Western Somerset and East Authority parts of the programme, in addition to the wider Stronger Somerset Programme.

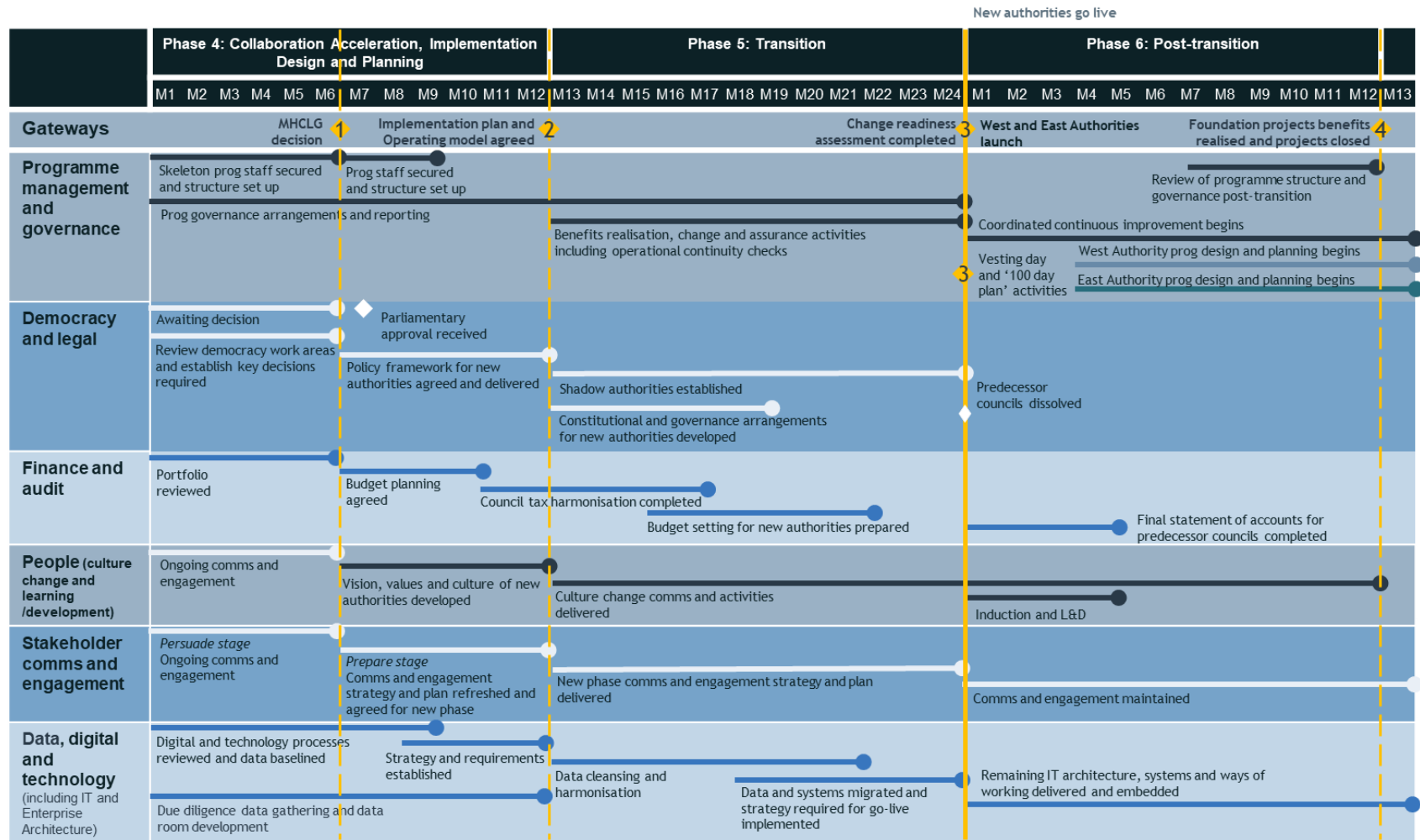
Commercial, legal and HR implications

- All assets, rights, staff and liabilities will transfer to the new unitaries prior to vesting day. It is assumed that the predecessor councils will dissolve on 1st April 2023.
- There will be a need for examination of all existing assets, liabilities and contracts held by the authorities to understand if there are complexities created by the transfer to the new authorities, such as restrictions on novation or change control.
- Staff (except Heads of Paid Service) will transfer from current authorities to the new authorities, in line with the relevant Transfer of Undertakings (Protection of Employment) regulations (TUPE) and Local Government (Structural and Boundary Changes) (Staffing) regulations. The