

## **Hambleton District Council**

**Report To:** Cabinet

**Date:** 3 November 2020

**Subject:** **Local Government Restructure in York and North Yorkshire**

**Portfolio Holder:** Councillor Mark Robson  
Leader of the Council

**Wards Affected:** All Wards

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### **1.0 Purpose and Background**

- 1.1 This report presents the York and North Yorkshire Local Government Reorganisation Case for Change (“the Case for Change”) prepared on behalf of the seven North Yorkshire District Councils of Craven, Hambleton, Harrogate, Richmondshire, Ryedale, Scarborough and Selby. The report seeks the view of Cabinet on whether to submit the Case for Change to the Ministry of Housing Communities and Local Government (“MHCLG”) in response to the letter received by all the District Councils from the MHCLG on 9<sup>th</sup> October 2020 inviting proposals for unitary local government for the York and North Yorkshire area. Initial proposals must be submitted by 9 November 2020 and final proposals by 9 December 2020.
- 1.2 In July 2020 the Minister for Regional Growth and Local Government advised the Council Leaders in North Yorkshire that local government in York and North Yorkshire would need to be reformed on unitary lines to attract devolution powers and investment.
- 1.3 The Government has announced its intention to publish a White Paper on Local Economic Recovery and Devolution. It was originally expected to be published in October 2020 but the latest information from Government indicates that it is likely to be delayed until early 2021. The White Paper is expected to set out proposals for the reform of local government as part of proposals for devolving more powers to unitary authorities.
- 1.4 It should be noted that on 28<sup>th</sup> July Cabinet considered the submission of devolution asks for York and North Yorkshire and resolved not to agree to their submission until the White Paper had completed the consultation and legislative process. This was principally because of concerns expressed by Cabinet that devolution would lead to local government reorganisation and the inevitable demise of the Council. (Cabinet Minute CA.69).
- 1.5 In response of this information, and to secure a devolution deal for North Yorkshire, the seven District Councils have undertaken work to develop a proposal for local government reform in advance of the White Paper. The proposal is set out at Appendix 1.

- 1.6 The Case for Change has been developed by the seven Districts with the support of KPMG who have worked in collaboration with the District Council Leaders and Chief Executives. Together the Districts and KPMG have carried out a joint review of options for reorganisation to identify a unitary proposal that will safeguard local democracy and engagement and local service delivery.
- 1.7 Cabinet will be aware that North Yorkshire County Council has also prepared a proposal to be submitted in response to the MHCLG letter. Their proposal suggests that the existing North Yorkshire County Council should be merged with the seven District Councils to form one unitary authority and that City of York Council remain as a unitary Council. The District Councils do not believe this would deliver the best solution for the communities and businesses in York and North Yorkshire.

## **2.0 The Case for Change**

- 2.1 On 9 October 2020 the Council received an invitation from the Secretary of State for Housing Communities and Local Government to submit a proposal for unitary local government for the North Yorkshire area prompted by a formal request from North Yorkshire County Council. Proposals may be submitted by individual Councils or jointly with any other Councils in York and North Yorkshire. It has been suggested that the seven District Councils submit a joint proposal. North Yorkshire County Council is also to submit a proposal which is supported by City of York Council.
- 2.2 The invitation is made under the provisions of the Local Government and Public Involvement in Health Act 2007 (“the 2007 Act”). Section 2 of the 2007 Act sets out the types of proposals permitted under the legislation and includes a proposal for a single unitary tier consisting of 2 unitary authorities for the County area as proposed in the Case for Change at Appendix 1.
- 2.3 The Case for Change sets out the approach undertaken to select the preferred option for North Yorkshire. The Councils and KPMG worked together to identify a longlist of 11 options all of which reflected the current geographic area of the County of York and North Yorkshire. These options were then the subject of an initial evaluation which reduced the options to a shortlist of 7. The shortlisted options were subject for further analysis and an “East & West” model has been selected using standardised evaluation criteria which reflect both government priorities and local conditions. It proposes two new unitary authorities, large enough to be efficient but small enough to be connected to their communities.
- 2.4 The proposal is for an “East” authority with a population of 465,375 comprising of the Districts of Ryedale, Scarborough and Selby and also to include York and a “West” authority with a population of 363,297 comprising of Craven, Hambleton, Harrogate and Richmondshire. This creates two relatively equal sized authorities around the 400,000 resident threshold which is regarded as optimal by Government. It is noted that the North Yorkshire County Council proposal delivers two unitary authorities, one of which is significantly larger than the other and leaves City of York at what is regarded as “sub-optimally” sized. The population of the North Yorkshire unitary authority would be 618,054 and the York authority would be 210,618.

