

**A Critique of  
Wiltshire County Council's  
'We're Ready'**

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## Executive Summary

1. *The financial data presented by the County Council are acknowledged to be 'initial indications' of 'potential' costs and savings. They are very uncertain.*
2. *The headline figures are presented as:*

<i>Recurrent savings</i>	<i>£15 million p.a.</i>
<i>Transition costs</i>	<i>£18 million</i>
3. *On the County's own evidence, the figures ought to be presented as:*

<i>Recurrent savings</i>	<i>£12-£15 million p.a.</i>
<i>Transition costs</i>	<i>£18-£21 million</i>
4. *In fact, recurrent savings would more likely be £10million or less, particularly if there were proper provision for area governance.*
5. *Savings of this magnitude are little more than one year of Gershon savings at 3% p.a. on the present expenditure base, those savings amounting to £8.3 million.*
6. *Estimated transition costs do not include explicit provision of the pension costs associated with staff reductions. Are pensions additional to the costs which are identified?*
7. *Despite recognising that there would be significant capital costs for premises to make the transition possible, there is no provision other than for a contact centre. Transition costs have therefore been under-estimated (by perhaps as much as £2 million?).*
8. *Taking these items and others into account, a transition cost in excess of £21 million would be probable.*
9. *It is clear that there are already several initiatives within Wiltshire for improving the two-tier structure which exists. It appears that at least some of the benefits from these initiatives have been included in the County's assessment of the financial savings that they claim would flow from becoming a unitary authority, for example, £3.2 million p.a. that the County expects to save under it's 'business management programme'.*
10. *Proposals for area governance are incoherent.*
11. *If there were to be proper devolution to the local level, this would tend in the direction of increasing the costs of governance, despite which the County claim that localisation would save money.*
12. *In practice, the area governance proposals look more like centralisation in the name of economies of scale than devolution in the name of democracy.*

13. *There are no proposals for coping with the extra workload that councillors would have as a result of halving their number. Access by members of the public to councillors would be reduced.*
14. *The County Council provides very little evidence of support from stakeholders for its proposal, and fails even to mention the attitudes of members of the public - those who pay Council Tax and receive services.*

## Introduction

1. This study has been undertaken on behalf of three districts in Wiltshire, namely, Kennet DC, Salisbury DC and West Wiltshire DC. I was asked to review the document prepared by Wiltshire CC as the submission supporting an application to the DCLG for the county to become a unitary authority, to assess how strong a case is made in 'We're Ready'. The first task will be to examine the financial case, followed by a review of the proposals for area governance and the means of combating the 'democratic deficit'.

## The Financial Case

2. The headline figures that are given are:

Recurrent annual savings	£15 million p.a.
Transition costs	£18 million

However, on the County's figures, taking account of their risk assessment, the costs and savings ought to be presented as follows:

Recurrent annual savings	£12-£15 million p.a.
Transition costs	£18-£21 million

But even the lower end of the range for recurrent savings is too high, while transition costs would almost certainly exceed £21 million.

3. But first, some general considerations need to be discussed.

### *General issues about costs and savings*

4. The financial figures are those provided by PriceWaterhouseCoopers (PWC) in Appendix 2. Their document is presented under the title '**Preliminary** report on **potential** financial implications for a single Wiltshire Authority' (emphasis added). PWC underline the tentative nature of the figures with the following words used as the relevant column headings for tables in appendix 2 (emphasis added):

Of recurrent savings: 'Initial indication of **eventual potential** saving.'  
 Of transition costs: 'Initial indication of **potential** costs'.

At the foot of the table on recurrent savings, PWC note that:

'Initial indications are that recurrent savings **could eventually total approximately £14.7m per annum**' (emphasis added).

The caution is reinforced on page 40 of 'We're Ready' with the following words:  
 'At this stage the estimates are a guide to the **potential** costs and savings, and work will continue to further review and refine the figures' (emphasis added).

And again at page 42 the word 'provisional' is used of the financial evaluation.

5. Clearly, on the admission of PWC and the County Council, the headline figures which are included in 'We're Ready' are not as firm as they might appear to be at first glance. Consequently, the text that follows is an attempt to review and refine the figures.

