

The art of local government reorganisation

July 2021

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Introduction

The reorganisation of local government is not a new idea. Since the passing of the Municipal Reform Act in 1835, politicians in Westminster have wrestled with the question of how best to structure local government in England and, until devolution, across the rest of the United Kingdom.

The fact that we are still talking about it almost two hundred years later suggests that we have not yet found a satisfactory answer.

This briefing paper follows CIPFA's webinar [The Art of Reorganisation](#), where we heard from those who have been through this type of shake-up before and lived to tell the tale. It is intended to stimulate debate and discussion around local government reorganisation among those facing such change today or thinking about reorganisation for the future.

Later in the year, CIPFA will release a detailed publication on reorganisation, which will explore the factors informing the decision of whether to reorganise or not, the role that reorganisation in its various forms can play in delivering strong and resilient public services, how the transition can be managed, and how the challenges associated with reorganisation can be overcome.

The big picture

There is no clear blueprint for the future of local government in England. The government appears to have no coherent subnational reorganisation agenda and no apparent policy intention to devolve meaningful power to local communities. Whether by design or by default, this has encouraged reorganisation of local authorities in a piecemeal way.

Many consider that the current structure of local government in England – our patchwork of unitary authorities, county councils, metropolitan boroughs, city councils and districts – is not working; therefore, reorganisation is encouraged at a local level.

However, without an agreed ‘big picture’ of how local government should look, these reorganisations may risk simply adding to the patchwork rather than resolving the issues and challenges to which they give rise.

A common driver of reorganisation in recent years is the need for cost savings and financial resilience in the face of reductions in local government funding. Were it not for austerity and the financial pressures this has placed on local authorities, it is uncertain whether local government reorganisation would have achieved the salience that it has today.

Questions to consider:

- What should local government in England look like?
- Should we have a uniform structure across the country?
- How can reorganisation help to address financial and other challenges?

Understanding why you want to reorganise

If done well, local government reorganisation can yield substantial benefits for local communities. It can, for example, generate increased capacity and help to improve the delivery of public services. It can increase resilience and reduce risk, and it can, if done carefully, help to reduce costs. It can also create an organisation with a more powerful local voice.

The key is to be clear about what the desired outcomes are and how reorganisation of the local authority structure in a given area will achieve them.

What will the new authority or authorities be able to do that the previous ones could not?

Local government reorganisation should not simply be about cutting costs; it should be about creating value and achieving positive change. However, experience shows that existing local authorities and local authority structures can bring about positive change, and local government reorganisation is not a prerequisite for innovation and improvement.

Questions to consider:

- What are you hoping to achieve through local government reorganisation?
- How will reorganisation help you to achieve it?
- What other options might you also wish to consider?

One size does not fit all

The trajectory of local government reorganisation is geared towards larger local authorities such as county-level unitaries and combined districts. However, the larger an organisation, the more complex the concept becomes. Larger organisations can be difficult to manage, tend to generate greater bureaucracy and are often slower to innovate and respond to change.

It is also possible that what is right for one particular geographical area will not be right for another.

Successful reorganisations respond to local circumstances. They match political boundaries to historical, geographic or economic ones, and they foster a sense of togetherness while retaining a local connection and sense of place.

Questions to consider:

- What factors help to determine the nature of a local community or area?
- How might the local government needs of an urban area differ from those of a rural one?
- How can we reconcile the desire for a more homogeneous local government structure with the need to respond effectively to local circumstances?

Take a decision and make it happen

The process of local government reorganisation can also provide a strong catalyst for change.

It is easy to defer difficult decisions or to focus on the changes that are easiest to implement rather than the most important ones. The all-encompassing nature of local government reorganisation, however, leaves the difficult decisions with nowhere to hide.

The hard deadline associated with the transition from an existing structure to a new one also provides a clear focus, not just for getting things done but for getting them done quickly.

Once the decision to proceed with local government reorganisation has been taken, it makes all other decisions that little bit easier.

