

North Yorkshire Council

Executive

18 July 2023

RECHARGING FOR PARISH BY-ELECTIONS

Report of the Assistant Chief Executive – Legal and Democratic Services

1.0 PURPOSE OF THE REPORT

- 1.1. To seek approval from the Executive that NYC cover the cost of all parish by-elections for its initial year.
- 1.2. To seek approval from the Executive to introduce recharges to parishes within North Yorkshire for all costs incurred for by-elections, from 1 April 2024.
- 1.3. To seek a decision from the Executive as to whether to recharge the cost of parish elections in the event that they take place as a result of the community governance reviews in the towns of Harrogate and Scarborough.

2.0 SUMMARY

- 2.1. This report seeks the approval of a unified approach to recovering the costs from parishes for their unscheduled by-elections (not scheduled 4 yearly all-out elections) across North Yorkshire for 1 April 2024 onwards. The proposed policy can be found at Appendix A.
- 2.2. This approach would generate savings of an estimated £20-£25k per annum against the alternative of not recharging parish councils for the cost of their by-elections.

3.0 BACKGROUND

- 3.1. By-elections for parish council casual vacancies can occur at any time, due to death, disqualification, or resignation of a councillor. The Returning Officer (RO) as appointed under Section 35 RPA 1983 is the RO for parish elections within the principal authority boundary area.
- 3.2. A very small number of casual vacancies at parish level go to election as they are often co-opted to with insufficient requests received for an election to be held. By way of example, in the Richmondshire legacy district area, between the scheduled polls of May 2019 and May 2022, 45 parish casual vacancies arose, and only 1 received the necessary requests to hold an election to fill the vacancy, the remainder either co-opted or remained vacant.
- 3.3. Under Section 36 Representation People Act 1983 the RO is entitled to reclaim from the parish council expenditure incurred in relation to each parish council election, using a fixed scale of fees set at district or county council level. There is also the ability for the RO to reclaim costs incurred for parish elections at scheduled elections, although these usually coincide with principal authority elections, and some costs can be shared.

- 3.4. Previously, there has been no standard approach to recharges for scheduled or unscheduled parish elections within North Yorkshire. Some legacy council areas recharged for full cost recovery, some partial, and some did not recharge at all. This was the case for both scheduled and unscheduled parish elections.
- 3.5. Moving forwards, there needs to be a unified and consistent approach to this, in a planned and communicated manner, to give parishes a fair opportunity to ensure sufficient budgetary resources to cover any costs they may incur in relation to their elections, given this change, for some.

4.0 PARISH RECHARGES ACROSS NORTH YORKSHIRE

- 4.1. The nature of by-elections, how they arise, when they arise, and the frequency they arise is unpredictable, hence the annual cost is also unpredictable, but previous data can be used to estimate likely costs.
- 4.2. Within NYC area, there were 15 parish by-elections between the period of May 2019 and April 2022 (3 electoral years) at a cost of approximately £60,000, but only £38,000 of that was recharged to parishes due to the variation in the approach to recharges across legacy district areas. This demonstrates an annual average financial loss to the principal councils of £7,300.
- 4.3. Whilst the parish recharge policy is seeking to only recharge parishes for by-elections, much discussion has already taken place between members and officers about the merits and potential to also recharge direct and shared costs at scheduled 4 yearly elections, but there has been little desire for this. As this has not been factored into the policy, there will be financial implications to NYC (see section 8 below).
- 4.4. The main costs incurred by the RO for a parish by-election are print and postage of poll cards (optional by the parish), print and postage of postal votes, production of ballot papers and other election stationery, election staffing, and hire of premises.
- 4.5. The cost of a parish by-election varies from parish to parish, as the costs incurred are dependent upon many variables, such as the affected electorate, the number of postal voters, the geographical area covered and number of polling stations required to deliver the poll, the hire fee of those premises, and whether the parish chooses to issue poll cards to electors, or not. The cost of fully recharged parish by-elections is between £1,300 and £8,600, the electorate being the main driver for the difference.
- 4.6. Some costs incurred for by-elections can be predicted when applied to the variables of the parish, which will help to provide indicative figures to parishes referred to within section 8 below):
 - Staff fees are set based on an agreed North Yorkshire Elections Fees schedule (contained within the proposed policy at schedule 2 in Appendix A), though following indication from DLUHC that national average election rates of pay will be provided as a guide for ROs later this year, we expect to review these rates before these proposed recharges come into effect.
 - An external print contract has been entered into by NYC for election printing, and those fees are set out in schedule 3 of appendix A, which also covers outwards postage costs of poll cards and postal votes
 - Cost of venue hire – though this varies per venue
 - Royal Mail postage costs – inwards return postal votes