Operating Model and HR project shall consider any impact of changes to roles on terms and conditions. Any additional changes will be subject to appropriate consultation.
- Full implementation of the Operating Model for the new authorities is likely to take 1 to 2 years after vesting day to fully be delivered and embedded. For example, time will be required for the full migration and closure of old systems, completion of existing contracts, etc. Whilst these projects will continue after 1st April 2023, it should be noted that the predecessor councils will no longer exist.

Stronger Somerset

4.8.1 Programme implementation plan (1)

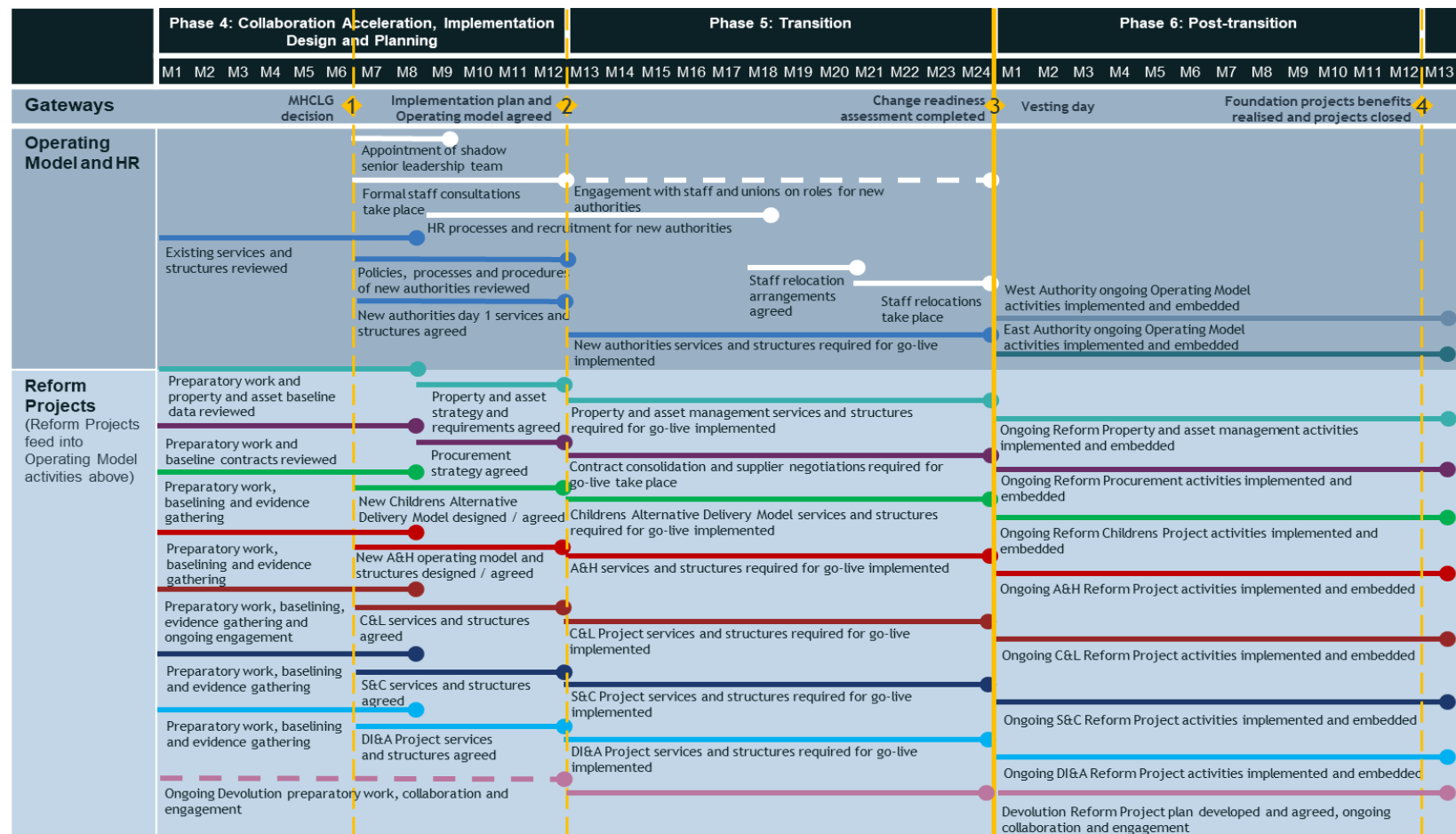
A high-level implementation plan to support this Proposal is provided below



Stronger Somerset

4.8.1 Programme implementation plan (2)

A high-level implementation plan to support this Proposal is provided below.