### *Recurrent savings*

6. There is a small oddity about the way in which the figures for recurrent saving have been presented, in that on page 33 of 'We're Ready' the total comes to £15.04 million instead of the PWC figure of £14.7 million. The discrepancy arises from three small changes made by the County Council and presented in the main text, changes for which no explanation is offered. The PWC figures, as set out in Table 1, have been used in preparing this review.
7. There are several reasons why the figure of £15 million in annual savings cannot be accepted. The primary reasons revolve around the concept of the 'business case'. By analogy with private companies and registered charities, a business case must consider the financial implications for itself as a business. In the present context, the County needs to formulate the case in terms of the impact upon the net revenues of the proposed unitary authority for the whole county area. Three headings are immediately apparent where 'We're Ready' fails to do this.
8. PWC have ignored the annual grant which all local authorities receive for the 'costs of being in business', currently £325,000 p.a. for each authority. In going from five authorities to one in a unitary county, there would be a loss of £1.3 million p.a. Although PWC say nothing on this matter, 'We're Ready' emphasises the following point:

'With the absence of indications of the funding approach for 2008-09, no assumption has been made about changes in government funding' (p. 41; see also pp. 44 and 48).

The claim to be making 'no assumption' is incorrect. By tacitly assuming that the grant would continue, an assumption has been made that the existing rules would not be enforced with respect to this particular part of government funding. **Under the present rules, the prudent assumption must be that £1.3 million of annual grant income would be forfeit.**

9. Quite properly, it is proposed that Council Tax would be equalised between the four districts. However, the proposal is to align the tax rates on the district with the **lowest** Council Tax, with the result that **an estimated £1.4 million of tax revenue would be forgone**. This would be an offset against the savings which are claimed.
10. Amalgamating the staff of five authorities would inevitably increase the salary bill. There would have to be the re-grading of jobs to ensure that a common scale applied across the unitary authority, and in an exercise of this kind there is the concept of 'no

detriment', which means that for every individual they will either stay on their present salary or receive an upward boost. No explicit provision has been made for this. The probable scale of this adjustment may be indicated in the following manner. Somerset CC have also submitted a proposal for a unitary county and in their case the sum indicated for 'pay assimilation' is £1.0 million. Wiltshire has about 86% Somerset's population, **so in rough terms one would expect the pay assimilation cost in Wiltshire to about £0.86 million.**

- 11. Collectively, the three items noted in the preceding paragraphs would offset annual savings by £3.56 million, giving net savings of £11.44 million p.a. instead of the headline figure of £15 million.**

*Savings on frontline services?*

- 12.** The theory of local government reorganisation is that frontline services would not be affected, and the savings would come from the 'overhead' or 'back room' activities which support the actual delivery of services. Despite this, there is some suggestion that frontline services would be affected, and that these impacts have been included in the savings which are postulated. Much the clearest indication is contained in the following passage about the basis on which savings may arise:

'Considering, in particular, the larger spending services and the potential for radical changes in service delivery' (p. 34).

The 'larger spending services' must include social services, the provision of which is a County responsibility. If there are radical options for this and other services run by the County, then these can be implemented without structural change.

- 13.** At page 35, 'We're Ready' indicates that there would be a reduction in staff levels of 213 full time equivalent posts. I understand that, in the context of local government, the average cost of a full time employee is about £33,000 p.a. - salary plus NI and employer's pension contribution. In which case, the loss of 213 posts would represent an annual saving of £7 million. But there is no information regarding the distribution of the job losses among the service headings which are identified.
- 14.** Very little information is provided about the frontline services and where exactly the savings might fall. Pages 45-46 of 'We're Ready' distinguish 'central services' and also 'corporate support services' and, in addition, some frontline services for which it is not clear where the savings would occur:

- a)** Social services would remain largely the same, except that there would be:

'Some savings relating adult care/housing and community care' (page 45).

But the subsequent account of housing and adult care does not develop this idea, although it does note that:

'Adult Care services have extensive formal partnership arrangements' (Appendix 1).

- b) For planning and development services, '**assumed** savings' of £1.8 million have been included' (emphasis added). These assumed savings seem to relate to the assertion that planning could be improved 'by at least 10% across most indicators', which seems to imply a 10% cash saving, which would be obtained from:

'Staff reductions that are enabled by using the larger pool in a more focused and flexible manner' (p. 22) and associated accommodation rationalisation (Appendix 1).

