



Successful leadership from a global city on a compact scale

The Future of Local Government in York

Submission to Government
November 2020

The case for York as a unitary council

A swift recovery

- York, as a mid-sized unitary, is already well-placed to lead a strong and sustainable recovery from Covid-19.
- The best way to secure devolution quickly and support the levelling-up agenda in York and North Yorkshire is for York to remain as a unitary council, alongside a new North Yorkshire-wide unitary authority.
- The benefits of collaboration and efficient joint-working of two unitary councils and a Combined Authority will quickly drive the recovery and future sustainable economic growth of the region.
- Disruption to partnership working with other organisations will hinder recovery, not support it.
- Only by City of York continuing as a unitary in its own right can a Combined Authority be created quickly to bring forward devolution in a timely way.

Or increased costs...

- York is already recognised as delivering low cost and high-performing services in many areas and as a leader in digital connectivity and innovation.
- A merger with districts would increase costs in the short/medium term with York taxpayers paying 8% more (PwC figures) or risk seeing local services diluted.
- Tens of millions of additional transitional costs will be incurred from any major reorganisation which would be better spent on supporting recovery at this time.

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1.0



Context

In response to discussions with Ministers about devolution, and the invitation to consider options to remove two-tier local government in North Yorkshire, City of York Council has considered what the potential options may be and how these compare to give the best possible opportunities for York's residents, communities and businesses.

- 1.1** On 9 October, the Secretary of State wrote to York and North Yorkshire Council Leaders to invite submissions of proposals to replace 2-tier (county and district) Local Authority structures with new unitary models. This report considers the options and possible opportunities to achieve the Government's required outcomes, based on the impacts for York's residents.
- 1.2** Whilst York is an existing unitary authority, and as such does not need to undertake any reorganisation, we recognise the need to consider options that support the prosperity of our sub-region and provide for efficient working at a local government level, as well as the opportunities new arrangements could bring to York.

- I.3** To accelerate the city and regional recovery, we must focus on achieving the best possible devolution deal for York and North Yorkshire whilst also taking advantage of opportunities that collaborating with a new Mayoral Combined Authority will bring.
- I.4** These are incredibly significant decisions for the future of the city and taken with full recognition of the impacts on York and our neighbouring authorities from whichever option is chosen.
- I.5** We believe that the continuation of some of the councils involved in negotiating the devolution deal will better support a speedy recovery as we work together to establish a Combined Authority.



2.0



York as a Place

As an independent and self-governing city, York has at times been the capital city and administrative centre of the North. But history isn't what describes York - history is what makes York the place it is today. The people of York built and continue to shape their place - a beautiful compact city where every person can have a voice, make an impact and lay the foundations for a prosperous future. York is a place where people and their stories matter; where an individual's everyday experiences are just as important as the city's world-class achievements.

- 2.1** York is among the best places to live in the UK, renowned for community spirit and driving innovation inside and outside our city.
- 2.2** It is a compact, low-rise, walkable, cycleable, liveable and relatable city. With millions of visitors a year and a population of around 210,000 it still feels intimate and personal. This personal interaction creates a strong sense of community, which in turn creates social awareness.

- 2.3** As a place, York's sense of its own history, culture and role is very strong, with a distinct identity that sets it apart from other neighbouring places. Following its Roman and Viking history, York received its charter in 1212, when King John allowed York's citizens, rather than the Sheriff, to collect and pay the annual tax to the Crown, to hold their own courts and to appoint a mayor.
- 2.4** To be the place it is, York has continually evolved to reinvent itself – through the transition from heavy rail engineering to high-tech transport technology, from chocolate manufacture to service and hospitality, and developing world-class innovation around bio- and agri-tech. This continues today with reconsideration of how we use our city space to support socially distanced retail and hospitality, whilst developing longer term plans to respond to changing retail behaviour.
- 2.5** Our ambitious regeneration programme is underway to make the most of our development sites, with York Central, the Guildhall redevelopment and Community Stadium progressing or nearing completion. With York Central attracting interest from Whitehall, an economic growth programme that focuses on the city strengths and developing infrastructure has never been more important and we are already working with partners on a 10-year recovery plan.
- 2.6** York contributes a third (£6.35bn) of GVA across York and North Yorkshire and represents its major economic centre. However, its impact on the wider region is far greater than its population share may suggest. It provides well over 100,000 jobs, is host to around 30,000 students, attracts over 8.4 million visitors every year and 10 million people arrive or depart by train. Nowhere else in the sub-region achieves similar figures, representing a unique city making a unique impact.

- 2.7 City of York Council has worked successfully as a unitary authority since 1996, representing this self-governing and historic city. Over that time, across administrations led by all main political parties, York has prospered. Widely regarded as one of the best UK cities in which to live, York has maintained its reputation for a high quality of life and successfully balancing its status as a leading historic and cultural city with the development of modern, innovative and sustainable infrastructure.
- 2.8 With two world-renowned universities, York's research and academic excellence contributes to improving the nation's health, pioneering artificial intelligence and protecting our environment.

Key evidence

National and international recognition

- In 2018, the *Sunday Times* recognised York as both the best place to live in the UK and home of the best school in the North, with three of our schools in the top ten of all northern schools. In 2020, we held onto our place as one of the best places to live in the North.
- The *Happy City Thriving Places* Index notes York is one of the UK's best places to live
- Public Health England recorded York as the most active city in the North
- The *Cultural and Creative Cities monitor* (and EU report) notes we are the "most culturally vibrant" city in the UK and 7th in Europe for medium size cities.
- UNESCO Creative City of Media Arts designation.

- 2.9 Our workforce is the most highly skilled in the region and our outstanding schools and colleges regularly achieve the highest grades at GCSE and A-level.
- 2.10 We are continuing our tradition of pioneering social housing that is ahead of its time, with a commitment to build 600 homes to exacting zero carbon standards of which at least 40% will be affordable housing.
- 2.11 That is not to say there are no challenges. Demand for housing is high, with many people working in some of our lower paid sectors finding the transition from the private rented sector to home ownership challenging. The success of our tourism and hospitality sectors has meant a significant proportion of new jobs are lower paid. Demand on our social care services is rising. The challenge of climate change requires a step change in carbon abatement and climate impact mitigation.



Key evidence

2020

- One of the best places to visit for a staycation - *Cosmopolitan*
- In the top 10 places to visit in the UK - *Trip Adviser*

2019

- Top city in the UK for most independent fresh retailers - *Leisure*
- Most beautiful city to photograph - *CEWE*
- Best Masterplan (York Central) - *Architects Journal Architecture Awards*

2.12 The effects of Covid-19 will be felt for many years to come, impacting disproportionately on those already facing other challenges. 100%+ increases in Universal Credit claimants, 25% increase in vacant shops and 40% reduction in footfall evidence the severity of the impact and the challenges we face.