Key: A&H = Adults and Health, C&L = Communities and Localities, S&C = Sharing and Collaboration (Enabling Services), DI&A = Data Intelligence and Analytics

4.8.3 Programme structure, roles and responsibilities

The Programme structure will enable both councils to develop from a common platform whilst allowing distinctive approaches and emphasis to evolve in the West and East unitaries, in support of the overall reform agenda.

Following formal decision in Phase 4, a Stronger Somerset Programme team will be set up, consisting of a Programme Management Office (PMO), Reform Projects and Foundation Projects (see diagram below). The reform agenda will be led by eight Reform Projects (shown horizontally). They will work closely with the six Foundation Projects (shown vertically) which will implement the structural and governance changes to launch the new unitary authorities.

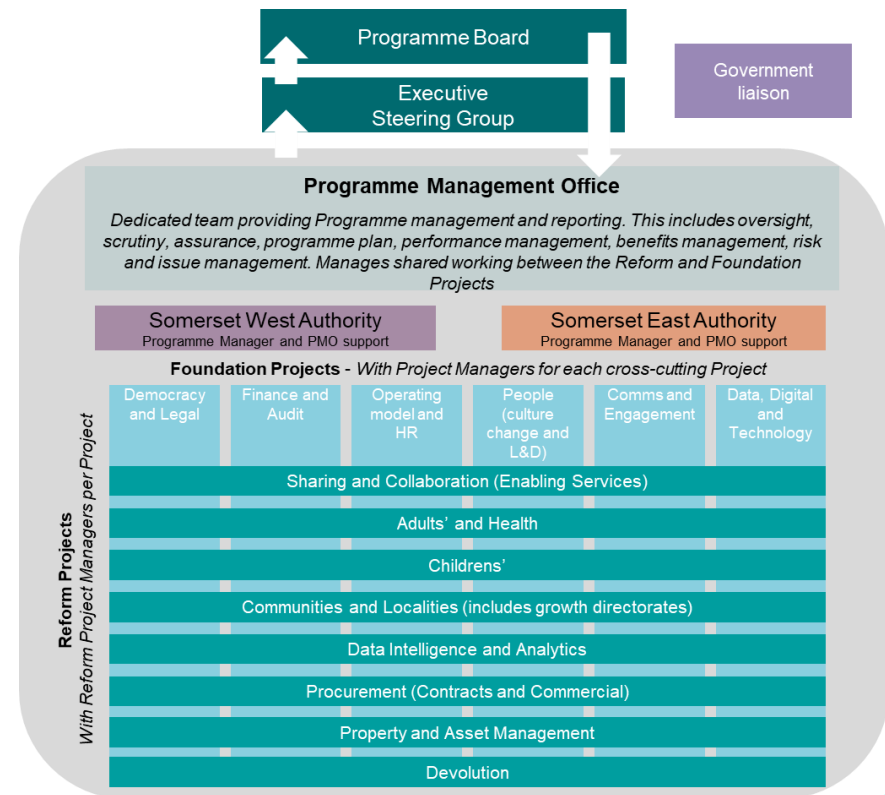
A PMO building on existing Phase 3 programme structures will be established to co-ordinate reform across predecessor and future councils, partner relations and with local communities, including liaison with government. The PMO leadership team of programme and project managers will lead the work to design and deliver the target operating models for the two new authorities. This will include managing the develop from the services and structures being designed and delivered each Reform Project feeds into the overall target operating models and managing their interdependencies.

It will be governed by an Executive Steering Group and Programme Board involving the predecessor councils and engagement with communities and partners.

The Programme team including the Foundation Projects, Reform Projects and PMO resources are all responsible for delivering change projects in support of overall Programme objectives.