15. If there were to be a 10% saving on planning, yielding an overall reduction £1.85 million, this would imply total spending in the county area of £18.5 million, a sum which is substantially larger than current expenditure on planning, as is immediately apparent from the following. At the time of writing, information was to hand for expenditure on planning by West Wiltshire DC but not for the other district councils, the aggregate for the one district being £1.22 million, of which £0.81 million is for development control. As a rough approximation, we may assume that expenditure in the other three districts is similar to that in West Wiltshire, making a total district spend of about £5 million. The Audit Commission data show that County's expenditure to be about £2 million. On this basis, a 10% saving across the County would be £0.7 million. **The claim by the County that £1.85 million could be saved on planning is not credible, and a more likely figure would be less than £1 million. For the present purpose, the assumption will be made that savings on planning would be £0.7 million instead of £1.8 million.**
16. The question of planning raises an important matter of wider interest. To use the larger pool of staff in the way envisaged seems to imply centralising the whole service in one place. If the four existing planning systems were maintained as some form of Area Committee system, with access for applicants and for members of the public, then it is not clear how there could much if any reduction in staff. The savings are even more questionable when the following claim in respect of planning is noted:

'At the local level dedicated area staff will provide improved access to [planning] services' (Appendix 1).

The 'local level' is not defined, but the implication is that this is a level below that of the four districts, and probably means the 20 Area Boards territories. For the dedicated area staff to be able to provide better access to the planning system than is currently the case they would have to be professionally expert, and presumably in local offices.

### *Costing local delivery of services?*

17. It is claimed that there would also be savings from:  
'Considering opportunities for savings resulting from local delivery of services' (p. 34).

The main discussion of area management is reserved to the next section but some attention must be given to the matter in the context of the financial implications of a unitary council. Much of the argument deployed in 'We're Ready' is on the lines that there would be economies of scale from amalgamating the five existing authorities. This is abundantly clear from the tabulation of 20 services where savings are identified, as shown on page 33 of 'We're Ready'. In eleven cases, the term 'economies of scale' is used to explain the savings, and in six other cases the same idea is expressed in different words. If, on the other hand, there is to be a greater degree of 'local delivery' of services, this would be likely to run counter to the scale economies argument and lead to higher costs, not lower. The statement quoted is not acceptable in the absence of supporting evidence, of which there is none in the case prepared by the County.

- 18. If there is to be a genuine increase in the local delivery of services in comparison with the present, and greater engagement with communities, then it is inevitable that there would be higher costs, not lower costs.**

*Transition costs*

- 19.** The PWC report makes no reference to any items directly associated with the transition which would serve to offset at least some of the expenses incurred in reorganisation. Therefore, as presented by PWC, the gross transition cost is simultaneously the net cost of change. Yet in the main text of 'We're Ready', it is said of the transition costs that they:

'Are estimated to total a maximum of approximately £18 million (**gross**)...' (p. 34, emphasis added).

**By noting the costs as gross (but failing to note that gross equals net), the text of 'We're Ready' implies that gross transition costs are to be compared with gross recurrent savings. That is inadmissible, because the gross recurrent savings are significantly offset by loss of revenue and higher costs, as shown above.**

- 20.** The headings for transition costs used by PWC (Table 2), and reproduced in the main text of 'We're Ready', are incomplete. Early retirement and redundancy costs are identified, with a sum of £7 million assigned under this joint heading. There is no explicit provision for the associated pension costs, and it is not clear whether these costs are included within the £7 million provision. That pension costs would be substantial is acknowledged in the following words:

of 'The cost of the "actuarial strain" for officers in their early 50s is significant, and the Wiltshire Pension Fund requires that the full cost is met at the time the retirement' (p. 35).

But no breakdown is offered for the redundancy, early retirement and pension implications of a reduction in staff of 213 full time equivalent staff. **Does the £7 million include pension costs?**

21. Costs are shown for project management (£1.6 million) and for business management (£1.5 million), the total for these two headings being £3.1 million. Are we to understand that these costs include the following?
- a) Elections for the shadow authority.
  - b) Running the shadow authority for a year.
  - c) The costs which the five existing councils would incur in the transition period, other than closedown costs, for which provision is made.

In the absence of information regarding the composition of the £3.1 million, it is impossible to judge whether the figure is or is not appropriate.

