



Pre-Tender Market Engagement

Unitary local authorities – optimal scale and the impact of population size and geography CPD4124004

Authority: Department for Levelling Up, Housing and Communities DLUHC (“the Authority”).

Date Response required: 5.00 pm (GMT) 8th May 2024

1 PURPOSE

- 1.1 This Pre-Tender Market Engagement (PTME) seeks information in preparation for the potential procurement of a Supplier (from herein referred to as a “**Potential Supplier**”) to deliver a report on **Unitary local authorities – impact of population size and geography**.
- 1.2 The purpose of this PTME is to:
 - 1.1.1 help define the requirement;
 - 1.1.2 help provide a better understanding of the feasibility of the requirement;
 - 1.1.3 understand the best approach;
 - 1.1.4 understand the capacity of the market to deliver and possible risks involved; and
 - 1.1.5 provide the market with an opportunity to ask questions, raise queries and any issues to be addressed at an early stage.
- 1.3 The Authority shall maintain commercial confidentiality of information received during the PTME.

2 INTRODUCTION

- 2.1 As the Levelling Up White Paper set out, the government is of the view that local government reorganisation can help to simplify the patchwork of local government structures, creating institutions with strong and accountable leadership over an optimal geography for delivering high quality public services.
- 2.2 Unitary local government has been established in a number of phases starting with the London and metropolitan boroughs when the GLC and metropolitan county councils were abolished in 1985 and their functions transferred to the boroughs and districts. The 1990s saw a number of relatively small unitary councils based on district council boundaries established, largely in urban areas and in 2009/10 several larger unitary councils based on county council boundaries were set up. Since 2015 a further 6 two tier local government areas have unitarised – Dorset (2019), Buckinghamshire (2020), Northamptonshire (2021), Cumbria (2023), North Yorkshire (2023) and Somerset (2023). There are currently 132 unitary councils– 33 London boroughs (including City of London), 36 metropolitan districts and 63 others – population varies from 90k to 600k+. There are 21 remaining two tier areas.

- 2.3 The current process for unitarisation is set out in Part 1 of the Local Government and Public Involvement in Health Act 2007 which provides for local government structural and boundary change, in particular for the implementation of proposals to change from two tiers to single tier of local government (unitarisation).
- 2.4 The first step of the statutory process is for the Secretary of State to issue invitations to councils to submit unitary proposals. The longstanding criteria which we have used to assess unitarisation proposals against are that if implemented, the proposal is:
- likely to improve local government and service delivery across the area of the proposal;
 - commands a good deal of local support as assessed in the round across the whole area of the proposal;
 - and whether the area of any new unitary council is a credible geography.
- 2.5 The department has previously specified in the criteria a population floor of 300,000, whilst an indicative population range of 300-600k was used in the invitations to North Yorkshire, Somerset and Cumbria in 2020. Future unitarisations could involve, for example, for the first time, county areas with a population in excess of 1million.
- 2.6 This research is being commissioned to improve the department's understanding of how population size, population density and geography impact on the performance of unitary local authorities and to explore whether there is an optimal scale for unitary councils. This will support the department's work in assessing any future proposals for unitarisation.
- 2.7 The Treasury has funded this research to provide insight into the potential for both efficiency gains and improving service delivery.

3 HIGH LEVEL OUTLINE PROJECT OUTCOMES REQUIRED

- 3.1 **Objective 1:** To assess, from a service provider perspective, how local population size, population density, and geography impact on local authority performance in terms of:
- Organisational leadership (e.g., quality of leadership, strategic leadership ability, organisational culture)
 - Service delivery and outcomes¹ with particular reference to adult social care, and children's social care (e.g., service outcomes in larger/ smaller population LAs, impact of geography on service delivery).

We recognise that these are wide questions and researchers will need to focus on a small number of parameters to inform the answers:

- *which parameters would be most helpful and how available is the information?*
- *can we effectively measure leadership quality?*

¹ Including Oflog outcomes for adult social care

We have highlighted the importance of social care services, but which other services, including lower tier services, would it be most effective to consider to get a rounded picture of leadership, service performance and outcomes?

- 3.2 **Objective 2:** To assess how population size, population density and geography impacts on local authority efficiency (e.g., delivering the same LA outputs and outcomes at a lower cost) and financial stability (e.g. ability to fund local services and have resilience to potential financial or economic shocks).

What would be the most effective parameters to inform the answer to this question?

- 3.3 **Objective 3:** To assess how local authority population size, population density and geography impacts resident and service user satisfaction with the council and its services.

Again, these are wide questions, so how should the research be focussed? Is it more important to look widely at resident satisfaction or is service user data from specific services more useful? Or is it important to consider both? What is achievable within the budget given the rest of the scope of this project?

