

For Publication

Community Governance Review

Meeting:	Cabinet Council
Date:	16 April 2024 24 April 2024
Cabinet portfolio:	Governance
Directorate:	Corporate

1.0 Purpose of the report

- 1.1 To inform members of the process for community governance reviews and consider the formal request made by Toby Perkins MP to undertake a review of Staveley Town Council.

2.0 Recommendations

- 2.1 That a Community Governance Review is not undertaken at this time, however this will be reconsidered by Council if valid trigger conditions for a Community Governance Review are met in the future.
- 2.2 That Chesterfield Borough Council continues to support Staveley Town Council's improvement efforts including the recommendations of the Staveley Improvement Board.

3.0 Reason for recommendations

- 3.1 There is an opportunity to work with Staveley Town Council to support the implementation of the recommendations made by the local improvement board. Staveley Town Council needs some time to work through these recommendations and improve their governance arrangements and financial position.

4.0 Report details

4.1 Background information

In November 2022, the incoming Town Clerk of Staveley Town Council reported that the Council's bank balance was insufficient to discharge its obligations and that the final accounts for 2021/22 reported a deficit of

£236,000 which is the equivalent of 63% of the Council's precept figure for 2021/22.

4.2

The Town Clerk of Staveley Town Council urgently contacted both local MPs – Toby Perkins MP and Lee Rowley MP and Chesterfield Borough Council to discuss the situation. In February 2023, Chesterfield Borough Council, with the permission of the Secretary of State for the Department for Levelling-Up Housing and Communities agreed to assist Staveley Town Council to pay its debts and remain in a position of cash solvency through 2023/24. The financial rescue package made the provision for the payment of a maximum loan of £400k at a 4.4% interest rate repayable over a five year period.

4.3

The Local Government Association, Chesterfield Borough Council and Staveley Town Council, with the support of the National Association of Local Councils also agreed to establish an independent local improvement board. The board was commissioned to undertake a review of Staveley Town Council which aimed to regain public confidence in the council and demonstrate Staveley's ambitions and ability to deliver value for money services to the local community, whilst prudently managing its finances. The review was completed in November 2023 and the recommendations approved by Staveley Town Council. The review report can be accessed [here](#).

4.4

Community governance review request

In June 2023, Toby Perkins MP wrote to the Leader of Chesterfield Borough Council formally requesting that Chesterfield Borough Council carry out a community governance review of Staveley Town Council. This request was made as a result of a residents' survey carried out in the Staveley Town Council area by the MP's office. 5,172 questionnaires were distributed with 706 being returned. 83% of respondents were in favour of the abolition of Staveley Town Council.

4.5

The Leader of Chesterfield Borough Council commissioned a review of the process for carrying out a community governance review. This information alongside the findings from the local improvement board have been used to formally consider the community governance review request.

4.6

Triggering a community governance review

There are a number of ways in which a Community Governance Review can be triggered:

- Boundary issues - A local government boundary commission review was completed for Chesterfield borough during 2022/23 and was applied from the 2023 borough and parish elections. There were some changes impacting the two parished areas, but these are not

considered to be significant enough to warrant a governance review as a sole trigger.

- Scheduled reviews - Some authorities (generally those with a large number of parishes) choose to schedule a review of parish / town council arrangements every 10 to 15 years. We do not currently have this approach in Chesterfield Borough.
- By request - Some parish councils have requested a review by the principal council with the intent of self-abolition.
- Petition - Under the Local Government and Public Involvement in Health Act 2007, local electors can petition their principal council for a community governance review to be undertaken.

4.7

Petitions are the most common trigger for a community governance review. For a petition to be valid, it must meet certain conditions:

1. It must be signed by the requisite number of local electors – 10% of the electors on the most recently published electoral register
2. The petition would need to clearly define the area to which the review relates
3. Where a petition recommends the establishment of a town or parish council in an area which does not currently exist as a parish, the petition is to be treated as including a recommendation for a parish to be created even if it does not expressly make such a recommendation

To date, Chesterfield Borough Council has not received a valid petition calling for a community governance review.

4.8 What a community governance review can and can't do

Community Governance reviews are required to take into account a number of factors including:

- The impact of community governance arrangements on community cohesion
- The size, population and boundaries of a local community or parish
- That community governance within the area under review will be reflective of the identities and interests of the community in that area
- The community governance will be effective and convenient

4.9 A community governance review can make recommendations on:

- Whether a new parish or any new parishes should be constituted
- Whether existing parishes should be abolished, or boundaries altered
- Electoral arrangements

The review cannot:

- Change the number of councillors on Chesterfield Borough Council
- Change Chesterfield Borough Council ward boundaries
- Change the amount of money that a parish council raises through your council tax (known as 'precept')

Abolition of a parish council

4.10 Section 88 of the 2007 Act provides for a community governance review to recommend the alteration of the area of, or the abolition of, an existing parish as a result of a review. The guidance clearly states that the abolition of parishes should not be undertaken unless clearly justified. Any decision a principal council may make on whether to abolish a parish should not be taken lightly, however, there may be exceptional circumstances where abolition may be the most appropriate way forward. Under the 2007 Act provisions, the principal council would need to consider local opinion, including that of parish councillors and local electors. It would need to find evidence that the abolition of a parish council was justified, and that there was clear and sustained local support for such action.