22. As presented, there is no figure for premises costs associated with the transition, other than £0.47 million for a contact centre. It is difficult to imagine that there would be no accommodation costs, given the proposed loss of 213 FTE staff, the explicit proposals under Planning to reorganise space and to use local offices, and the general provision for 'training, recruitment and re-location' of staff, all in the context that savings have been assessed by:

'Considering, in particular, the larger spending services and the **potential for radical changes in service delivery**' (p. 34, emphasis added).

In any case, at a seemingly mundane level, is the present chamber for meetings of the County Council large enough to accommodate a doubling in the number of councillors while also providing room for officers and members of the public? It seems likely that there would have to be significant expenditure to create a suitable space.

23. In fact, in considering capital costs 'We're Ready' makes the following observation:

'The majority of the capital costs of transition will be in relation to the integration of information systems and the **re-provision of accommodation**' (p. 37, emphasis added).

Explicit provision is made for ICT transition costs, at £2.5 million (Table 2) but there is no equivalent provision for premises. Given the significance attached to 're-provisioning', it seems reasonable to suppose that the costs could be in the order of £2 million, which would be a substantial addition to the total.

24. **It is essential that there be an explicit discussion of the accommodation costs which would be incurred in creating a unitary county, whatever the size of figure that might be appropriate, to be included as part of the transition costs. Meantime, we may assume that the costs could be in the order of £2 million.**

25. There is a small but troubling discrepancy between the PWC figure for the closedown of authorities as shown by PWC (Table 2) and at page 34 of 'We're Ready'. The former gives £0.5 million for the closedown of the districts, whereas

the latter describes the same figure as the closedown cost for the authorities, presumably therefore any costs incurred by County as a continuing authority. Nothing is said about this difference. Whether PWC did omit the County or incorrectly identified the sum as applying only to the districts is not particularly material, except that the impression which is created is that the costings are even less reliable than has hitherto seemed to be the case.

26. Among the PWC cost headings is an item for 'other'. The example given for what this covers is the provision of signs, which is one part of the rebranding which would be necessary. Presumably, therefore, the whole cost of rebranding is to be found under this heading, for which the sum allocated is £0.3 million. Rebranding is not just a matter of signs on buildings, but all the district vehicles with the current logos would need to be changed, literature and information leaflets would need to be re-titled and the text amended as needed, etc. Has a sufficient sum been allowed for rebranding?
27. There is a comment on page 35 of 'We're Ready' which has a significant bearing on the real costs of transition, as compared with assessed costs:

'From the day when the government announced its decision on this submission, the councils will make arrangements to collaborate to manage the relevant services so as to minimise the eventual reduction in posts. These arrangements might include no further permanent appointments to any of the five councils, temporary or agency contracts to cover vacancies and if necessary temporary redeployment of staff to a council which was experiencing relatively high turnover.'

In other words, by achieving economies in the transition period to vesting day, total transition costs would, it is suggested, be reduced. However, what is actually implied is that fewer staff would be expected to carry out all their normal duties and cope with the additional pressures imposed by restructuring. To the extent that short term or agency contracts were used, these are apt to be more expensive than employing staff in the normal way. In any case, these suggestions run counter to the experience of reorganisation in the 1990s, when the **uncosted** costs of change added somewhere between 7% and 18% to the measurable costs (Chisholm 2000, Chap. 7). **If one takes 10% as a reasonable lower estimate, this would imply an additional £1.8 million on top of the County's figure of £18 million.**

28. **The preceding discussion shows that there are serious doubts about the figure of £18 million for transition costs, and that there are good reasons for thinking that it is a significant under-estimate. The County's upper figure of £21 million looks to be much more realistic than the headline figure of £18 million but the costs could well be higher when account is taken of the matters that have been excluded from consideration, such as premises costs (possibly £2 million?).**

### *Sensitivity Analysis*

29. 'We're Ready' contains a brief mention of a sensitivity analysis of the assumed cost and saving figures of £18 and £15 million respectively, but gives no details of how this was done. The results are presented as follows:

'Analysis has been undertaken to assess the areas of greater risk in delivering savings and those where transition costs typically may arise. The results suggest that savings could reduce to £12 million and costs rise to £21 million ...' (p. 41).

