

Local Government Reorganisation – Structural Change Order (SCO)

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Purpose of the Report

1. The purpose of this report is formally to 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 to negotiate the terms of the Structural Change Order with the Ministry of Housing Communities and Local Government (“MHCLG”).

Forward Plan

2. This report appeared on the District Executive Forward Plan and a Special District Executive Meeting has been arranged for 17th August 2021.

Public Interest

3. Following the submission of proposals for local government reorganisation in Somerset, the Secretary of State issued his decision on 21 July 2021. The Secretary of State has decided that there should be a single unitary council for Somerset with effect from 1 April 2023. This report explains how SSDC will engage with government and the other Somerset councils to progress and implement this recommendation.

Recommendations

4. That the District Executive recommends that Full Council:
 - a. notes the next steps following the Secretary of State decision
 - b. delegates authority to the Chief Executive in consultation with the Leader of Council and Monitoring Officer to submit any responses and undertake negotiations regarding the content of the Structural Change Order and associated matters
 - c. establishes a member working group to work with the Leader, Chief Executive and Monitoring Officer in considering the Structural Change Order, the membership of that group to be the Leader of Council, the Deputy Leader, the Leader of the Conservative Group and the Leader of the Independents

Background



South Somerset District Council

5. As Members are aware, the four District Councils in Somerset (Mendip, Sedgemoor, Somerset West and Taunton and South 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 entitled “One Somerset”.
6. Following an eight-week consultation to 19 April 2021 (with some 5,500 responses) and a local poll organised by the District Councils in April (with over 100,000 responses and concluding that 65% of our electorate were in favour of two unitary authorities for Somerset compared to 35% in favour of one unitary), the Secretary of State announced his decision on the future of local government in Somerset on 21 July 2021.
7. The Secretary of State assessed both proposals against three criteria, namely:
 1. Is the proposal likely to improve local government and service delivery across Somerset?
 2. Does the proposal command a good deal of local support across Somerset?
and:-
 3. Do the Councils to be established have a credible geography?
8. 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.

Current position and further information on recommendations

9. The District Councils 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 (SCO) with the MHCLG to ensure that the interests of our customers, members and staff are fully represented.
10. The purpose of the SCO 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 a new unitary authority in Somerset. The Order will be made under the powers set out in the Local Government and Public Involvement in Health Act 2007.
11. The Leaders and Chief Executives have been advised that the first meeting with the MHCLG will take place during the second week of August. At the time of writing we are still awaiting an agenda but have been advised that the meeting will focus on the implementation process, in particular the detail of the process and timings of finalising and laying the SCO, including those aspects of the SCO that require input from all of the Somerset Councils in order to finalise the detail.
12. 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 likely to be as follows:
 - First meeting between MHCLG and Chief Executives – First / Second week of August 2021
 - Negotiation of Structural Change Order – August/September 2021 (to be confirmed)



South Somerset District Council

- MHCLG prepare Structural Change Order - September-November 2021 including:-
 - Form of unitary council
 - Continuing or shadow authority?
 - Form of governance
 - Number of votes for twin hatters
 - Number of councillors for elections in May 2022
 - Abolition and winding up of councils in 2023
 - Transfer of functions to continuing or shadow authority
 - Composition of implementation or shadow Executive
 - Who will be responsible for convening the first meeting.
 - Electoral cycle

 - Joint Committee comes into effect (if not already in place) - February 2022

 - Shadow or Transition Authority comes into effect – April 2022

 - Elections to Shadow or Transition Authority – May 2022

 - Approval of Consequential Orders February 2022 – April 2023 (transfer of functions, staff, assets, pensions)

 - Vesting Day: New Unitary takes effect and existing Councils dissolved – 1 April 2023

 - Boundary Review – April 2023 onwards
13. We know from other areas who have been through this process that negotiating the SCO and implementing the necessary changes will need to progress rapidly due to the very tight timetable between now and the vesting date. In the circumstances, it is important to ensure the appropriate delegation is in place to enable the Council's interests to be adequately protected.
14. In the circumstances, delegated authority is sought to enable the Chief Executive to negotiate the terms of the SCO and any associated or consequential matters in consultation with the Leader of Council and Monitoring Officer.
15. It is also proposed that a member working group is established to work with the Leader and Chief Executive and Monitoring Officer in considering the SCO, the membership of that group to be the Leader of Council, the Deputy Leader, the Leader of the Conservative Group and the Leader of the Independents.
16. Further reports will be presented to members to update them on the Local Government Reorganisation process and progress once more detail is known.

