

# North Yorkshire County Council

## Executive

8 November 2022

### Double Devolution to Town and Parish Councils

Report of the Assistant Director – Policy, Partnerships & Communities

#### 1. Aim of report

- 1.1. To seek agreement to a pilot inviting town and parish councils to submit expressions of interest in managing services and assets on behalf of North Yorkshire Council, commonly known as double devolution.

#### 2. Background

- 2.1. The proposal for local government organisation (LGR) submitted by North Yorkshire County Council included a commitment to provide opportunities for town and parish councils and community groups who want to manage services and assets on behalf of the new council.
- 2.2. This commitment is one of four strong and interconnected pillars in the locality-based delivery model for the new council:
  - i. local services and access – locally based and integrated council, partner and community services;
  - ii. local accountability – six area committees, political accountability for the discharge of statutory functions and services at local level;
  - iii. local action – local people, partners and communities coming together in new community networks to identify and deliver against priorities; and
  - iv. local empowerment – devolution of powers to community groups and town and parish councils to run assets and services where they want to.
- 2.3. The LGR proposal stated that transfers must be cost neutral to the new council and have a solid business case and delivery plan. The LGR proposal also stated that there would be a pilot and it would be very unlikely any transfer would take place before April 2024.
- 2.4. Double devolution is entirely separate from the proposed devolution deal between the Government and the local authorities in York and North Yorkshire.
- 2.5. Double devolution has operated for over 10 years in some other parts of the country, including Cornwall and Wiltshire. There is also significant experience of existing councils in North Yorkshire successfully transferring services and assets to community groups and to town and parish councils.
- 2.6. However, given the current work pressures linked to the LGR programme, it is proposed that the pilot is restricted to town and parish councils, with the invitation subsequently being extended to community groups (e.g. community trusts) as well as town and parish councils (including those who participate in the pilot).

- 2.7. Town and parish councils are independent statutory bodies. They can be an integral part of vibrant communities, alongside community groups. They have a wide range of powers, including raising money locally, but limited duties. They vary greatly in size and capacity.
- 2.8. This proposal has been the subject of communication and engagement with town and parish councils over the last three years during the development of the LGR proposal and subsequently, through webinars and many one-to-one discussions. This proposal was also considered at a recent meeting of the Member Working Group – Locality and Governance.

### **3. Proposed pilot**

- 3.1. It is proposed that town and parish councils are invited to formally submit expressions of interest in managing specific services and assets within their own geographical area on behalf of North Yorkshire Council.
- 3.2. The invitation would be issued in late November 2022 with a closing date of 31 March 2023. The draft invitation to town and parish councils is attached (appendix 1) as well as the required information for expressions of interest (appendix 2).
- 3.3. Expressions of interest could be for a wide range of services and assets. It is proposed that town and parish councils are able to choose what they would like to be considered, rather than being invited to choose from a limited list determined in advance.
- 3.4. However, it would be made clear that:
  - expressions of interest with regard to devolution of decision making (for example planning or traffic regulation orders) would not be considered; and
  - expressions of interest with regard to services and assets that generate a significant net income for the new council would not be considered unless the lost net income will be offset by the town or parish council accepting full responsibility for additional services of equal cost that the new council would otherwise have to pay for.
- 3.5. It is proposed that North Yorkshire Council would evaluate the expressions of interest received and select up to six to explore further with the relevant town or parish council to develop a full business case.
- 3.6. The decision on which expressions of interest will be developed into full business cases would be made by the Executive of North Yorkshire Council, following consultation with the relevant local North Yorkshire Council councillors and Area Committees.
- 3.7. It is proposed that the evaluation process is based on:
  - a formal commitment by town or parish council (at full council);
  - the town or parish council having the legal competence (powers) to deliver the service or manage the asset;
  - the likelihood that the expression of interest will result in a solid business case and delivery plan;
  - the likelihood that the town or parish council will (if necessary, with reasonable initial help) have the ability to deliver the service or manage the asset effectively and safely;
  - the likelihood that the transfer will be cost neutral to the new council;

- the likelihood that the transfer will not have a negative impact on the new council's strategic objectives or service delivery;
- the likelihood that the transfer will have a positive benefit for the local community; and
- the aim to have a range of pilots across different services and geographical areas.

3.8. It is proposed that North Yorkshire Council would work in partnership with the selected town and parish councils to develop full joint business cases. North Yorkshire Council would play a full part in this, contributing reasonable time and skills of its officers. The town or parish councils would also be expected to play a full part in this, contributing reasonable time and skills of their councillors and paid employees. North Yorkshire Council would not fund town or parish councils for their contribution or for the employment of consultants or additional staffing.