2.13 Despite York's inherent financial stability, Covid-19 recovery places huge pressure on all local authorities including those that are efficient and low spending. Unnecessary financial costs of restructuring local government in York are unwelcome at a time when all resources are channelled to supporting York's recovery.

2.14 It is for all these reasons that we wish to develop a devolution proposal with a Combined Authority, to support and enhance collaboration with sub-regional partners and Government agencies to jointly find solutions. No council, however large or new in its design, can address these challenges alone.

2.15 To achieve a bright future and bounce back strongly from Covid-19, our recovery plans and developing 10-year city plan require stability at a local level to build on our strengths and for resources to be used efficiently to invest in our future. At this point perhaps more than at any other time in the recent past, we need local government to be doing what it does best, with all available capacity directed to delivering services and supporting communities to create the conditions for inclusive, sustainable growth.

Community Stadium



York Station front masterplan





The Guildhall renovations, due for completion in 2021

"We would therefore be very concerned if any shake up of local government disrupts or fragments these partnership arrangements and distracts us from the continuing challenge of dealing with COVID and its aftermath and restoring services to normal levels across health and social care."

Vale of York CCG

3.0



The Drivers for Change

We recognise that, as part of devolution, we must demonstrate efficiency at a local government level. A devolution deal for York and North Yorkshire could potentially unlock significant investment of up to £2.4bn over 30 years, to improve the economic prosperity of York and future long-term opportunities for all residents particularly when we are working to build back better post-Covid.

- 3.1** To progress such an opportunity in the first place, and to ensure the governance is simple and sustainable, it is necessary to have a local government structure alongside the Combined Authority arrangements which works together in harmony. The current 2-tier arrangements in North Yorkshire create additional complexities to the required governance. As a result, the opportunity offered by Government to consider simplified structures on a single-tier basis is welcomed.
- 3.2** The focus of any change for local authorities at this point should be the effective delivery of local services, essentially focussing on the core responsibilities of local government. Greater levels of disruption are, at this time, unhelpful to communities recovering from the most extreme crisis in the recent past. We would advocate an approach that builds on existing strengths in service delivery, rather than seeking to dismantle and build afresh.

3.3 The receipt of the Government’s criteria for assessing proposals has allowed consideration of how potential models could achieve these ambitions, and how, in doing so, they would impact on York’s residents, communities, businesses and organisations. The following three sections review each of the criteria, considering the degree to which City of York Council does or could deliver against them, and similarly how other potential models might impact.

3.4 The criteria, as outlined in the invitation letter to York and North Yorkshire Authorities are as follow:

“A proposal should seek to achieve for the area concerned the establishment of a single tier of local government, that is the establishment of one or more unitary authorities:

- a. 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;
- b. which command a good deal of local support as assessed in the round overall across the whole area of the proposal; and
- c. 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.”

3.5 We understand there are two proposals made by other authorities. These are as follows:

- The creation of a single unitary authority covering the existing footprint of North Yorkshire County Council, leaving York unchanged as a unitary on its existing footprint.
- The creation of two unitary authorities covering the York and North Yorkshire area, thereby including York in changed arrangements. Although City of York Council has not been consulted on these proposals, we understand the proposed model to be an East-West split, with York merged with Selby, Ryedale and Scarborough as an “East” authority and Hambleton, Craven, Harrogate and Richmondshire merged as a “West” authority.

It is these two models which are considered throughout this report.

4.0



Scale and Identity

The Government has set out criteria on which to base its assessment of a unitary council's scale and identity:

“ 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. ”

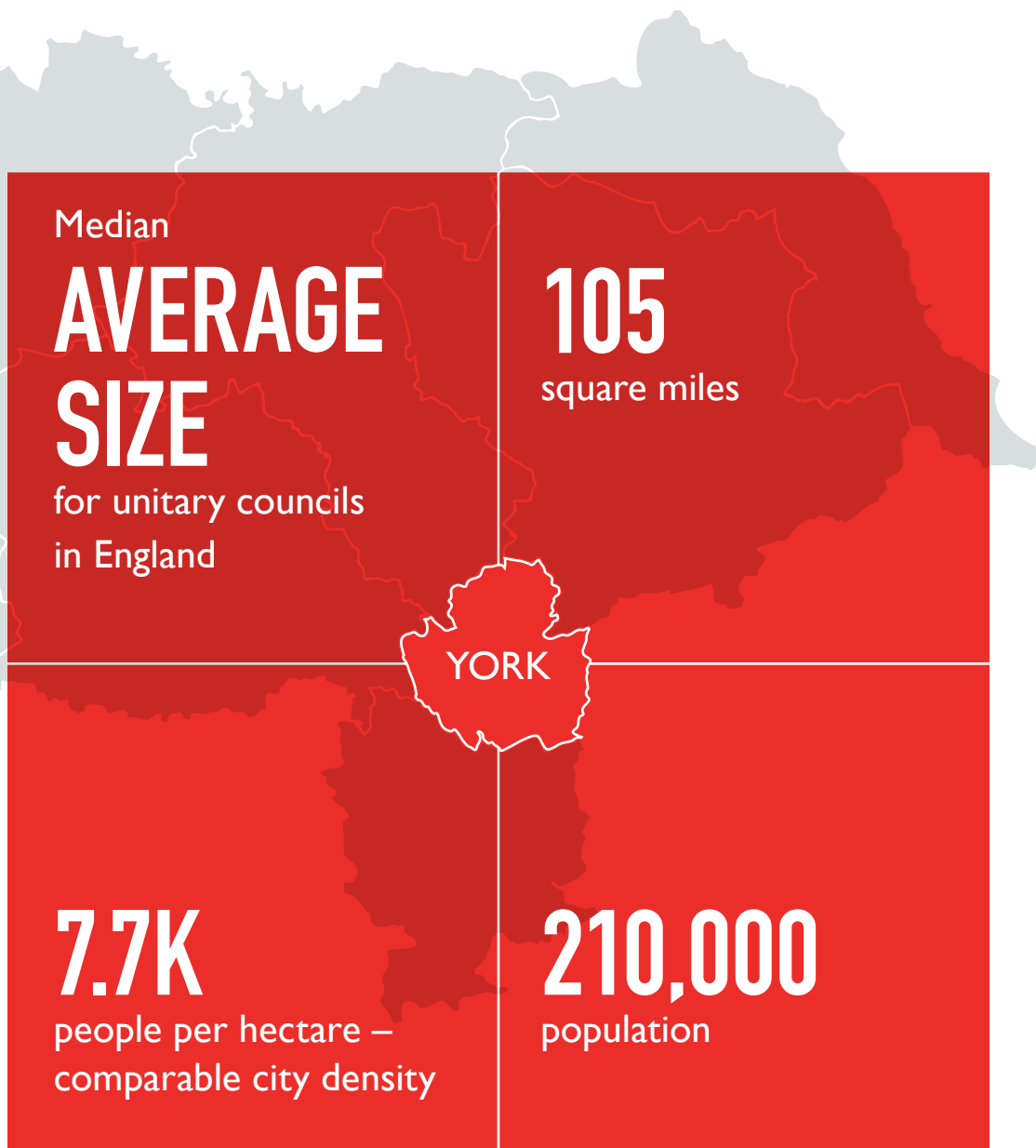
- 4.1 York has been an independent and self-governing city since 1212, with a distinct historic, economic and community based identity. The city is compact, covering an area of approximately 105 square miles, and is home to some 210,000 residents. The Talk York consultation in 2019 told us 5,400 resident and businesses believe the identity of our historic city is important, as is the 800 year connection between the city and the Council.
- 4.2 As an urban and sub-urban environment, the unique identity and characteristics of York differ significantly from surrounding rural and coastal areas, with the city maintaining strong links both to the North and West. Any change to City of York's current footprint would erode the identity of the city, and dilute the specific needs of local residents, businesses and communities.

