

Local Councils' Network: Call for Change

This is a copy of the response from South Oxfordshire and Vale of White Horse District Councils submitted on Tuesday 22 September

Council	South Oxfordshire and Vale of White Horse District Councils
Proposal Title	Match Devolution with Genuine Fiscal Autonomy and Local Flexibility
Problem <i>What challenge is your community facing?</i>	Oxfordshire is preparing for local government reorganisation through the creation of three new unitary authorities including the proposed Ridgeway Council. While devolution offers opportunities to improve outcomes, local authorities remain constrained by limited fiscal freedoms, short-term funding arrangements and central controls over local decision-making. This restricts councils' ability to respond to local priorities, invest in prevention and support sustainable growth.
Barrier <i>What legislation, regulation, policy, funding arrangement or government requirement is preventing progress?</i>	Current government funding arrangements, council tax referendum principles and centrally controlled funding mechanisms limit local financial autonomy. Councils also face growing statutory responsibilities without long-term funding certainty and have limited flexibility to generate and retain local revenues. Further, excessive centralisation restricts local decision-making. Moreover, in some service areas, weak and highly concentrated supplier markets, characterised by few credible providers, repeated single-bid procurements and incumbent dominance, limit genuine competition and can leave councils locked into delivery models that do not always represent the best long-term value for money.
Proposal for Change <i>What specific change would you like central government to make?</i>	HM Government should ensure that devolution and local government reorganisation are accompanied by genuine fiscal autonomy, long-term funding certainty and stronger local decision-making powers. New unitary councils such as Ridgeway Council must have the freedoms, resources and flexibility necessary to meet local needs, support economic growth and deliver high-quality public services. Specifically, HM Government should:

	• Reform or abolish council tax referendum limits and provide councils with greater discretion over local taxation decisions. • Expand local fiscal powers, including greater retention of business rates growth, enhanced flexibility over fees and charges, new locally determined revenue-raising powers and improved mechanisms for capturing land value uplift. • Introduce multi-year local government funding settlements and reduce reliance on short-term allocations and competitive bidding processes. • Deliver a long-term, sustainable funding settlement for social care that reflects demographic change and demand growth, reduces reliance on council tax and supports prevention and early intervention. • Strengthen local democratic control of planning by ensuring local development plans carry greater weight in decision-making and by providing greater flexibility over housing delivery. • Enable councils to pilot innovative approaches to service delivery and remove unnecessary requirements for ministerial approval where national interests are not materially affected. • Enable councils to choose the most effective local service delivery models, including insourcing, shared services and council-owned companies. Where market conditions limit competition or value for money, provide councils with the flexibility and invest-to-save funding needed to implement alternative arrangements. • Fully fund all new statutory responsibilities, provide ongoing implementation funding and assess cumulative impacts on local government capacity before introducing additional duties. • Ensure that access to devolved powers is not dependent on adopting a particular governance model, allowing areas to determine locally the arrangements that best meet the needs of residents and communities. • Align public service boundaries across local government, health, policing, transport and
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	other public services wherever possible to support integrated, place-based leadership and service delivery. Devolution will only achieve its intended objectives if responsibility is matched by the powers, funding and freedoms necessary for local government to act effectively on behalf of its communities.
Benefits <i>How would this improve outcomes for residents, businesses or communities?</i>	Implementing these changes would create a stronger and more sustainable foundation for local government, enabling councils to deliver better outcomes for residents, businesses and communities. Greater fiscal autonomy and long-term funding certainty would strengthen financial resilience, support strategic planning and reduce dependence on short-term funding competitions and centrally controlled grants. Stronger local decision-making powers would enable councils to respond more effectively to local priorities and circumstances, balancing housing growth with environmental protection, infrastructure capacity and community needs. Locally elected members would be better placed to make decisions on behalf of their communities and be directly accountable to residents through the democratic process. A sustainable approach to social care funding, coupled with fully funded statutory responsibilities, would reduce pressure on council budgets and allow greater investment in prevention, early intervention and wider public services. This would help ensure that existing services are not undermined by unfunded commitments and escalating demand pressures. Greater flexibility to innovate and reduced bureaucratic oversight would accelerate delivery, encourage service transformation and enable councils to design solutions tailored to local challenges. Improved alignment of public service boundaries would strengthen collaboration between local government, health services, policing and other partners, leading to more integrated services and better outcomes for residents.
Evidence <i>Please include any examples, data or experiences that support your proposal.</i>	South Oxfordshire and Vale of White Horse have historically maintained comparatively low Band D council tax levels, meaning that percentage-based referendum limits restrict revenue generation even where council tax remains relatively low compared with many other areas. This reduces financial

	flexibility and limits the councils' ability to respond to rising service demands and local priorities. Delivering sustainable growth requires the coordination of housing, transport, education, healthcare, utilities, green infrastructure and community facilities across multiple organisations and funding streams. However, experience at the local level has shown that progress is often constrained by fragmented funding arrangements, multiple approval processes and limited local discretion over decisions.
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