

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

First Delegated Legislation Committee

DRAFT NORTH YORKSHIRE (STRUCTURAL
CHANGES) ORDER 2022

Monday 21 February 2022

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Friday 25 February 2022

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The Committee consisted of the following Members:

Chair: MARK PRITCHARD

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| † Amesbury, Mike (<i>Weaver Vale</i>) (Lab) | † Mann, Scott (<i>North Cornwall</i>) (Con) |
| Bacon, Mr Richard (<i>South Norfolk</i>) (Con) | Nichols, Charlotte (<i>Warrington North</i>) (Lab) |
| † Badenoch, Kemi (<i>Minister for Levelling Up Communities</i>) | † Offord, Dr Matthew (<i>Hendon</i>) (Con) |
| † Baillie, Siobhan (<i>Stroud</i>) (Con) | † Swayne, Sir Desmond (<i>New Forest West</i>) (Con) |
| † Brereton, Jack (<i>Stoke-on-Trent South</i>) (Con) | † Vaz, Valerie (<i>Walsall South</i>) (Lab) |
| Burton, Richard (<i>Leeds East</i>) (Lab) | † Winter, Beth (<i>Cynon Valley</i>) (Lab) |
| † Davies, Gareth (<i>Grantham and Stamford</i>) (Con) | † Young, Jacob (<i>Redcar</i>) (Con) |
| † Eagle, Maria (<i>Garston and Halewood</i>) (Lab) | Huw Yardley, <i>Committee Clerk</i> |
| † Fletcher, Colleen (<i>Coventry North East</i>) (Lab) | † attended the Committee |
| † Hunt, Tom (<i>Ipswich</i>) (Con) | |

First Delegated Legislation Committee

Monday 21 February 2022

[MARK PRITCHARD *in the Chair*]

Draft North Yorkshire (Structural Changes) Order 2022

4.30 pm

The Chair: I remind Members to observe social distancing and to wear masks.

The Minister for Levelling Up Communities (Kemi Badenoch): I beg to move,

That the Committee has considered the draft North Yorkshire (Structural Changes) Order 2022.

The order was laid before the House on 24 January 2022. If approved and made, it will implement a proposal submitted by North Yorkshire County Council for a single unitary council for the whole of the North Yorkshire county. The Government believe that strong and dynamic local leadership is critical to levelling up. Such leadership can understand how complex issues come together in a place, tailor policy to local priorities, attract investment, and seize each area's opportunities.

The order will establish for the people of North Yorkshire a new single unitary council. Implementing the proposal and establishing that unitary authority will enable stronger leadership and far greater engagement, both at the strategic level and with communities at the most local level. It will pave the way, as envisaged in the levelling-up White Paper, for a significant devolution deal involving a directly elected Mayor for North Yorkshire, together with York.

As hon. Members may remember, this is a locally led initiative for reform that formally began on 9 October 2020. On that date, the then Secretary of State, my right hon. Friend the Member for Newark (Robert Jenrick), invited the principal councils in North Yorkshire and the neighbouring unitary council of the City of York to put forward, if they wished, proposals for replacing the current two-tier system of local government with single-tier local government. That invitation set out the criteria for unitarisation. Unitary authorities would be established, "which are likely to improve local government and service delivery across the area of the proposal, giving greater value for money, generating savings, providing stronger strategic and local leadership, and which are more sustainable structures...which command a good deal of local support as assessed in the round overall across the whole area of the proposal; and...where the area of each unitary authority is a credible geography consisting of one or more existing local government areas with an aggregate population which is either within the range 300,000 to 600,000, or such other figure that, having regard to the circumstances of the authority, including local identity and geography, could be considered substantial."

Two locally led proposals for local government reorganisation in North Yorkshire were received in December 2020: one for a single unitary and one for two unitary councils. Before we made any decisions on how to move forward, the Government consulted widely.

That statutory consultation, which ran from 22 February to 19 April 2021, prompted almost 4,300 responses on the North Yorkshire proposals. Of those responses, some 3,600—84% of the total responses—were from residents living in the area affected, 53% of whom were in favour of a single unitary council. In addition, 52% of business respondents supported the single unitary proposal, along with the majority of public sector partners, including 68% of the health organisations that responded, nine out of 12 education organisations, and police and fire organisations.