2.5 It is suggested the East/West model will deliver the following benefits for the people of York and North Yorkshire through:

- Ensuring that both unitary authorities have the scale and capacity to invest in improved service delivery and to achieve financial efficiencies.
- Reflecting functional geographic footprints with clear potential for strong, inclusive and green growth.
- Unlocking the potential of York and allowing it to address key challenges around housing delivery, capacity and improvement of children’s services.
- Setting the Mayoral Combined Authority up for success with two equal partners, bringing balance, equity and fairness to the delivery of devolution.

2.6 The invitation to submit proposals for a single tier of Local Government in the York and North Yorkshire area includes guidance from the Secretary of State detailed in a Schedule to the invitation. Councils must have regard to the guidance set out in the Schedule and to any further guidance issued by the Secretary of State. The guidance is attached to this report at Appendix 2.

2.7 It is anticipated that further work will be needed to finalise the Case for Change. This work will be undertaken within the timescale to ensure that a final proposal is submitted to meet the challenging 9<sup>th</sup> December 2020 deadline. For this reason, if the submission of the case is supported, a delegation to the Chief Executive in consultation with the Leader will be required to finalise the Case for Change and submit it to MHCLG.

2.8 However, the Cabinet is aware that this is a matter to be decided by the Council, which is due to consider and determine the issue at an extraordinary meeting of Full Council on 5 November 2020. The recommendations of Cabinet will be reported to that meeting so that Council is cognisant of the views of the Cabinet when determining the matter.

### 3.0 Link to Council Priorities

3.1 It is considered that the proposal set out in the Case for Change will not be as effective in delivering the Council’s priorities when compared to the status quo.

### 4.0 Risk Assessment

4.1 The risk in the Council not agreeing to submit the proposal

Risk	Implication	Gross Prob	Gross Imp	Gross Total	Preventative action	Net Prob	Net Imp	Net Total
Failure to submit the proposal by the deadline	<p>The proposal is not considered by Government</p> <p>The Government only has the North Yorkshire County Council proposal to consider</p>	3	4	12	Other District/Borough Councils submit the proposals	1	1	2

#### 4.2 The risk in the Council agreeing to submit the proposal

<b>Risk</b>	<b>Implication</b>	<b>Gross Prob</b>	<b>Gross Imp</b>	<b>Gross Total</b>	<b>Preventative action</b>	<b>Net Prob</b>	<b>Net Imp</b>	<b>Net Total</b>
Support for the submission is interpreted as support for the creation of unitary Councils	Constrains the ability of the Council to object to and resist the creation of unitary Council(s)	5	4	20	Agreement for submission withheld	1	1	2

### 5.0 Financial Implications

- 5.1 The financial implications of the proposals are set out in the Case for Change at Appendix 1.
- 5.2 The costs of producing the Case for Change and supporting documents has been met by the seven District Councils collectively. Each Council has, under Chief Executive delegated powers, contributed £25,000 to these costs to date.

### 6.0 Legal Implications

- 6.1 Proposals in response to an invitation from the Secretary of State are submitted under Part 1 of the Local Government and Public Involvement in Health Act 2007. The 2007 Act does not specify where the decision to submit a proposal should sit. It is therefore necessary to look at the general legislation in relation to local government decision making.
- 6.2 The process initiated by the invitation to submit proposals for unitary local government is of profound significance to local authorities in North Yorkshire. It is a matter that may be reserved to Full Council pursuant to Schedule E of Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000. In any event, in consequence of function 1 in Schedule 4 of the 2000 Regulations, it can be determined by the Council that the function (i.e. deciding on the response to the invitation) is a function of the Council.
- 6.3 It is recommended to Council that it determines that the function of deciding on the response to the invitation from the Secretary of State is a function for the Full Council.

### 7.0 Equality Impact Assessment

- 7.1 There are no direct equality implications arising out of the submission of the Case for Change. Implementation of any proposal to reorganise local government in York and North Yorkshire will incorporate detailed consideration of these issues.

### 8.0 Recommendations

- 8.1 That Cabinet notes that on 9 October 2020 the MHCLG invited proposals for unitary local government for York and North Yorkshire.

- 8.2 That Cabinet recommends that Council determines that the function of deciding on the response to the invitation from the MHCLG pursuant to the Local Government and Public Involvement in Health Act 2007 is a function for the Council.
- 8.3 That Cabinet considers the York and North Yorkshire Case for Change and makes a recommendation to Council.

Dr Justin Ives  
Chief Executive

**Background papers:** None  
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