COMBINED POLLS

- 4.7. The recharge can also depend on how many elections are being held on the same day, for example if there is a UK Parliamentary Election, PFCC or Combined Mayoral on the same day. Usually, some printing and postage costs, polling accommodation and staffing are among the items that can be shared. However, anything that relates solely to the parish such as ballot papers can be charged in full. Sometimes, it is not preferred to issue combined poll cards or postal vote packs due to deadlines and risk management.
- 4.8. A list of the cost elements for an election, and the basis on which they can be shared with a combined poll, are set out in within the proposed policy at Appendix A.
- 4.9. If a parish by-election is combined with another poll held on the same day, approximately 60% of by-election costs are directly attributable to the parish contested (print of ballot papers and postal votes, postage), and not sharable elements like venue hire and staffing could be. These directly attributable costs are the ones proposed to be paid by NYC only at 4 yearly all-out parish elections.
- 4.10. It will be expected that parishes follow standard NYC terms and conditions for payment of invoices, as they will have been forewarned and given sufficient time to factor changes into budgets. Details of the payment expectation can be found within the proposed policy.
- 4.11. As mentioned previously this proposed policy does not intend to issue any recharges to parishes when they are combined with NYC scheduled elections.

5.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 5.1. A well-led and managed, financially sustainable and forward- thinking council.

6.0 ALTERNATIVE OPTIONS CONSIDERED

- 6.1. To continue with parish recharge arrangements pre-NYC, which varied between areas in a non-unified manner was not preferential nor fair as it would financially disadvantage some parishes and not others.
- 6.2. To not recharge at all for any parish elections, which would leave a larger budget deficit for NYC during already pressured financial times. This option was not preferred.
- 6.3. To recharge parishes for ALL elections, be it scheduled or unscheduled, but with all-out elections to NYC being combined with all parish scheduled elections within NY in future, it was felt that recharging for scheduled elections is not desired at this stage. However, there are costs incurred attributable directly to the parish election which NYC are to cover, and will require budget growth to cover (see section 8).

7.0 IMPACT ON OTHER SERVICES/ORGANISATIONS

- 7.1. Town and parish councils have the power to finance the cost of their elections from the local precept. Without a recharge policy in place, all NYC council taxpayers would bear the burden of the cost of parish elections through the NYC precept, regardless of whether they reside in one of the areas where there is an election. Introducing a unified recharge policy, will ensure the cost is met by the local residents of the area through the parish precept.
- 7.2. When considering the potential introduction of election recharges for town and parish councils, concerns were expressed about the potential impact on democracy and candidates potentially being discouraged from standing in order to avoid the need for a poll and therefore any recharge costs. In addition to the statutory notices produced by the

principal council, it is for the parish councils to promote the elections in their areas encouraging candidates to stand for election. Electoral administrators across North Yorkshire have been unable to find any evidence demonstrating that parish by-elections decrease due to recharges.

- 7.3. For some areas within North Yorkshire, this recharge policy will impact on parish budgets where they are being applied for the first time, such as in the legacy district areas of Harrogate and Ryedale. Other legacy district areas of Craven, Hambleton, Richmondshire, Scarborough and Selby have previously been recharged, and Ryedale have partially recharged but only for polling station hire.
- 7.4. It is understood that budget setting activity for the next financial year takes place in December for most parish councils, and it is intended to ensure this policy is communicated to parishes within North Yorkshire takes place as soon as possible to allow planning for any increases.
- 7.5. Communication with parishes would include an initial communication in Autumn 2023, followed up with the opportunity to meet and discuss the changes and charges, and if required, indicative charges provided before December 2023 (though this can be difficult to predict exactly due to the many variables and some external provider fees beyond our control).