Scale

- 4.3 City of York Council is a medium-sized unitary authority. Based on the latest ONS population estimates, there are 28 smaller unitary authorities in England and 28 larger. York is, therefore, the median average size of existing unitaries in England. Of all upper-tier authorities, there are 41 smaller than York.
- 4.4 Other metropolitan district councils, such as Calderdale (211,000) and North Tyneside (208,000), are of very similar size and are in devolution deal areas with their boundaries remaining unaffected.
- 4.5 We firmly believe that the council is of a scale to support efficient working in a compact city, but not so big as to be remote from the communities and businesses that it serves. We are an optimum size for the city we serve, to understand and work with our various communities and businesses and deliver effective and responsive services.
- 4.6 Clearly, when new unitary authorities are being formed, it is important they are large enough that economies of scale can be achieved, in order to offset the disruption and costs of the transition.

4.7 However, for an existing unitary authority to continue, there are no transition costs or disruption to be offset.

Our size is our strength



2,224
Isles of Scilly

*Smallest unitary
authority*

569,600
Cornwall

*Largest unitary
authority*

What would a merger mean for York's scale?

- 4.8** The creation of an “East” authority stretching 65 miles north to south and 45 miles east to west is an entirely different scale to the City of York. Inevitably, the method of service delivery would have to change in many cases, and this would significantly disrupt a number of very effective and close partnerships, particularly in the health and social care sector, to support local residents as part of the recovery process.
- 4.9** There are two very distinct geographies in the county of North Yorkshire - largely urban York, and largely rural in the surrounding districts. The County Council already carries out 80% of service delivery in its area with successful and high-performing operating models that suit a dispersed population. The simplest transition would be for a unitary authority to cover that area, rather than complicate geographies by including York.
- 4.10** Enlarging York's footprint to cover distinctly different areas would reduce the focus on the key challenges for each area, reducing connections to local communities. There are major opportunities arising from the experience of the last few months to strengthen our joint working on the wider societal and economic impact of the pandemic particularly in relation to inequalities, sustainability, supporting vulnerable people and ensuring health and wellbeing is at the heart of the recovery.
- 4.11** Changes to York's boundaries could disrupt or fragment these partnership arrangements and distract from the continuing challenge of dealing with Covid-19 and its aftermath and restoring services. In fact, we see the retention of City of York Council's existing footprint as a requirement for the alignment and streamlining needed to more readily break down boundaries between health and care and simplify joined up working.

4.12 Furthermore, the focus on the challenges and issues that are specific to York would inevitably be diluted through the inclusion of a wider rural and coastal geography. With the distinctly different geography of York, when compared to wider North Yorkshire, the ability to respond to these issues and concentrate on York residents, businesses and communities' priorities would be significantly reduced.

Current vs merged

- ✔✔✔ York provides all services for its residents for **£265 less** per dwelling than surrounding areas
- ✔✔✔ **12th fastest** out of 314 authorities in delivering grants to businesses during Covid-19
- ✔✔✔ **7th lowest** unitary council tax levels nationally
- ✔✔✔ City of York Council established since 1996 and **financially stable**
- ✔✔✔ Secured **£77.1m** for York Central project delivery, creating a £155m infrastructure package to unlock York Central.
- ❌ **Increase of £117** per year for a Band D property
- ❌ **Increased cost** of delivery of services in rural and coastal areas
- ❌ Services will be **disrupted** by restructuring
- ❌ **£10s of millions** unnecessary transition costs

Geography

- 4.13** Whilst compact, covering an area of approximately 105 square miles, York is the most densely populated (7.7 people per hectare) area in North Yorkshire, with its 210,000 residents. This sets York apart in comparison to neighbouring local authorities areas, which are either mainly rural (Hambleton, Ryedale or Selby), or significantly rural but with urban areas (Harrogate and Scarborough). York is characterised as “urban with city and town”, the same classification shared by Wakefield, Hull and Middlesbrough, amongst others.
- 4.14** The economic geography of York has important connections to West Yorkshire too. Travel to work patterns and economic links are clear between York and West Yorkshire conurbations, as well as surrounding towns. There are fewer clearly defined connections to the more rural and coastal areas of North Yorkshire’s eastern districts. This is recognised by the neighbouring West Yorkshire Combined Authority which still retains York as a non-constituent member.
- 4.15** It is not just York’s historical origins and demographic mix that differ significantly with that of its North Yorkshire neighbours, so too does its economic context. York benefits from a diverse economy, with distinct specialisms in high value sectors such as rail, digital, insurance and bio-tech and life sciences. York’s popularity as a great place to live, work and visit also means that the city has strong employment in traditional sectors such as food and accommodation, retail and health and social care, with these sectors representing over 50% of all employment in the city.

**York and North
Yorkshire produces
GVA of over £19bn,
York contributing
almost a third -
£6.35bn.**



- 4.16** The major area where York's economy differs to that of its North Yorkshire neighbours is in manufacturing. Despite the presence of internationally significant businesses such as Nestle and Portakabin, only 4.8% of local employment in York is in manufacturing (5,000 jobs). In neighbouring areas (with the exception of Harrogate), the proportion of employment in manufacturing is between two and four times that of York, emphasising the sector's importance to the economy of North Yorkshire. Whilst historically manufacturing has been a key feature of York's economy, from carriage works associated with the railways to chocolate and confectionery, the successful diversification of York's economy to one that is centred upon knowledge and services distinguishes the city from areas to the north and east.
- 4.17** Although the city shares important economic linkages with North Yorkshire, the same is also true of the city's connections to Leeds City Region and the East Riding of Yorkshire, especially with the supply chain links and labour exchange.