Questions to consider:

- What are the barriers to change at a local level?
- Will local government reorganisation help to overcome these barriers?
- How can we create and maintain momentum for innovation and change?

Look after your people... and yourself

Local government is a 'people' business, and reorganisation will create considerable uncertainty for you, your team and your organisation.

It is likely that not everyone will have a 'place' in the new organisation. This will be a source of worry and confusion. Others may not be supportive of reorganisation, or they may simply not wish to go through the substantial change that it will entail.

All this needs to be managed proactively and with compassion.

Be aware of the impact that reorganisation will have on councillors and staff. Listen to their concerns and communicate with them openly and clearly. Try to make sure that reorganisation is something that is undertaken *with* them rather than something that happens *to* them.

Questions to consider:

- How do you feel about reorganisation?
- What will it mean for you and your team?
- How can you best support your team through the reorganisation process?

Harmonisation, harmonisation, harmonisation

When it comes to the aggregation of local government activities, whether public facing or back office, harmonisation is the key to success.

The more a newly established local authority can harmonise its structures, systems, processes and ways of working, the better it will be able to deliver efficient and effective services to its local community.

Aligning things like job titles, salary scales and terms and conditions, while difficult and time consuming, can also play a vital role in creating the 'one organisation' ethos that is critical to a successful reorganisation.

It can also be incredibly helpful to bring together newly formed teams in a single location rather than leaving them in their existing buildings, especially if it's a new location not associated with any of the predecessor authorities.

Furthermore, the process of harmonising activities and services is a great way to get teams from existing local authorities working together constructively and engaging in the establishment of the new organisation.

Questions to consider:

- What will the harmonised organisational structure look like?
- What will be the most challenging services to harmonise?
- How can we best engage people in creating new ways of working?

Top tips for successful reorganisation

With such a long history of local government reorganisation, it is important that local authorities thinking of following the reorganisation route learn from those that have taken this journey before them.

With this in mind, here are some initial reflections from colleagues who have been through reorganisation and come out the other side:

- **Build a coalition of the willing**
While some local authorities have been through reorganisation for reasons other than of their own volition, the process will be much smoother and the outcome much better for everyone if all participating authorities are on board.
- **It's not a takeover**
It is important to emphasise that the reorganisation process is not a takeover or a merger; it is the creation of a new local authority structure to replace the old one. There is no 'continuing' authority. This needs to be reflected in every decision made, from staffing structures and office locations to the name of the new organisation.
- **Set up a shadow council**
The new authority will not come into being officially until day one, but there will be many things to do and decide on well before then. Establishing the new organisation in advance in 'shadow' form and recruiting for key positions will help to make sure things go smoothly during the transition.
- **Resource change appropriately**
Local government reorganisation requires significant input of staff time and resources. Set up a dedicated team to manage the process and ensure that sufficient internal resources and external support are devoted to it. Remember that officers are trying to do their day jobs too at a time of considerable uncertainty for many of them.

- **Protect critical public services**
Identify in advance the services where continuity is essential, such as the safeguarding of looked-after children. Put in place mechanisms to ensure that these services continue uninterrupted throughout the transition.
- **Don't avoid the tough questions**
There will be difficult decisions to make, and there will be very few occasions when everyone is happy with the decision that is made. Deferring decisions will only make things worse – tackle the tricky issues head on.
- **Don't feel that everything has to be ready for day one**
While some things will need to be ready on transition day, other things can easily be carried over into the new authority and resolved as time progresses. Just make sure that the old ways do not become the new ways by default and avoid the temptation to leave tricky issues in a 'residual authority'.
- **Make change visible**
Establish clear enablers of cultural change that reinforce the reorganisation process and remind people that they are doing new things in a new way. Whether it's a new name, new branding or a new building, these visible signs of 'newness' will go a long way to making change work.

Further information

CIPFA's *Financial Management Code* provides guidance for good and sustainable financial management in local authorities.

webinar [The Art of Reorganisation](#) | 30 June 2021

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