My right hon. Friend the former Secretary of State announced his decisions on the proposals on 21 July 2021. He made a balanced judgment, assessing both proposals against the three criteria to which I referred, and that were set out in the invitation on 9 October 2020. He also had regard to all representations received, including responses to the consultation, and to all other relevant information available to him. He concluded that the proposal for two unitaries did not meet the criterion of improving local government and service delivery across the area or the credible geography criterion, but that the single unitary proposal for North Yorkshire met all three criteria.

The Government believe that there is a powerful case for implementing that locally led proposal for change. It will improve local government by enhancing social care and safeguarding services through a closer connection with related services, such as housing, leisure and benefits. It will improve local government by offering opportunities for improved strategic decision making in such areas as housing, planning and transport. It will improve local partnership working with other public sector bodies by aligning with arrangements in existing public sector partnerships and allowing existing relationships and partnership working to be maintained without disruption. It will generate savings, estimated by the county council to be £31.9 million per annum. It will preserve service delivery over a county-wide area that has an established local identity and that is easily understood by residents. It will provide a single point of contact so that residents, businesses and local communities will be able to access all council services from one place. If Parliament approves the draft order, from 1 April 2023 there will be a single unitary council for North Yorkshire, delivering the improvements that I have just outlined.

We prepared the draft order in discussion with all the councils concerned. I take this opportunity to thank everyone involved in the process for their work, which has been undertaken constructively and collaboratively. Our discussions with the councils included the transitional and electoral arrangements, which are key to how the councils will drive forward implementation. Where there has been unanimous agreement between all the councils, we have adopted their preferred approach. There were some differences in views and, where those existed, my right hon. Friend the Secretary of State considered all the differing views and reached a decision accordingly.

On the detail of the draft order, I highlight the key provision. The order provides that on 1 April 2023, the districts of Craven, Hambleton, Harrogate, Richmondshire, Ryedale, Scarborough and Selby will be abolished. The councils of those districts will be wound up and dissolved. In their place, their functions will be transferred to the new unitary North Yorkshire council.

The draft order also provides for appropriate transitional arrangements. In May 2022, there will be elections for the new unitary council, which will assume its full powers from 1 April 2023. The elections will be on the basis of a 90-member authority, with 88 single-member electoral divisions and one two-member division. Subsequent elections to the unitary council will be in May 2027 and every four years thereafter. We expect the Local Government Boundary Commission for England to undertake a full electoral review before the May 2027 elections. Parish council elections due in May 2023 and May 2024 will be brought forward to May 2022, to align with the unitary council electoral cycle. A duty will be placed on all existing councils to co-operate during the transitional period until 1 April 2023.

To support councils in the transitional period to 1 April 2023, if the draft order is approved and made, I intend to use my powers under the Local Government and Public Involvement in Health Act 2007 to issue a direction. The direction will provide statutory support to the voluntary protocol that the North Yorkshire councils have already adopted about entering into contracts and the disposal of land during the transitional period. As one might expect, that is in line with the approach adopted in most previous unitarisations. That will ensure that the new unitary council has appropriate oversight of the commitments that the predecessor councils may enter into during the transitional period and that the new unitary council will take on from 1 April 2023. Before issuing any such direction, I will invite council views on a draft.

Finally, with apologies, I must draw the Committee's attention to the correction slip that was issued to correct three minor errors in schedule 1 of the draft order. The corrections are: to remove an extra "and" between Harrogate Fairfax and Harrogate Starbeck wards; to the spelling of Byram ward; and to put the Mid Craven electoral division in the correct alphabetical order. We are sorry for those minor errors in the original text of the order.

In conclusion, through the draft order, we seek to replace the existing local government structures in North Yorkshire, which were set up in 1974, with a new council that will be able to deliver high-quality and sustainable local services for the people of North Yorkshire. The council will be able to provide stronger and more effective leadership at the strategic and the local level. It will open up the way, with the City of York, for a significant devolution deal, as is referred to in our levelling-up White Paper. I commend the draft order to the Committee.

4.38 pm

Mike Amesbury (Weaver Vale) (Lab): It is a pleasure to serve under your chairmanship, Mr Pritchard.