What would a merger mean for York's geography?

- 4.18** In no sense would York/Selby/Ryedale/Scarborough be considered a logical or functional economic geography, nor does it have any historical basis.
- 4.19** By encompassing more rural and coastal areas, in which service delivery costs more to overcome the challenges of a more dispersed and sparse population, the additional cost would either have to be met through an increase in council tax, or through the reduction in services.
- 4.20** Enlarging York's footprint to cover distinctly different areas will reduce the focus on the key challenges for each area, reducing connections to local communities.

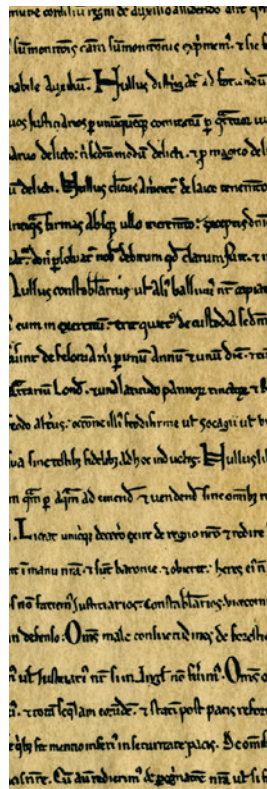
Identity and History

- 4.21** York has been an independent and self-governing city since 1212. During that time, first the Mayors, then the Lord Mayors and Council have been elected to take decisions with the interests of York’s residents at their heart.
- 4.22** The identity of our historic city is important for the residents, businesses and communities of York. York is the identifiable place beneath Yorkshire, and benefits from being nationally and internationally recognised. Of course, a new corporate identity would be formed in any change, but given the disparate geography proposed, this new administrative area would not support the same sense of belonging for residents and businesses as the City of York currently does. In addition, given York has such a strong identity, any merger would in effect “absorb” it’s newly merged areas with York remaining the dominant and known brand.

800 year
global city
identity

1357-1662

**Guilds of
Merchant
Adventurers and
Merchant Taylors**



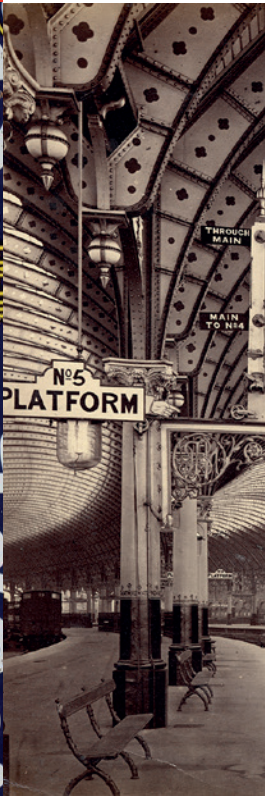
1212

**City Charter
1212 King John**

1714

**Georgian
social capital
of the north**

1750-1850
Chocolate pioneers



1839
York's Railway revolution



1963
Universities, science park and tech



2014
UNESCO and Global links

2020
2020 Response to the global pandemic



What would a merger mean for York's identity?

- 4.23** In a revised model covering a wider area, a new council would no longer specifically represent York. Instead, York would be one place amongst many. The history of Right Honourable Lord Mayors, recognised as the second most senior Lord Mayor behind the Lord Mayor of London, would end, as the council they chaired would no longer specifically reflect York as a city. A chain of Mayors and Lord Mayors stretching to at least 1217, representing York and chairing its council, would be broken or changed significantly. Whilst this might not be an issue in other places, the role of the Lord Mayor is intrinsically intertwined with that of the council and civic life as a whole, and is a key part of York's contribution to national constitutional events.
- 4.24** A new corporate brand could be formed in the new area, but given the disparate geography proposed, it is unlikely that this new administrative area would support any sense of belonging for residents and businesses as the City of York currently does. The net impact, therefore, of any change to a wider geography would be a significant loss of identity for York's residents.
- 4.25** Whilst in other cities, this may not seem like an important change, in York, where the city's history is a core part of its present and future identity, such a change is significant. As a city which can trace a continuous line of development and evolution over such a long period, the traditions of the place are significant in our current identity.



5.0



Service Delivery

Value, savings, leadership and sustainable structures

Government criteria

“..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.”

- 5.1** York has an excellent record in delivering value for money and effective services as well as financial sustainability and resilience along with local democratic engagement. There are notable areas of strength where we perform exceptionally well in comparison with similar councils.
- 5.2** Our focus on ensuring that all children and their parents have the best possible support means that **children and young people** in York get an overwhelmingly better start in life. Our pre-school children get good support with the city having high performing childcare and early-years settings with over three-quarters of pupils attaining a good level of development and almost all of childcare and early years' settings were rated good or better.
- 5.3** Our **schools** are rated as some of the best in the country, with high exam achievement and low absence rates and the city has a higher-skilled workforce than similar council areas across the country.

Education

A Top 10 performing Unitary Authority

4th & 5th of 151

Educated above Level 2
and above Level 4

6th of 151

Childcare and early
years: 99.4% Good+

75.6% pupils
Good Level of
Development

Top 25% of UAs
achieving Ofsted Good
or Better

In 2018, the Sunday Times listed three of York schools in the top ten of northern schools, with one as the best in the north.

- 5.4** Those **children with social care needs** have effective multi-agency conferences quickly to determine outcomes with over nine out of ten child protection conferences being held in timescale placing York at 11th out of 151 nationally. They have a greater chance of being placed within York and our strong relationship with carers is reflected by almost seven out of ten children being placed with a York provider. York is also one of the quickest councils at finding adoption placements, ranking fifth out of 147 nationally for the average time to place a child. Service aspects such as front-door arrangements are in the process of a rapid improvement journey aided by a mature and stable regional peer support network.
- 5.5** **Adults with social care needs** are well served in the city with almost three quarters saying that it is easy to find the information and support they need to help them make informed decisions. Of those who ask for a short-term help almost nine in ten get support which places York in the top quarter of councils.
- 5.6** In York **adults with mental health needs** are more likely to be in employment and living independently with the city being the second best performing area in the country for both these outcomes. York is the 8th best performing council in the country where those with mental health needs are more likely to find secure accommodation, with over eight in ten clients in secure accommodation.