The Stronger Somerset Programme Board and Executive Steering Group have already been established to lead the strategic direction of the Outline Proposal for the Programme. During Phase 4 these governance boards will be updated with new terms of reference and appointment of additional board members.

More details of the roles, responsibilities and governance arrangements within the Programme are provided in the appendix.



4.8.4 Change management approach

This case is focused on reform through reorganisation and is both complex and complicated. It will be challenging, but the prize of getting it right is a more sustainable and more effective system of local government in Somerset. In order to deliver this we will use an established change management methodology to 'drive' and 'release' change.

Our phased approach

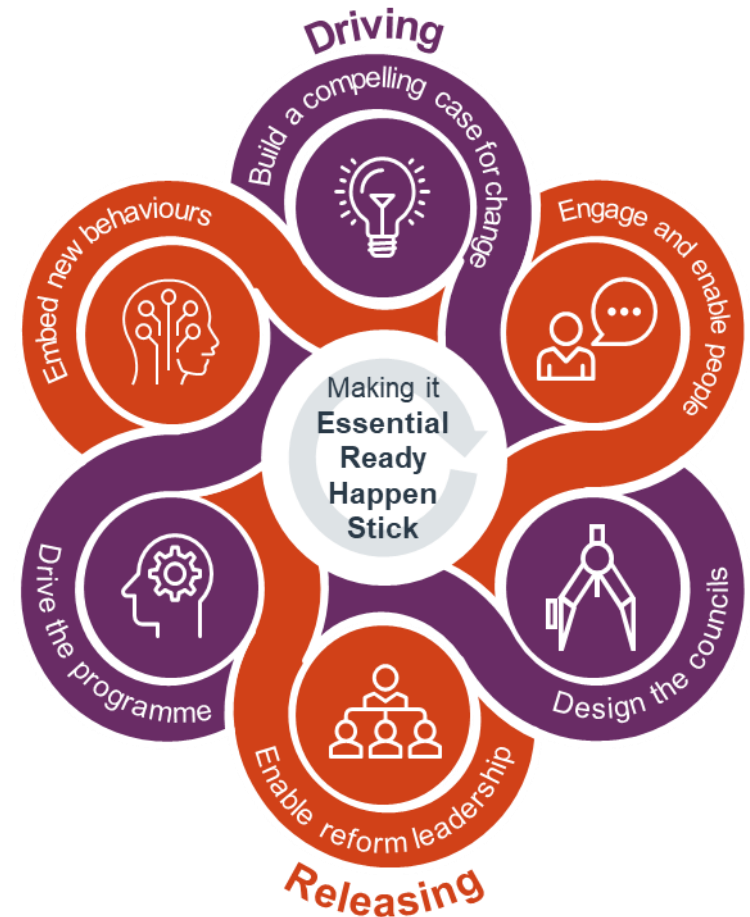
Following formal decision in Phase 4 (Collaboration Acceleration, Implementation Design and Planning) and prior to MHCLG decision, whilst not able to progress implementation on all workstreams, there are activities which must continue. In addition to ongoing engagement with partners, staff, neighbouring authorities and the public, the Programme will conduct detailed due diligence and data analysis. This will support and inform the transition planning process. Once a government decision is confirmed, the full Programme structure and PMO team will be resourced and will be in place through Phase 5.

During phase 6 (Post-Transition), the predecessor authorities wind down and close, followed by the gradual closure of the Foundation Projects, as their role to deliver the benefits of the reorganisation are realised. We expect this to last 6 months or more.

The Western Somerset and East Authorities will continue to co-ordinate activity through the Reform Projects to embed and deliver on the vision for reform. There will also be the addition of the Devolution Reform Project.

Our change management approach – Driving and Releasing Change

To successfully deliver complicated and complex change the Stronger Somerset Programme will be using a 'Driving and Releasing Change' methodology as its change management approach (illustrated on the right). More details are provided in the annex.



4.8.5 Our commitment to stakeholder management, communications and engagement

This proposal represents our case for change and sets out a reform journey that will improve outcomes for people, places and productivity across Somerset. We look forward to working with partners on the next steps in making it happen.