**On the County's own figures, costs and savings ought to be presented as being:**

<b>Recurrent savings</b>	<b>£12-£15 million</b>
<b>Transition costs</b>	<b>£18-£21 million</b>

***Reality Check on the County's Figures?***

30. PWC offer a reality check in the following form. They have undertaken work with a number of counties, for which cost and saving figures have been obtained. On this basis, they compare the annual savings estimated at £14.7 million for Wiltshire with an average for the sample of counties of £18.4 million. Similarly, they compare the Wiltshire transition cost of £17.92 million with the sample average of £18.4 million. Taking account of population size and relative expenditure, they conclude that Wiltshire is in line. **All that this comparison shows is that PWC have been consistent in the way they have approached the counties for which they have worked. It does not show that the basis for assessment is correct.**

***Savings that would be obtained in the two-tier structure?***

31. There is no systematic discussion of the savings which can in any case be envisaged in the existing two-tier structure and the separation of these from any **extra** savings that might be forthcoming only in a unitary council. However, from the account given of ongoing improvements, there has to be a question whether some at least of the savings attributed to a unitary authority may be savings that could, even will, materialise with the existing structure. Several examples are cited in 'We're Ready' about initiatives which are in hand, including:
- a) That from April 2007, the County will manage payrolls for all five authorities (p.24).
  - b) That the County has commenced a 'business management programme' which will go live during 2008, with the expectation of £3.2 million savings per annum, and with the provision that it can be extended to include the districts (p. 24).
  - c) That the Customer First Partnership was launched in 2004, bringing together the five Wiltshire authorities and the police, with savings claimed of £7 million over four years (p. 23).

d) That the Wiltshire Waste Partnership has been successful but is impeded by inability to enter into joint contracts because three of the districts have Direct Labour Organisations. The claim is that a unitary council could overcome this problem and achieve 15% savings - but not until 2016.

**32. In the absence of any proper discussion of the evolution of the two-tier arrangements, there is the uncomfortable feeling that a significant part of the claimed savings for a unitary council are savings which could and probably would be obtained were the existing two-tier structure to remain in place.**

*How Significant are the Claimed Savings?*

**33.** PWC state that a saving of £14.7 million would be equivalent to 5.3% of the relevant base spend, which they treat as the current net revenue expenditure (excluding schools) of £278.3. If, as seems probable, the net savings for the unitary authority would be only £10-£11 million, the saving would be 3.6%-4%. These estimated savings may be compared with the Gershon savings expected from 2008. From a current base which is almost identical to the one used by PWC, the Gershon savings at 3% would amount to £8.3 million p.a.

**34.** One must remember that re-structuring savings are a one-off event, whereas the concept of the Gershon savings is that they continue year-on-year. Viewed in this light, the financial benefits of re-structuring amount to little more than one year's Gershon savings, but require an outlay which is equivalent to more than two years of those savings. The re-structuring savings are highly speculative, and are supposed to be achieved **in addition** to the annual Gershon savings.

**35. The savings to be expected from re-structuring are far from certain and would entail significant transition costs amounting to about two years' savings. In the context of Gershon, this does not look to be a very sound 'investment'.**

*Conclusion on the costs and savings*

**36.** The County acknowledges that recurrent savings may be as low as £12 million p.a. but even this appears to be optimistic, with £10 million more likely. The County also accept that the transition costs could be as high as £21 million, and from the preceding discussion even that figure might be exceeded.

**37.** The main adjustments to the headline figure of £15 million for annual savings are:

Loss of grant for the 'costs of being in business'	£1.3 million
Loss of Council Tax on account of equalisation	£1.4 million
Pay assimilation	£0.86 million
Adjustment to savings on planning	£1.1 million
Total	£4.66 million

The effect of these adjustments is to reduce the annual savings to £10.34 million. In addition, there are the unquantified costs of area administration, which would further reduce the net savings if devolved administration were to be made a reality. Note

also the possibility that some savings from **existing** programmes have been included in the savings attributed to restructuring, e.g. £3.2 million for the County's 'business management programme'.

38. In the case of the transition costs, there are problems regarding the items which appear to have been omitted from the calculations:

Premises costs	?£2 million
Pensions costs are not identified. If not included, then	?£2 million
Corporate image costs appear to be too low	
There is no explicit provision for elections to the shadow authority, the costs of running the shadow authority for one year, and the costs incurred by the existing councils in the transition period	

39. As has already been noted, PWC emphasise the preliminary and tentative nature of all of the costings:

**'Initial indications are that recurring savings could eventually total approximately £14.7 million per annum'** (Appendix 2, p. 3).

