

Somerset West and Taunton Council

Full Council – 7 September 2021

Local Government Re-organisation - Structural Change Order (SCO)

This matter is the responsibility of the Leader of the Council, Cllr Federica Smith-Roberts

Report Author: Alison North – Director, Internal Operations

1. Purpose of the Report

- 1.1 Following the submission of Proposals for local government reorganisation in Somerset, the Secretary of State issued his decision on 21 July 2021. Having considered both the Districts “Stronger Somerset” proposal and the County’s “One Somerset” Proposal, the Secretary of State decided to implement the proposal for a single unitary council for the County of Somerset and not to implement the Districts proposals for two unitary areas. The Somerset Local Authorities are to be consulted on the Structural Change Order from now until Mid-October. The Secretary of State intends to submit a draft to Parliament before the end of January. It is therefore likely that the consultation period will be no more than eight weeks. Thereafter, the Government will issue a draft order.
- 1.2 The purpose of this report is to formally notify the Executive and Full Council of the decision of the Secretary of State on 21 July 2021 to implement the proposal for a single unitary council for the County of Somerset, to update members as to the next steps and to seek delegated authority for the Chief Executive, in consultation with the Leader of the Council and the Monitoring Officer or their deputy and to negotiate the terms of the Structural Change Order with the Ministry of Housing Communities and Local Government (“MHCLG”).
- 1.3 This report is presented on the basis that the three other District Council’s, have, or are about to provide a delegated powers structure to the decisions to be made in connection with the settlement of the Draft Structural Change Order. Accordingly, without such delegated powers, the Chief Executive and the Leader of the Council would not be consulting on these terms in the same framework as the other Council Chief Executives and Leaders.

2. Recommendations

Full Council resolves to;

- 2.1 To note the next steps following the Secretary of State for Housing, Communities and Local Government's ("MHCLG") decision regarding local government re-organisation in Somerset.
- 2.2 Full Council delegates to the Chief Executive, following consultation with the Leader of the Council and the Monitoring Officer or their deputy under the terms of Schedule 2 Paragraph 19 of the Local Authorities (Functions and Responsibilities) (England) Regulation 2000:
- a) The appointment of Members and Officers to any body (that is a body created under the Public Body powers) such as a Joint Committee or sub-committee of two or more local authorities in connection with the establishment of a Unitary Council in Somerset.
 - b) Delegated power to negotiate and in urgent circumstances to agree to the terms of a draft Structural Change Order to be laid before Parliament for the creation of the unitary authority for Somerset. (This delegated power is to be exercised on the basis that the terms of such order are to be considered by the Councils Executive at the earliest opportunity and referred to Full Council, however, where the Government indicate that time is of the essence, then if circumstances do not permit an urgent referral to Full Council, then this power is the basis upon which officers may need to commit the Authority to such best terms that can be negotiated.)
- 2.3 An advisory group of the political Group Leaders on the Council to advise and work with the Chief Executive, Leader of the Council and Monitoring Officer or their Deputy in considering the Structural Change Order, and the membership of that group to be the Leader of Council, the Deputy Leader, Leader of the Independents Group, Leader of the Conservative Group and Leader of the Labour Group.

3. Risk Assessment (if appropriate)

- 3.1 One of the key potential negative impacts or risks associated with this report is that the Government could reach a decision on the content of the Structural Change Order without the input of the District Council.
- 3.2 This report would give the Council the ability to respond to the MHCLG in a timely manner and influence the content of the Structural Change Order.
- 3.3 To mitigate this risk the Council is recommended to delegate authority to the Chief Executive and the setting up of a Group Leader Panel. Without this approval, the Chief Executive could negotiate under existing powers for the settlement of the best available terms, with the real support of the Local Authorities.

4. Background and Full details of the Report

- 4.1 As Members are aware, the District Councils in Somerset submitted a Full Proposal in December last year for the creation of two unitary councils in Somerset, entitled "Stronger Somerset". This was following a submission by Somerset County Council of a proposal for one Unitary authority "One Somerset".

4.2 Following an eight week consultation to 19 April 2021 and a local poll organised by the District Councils in April the Secretary announced his decision on the future of local government in Somerset on the 21 July 2021.

4.3 The Secretary of State assessed both proposals against three criteria, namely:

4.4 That the proposal is likely to improve local government and service delivery across Somerset;

Commands a good deal of local support across Somerset and:-

The Councils to be established have a credible geography.

4.5 The Secretary of State concluded that the proposal for a single unitary met all three criteria and that the Districts proposal for two unitary(s) only met the criteria on local support.

4.6 The Districts are carefully considering the reasons for the decision. However, in the meantime, it is important that the Council mobilises itself to engage in the next stage of the process which is the negotiation of the Structural Change Order with the MHCLG to ensure that the interests of our customers, members and staff are fully represented.

4.7 The purpose of the Structural Change Order is to facilitate the transition from existing Councils to the new authorities. The Order will define the basic governance and operating principles in the lead up to new unitary authority in Somerset. The Order is made by the MHCLG in the exercise of powers within the Local Government and Public Involvement in Health Act 2007.