Throughout this proposal we have made clear that public service reform not reorganisation is our primary motivation. There is a real desire for reform and we need to work with each other, with partners and with communities to develop and refine proposals for a sustainable and viable long-term solution. Building on this emotional connection to reform so that all stakeholders will respond positively to the future vision and the benefits of the change will be key to ensuring stakeholder buy-in.

Communications and Engagement Strategy stages

The Communications and Engagement Strategy is composed of four stages. The first two of these comprise 'Present' and 'Engage' and have largely taken place pre-submission of our full proposal. We have undertaken an extensive programme of engagement. This includes a detailed Ipsos MORI public engagement survey which found an overwhelming preference for Stronger Somerset's preferred option of the two unitaries over a single county unitary, with 29% of respondents choosing a two unitary option over 15% support for a single unitary when presented with these options in addition to options of no change and greater collaboration. When those that answered 'no change' were given a forced choice between Stronger Somerset (58%) and One Somerset there was further strong support for our case.

During phase 4, we will move into the 'Persuade' stage of our plan. The following page sets out what has been achieved to date with further details provided in an appendix.

Stakeholder management approach

Our stakeholder management approach includes how the Programme will identify and manage stakeholders, both internal to councils and involved in the wider Somerset system. Stakeholder sentiment will be monitored through sentiment tracking, opinion polling and microsite interaction. Staff sentiment and tailored engagement will be reviewed on a technical level (i.e. understanding the regulations / continuity and equality of employment opportunity) but also emotionally to the new ways of working.

Careful planning will be needed to ensure that hard-to-reach stakeholder groups are consulted, including some members of the public. Clear ownership and tracking of these communications and engagement activities will be required. The Programme welcomes the active involvement of partners and people interested in the future of Somerset in working with us on this journey to building a robust foundation for reform and eventual reorganisation.

4.8.5 Stakeholder management, communications and engagement approach

We are undertaking an extensive programme of engagement to test our thinking to date, to gather further ideas and feedback on how we can best work with partners, providers, staff and service users to provide the best possible services to residents across Somerset.

The table below sets out our targeted communications and engagement activities that will take place in each stage of the communication and Engagement strategy.

	Stage	LGR process	Activities completed / planned
Phase 3: Proposal Submission	1 Present	Pre-submission: from publication of our Outline Proposal to the point of Full Proposal submission	<p>Launched social media and engagement activities</p> <p>Published our Outline Proposal</p> <p>Set up a microsite to enable residents to give their views and provide FAQs</p>
	2 Engage	Post- initial submission to Full Proposal submission	<p>Engaged with the public, other councils, professionals and representative organisations</p> <p>Engaged with staff and UNISON to ensure they are informed about our proposal</p> <p>Co-designed our Full Proposal with key stakeholders including:</p> <p>Held over 20 engagement sessions and invited more than 200 organisations to attend</p> <p>Completed a public opinion survey through Ipsos MORI</p> <p>A social media campaign reached more than 250,000 Facebook users and 117,000 engaged with a Stronger Somerset post.</p> <p>Submitted our Full Proposal</p>
Phase 4: Collaboration	3 Persuade	Post final submission to determination	<p>The focus of this stage will consist of working closely with our partners, central government and wider stakeholders whilst awaiting MHCLG decision. This will likely include:</p> <p>Ensure that staff and UNISON are able to contribute positively to</p>

		<p>the design and implementation plan for our proposal</p> <p>Ongoing dialogue with current providers and partners</p> <p>Hosting a session in the House of Commons</p> <p>Informal briefings with MPs</p> <p>Supporting letters sent to decision makers</p> <p>Liaison with key government departments</p> <p>Wider consensus building amongst MPs and influencers across the South-West</p> <p>Targeted media coverage</p>
4 Prepare	Post-determination	<p>The focus of this stage will consist of:</p> <p>Reviewing the success of activities to date and capturing lessons learnt</p> <p>Agreeing updates to the overall programme strategy, including the vision and culture for the new Councils</p> <p>Refreshing the detailed communications and engagement plan</p> <p>Setting up regular engagement sessions and one to one meetings with stakeholders</p>