Care

- A Top 10 performing Unitary Authority

5th of 147

in speed of adoption placements

Top 10%

in child protection conferences held in timescale

Top 15%

nationally in SEND Progress 8

2nd

in adults with mental health needs in employment

- 5.7** We are consistently successful in attracting local **transport** funding to the city. We were one of only 8 councils to receive additional funding for local transport projects in 2019 and this included significantly larger council areas such as Manchester and Birmingham. York also secured funding for innovative transport based projects including £2.85m from the Government's National Productivity Investment Fund.
- 5.8** We are helping make our city **greener and cleaner**. York has low rates of CO₂ emissions compared to other cities and was the first to introduce a voluntary Clean Air Zone. The city does well for the amount of waste created, and waste that needs to be sent to landfill being placed at 22 out of 56 unitary councils for the percentage of household waste sent for reuse, recycling or composting. For action taken against fly-tipping we are the second best in taking action against perpetrators when compared to other similar councils.
- 5.9** As a landlord York makes **council homes** quickly available to residents as it has one of the shortest void turn-around times, and is consistently able to complete repairs at a lower costs through efficiency.
- 5.10** Our speed in making decisions for **planning applications** are some of the best in the country. For deciding on major planning applications within 13 weeks York performs excellently being top performing out of 56 similar councils.
- 5.11** The council **collects income** effectively to ensure that our services are properly funded and we **support residents in need quickly**. We have high collection rates placing us 16th out of 56 comparable councils for council tax. The council gets financial help quickly to those that need it most. We were twelfth highest out of 314 councils nationally in the speed of distributing business grants during Covid-19 and were quick to respond to support the shielded and vulnerable, recruiting volunteers and organising community hubs alongside partners. The revenues and benefits services have outstanding performance with hard pressed tenants in the city who rely on Housing Benefit have their claims processed quickly with York in second place out of similar councils.

Services

A Top 10 performing Unitary Authority

1 of 8

to receive additional Government funds for local transport in 2019 nationally

1st

City in UK to have a voluntary Clean Air Zone

Top

performing council for major planning decisions under 13 weeks

Top 4%

for speedy Covid-19 grant distribution

What would a merger mean for service delivery?

- 5.12** If York merged with other councils, services would have to be recreated across a new, larger and very diverse geography. Services would have to reflect both a compact urban geography and a significant rural geography simultaneously, which is unlikely to be efficient. Even with economies of scale, service delivery is unlikely to be improved for York residents and the inherent inefficiency of the new structures would undermine the achievement of efficiencies to overcome council tax harmonisation and transition costs (see 5.28).
- 5.13** High-performing services, notably children and adult services supporting the most vulnerable residents, provided by both City of York Council and North Yorkshire County Council would be ended and would need to be recreated in the two new geographies of an East-West split. The encouraging improvement journey of some of York's services already welcomes peer support from North Yorkshire's outstanding services, for example in a recent positive review of the Multi-Agency Safeguarding Hub (MASH) arrangements. This support would cease as both York and North Yorkshire's services would be dissolved and new services created. The attention would entirely turn to splitting and recreating teams and services, and away from mutual support for improvement.
- 5.14** The larger size of a new authority would not mean improvement to Children's Services in York. Of those Children's Services departments assessed as Outstanding by OFSTED, 47% are in authorities smaller than 300k population. The ability to work collaboratively with local agencies and neighbouring authorities, and the economic prosperity of areas are much larger factors in delivering positive outcomes.

5.15 Partner organisations would also have to adapt to new arrangements, just at the point at which stability and leadership is needed to support Covid-19 recovery. This has been recognised by the Humber, Coast and Vale Health and Care Partnership which has expressed concern to the Secretary of State that disruption would endanger the joint working of health and social care at a time when the system as a whole is under the most significant pressure.

5.16 The continuity of York as a unitary and district and county functions being combined on the existing North Yorkshire footprint would minimise service disruption. With as much as 80% of council services already being delivered across the North Yorkshire area by the County Council, there is both precedent and proven mechanisms of delivering high performing services at a local level with minimal disruption.

Image credit:
visityork.org



Disruption

- 5.17** The continuity of York as a unitary, and district and county functions being combined on the existing upper tier footprint in North Yorkshire would minimise disruption.
- 5.18** With many services delivered by North Yorkshire County Council across the North Yorkshire area, there is both precedent and proven mechanisms of delivering high-performing services, with the minimal disruption required to move service delivery of district functions to a new North Yorkshire Unitary council.
- 5.19** The creation of two entirely new authorities would cause significant disruption to service delivery across the region. For services currently delivered by districts, such as council tax collection, these services would be merged across Selby, York, Ryedale and Scarborough, with changed delivery models impacting residents in all areas.
- 5.20** The disruption for services delivered by the County Council would be more severe. These services, such as Children and Adult Social Services, would be split in half from the previous county arrangements, then merged with York's services, with new models required to serve a different and diverse geography. This is likely to have an impact on service performance over the first few years.
- 5.21** The impact on staff would be such that half of North Yorkshire County Council and all of City of York Council and district staff would be merged then all put at risk to compete for roles in the new authority.
- 5.22** With no successor authority (i.e. an existing one which operates on the emerging footprint), the logistics of this process are made more complicated and the speed of transition likely to reduce.

Value for money and savings

- 5.23** York is currently a low spending authority with a spending power significantly less than surrounding rural and coastal areas, and in the bottom quartile for all unitary authorities.
- 5.24** The largest savings and economies of scale across existing 2-tier areas could be made through a single North Yorkshire Unitary, working alongside City of York Council. In addition, further efficiencies could be achieved through the collaboration of these two authorities as outlined in the Strategic Partnership (see 5.43)
- 5.25** Whilst the reduction of duplication in the existing 2-tier areas would undoubtedly create efficiencies this does not apply directly to York where these efficiencies have already been realised when City of York Council was created. These efficiencies and economies of scale would be lower than with a North Yorkshire unitary model and so an East-West split is sub-optimal in terms of potential savings.

What would a merger mean for costs?

- 5.26** The costs of moving to a different structure are well known from other authority areas.
- 5.27** There are two main aspects of cost associated with any new model which merges York. These are:
- The costs of transition to a new model, and
 - The costs of harmonising council tax across the new footprint.