**Whether the figure should be £10 million or £15 million is largely immaterial, because there is no certainty that the savings would materialise, and if they do it would be eventually. The cost and upheaval of structural reorganisation would be a serious impediment to the overall improvement of services and the generation of Gershon efficiency savings.**

### **Area Governance and the Democratic Deficit**

40. At present, there are 49 County councillors and 146 district councillors, making 195 in total. A unitary county, it is proposed, would have 98 councillors, almost exactly half the present total. With a reduction on this scale, the number of electors per councillor would double. Even if there were no change in the amount of work to be done, the pressure on councillors would be increased very considerably. As it is, the White Paper pushes for much greater empowerment of communities and citizens, a policy which tends towards increasing workloads on a substantial scale. So how does the County Council propose to achieve greater localisation while simultaneously achieving 'savings resulting from local delivery of services' (p. 34)?
41. There is a fundamental and unresolved inconsistency in the text of 'We're Ready', as demonstrated by the following passages (respectively pages 8 and 10):

In general terms the following benefits [of a unitary county] are self-evident

- \* economies of scale can be achieved
- \* consistent levels of service can be provided across the whole county.

and

'The challenge for the new Council for Wiltshire will be to make the location of its administrative headquarters largely irrelevant to the perception of residents. In terms of customer service, this might require improved services and information by telephone and the internet, plus a wider range of opportunities locally for people to meet Council staff face-to-face. In terms of governance, the new Council might wish to delegate to twenty community areas and the Town and Parish Councils within them, rather than centralise from four districts; this would build upon the experience of the County and District Councils in establishing Area Committees or Area Boards.'

42. **The two passages quoted in the preceding paragraph reveal the tension between achieving economies of scale and uniform service delivery across the county on the one hand, and the demands of the localisation agenda which work in the opposite direction.**

### *Area Governance*

43. The 20 community areas would each have an Area Board, consisting of the relevant unitary councillors and representative town and parish councillors as **members**. In addition, it is envisaged that representatives of local community groups would be invited to attend, as well as local service managers, community leaders and residents (pp. 16-17). This structure of the Area Boards raises some important issues:
- a) Because it would be the unitary council which carried ultimate responsibility, it would only be the unitary councillors who could actually determine priorities and authorise expenditure. If anyone else had a formal say in these decisions, then they would be exercising power without responsibility, and in many cases without the legitimacy conferred by elections. Consequently, the Area Boards would have two classes of member.
  - b) On average, there would be five unitary councillors for each Area Board. There is no indication regarding the number of others who would attend; the greater the number, the more unwieldy the meetings would be.
  - c) How would those who were not unitary councillors be appointed, invited or elected?
  - d) If executive functions were to be delegated to the Area Boards, particularly for planning, there would be some serious issues of probity given the small number of councillors on each Board.
44. There is no indication regarding the scope of delegation to Area Boards, no indication of the budgets to be devolved, and no indication of how the Boards would be served by officers. With respect to the delegated powers, the only one specifically mentioned is the parish lengthsman scheme, which implies minimal executive control being handed to the 20 Area Boards. But if we may assume that the Boards really would have real executive powers, as distinct from being consultative fora, there would be significant bureaucratic costs, if for no other reason than the fragmentation of service delivery and the diseconomies associated

with small scale operations. Nothing is said in 'We're Ready' about the scale of these extra costs, and no attempt is made to justify the claim that costs would actually be reduced.

45. There is also reference to the delegation of responsibilities to Town and Parish Councils, of which there are 254 in Wiltshire:

'One Council for Wiltshire will offer a "menu" of services and arrangements to these councils, subject only to the criteria of value for money and equity. The key principles would be diversity and choice - each should be able to shape its relationships with the council for Wiltshire (p.18).

46. As with the Area Boards, if there were to be real delegation to the Town and Parish Councils, then it seems inevitable that costs would be raised. And if there is to be diversity, how will equal standards be applied across the county?