I thank the Minister for her introduction to the draft statutory instrument and her informative remarks. The SI will create a unitary authority for North Yorkshire in place of several districts. I understand that the Secondary Legislation Scrutiny Committee in the other place marked this and two other draft statutory instruments on the creation of unitary authorities as instruments of interest. Some questions remain on the criteria for the approval of unitarisation, which I will raise with the Minister on those instruments as well.

As I once again have the pleasure of speaking on a statutory instrument with the Minister, I will touch on a number of points and ask some questions. Will the attitude that is taken to unitarisation be taken to devolution deals across the piece, including in areas that respond to the framework in the levelling-up White Paper? I am a committed devolutionist by principle. What I mean by devolution is shifting genuine power and resources to localities. Of course, that is where the levelling-up White Paper falls short—on fiscal devolution.

What assurances can the Minister give about the new unitary authority? She said that it would be sustainable and, indeed, she referred to cost savings over a period of time. Will she expand on that?

Secondly, will the Minister give assurances on the new devolution deals, which areas may decide they want to march forward with? I know that the Merseyside city region will be going for greater devolution powers, and there is certainly consensus in my area of Cheshire and Warrington to go for a deal.

On identity, the Minister mentioned Scarborough and Harrogate. Those are quite distinct areas with which I am familiar. How will we ensure that they have a sense of place and ownership in terms of the locality, the services and the budget? How will those localities have a genuine say to ensure that there is no democratic deficit? Rather than devolving powers upwards to the new body, it is crucial that there is that strong interplay.

I note that in the consultation, 53% of respondents supported the single unitary proposal, as opposed to splitting the area. Will the Minister expand on that point? I will again touch on the criteria and how those are met in our discussions on future SIs.

The Minister referred to the disposal of land, which will be important in the transition to the new unitary. I would be interested to hear if there are any investments that need to be transferred, or any budget surpluses or debts that might need to be consolidated, especially given that local government has been hollowed out by 50% over the past decade, according to the National Audit Office.

I have asked the Minister a number of questions. We do not oppose the order, but I look forward to the answers.

4.43 pm

Kemi Badenoch: I thank the hon. Gentleman for supporting the proposals and for asking several questions. I should be able to answer them and, if not, I will provide additional detail in our regular meetings.

The hon. Gentleman asked whether the structural changes order will be standard across all devolution deals. That will be the case for those that the former Secretary of State led in 2020, before the levelling-up White Paper.

The hon. Gentleman asked about sustainability and what the deal will look like. The assurance I can give him is that this is just the beginning of the process; it is not the end. Now that we have got to this stage of the process, we will work closely with the new unitary to decide exactly what the devolution deal will consist of. I cannot answer his questions about which investments will move from one set of councils to the final one, but I do know that the process is locally led. All the councils agree that this is what they want and that it will be good

[Kemi Badenoch]

for them. I think we can trust in the ability of the people on the ground in North Yorkshire to deliver on that, and the Department will support them as much as possible.

The hon. Gentleman asked about Scarborough and other councils that may feel lost, given the size of the new unitary, and about whether they will fit in with what happens across the wider area. That will always be a risk when we unitarise. Some things will be lost, but the trade-off is that there are more benefits from moving to a single-tier system. I believe that that council specifically is supportive of this change.

Mike Amesbury: Surely there is something in place for the likes of Scarborough, Harrogate and Richmondshire. What new structures will be put in place? Will there be a district committee system?

Kemi Badenoch: I am not sure that I understand the hon. Gentleman's question. I had assumed that he was asking how we will ensure that councils that are different,

such as Scarborough, are not lost in this devolution and unitarisation. I cannot provide him with the detail at the moment, but I can write to him with further detail. Officials worked with the councils to do much of this work before I came into post. I am ensuring that the process carries on and that we do not run out of time before the electoral process. If he is happy to wait, I can provide additional detail.

With levelling up, we are trying to ensure that the decisions that are made come not from the top down, but from the people and elected officials on the ground who know what is needed to improve their local areas. That is the approach that we have taken through these structural changes orders, which came before the levelling-up White Paper, and that we will take going forward. We hope that we can get agreement on that across the House in order to do the best for local people across the country.

Question put and agreed to.

4.46 pm

Committee rose.