4.8.6 Benefits realisation approach

Benefit type	Benefit themes aligned to programme objectives
Direct financial benefit	Leadership and management integration: Opportunities to integrate leadership and management teams, leading to economies of scale
	Shared enabling services: Opportunities to integrate enabling services, leading to economies of scale
	Joined up commissioning and procurement: Opportunities for joint working and scalable efficiencies in commissioning and purchasing
	Focused asset strategy and portfolio management: Economies of scale in managing and maintaining assets, increased yield from asset portfolio based on best practice, divesting and disposing of assets etc.
	Governance change: Changes to elective structure and Council governance based on new authorities
	Single commercial strategy: Opportunities to develop commercial investment strategies
Indirect financial benefit	Adults' and Health: Interventions to reduce demand for statutory services
	Children's services: Interventions to reduce demand for statutory services
Indirect non-financial reform benefits	Starting well: Support system change to build social mobility, rather than tackling issues in silos
	Living well: Support people to live well by improving quality of life factors within localities, rather than needing to travel to facilities.
	Ageing well: Support people to age well, staying healthy and active for longer at home, rather than reliance on medical institutions or being placed in care settings
	Housing: Deliver housing of the right type, where it is needed, with associated infrastructure
	Connected communities: Prioritise connecting communities online as our infrastructure priority as an enabler for all other objective
	Close the productivity gap: Be proactive in driving up skill levels and productivity to drive clean economic growth that is inclusive and levels up incomes
	Urban centres: Supporting towns and cities to ensure they build on their role as vibrant economic and community centres
	Rurality: Treat our natural capital as an asset while developing delivery models that work for dispersed communities. Enable connecting infrastructure and increase productivity in rural and coastal communities as a driver for increased prosperity

Benefit type	Benefit themes aligned to programme objectives
	Decarbonisation and adaption: Support the local economy and residents to reduce climate impacts. Work to mitigate the impacts of climate change that we cannot avoid
	Community-led: Build and nurture community strengths and assets, rather than a deficit model
	System-led: Build relationships and partnerships to operate across a system, rather than individual organisations
	Agreed priorities: Create a shared strategic intent that transcends organisations, rather than distinct organisational priorities
	Improve quality and sustainability: Improve the quality of local government services across Somerset, while ensuring financial sustainability for public services

A structured approach to benefits realisation will ensure that the Programme successfully achieves positive outcomes for the people, places and performance of Somerset.

Our approach to benefits management and realisation is consistent with established guidance for managing successful programmes. The approach will include clarity on the programme benefits to be delivered, roles and responsibilities for achieving them, a clear benefits register, benefits realisation plan and reporting. Benefits align to the objectives for the programme and encompass: financial benefits (direct and indirect) and non-financial benefits (indirect qualitative reform benefits).

Programme objectives and high-level benefit areas are outlined in the table below. A detailed benefits register will be developed in Phase 4, which will define measurable outcomes against each benefit theme, with owners, the measurement approach, key performance indicator and any associated dependencies and risks.

4.8.7 Risk management approach

Effective risk management is essential in any major transformation programme. A robust methodology and management regime has been established such that risks to a successful transformation outcome are effectively and efficiently managed and minimised.

The Stronger Somerset Programme approach to risk management will be consistent with best practice guidance for managing successful programmes. The PMO will own the process for the creation, tracking and management of risks of a RAID (risk, assumption, issue and dependency) log. Each risk, assumption, issue and dependency will have a designated owner who will be responsible for ensuring that mitigating actions as required are put in place, tracked and reported on with the support of the PMO. The RAID log will be reviewed on a regular basis through governance. More details on the risk management process are provided in the appendix.

The following strategic and programme risks are the highest rated risks from the Stronger Somerset Programme RAID log.

Risk name	Risk description	Mitigation
Reform objectives are not achieved	The Programme is not treated as a platform for service reform as well as reorganisation, leading to underachievement of Programme benefits	Reform Projects are responsible for delivering reform benefits. There will be clear accountability for Reform projects through overall programme governance, including robust and regular reporting.
Safeguarding risks to our citizens	Changes to the Operating Model and service delivery impact detrimentally on our citizens during the transition process	Representatives from key operational services will be part of the Reform Projects, with regular service continuity updates presented to the Stronger Somerset Executive Steering Group. Service continuity and quality are included in all Programme assurance gateways to maintain safeguarding of vulnerable children and adults at all times.

