

North Yorkshire County Council

Report to the Leader of the Council

9 March 2023

Consideration of requests made by Craven District Council, Harrogate Borough Council, Richmondshire District Council, Ryedale District Council and Selby District Council for consent under section 24 of the Local Government and Public Involvement in Health Act 2007 regarding Chief Executive/Head of Paid Service settlement agreements

Report of the Section 151 Officer and Monitoring Officer

1.0 **PURPOSE OF REPORT**

- 1.1 To present, for consideration and determination, requests from Craven District Council, Harrogate Borough Council, Richmondshire District Council, Ryedale District Council and Selby District Council for consent under section 24 of the Local Government and Public Involvement in Health Act 2007 regarding Chief Executive settlement agreements.

2.0 **BACKGROUND**

- 2.1 Section 24 of the Local Government and Public Involvement in Health Act 2007 permits the Secretary of State to issue a Direction against all authorities being dissolved under a Structural Change Order. Following the making of the North Yorkshire Council (Structural Changes) Order 2022 the Department for Levelling Up, Housing and Communities (DLUHC) made such a Direction on 10 May 2022. Essentially, the Direction restricts District/Borough Councils from entering into revenue contracts and disposals of land over £100,000 or “capital contracts” exceeding £1m (or where the term for payment of such contracts is variable) without the consent of the Executive of the County Council.
- 2.2 The Executive, on 23 May 2022, granted a General Consent to the District and Borough Councils for them to enter into specific relevant agreements as required under the Direction. Further, the Executive delegated the ability to grant specific consents under the Direction to the relevant Executive Member and separately to the Section 151 Officer in consultation with the Deputy Leader, the Monitoring Officer and the Section 151 Officers of the District/Borough Councils.
- 2.3 Following the General Consent issued on 23 May 2022 by the Executive, further individual consent requests have been submitted and appropriately considered.
- 2.4 In the case of the requests made by certain district/borough councils for consent under section 24 regarding Chief Executive settlement agreements, it was thought appropriate to refer these requests to the relevant Executive Member (the Leader of the Council) for consideration.

3.0 REQUESTS UNDER SECTION 24 LOCAL GOVERNMENT AND PUBLIC INVOLVEMENT IN HEALTH ACT 2007

3.1 Requests for consent under section 24 of the Local Government and Public Involvement in Health Act 2007, regarding Chief Executive settlement agreements, have been made by Craven District Council, Harrogate Borough Council, Richmondshire District Council, Ryedale District Council and Selby District Council.

4.0 ISSUES

4.1 The North Yorkshire (Structural Changes) Order 2022 provides for the establishment, on 1 April 2023, of a single tier of local government in the county of North Yorkshire. The existing seven district/borough councils within North Yorkshire are to be abolished and to be replaced with a single unitary council called The North Yorkshire Council. There has been a dispute with regard to the legal position between the district/borough councils and the County Council about the rights of district/borough councils Heads of Paid Service. However it has been proposed by the district/borough councils that a settlement agreement is entered into with the relevant Heads of Paid Service to ensure that there is a smooth transition to the new authority and that contractual and statutory payments are made to those officers as a result of termination of employment on the grounds of redundancy. The following district and borough councils have obtained full Council approval to enter into settlement agreements with their Chief Executives/Heads of Paid Service and a link to each report is shown below:

- (i) Craven District Council:
[statutory-and-senior-officers-employment-committee-agenda-and-report-pack-29-november-2022.pdf \(cravendc.gov.uk\)](https://www.cravendc.gov.uk/media/14596/statutory-and-senior-officers-employment-committee-agenda-and-report-pack-29-november-2022.pdf)
[ordinary-meeting-of-council-agenda-and-reports-13-december-2022.pdf \(cravendc.gov.uk\)](https://www.cravendc.gov.uk/media/14596/ordinary-meeting-of-council-agenda-and-reports-13-december-2022.pdf): page 17
- (ii) Harrogate Borough Council:
<https://democracy.harrogate.gov.uk/documents/s14596/Report%20-%20LGR%20HoPS.pdf>
- (iii) Richmondshire District Council:
<https://democracy.richmondshire.gov.uk/documents/s15316/Local%20Government%20Reorganisation%20North%20Yorkshire%20-%20Head%20of%20Paid%20Service.pdf>
- (iv) Ryedale District Council:
<https://democracy.ryedale.gov.uk/documents/s66202/EH%20Local%20Government%20Reorganisation%20-%20Head%20of%20Paid%20Service%20and%20Chief%20Executive.pdf>
- (v) Selby District Council:
[Report Proposed Redundancy Settlement Agreement Councils Head of Paid Service and Chief Executive.pdf \(selby.gov.uk\)](https://www.selby.gov.uk/media/14596/Report%20Proposed%20Redundancy%20Settlement%20Agreement%20Councils%20Head%20of%20Paid%20Service%20and%20Chief%20Executive.pdf)

4.2 As each of the five councils have now proposed settlement agreements with their respective Chief Executives, the Leader of North Yorkshire County Council is requested to grant his consent under Section 24 of The Local Government and Public Involvement in Health Act 2007. The financial and legal implications have been considered by each district/borough council in their respective reports. In order to avoid any future potential legal claims, it is recommended that consents are granted to the five named authorities at the relevant time.

5.0 FINANCIAL IMPLICATIONS

5.1 The Secretary of State's Direction provides that the District/Borough Councils will need approval of the newly elected Executive from 23rd May for the following transactions:

- (1) dispose of any land worth over £100,000;
- (2) enter into any capital contracts over £1,000,000;
- (3) enter into any capital contract where a term can be varied on how much the District Council pays,
- (4) enter into any non-capital contract over £100,000 where the contract has a potential to go over 1 April 2023.

5.2 The financial implications on the District and Borough Councils have been considered individually by those Councils. The financial implications of not granting consent could open the new Council up to litigation claims and therefore it is recommended that consent should be granted to these specific instances.

6.0 LEGAL IMPLICATIONS

6.1 The process for the creation of a unitary authority is set out in Sections 1-7 of the Local Government and Public Involvement in Health Act 2007 and Section 15 Cities and Local Government Devolution Act 2016. The district/borough councils have been responsible for negotiating the appropriate settlement agreement with the respective Chief Executive/Head of Paid Service. In order to avoid any unnecessary legal arguments it is recommended that consent is granted to the five named authorities within this report on the basis of their council's approved recommendations with regard to entering into settlement agreements with their Chief Executive/Head of Paid Service.

7.0 EQUALITY IMPLICATIONS

7.1 There are no specific equality implications in the County Council granting consent and the District and Borough Councils will need to undertake their own specific Equality Impact Assessments as appropriate.

8.0 ENVIRONMENTAL/CLIMATE CHANGE IMPLICATIONS

8.1 There are no significant climate change implications arising from this report.

9.0 REASONS FOR RECOMMENDATIONS

9.1 In order to ensure the smooth operation of the District and Borough Councils and their ability to enter into relevant agreements prior to Vesting Date, it is recommended that the specific consent is approved.

10.0 RECOMMENDATIONS

10.1 That the Leader grants the requests from certain district/borough councils for consent under section 24 of the Local Government and Public Involvement in Health Act 2007 regarding Chief Executive settlement agreements for Craven District Council, Harrogate Borough Council, Richmondshire District Council, Ryedale District Council and Selby District Council.

GARY FIELDING
Section 151 Officer

BARRY KHAN
Monitoring Officer

County Hall
Northallerton

1 March 2023

Report Authors – Barry Khan and Moira Beighton

Background Documents:

- Direction made under Section 24 of the Local Government and Public Involvement in Health Act 2007.