47. **At the very minimum, the claim that local delivery of services would cut costs is wholly unsubstantiated. In practice, the greater the devolution, the greater the costs would be. The County claims that it is self-evident that a unitary county could achieve economies of scale and on that premise it is equally self-evident that multiplying the number of local delivery bodies would result in the diseconomies of small scale.**

48. But the further point is that the devolved governance proposals are not coherent and are not thought through. They do not provide a framework for a clear pattern of local engagement and delivery that could simultaneously generate economies and bridge the democratic deficit. Two specific examples illustrate the problem. First, among the transition costs is a figure of £0.47 million for a contact centre but there is no discussion regarding what this would be, where located and how it would relate to existing facilities. Second, with respect to corporate services working with Area Boards, it is said that:

professionals on 'Although direct contact may be infrequent there is potential for in finance, HR and legal to offer advice and guidance to Area Boards on practical matters' (Appendix 1, Corporate Services).

If there would be such limited involvement of corporate services with the Area Boards, this implies that they would not in fact be taking executive decisions. Consequently, the Area Boards would be little more than fora for discussion to assist the unitary councillors in coming to decisions to be taken elsewhere.

### ***Burden on Councillors***

49. Nothing of substance is said about the burden that would be placed on the reduced number of councillors. One paragraph of 'We're Ready' (on page 16) notes that Wiltshire CC is part of the LGA/IDeA partnership for shaping a national programme of support for frontline councillors. This in no way addresses the issues that would inevitably arise with a halving in the number of councillors.

### *Consultation*

50. 'We're Ready' (pp. 52-3) records the County's consultations with stakeholders and the level of support which there is for the unitary proposal. As reported, the level of support is very limited, leading to the statement that the County:

'Feels confident that more and more organisations will feel able to state their position publicly on the benefits of One Council for Wiltshire.'

and

'We welcome the Government's commitment to undertake consultation in May and June for proposals that meet the criteria laid down in the White Paper.'

51. Nothing is said about the attitudes of the general public. The nearest to testing public opinion has been the series of meetings with Town and Parish Councils, the outcome of which is that:

'Most present wanted more time and information to consider the issue in detail.'

This strongly suggests that the town and parish representatives were at best hesitant to sceptical about a unitary county.

52. **As reported by the County, there is no sense that there is a groundswell of opinion supporting a unitary Wiltshire. If the government chooses to proceed with Wiltshire's case, it would be essential for there to be a proper consultation which should include the most important 'stakeholders' - those who pay Council Tax and receive services, i.e., the public.**

### *Conclusion*

53. There have to be grave doubts about the idea of making 'the location of the unitary council's administrative headquarters largely irrelevant to the perception of residents'. There are equally strong reservations about the realities behind proposals for decentralising administration to 20 Area Boards and to the commitment to devolve to town councils and parishes. The substance in these proposals is extremely limited. **In fact, the tenor of 'We're Ready' is that the drive for efficiency would lead to the centralisation of control rather than to the dispersal of meaningful powers and responsibilities.**

Table 1  
Initial indication of eventual potential saving per annum  
PWC figures<sup>1</sup>  
£ 000

Economic Development	500	
Trading Standards and Environmental Health	590	
Waste	1,420	
Leisure		270
Planning	1,850	
Housing and Adult Care	1,600	
Housing	470	
Revenues and Benefits	1,200	
Parking	500	
Corporate	550	
Legal	500	
Human Resources	180	
Finance and External Audit	750	
Democratic Governance - allowances	225	
- administration	290	
Property and Accomodation	1,150	
Contact Centre	860	
Procurement	675	
Communications and Marketing	120	
ICT	1,000	
Total	14,700	

1 Note that the table at page 33 of 'We're Ready' contains three unexplained adjustments to the PWC figures, bringing the total savings to £15,040,000.

Table 2  
Initial indication of potential transition cost  
PWC figures  
£ 000

Project management	1,600
Early retirement and redundancy	7,000
Training, recruitment and relocation	1,150
Human resources	900
ICT	2,500
Business management	1,500
Contact centre	470
Closedown of Districts <sup>1</sup>	500
Other (e.g., signs)	300
Contingency	2,000
Total	17,920

1 As shown on page 34 of 'We're Ready', the same figure is described as 'closedown of authorities costs', i.e., as including the County.

### Reference

Chisholm M. (2000), *Structural Reform of British Local Government. Rhetoric and reality.*  
Manchester University Press.