3.9. Town and parish councils would need to make a formal commitment (at their full council) to the full business case.

3.10. North Yorkshire Council would evaluate the full business cases. The decision on which full business cases will be implemented would be made by the Executive of North Yorkshire Council, following consultation with the relevant local North Yorkshire Council councillors and Area Committees.

3.11. The proposed outline timetable is:

- invite town and parish councils to submit expressions of interest – late November 2022
- closing date for expressions of interest – 31 March 2023
- evaluation of expressions of interest – summer 2023
- North Yorkshire Council Executive decision on up to six to develop a full business case – autumn 2023
- joint development of full business cases – autumn 2023 to spring 2024
- evaluation of full business cases – spring 2024 (on a case-by-case basis as they become ready for evaluation)
- North Yorkshire Council Executive decision on which full business cases to progress – spring 2024 (on a case-by-case basis as they become ready for a decision)
- transfer date – very unlikely before April 2024 (on a case-by-case basis as they become ready for implementation)

#### **4. Risks and mitigations**

4.1. There are significant risks arising from transferring services and assets through double devolution. However, the experience of double devolution elsewhere in the country, and the experience of existing councils in North Yorkshire successfully transferring assets to community groups and to town and parish councils, demonstrates that these risks can be successfully mitigated and services can be very beneficial for local communities when delivered in this way.

4.2. The details of the risk and mitigations will depend on the individual service or asset and the capability and capacity of the organisation that takes on responsibility for the service or asset. The risks and mitigations of each expression of interest will need to be considered individually during the relevant evaluation and decision-making stages.

- 4.3. The general risks could include loss of service delivery, financial expenditure in excess of budget, litigation and damage to reputation. These risks could impact on service users, on the new council, and on the organisation that takes on responsibility for the service or asset.
- 4.4. The general mitigations to the risks include:
- piloting double devolution, as it is unlikely that one set of rules designed in advance will be effective for all circumstances;
  - having a two-stage selection process including expressions of interest and joint full business case, both of which will be evaluated;
  - the criteria used during the evaluation of expressions of interest;
  - town and parish councils needing to formally commit at both stages;
  - town and parish councils being encouraged to only consider services and assets that are not disproportionately larger than their existing services and assets;
  - the requirement for Executive decisions at both stages;
  - the development, as part of the joint full business case, of appropriate legal and service level agreements and performance monitoring framework; and
  - a maximum of one full business case and one pilot (which might be a package of linked transfers) with a town or parish council.

## **5. Financial implications**

- 5.1. There are no significant financial implications at this stage. Some officer time will be required to invite and evaluate expressions of interest, with a further requirement for officer time to support the development of selected expressions of interest into full business cases and selected full business cases into implementation.
- 5.2. The financial implications of individual expressions of interest and full business cases will need to be considered during the relevant evaluation and decision-making stages. One of the criteria to be used during the evaluation of expressions of interest is the likelihood that the transfer will be cost neutral to the new council.

## **6. Legal implications**

- 6.1. There are no legal implications at this stage.
- 6.2. The legal implications of individual expressions of interest and full business cases will need to be considered during the relevant evaluation and decision-making stages. One of the criteria to be used during the evaluation of expressions of interest is that the town or parish council has the legal competence (powers) to deliver the service or manage the asset.
- 6.3. It is anticipated that a legal agreement will be required in respect of each full business case that is approved for implementation and that this will be considered as part of developing the full business case. Depending on the service or assets, the transfer might have to include a TUPE transfer of staff (Transfer of Undertakings (Protection of Employment)).

## **7. Climate change implications**

- 7.1. There are no climate change implications at this stage.

7.2. The climate change implications of individual expressions of interest and full business cases will need to be considered during the relevant evaluation and decision-making stages. The criteria to be used during the evaluation of expressions of interest include the likelihood that the transfer will not have a negative impact on new council's strategic objectives or service delivery, and the likelihood that the transfer will have a positive benefit for the local community.

## **8. Equalities implications**

8.1. There are no equalities implications at this stage.

8.2. The equalities implications of individual expressions of interest and full business cases will need to be considered during the relevant evaluation and decision-making stages. The criteria to be used during the evaluation of expressions of interest include the likelihood that the transfer will not have a negative impact on new council's strategic objectives or service delivery, and the likelihood that the transfer will have a positive benefit for the local community.

## **9. Recommendations**

9.1. The Executive are asked to:

- i. To agree a pilot inviting town and parish councils to submit expressions of interest in managing services and assets on behalf of North Yorkshire Council.
- ii. To agree the process, criteria and outline timetable as set out in the report.

Neil Irving  
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28 October 2022

## **Appendices**

Appendix 1 - Draft invitation to town and parish councils

Appendix 2 - Draft required information for expressions of interest