4.8 In order to provide a framework for negotiation and agreement, but recognising what is likely to be a fast-moving and challenging timeframe, the opportunity to influence iterations of the Order should not to be lost due to timing restrictions of formal meeting deadlines. Accordingly, it is recommended that authority for negotiating the Order be delegated to the Chief Executive, following consultation with the Leader and Deputy Monitoring Officer, in order to meet Government timeframes. Once the Order is made, other consequential orders will follow that will achieve the demise of the councils and establishment of successor authorities. These will include further details of financial, staff and civic matters.

4.9 Current Position

4.10 The first meeting with the MHCLG has taken place in early August. The purpose of the meeting focused on the implementation process, in particular the MHCLG provided more detail on the process and timings of finalising and laying the structural changes order (SCO). This included the aspects of the SCO that require input from Somerset Councils in order to finalise the detail.

4.11 Whilst we do not yet know the detailed timetable that the MHCLG will be working to in terms of the negotiations, the timetable for implementing the new unitary moving forward is as follows:-

1. First meeting between MHCLG and Chief Executives – First week of August 2021

2. Negotiation of Structural Change Order – August/October 2021
3. MHCLG prepare Structural Change Order – October -November 2021 including:-
 - a) Form of unitary council
 - b) Continuing or shadow authority?
 - c) Form of governance
 - d) Number of votes for twin hatters
 - e) Number of councillors for elections in May 2022
 - f) Abolition and winding up of councils in 2023
 - g) Transfer of functions to continuing or shadow authority
 - h) Composition of implementation or shadow Executive
 - i) Who will be responsible for convening the first meeting.
 - j) Electoral cycle
4. SCO approved before Parliament – January – February 2022
5. Joint Committee comes into effect - February 2022
6. Shadow or Transition Authority comes into effect – April 2022
7. Elections to Shadow or Transition Authority – May 2022
8. Approval of Consequential Orders February 2022 – April 2023 (transfer of functions, staff, assets, pensions)
9. Vesting Day: New Unitary(s) take effect and Councils dissolved – 1 April 2023
10. Boundary Review – April 2023 onwards

4.12 We know from others who have been through this process, that the process for negotiating the Structural Change Order and implementing the necessary changes will need to progress rapidly due to the very tight timetable between now and the vesting date when the new Unitary takes effect and the councils are abolished. In the circumstances, it is important that the Council has the appropriate delegation in place to ensure that the Council's interests can be adequately protected.

4.13 In the circumstances delegated authority is sought to enable the Chief Executive to negotiate the terms of the Structural Change Order with the MHCLG in consultation with the Leader of Council and Monitoring Officer.

4.14 It is also proposed that the Group Leaders be closely involved in the work with the Leader and Chief Executive and Monitoring Officer or their deputy in considering

the Structural Change Order, the membership of that group to be the Leader of Council, the Deputy Leader, Leader of the Independents Group and Leader of the Conservatives Group and Labour Group.

4.15 Further reports will be presented to members to update on progress once more detail is known. Regular all member briefings on this issue have commenced and will continue once the programme has been set.

5. Links to Corporate Strategy

5.1 This report links to the Priority Strategic theme 'A transparent and customer focused Council' in the Council's Corporate Strategy 2020-2024.

6. Finance / Resource Implications

6.1 There are not any direct Finance implications associated with this report, save for officer time.

7. Legal Implications (if any)

7.1 The Structural Change Order is made by the Secretary of State for Housing, Communities and Local Government in the exercise of the powers conferred by sections, 7,11,12 and 13 of the Local Government and Public Involvement in Health Act 2007 (a) ("the 2007 Act"). A draft of the Structural Change Order will be laid before, and need to be approved by a resolution of, each of House of Parliament in accordance with section 240 (6) of the 2007 Act.

8. Climate and Sustainability/Ecological Implications (if any)

8.1 There are not any Climate and Sustainability or Ecological implications associated with this report.

9. Safeguarding and/or Community Safety Implications (if any)

9.1 There are not any Safeguarding or Community Safety implications associated with this report.

10. Equality and Diversity Implications (if any)

10.1 There are not any Equality and Diversity implications associated with this report. An equality impact assessment was submitted with the proposals for Local Government Re-organisation.

11. Social Value Implications (if any)

11.1 There are not any Social Value implications associated with this report.

12. Partnership Implications (if any)

12.1 This report is presented on the basis that the three other District Council's, have, or are about to provide a delegated powers structure to the decisions to be made in connection with the settlement of the Draft Structural Change Order. Accordingly, without such delegated powers, the Chief Executive and the Leader of the Council

would not be consulting on these terms in the same framework as the other Council Chief Executives and Leaders.

13. Health and Wellbeing Implications (if any)

13.1 There are not any Health and Wellbeing implications associated with this report.

14. Asset Management Implications (if any)

14.1 There are not any Asset Management implications associated with this report.

15. Data Protection Implications (if any)

15.1 There are not any Data Protection implications associated with this report.

16. Consultation Implications (if any)

16.1 There Consultation in relation to the proposals was carried out by the MHCLG. In addition, a Local Poll was conducted by the District Councils.

17. Scrutiny/Executive Comments / Recommendation(s) (if any)

17.1 This report is to be put directly before Full Council. Regular all member briefings on this issue have commenced and will continue once the programme has been set.

Democratic Path:

- **Scrutiny / Audit & Governance Committees – No**
- **Executive – No**
- **Full Council – Yes**

Contact Officers

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