Financial Implications

17. There are no financial issues directly arising from this report.

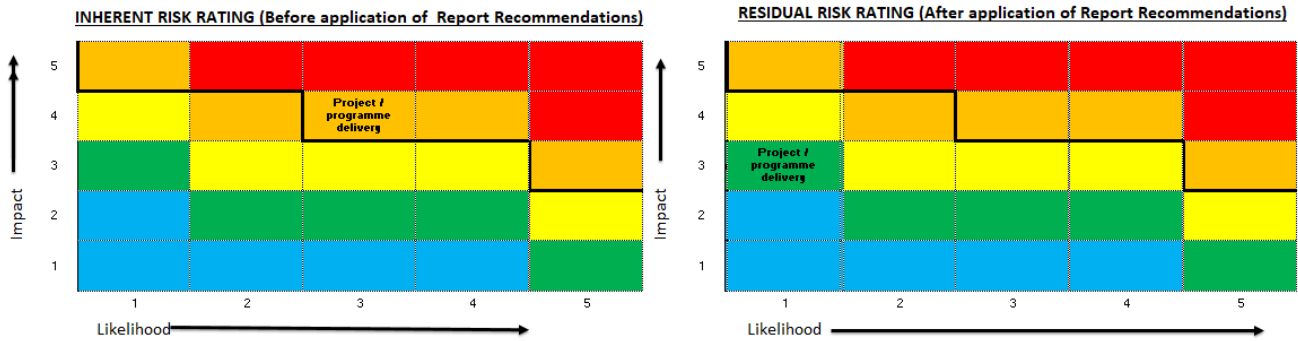


South Somerset District Council

Legal implications (if any) and details of Statutory Powers

18. The terms of the SCO will determine how South Somerset DC can exercise its powers during the period of transition to a new unitary authority for Somerset and is likely to impose significant restrictions. The SCO will be made by Parliament under section 7 of the Local Government and Public Involvement in Health Act 2007.

Risk Matrix



Risk Ref	Risk Category	Inherent Risk Rating	Residual Risk Rating
1	Project / programme delivery	13	6
2	Financial	0	0
3	Delivery of Services	0	0
4	Staffing & Capacity	0	0
5	Reputation	13	6
6	Health & Safety	0	0
7	Governance & Legal	0	0

Risk Description	Mediation / Controls
Government will reach a decision on content of Structural Change Order without our input	Recommending delegated authority to the Chief Executive and the setting up of a member working group. Increasing the ability to
0	0
0	0
0	0
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0	0
0	0

Risk Description: Government will reach a decision on content of Structural Change Order without our input

Risk Mediation / Controls: Recommending delegated authority to the Chief Executive and the setting up of a member working group. Increasing the ability to responds to the MHCLG in a timely manner and influence the content of the Structural Change Order.

Council Plan Implications

19. There are no Council Plan implications directly arising from this report.

Carbon Emissions and Climate Change Implications

20. There are no carbon emissions or climate change implications issues directly arising from this report.

Equality and Diversity Implications

21. An equality impact assessment was submitted with the proposals for Local Government Re-organisation.

22. A privacy impact assessment is not required due to no issues directly arising from this report.

Background Papers

23. Local Government Update – Statement made on 21st July 2021 – Robert Jenrick Secretary of State for MHCLG - <https://questions-statements.parliament.uk/written-statements/detail/2021-07-21/hcws234>
 24. MHCLG News story - <https://www.gov.uk/government/news/next-steps-for-new-unitary-councils-in-cumbria-north-yorkshire-and-somerset>
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