- 3.4 **Objective 4:** to test the hypothesis that there is an optimum scale for a unitary local authority and, if so, provide evidence to support the theory that there is an optimum LA scale.

Methodology

- 3.5 The research must use a mix of methods and analytical approaches; the authority has carried out a literature review and will provide this to suppliers. The methodology for the research is expected to include:
- In depth interviews with sector experts and practitioners: This will include interviews with existing local authority senior leaders; ex-local authority senior leaders; sector experts; existing and previous political leaders. Interviewees should represent experience across a range of unitary authority sizes and include county councils in order to draw on experience of largest councils in terms of both population and geography.
 - Surveys of local authorities: This will include surveys of senior staff in unitary local authorities of a range of sizes, and include county councils to gather information from the largest councils.
 - Analysis of MI data: The supplier will utilise MI data reported by LAs and analysed by DLUHC as part of the research; utilise Oflog local authority explorer plus other data such as LG inform.

OUTPUTS/DELIVERABLES

- 3.6 A published report that can be used to inform the assessment of proposals for unitary local government.

4 KEY DATES & TENDERING PROCESS

- 4.1 If it is decided this service is required, it is anticipated that a procurement may start June with the contract to commence [September]. These indicative dates are for information purposes only. DLUHC reserve the right to amend these dates at any time, and Potential Suppliers rely on them entirely at their own risk.
- 4.2 The contract is expected to be for a period of 4 months

5 RESPONSE

5.1 Please respond by email to Thomas.Horrie@levellingup.gov.uk with the following by 5.00 pm (GMT) 8th May 2024 (the “Response Deadline”).

- Q1 Would you be interested in bidding for this project?
- Q2 Are the Authority’s goals, desired outcomes and/or requirements clear?
- Q3 Are there any issues with the proposed methodology; are there additional or alternative approaches that could be considered?
- Q4 Which parameters/areas would you recommend as being best suited as a focus for objectives 1-3 outlined in Section 3 - see Section 3 for more detail?
- Q5 What existing data would help answer the research questions, in particular is there existing data that can be utilised for objective 3?
- Q6 What sample size would be appropriate given the budget and timelines?
- Q7 We think that including county councils will be helpful in considering the impact of populations over 600k, do you agree?
- Q8 What challenges will there be to getting engagement from the sector?
- Q9 Is this project deliverable in the timeframe proposed?
- Q10 What, if anything, has the Authority missed or overlooked in setting out their requirement?
- Q11 Is there anything here which is irrelevant, outdated or unnecessary?
- Q12 We have allocated £75,000 to this project, can this work be done within budget? If not please outline what would be possible with this budget.
- Q13 Within this budget is it possible to look at the impact of demographics.

6 QUESTIONS AND CLARIFICATIONS

- 6.1 Potential Suppliers may raise questions or seek clarification regarding any aspect of this PTME document at any time prior to the Response Deadline. Questions must be submitted by email to Thomas.Horrie@levellingup.gov.uk only.
- 6.2 To ensure that all Potential Suppliers have equal access to information regarding this PTME exercise, responses to questions raised by Potential Suppliers will be published in a “Questions and Answers” document, which will also be circulated by email, with updates appearing at regular intervals (approximately two to three working days).
- 6.3 Responses to questions will not identify the originator of the question.

- 6.4 If a Potential Supplier wishes to ask a question or seek clarification without the question and answer being revealed, then the Potential Supplier must state this in their email and provide its justification for withholding the question and any response. If the Authority does not consider that there is sufficient justification for withholding the question and the corresponding response, the Potential Supplier will be invited to decide whether:
- the question/clarification and the response should in fact be published; or
 - it wishes to withdraw the question/clarification.

7 GENERAL CONDITIONS

- 7.1 This PTME will help the Authority to refine the requirements and to understand the potential level of interest in the delivering requirements. It will also aid Potential Supplier's understanding of the requirements in advance of any formal competitive tender exercise.
- 7.2 The Authority reserves the right to change any information contained within this PTME at any time, and Potential Suppliers rely upon it entirely at their own risk.
- 7.3 The Authority reserves the right not to proceed with a competitive tender exercise after this PTME or to award any contract.
- 7.4 Any and all costs associated with the production of such a response to this PTME must be borne by the Potential Supplier.
- 7.5 No down-selection of Potential Suppliers will take place as a consequence of any responses or interactions relating to this PTME.
- 7.6 The Authority expects that all responses to this PTME will be provided by Potential Suppliers in good faith to the best of their ability in the light of information available at the time of their response.
- 7.7 No information provided by a Potential Supplier in response to this PTME will be carried forward, used or acknowledged in any way for the purpose of evaluating the Potential Supplier, in any subsequent formal procurement process.