Costs of transition

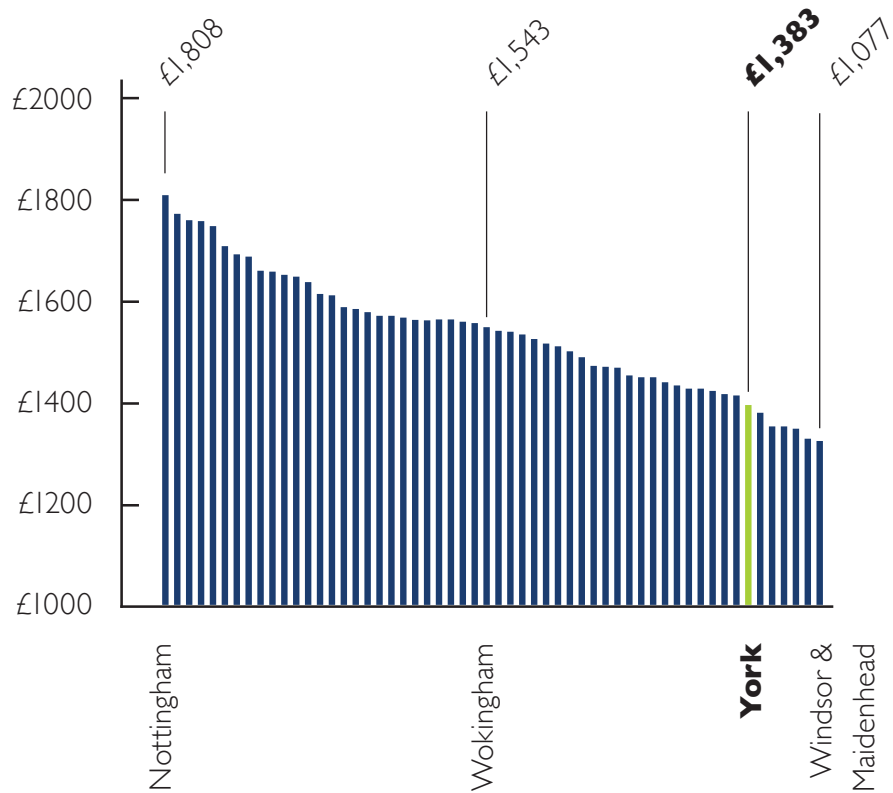
- 5.28** The transition costs of creating an additional new unitary would be significant. Other unitary creation (such as Durham Council) has seen transition costs in excess £20m – a cost which would be borne by the new authority.

It is self evident that including an additional authority within a merger will create additional cost, and where that authority is already a unitary, there is reduced capacity for savings which could offset those costs.

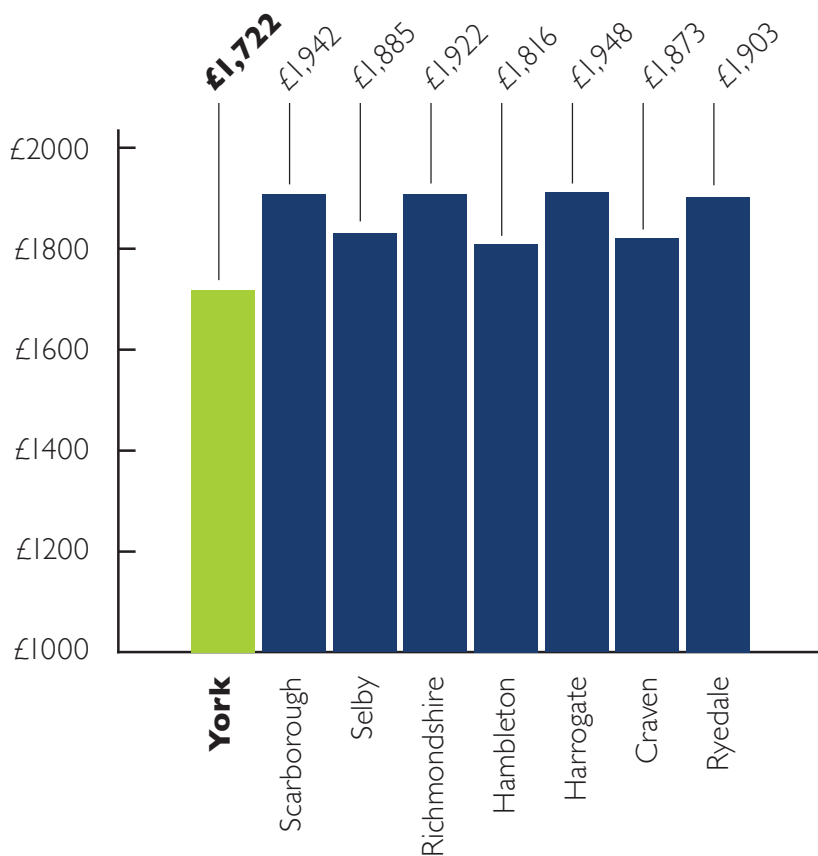
Council tax increases

- 5.29** Over the past decade, despite reductions in central Government funding, York has managed to stay financially stable, having achieved balanced budgets and strong business rates growth.
- 5.30** Under current arrangements, York has the 7th lowest council tax of any unitary authority and significantly lower than any of the surrounding rural and coastal areas.
- 5.31** In an East-West split model, council tax would have to be harmonised across the new area.
- 5.32** Because York residents currently pay less council tax than surrounding areas, an exercise to harmonise rates across a wider area would have one of only two outcomes for York residents:
- If York residents were not to pay more, the resulting reduction in the rates of surrounding areas would create a significant shortfall and funding gap for the new authority.
 - If the income of the new council was protected to avoid any shortfall, York residents would see their bills increase significantly, whilst surrounding areas would see reductions in real terms.
- 5.33** Modelling by PwC suggests that in a merger with Selby, Scarborough and Ryedale, York residents would pay an additional £117 each year for a Band D property compared to retaining the existing council structure if income were to be maintained. This increase of over 8% would effectively be subsidising the areas in Selby, Ryedale and Scarborough at the expense of York residents.
- 5.34** It is worth noting this is four times above the current threshold for referenda and does not take into account the potential for additional growth requirements emerging from demands around Covid-19 recovery.

**7th lowest unitary council tax levels nationally
(excluding all precepts)**



Band 'D' council tax 20/21 (excluding parish precepts)



5.35 The amount City of York Council spends per dwelling is significantly lower too. City of York's core spending power is, on average, £265 less per dwelling than the North Yorkshire district areas (adding the County's spending to that of districts) highlighting that York is already comparatively inexpensive and that it is working in a different operating context to the rest of the sub-region.

Building on existing strategic collaboration

5.36 Working with our partners, the city has innovated and succeeded in a variety of fields. We are the UK's first gigabit city, providing new opportunities for residents and businesses at a time when digital technology has never been more important. Our Digital City programme has delivered leading improvements and we are drawing on our gigabit infrastructure to lead the way in SMART cities transformation in both transport and independent living.



5.37 York has maintained its reputation for quality of life and successfully balanced its status as a historic and cultural city with the development of modern, innovative and sustainable infrastructure, growing the tourism and leisure sector by nearly a third and supporting emerging bio and agri-tech economies.

5.38 We have a very good record in successful joint working with neighbours and partners across a range of functions. We already work collaboratively and effectively with surrounding authorities. This ranges from wider strategic policy development to service level activities to create efficiencies, improve service delivery and provide greater resilience across a wider footprint. Examples include:

- *Yorwaste* - an arm's length waste management and processing operator set up in 2007 owned jointly by North Yorkshire County Council and City of York Council. It disposes of over half a million tonnes of waste per year and carries out 550,000 trade waste and business waste collections across the whole of York and North Yorkshire. Its integrated waste management approach provides customers with sustainable, innovative and economic waste management solutions supported by excellent customer service. We are also partners in the public/private partnership of the Allerton Park Waste Recovery Plant.