8.0 FINANCIAL IMPLICATIONS

- 8.1. Implementation of a recharge policy will produce a reduction in the Council spend but this figure is difficult to quantify accurately as it is entirely dependent on the number of casual vacancies at parish level, and how many go to election. By way of example, the costs incurred for 15 parish by-elections across North Yorkshire between the scheduled elections May 2019 and May 2022 was around £60,000 (3 year period). The policy could see savings to the Council of around £20-£25k annually.
- 8.2. As this proposal is not to recharge for any scheduled parish elections, there is a potential (unpredictable) cost of circa £60,000 - £70,000 to NYC for an estimated 40-50 contested parish areas at the next 2027 scheduled elections. Those contested at scheduled elections prior to 2022 had an average cost of £1,400 per area, some fees shared with the principal authority where possible. The estimated number of contested areas (40-50) is based on contested areas at previous scheduled elections (May 2022 - 38 contested parish elections, and 50 contested parish areas in the previous scheduled parish elections years, which we not all in the same year due to previous electoral cycle arrangements for parishes in legacy areas.)
- 8.3. The figures in 8.2 above are based on the known charges to parishes for those election years, which do include some shared elements such a staffing and polling stations hire. When considering only the directly attributable costs (Returning Officer fees, print and postage of ballot papers and postal votes, and count staff), they account for between 40% and 65% of the total recharge to the parish.
 - Based on an average cost of £1,400 per area, if there were 40 contested parish areas in May 2027, with only 40% directly attributable costs applied, the cost to NYC would be £22,400
 - Based on an average cost of £1,400 per area, if there were 50 contested parish areas in May 2027, and 65% directly attributable costs applied, the cost to NYC would be £45,500

Therefore, under this proposal NYC may need to fund approximately £22,400 to £45,500 (depending on the electorate of the areas contested) of lost directly attributable cost

recovery for May 2027 parish elections, though it must be noted that these figures are based on previous years averages. Contested areas for parishes can be very unpredictable as can the costs per area, as mentioned.

9.0 LEGAL IMPLICATIONS

9.1. There are no legal implications arising from this report.

10.0 EQUALITIES IMPLICATIONS

10.1. An Equalities Impact Assessment screening has been completed (Appendix B), and a full EIA is not required at this time. Any future proposed changes will be subject to separate EIA screening.

11.0 CLIMATE CHANGE IMPLICATIONS

11.1. There are no climate change implications arising from this report.

12.0 CONCLUSIONS

12.1. Recharging parishes for their by-elections will contribute to the financial stability of NYC's budget by addressing the unpredictable nature of the frequency and therefore cost of these by-elections to NYC.

12.2. Parishes being financial responsible for their by-elections ensures affected electors are contributing towards the cost of parish democracy via specific area parish precept, rather than all electors across NYC paying for parish by-elections in the entire NY area.

12.3. There is no evidence of recharging parishes having a detrimental impact on parish level democracy.

12.4. Introducing parish recharges from 1 April 2024 onwards allows time for changes to be communicated and managed by parishes when it comes to any potential budgetary impact

12.5. Not recharging parishes scheduled elections is the preferred approach but does not allow the any costs to be recovered and this should be reviewed again in a future year, allowing NYC to assess the impact on budgets.

13.0 REASONS FOR RECOMMENDATIONS

13.1. To increase the contribution to financial stability for NYC, though recharging parishes for their by-elections, which can be costly and unpredictable.

15.0 RECOMMENDATION)

15.1 The Executive are asked to approve that:

- i) NYC cover the cost of all parish by-elections for its initial financial year 2023-2024.
- ii) NYC introduce recharges to parishes within North Yorkshire for all costs incurred by the Returning Officer for by-elections, from 1 April 2024

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APPENDICES:

Appendix A – By-Election Recharges to Parishes – proposed policy

Appendix B – Equality Impact Assessment Screening Form

BACKGROUND DONCUMENTS: None

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.