Risk name	Risk description	Mitigation
Partner services are impacted	Major service changes impact on other public sector services in the county including NHS, Policing and Fire and Rescue services	Wider public sector service representatives are part of Programme governance. Risks and issues from the Communications and Engagement Project will be escalated to the Stronger Somerset Executive Steering Group and Programme Board.
West and East authorities do not achieve reform benefits	New authorities diverge on overall reform direction once established, leading to under achievement of overall programme reform benefits	Strategy and plans have been mutually agreed and owned from the outset. Foundation and Reform Projects are part of one programme in Phase 5. Project Managers will be managed by the East and West Programme Managers and receive oversight from the SRO. The Programme will continue to have oversight across both authorities into Phase 6 to manage any dependencies and risks.
SCC current Programmes are misaligned with Stronger Somerset objectives	County Programmes progress to a stage where they are difficult to align with the Stronger Somerset Operating Model	The Programme will review County Programmes and assess potential impact on the Operating Model upfront and iteratively through each stage. County Council representatives will be embedded within the Programme and sit on the Programme Board to mitigate any risks.
Programme budget is insufficient	Underestimation of the cost required to fully resource the Programme	Resource contingency plans have been built into this proposal and will be further detailed as part of a full resource profile for the duration of the Implementation. Programme budget will be subject to regular review through programme governance.

4.8.8 Assessment of impact on other local public service boundaries

We anticipate that Option C would have no impact on the provision of policing, fire and rescue services or healthcare across Devon and Somerset.

The Programme has regularly engaged with Devon and Somerset Fire and Rescue Authority and Avon and Somerset Police and will continue to do so throughout the life of the Programme. This engagement has included discussion of what impact local authority government arrangements would have on provision of wider local services.

Avon and Somerset Police

Avon and Somerset Police serves the residents of 9 local authorities. The policing of the area covered by Somerset County Council is managed by two divisions – Western Somerset and East – whose boundaries are exactly co-terminous with the proposed two unitary councils.

Regardless of the outcome of any governance restructure in the existing Somerset County Council area, the governance arrangements for the Avon and Somerset Police service would remain unchanged.

It is anticipated that changes to the existing local authority governance arrangements in Somerset would, therefore, have no impact on the provision of policing services across Somerset.

Devon and Somerset Fire and Rescue Service (FRSA)

Fire and Rescue Services in Somerset are governed by the Devon and Somerset Fire and Rescue Authority (the Authority), which is a stand-alone autonomous authority. Members are appointed to the Authority by the four constituent authorities that cover the two counties of Devon and Somerset – Devon County Council, Somerset County Council, Plymouth City Council and Torbay Council.

Regardless of the outcome of any governance restructure in the existing Somerset County Council area, the governance arrangements for the Service would remain unchanged, except that appointments to the Authority currently made by Somerset County Council might be made by either one unitary authority or two unitary authorities, i.e. the total number of appointments would

not change. Any changes to the existing local authority governance arrangements in Somerset would, therefore, have no impact on the provision of fire and rescue services across Devon and Somerset.

Below are the locations of West (Taunton) and East (Yeovil) FRSA head offices.



Integrated Care System (ICS) and Integrated Care Partnership (ICP) with Health

The ICS (and ICP within that) is coterminous with the boundaries of both areas.

Local Economic Partnership (LEP)

The boundaries are coterminous with the LEP and also to differing functional economic market areas (FEMAs) – taking into account the differing characteristics and economic geography of West and East Somerset

4.8.9 Assessment of equality and diversity impacts

We anticipate that the preferred option will have some positive and no negative equality impacts on those with protected characteristics

Under section 149 of the Equality Act 2010 the General Equality Duty asks public authorities and any organisation providing a public function to take proactive steps for equality and diversity. This due regard is evidenced through an **Equality Impact Assessment**. **Section 149 states:**

A public authority must, in the exercise of its functions, have due regard to the need to:

1. Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act

Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Somerset District Councils have completed a full Equality Impact Assessment. This showed that there are expected to be some positive and no negative impacts on those with protected characteristics. This will be reviewed as the programme develops and will be tested through public consultation.

4.8.10 Programme assurance and post programme evaluation approach

Programme assurance activities will be established to assess the performance of the Programme and provide reassurance to its' stakeholders on a regular basis. This will include assurance gateways which divide the Programme phases and a detailed post programme evaluation. Further details are provided in the appendix.