Tens of £m
unnecessary transition
costs



£265
less spend
per dwelling currently

- *Veritau* – established in 2009 as a local authority shared service company to bring together the internal audit and counter-fraud services at City of York Council and North Yorkshire County Council. It has provided successful, cost effective services and continues to grow. It now includes five of the North Yorkshire district councils (and beyond to councils in Tees Valley) and has extended its portfolio to offer Information Governance, Data Protection and Risk Management services.
- *Health & Safety* – following the successful sharing of a Head of Service for City of York Council and North Yorkshire County Council, a formally constituted Shared Service was created between the two councils in June 2017. It has been operating well and has continued to grow including additional work across City of York Council particularly on Construction, Design and Management. In addition, the trading element has substantially increased with the service acquiring two North Yorkshire district councils.
- *Information and Communications Technology* – City of York Council has worked collaboratively with Harrogate Borough Council on an interim basis to provide strategic support and technical operational delivery. This has involved a Shared Head of ICT and sharing of expertise across the teams, development of common platforms with the potential for greater levels of shared delivery and economies of scale

5.39 There is a strong appetite to build on these successful foundations, to co-operate and work together with neighbouring councils where it adds resilience and efficient service delivery whilst allowing a clear focus on York to remain as a unique and distinctive place. (See 5.44 below)



5.40 We work very closely and effectively with the York and North Yorkshire Local Enterprise Partnership (LEP) reflecting the importance of York to the wider economic footprint across North Yorkshire and the interdependence that brings. Our Economic Growth team provides specific resource to the partnership and worked intensively with it on Covid-19 recovery and economic development plans. It is acknowledged that York will be key to driving regional productivity transformation.

5.41 The strong collaborative links with the district councils, North Yorkshire County Council and the LEP to develop the York and North Yorkshire devolution proposals demonstrates our commitment and ability to engage with partners whilst retaining York's unitary status. This commitment will ensure that York's place making role continues to reflect its heritage and contemporary culture whilst also contributing to the economic well-being of the region and simultaneously conserving and enhancing its unique historic, cultural and natural environmental assets. This reflects York's ability to focus on a distinctly different type of place whilst being an integral asset at York and North Yorkshire level.



5.42 As one of UK's most connected cities York also has key strategic links with the economies of West Yorkshire too and taps into unrivalled connectivity across the Northern Powerhouse. Our transport links to London, Edinburgh and the financial centre of Leeds has led, for example, to a growing financial and digital sector.

York and North Yorkshire Strategic Partnership

5.43 Given the value and benefits of regional collaboration, and the further potential for efficiencies, City of York Council and North Yorkshire County Council are proposing a Strategic Partnership to build on this existing collaboration at greater scale, embrace the diversity of the two areas and avoid the unnecessary costs and dis-benefits of disruption to York whilst achieving efficiencies.

5.44 The partnership would operate on the following principles:

- We will remain sovereign bodies respectful of the strengths that both partners bring to the partnership, to the Mayoral Combined Authority (MCA) and to the wider economic and social makeup of the York and North Yorkshire sub-region.
- We will utilise the specific strengths of each authority to support the other, through a range of collaborative approaches, from sharing of services through to acting as a critical friend.
- For those aspects of previous district responsibility, CYC will support transition arrangements for the new NY unitary, giving consideration to sharing of services where there is benefit in doing so.
- We will consider any potential efficiencies as part of forming new partnership working arrangements.
- We will use the future MCA as a vehicle for delivery of shared models of working where they relate to the priorities of the MCA. Other areas of governance will build upon other joint arrangements and will be proportionate.
- We will work jointly as part of the approach to recovery from the Covid-19 pandemic creating a stronger and more effective response.
- We will come together as equals regardless of population, land mass and GVA output.
- Collaboration will not be limited to York and North Yorkshire.
- We will collaborate more broadly where this makes sense.
- We will be agile in our approach to collaboration. Success will be judged in the medium to long term and not solely on individual ventures.

The proposed partnership will be submitted prior to 9 December with our supplementary evidence.

Strong leadership

- 5.45** Strong city partnership working during the Covid-19 response and recovery has been evident, building on previous responses to flooding and existing effective relationships. The strength of the partnership working is recognised by schools, universities, health commissioners and providers and public services.
- 5.46** The continuity of leadership arrangements on the existing upper tier footprints (i.e. the North Yorkshire and City of York Council geographies) would allow stability at local government level. This would provide the platform for the swift development of Combined Authority arrangements and an Elected Mayor (subject to a devolution deal) in support of the Government's model of strengthened regional leadership.
- 5.47** On the other hand, establishing an East-West unitary arrangement would provide untested corporate and leadership arrangements. The transition would take significantly longer and require the creation of two new authorities, with associated administration requirements. It would also delay the formation of a Combined Authority and election of a Mayor, delay access to the associated gain share that a devolution deal would bring and would dilute local priorities as part of a wider geography including rural and coastal communities.
- 5.48** This wider footprint would make York a smaller part of a large area, with the inevitable consequence of reducing the focus of leadership on the specific issues facing York.



York Central

£77.1m

infrastructure funding

Sustainable structures

- 5.49** City of York Council has existed since 1996 on a sustainable footing. It has not seen the same financial challenges seen by other (in many cases, much larger) authorities. York's economy is considered well-placed to bounce back from Covid-19 and support the authority through sustained business rates growth.
- 5.50** York has been successful in unlocking significant investment in major projects, including £77.1 million recently secured from Government to deliver essential infrastructure on the York Central site. The existing strong partnership arrangements are best placed to continue to progress these critical programmes.
- 5.51** A single North Yorkshire unitary (alongside City of York) would create financial efficiencies which would enhance its existing sustainability.
- 5.52** The challenges of council tax harmonisation risk financial instability initially. The longer term ability to attract investment into an unrecognised geography is unknown.

6.0



Local Support

Government criteria

“ command a good deal of local support as assessed in the round overall across the whole area of the proposal ”

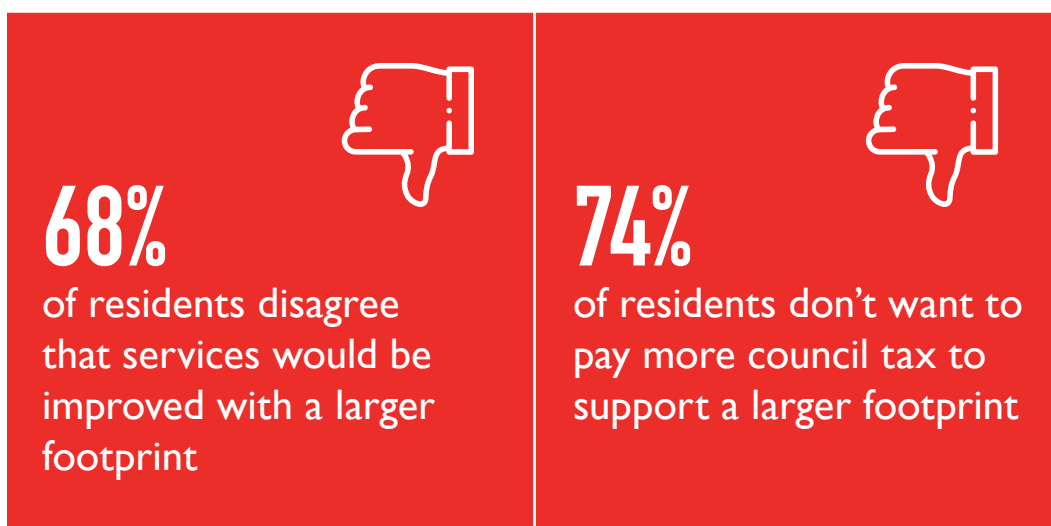
Local Support

- 6.1 York has a powerful sense of community and the retention of York in its current unitary format has strong local support across all sectors.
- 6.2 Engagement with stakeholders and the city’s population at large shows a clear consensus for maintaining the current unitary format for the City of York. This support continues to grow and covers communities across the city and a diverse range of sectors.
- 6.3 Support for York not only relates to the strong sense of place that York has but also to its ability to function as a financially stable city, providing excellent services to its residents whilst maintaining low taxes comparative to the rest of the region and other unitary authorities throughout the county.
- 6.4 A decision to reconfigure York’s current status goes against the prevailing view in the city and leads to an increased cost to taxpayers at a time of economic challenge.

Local Voices



They don't want disruption or resources wasted on merging.



Public support

- 6.5 As part of the ongoing consultation, Our Big Conversation, York residents were asked for views on potential changes to their council.
- 6.6 A preliminary analysis showed that when asked whether they believed services in York would be improved by their council covering a larger geographic area, over two-thirds (67.7%) of respondents either strongly disagreed or disagreed that services would be improved.
- 6.7 Furthermore, there was also strong opposition to paying more council tax to support a council with a larger geographic area with three quarters opposed to such a scenario.
- 6.8 The response to Our Big Conversation continues the theme identified in engagement with the local population about the city they live in.
- 6.9 The Talk York Consultation in 2019, which heard from over 5,000 people, highlighted a clear message that one of York's key strengths is its size. The consultation identified that York has all the benefits of city living - access to culture, transport connections, educational and business opportunities and vibrant communities - whilst remaining very much on a human scale.
- 6.10 A further submission of evidence will be sent, prior to 9 December, to provide full analysis and additional survey results of residents' views.

Stakeholder support

- 6.11** There is broad and growing support for York to remain a unitary authority from key stakeholder groups. This support has manifested itself in letters of support to the Minister of State from a range of sectors within the community of York and in the health, business and education sectors.
- 6.12** From the health sector, support relates to the continued joint working between York and North Yorkshire, equitable to the footprint on which the health sector currently operates, with any reconfiguration of these working relationships across the health and social care sector seen as detrimental while the country continues to fight the Covid-19 pandemic.
- 6.13** From an educational perspective, stakeholders support measures that retain the current local authority boundaries for York given the authorities excellent record of achievement for pupils across the city. At a tertiary education level, the strong partnership between the sector and the city ensure that York's places of learning are leaders in innovation.
- 6.14** From the business community, there is recognition that York, in its unitary form, offers a competitive advantage for businesses based in the city. The city's brand recognition, alongside the simplicity of scale and accountability, ensure confidence in conducting business in the city at a time when there are clear economic challenges. There is also a concern that being part of a local authority on a wider footing would mean the loss of close public/private sector engagement.
- 6.15** Where there is cross-over into the wider region, a change in governance structure would do little to improve and support relationships. If anything, there would likely be disruption to Police and Fire Services and bodies such as the Local Enterprise Partnership as relationships are reconfigured and ways of working are changed for no real gain at a time when resources are stretched.



“York’s proportionate contribution to the proposed devolved region economically and in terms of its distinct identity, strengths and potential cannot be overstated, and for that reason the Chamber supports the opportunity to retain that distinct identity within the devolution and unitarisation proposal.”

Andrew Digwood *President, York and North Yorkshire Chamber of Commerce*



“We already sit in uncertain economic times and changes to the existing structure of York as an authority have the potential to create unnecessary uncertainty as we seek to make further investment around the City.”

Max Reeves *Director, Helmsley Group*



“Given the need for the council to be prioritising Covid Recovery at this time, unnecessarily drawing York into structural changes... is unwelcome and would be detrimental to city wide efforts to build back better.”

Jon Flatman *Chairman, York City Knights*



“We regard the retention of City of York Council as a requirement for the alignment and streamlining we need in order to more readily break down boundaries between health and care and simplify joined up working.”

Simon Morritt *Chief Executive, York Teaching Hospital NHS Foundation Trust*

Phil Mettam *Accountable Officer, NHS Vale of York Clinical Commissioning Group*

Professor Stephen Eames CBE *Chair, Humber, Coast and Vale Health and Care Partnership*



7.0



Conclusions

From the assessment of the proposals coming forward, it is absolutely clear that:

- There are significant advantages of York remaining as a unitary authority on its existing footprint, to support Covid-19 recovery, provide a stable base upon which to progress devolution and to work collaboratively with a new North Yorkshire unitary authority to achieve even greater efficiency.
- There are significant disadvantages of a merger of York with neighbouring districts in terms of costs to York taxpayers, disruption to services and loss of identity.

We fully recognise that the Government's criteria seek to improve local government in the area and that each authority should determine what is in the interests of its residents.

There would be significant advantages to residents of Selby, Ryedale and Scarborough of a merged model which reduces the inherent inefficiency of 2-tier local government. However, these advantages would be better achieved through a single North Yorkshire unitary authority rather than 2 new authorities with illogical and unrecognised geographies.

It is also clear that a merger of City of York Council with neighbouring authorities does not command significant local support.

Through City of York Council remaining as a unitary alongside a new North Yorkshire unitary authority, all the Government's criteria are met by:

- Providing the highest level of efficiency whilst maintaining as far as possible the leadership structures and partnership arrangements which will support sustainable local government in the future and paving the way for swift devolution.
- Having clear and demonstrable local support.
- Representing a clear and recognised geography which supports and maintains local identity.

The ability of these councils to work collaboratively at a service level and strategically at a LEP and Combined Authority level, provides the stable foundations for efficient and effective local government well into the future.

We believe this is the only proposal under consideration which achieves these ambitions.



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