4.11 Prior to 2007, the Secretary of State took decisions on the outcome of community governance review. A key factor taken into account by Government in deciding abolition cases, was that local support for abolition needed to have been demonstrated over at least a period equivalent to two terms of office of the parish councillors (i.e. eight years), and that such support was sufficiently informed. This means a properly constituted parish council should have had an opportunity to exercise its functions so that local people can judge its ability to contribute to local quality of life.

4.12 This two-term consideration is an important one and links into the current improvement work being undertaken by Staveley Town Council, following the acceptance of the recommendations made by the local improvement board. The recommendations aim to improve the Councils governance and financial status and are relevant to the consideration of whether or not to undertake a community governance review. Staveley Town Council need to be afforded some time to implement the findings and embed the improvements.

Approval for a community governance review

4.13 Chesterfield Borough Council's Full Council must approve the launch of a Community Governance Review and its terms of reference. The Council must then publish a community governance review notice and agreed terms of reference via:

- The Council's website
- Arrange for copies to be available for public inspection at public buildings
- Send a copy to all parish clerks
- Request for publication on the parish council websites, notice boards and public buildings
- Send a copy to all local members of parliament

4.14 The 2007 Act allows principal councils to determine the terms of reference under which a community governance review is to be undertaken. It requires the terms of reference to specify the area under review and the principal council to publish the terms of reference. The terms should be appropriate to local people and their circumstances and reflect the specific needs of their communities.

4.15 As Chesterfield Borough is within a two tier area, we are required under section 79 of the Act to notify Derbyshire County Council of our intention to undertake a review and engage them in the development of the terms of reference.

Timescales

4.16 Principal authorities have 12 months in which to complete the review from the date of the terms of reference being published. The review ends when the council publishes the final recommendations which have been approved by Full Council.

Consultation

4.17 There is a requirement to consult electors in the area under review and other key stakeholders including the county council, parish councils and other bodies such as businesses, community and voluntary sector organisations, schools and health bodies. Many community governance reviews undertake a two stage consultation process:

- Stage 1 (12 weeks) includes a public consultation paper and invitation to submit proposals for consideration under the terms of the community governance review. Individual invites to take part in the consultation would be required for key stakeholders including the relevant parish councils, County Council, MPs, Schools, other key public sector organisations including Fire, Police, NHS etc.
- Stage 2 (12 weeks) Following on from the first stage of consultation, draft proposals will be developed and considered by Full Council for a second round of consultation. This consultation is more extensive and will require an individual invite to all electors within the parish council areas to comment and make representations and further submissions on the proposals. Once again key stakeholders including relevant parish councils, County Council, MPs, Schools, other key public sector organisations including Fire, Police, NHS etc. plus any organisations that made initial submissions will also need to receive an individual invite to have their say.

Local Government Boundary Commission consent

4.18 If, as part of a Community Governance Review, a principal council wishes to alter the electoral arrangements for a parish whose existing electoral arrangements were put in place within the previous five years by an order

made either by the Secretary of State, the Electoral Commission, or the Local Government Boundary Commission (LGBC), the consent of the LGBC is required. Both Staveley Town Council and Brimington Parish Council electoral arrangements were reviewed as part of the Chesterfield Borough review in 2022 (came into force in May 2023). We are therefore within the five year consent period.

Implementation

- 4.19 Following completion of a Community Governance Review and a reorganisation order being made, new or revised parish electoral arrangements come into force at ordinary parish elections, rather than parish by-elections (provided that permission can be obtained). The next scheduled elections for both Staveley Town Council and Brimington Parish Council is May 2027.

5.0 Alternative options

- 5.1 No alternative options have been identified.

6.0 Implications for consideration – Financial and value for money

- 6.1 Due to the advice requirements and two extensive consultation periods, the anticipated cost of the Community Governance Review is in the region of £50,000. A growth request would be required as there is no budget currently assigned to this activity.
- 6.2 Should the Community Governance Review recommend and the recommendation be accepted (with all permissions required) the abolition of one or more parish council, then all assets and liabilities would need to be transferred to the principal authority. The precept power of the parishes would be abolished alongside the council, so the principal authority has no opportunity to cover any additional costs via a precept for these areas.

7.0 Implications for consideration – Legal

- 7.1 Chapter 3 of Part 4 of the Local Government and Public Involvement in Health Act 2007 streamlines and devolves the responsibility for community governance reviews to the 'principal authority' which in the case of Staveley Town Council and Brimington Parish Council is Chesterfield Borough Council. The latest guidance for principal authorities is from 2010 and is available [here](#).

8.0 Implications for consideration – Human resources

8.1 Community governance reviews are resource intensive and have a significant strain on services within Directorate Corporate including Regulatory Law, Policy and Partnerships, Democratic and Elections and Communications and Marketing.

9.0 Implications for consideration – Council Plan

9.1 None.

10.0 Implications for consideration – Climate Change

10.1 A climate change impact assessment would need to be undertaken for a community governance review terms of reference, consultation and recommendations.

11.0 Implications for consideration – Equality and diversity

11.1 An equality impact assessment would be a key part of developing the community governance review terms of reference, consultation and recommendations.

12.0 Implications for consideration – Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Legal challenge – judicial review	H	M	<ul style="list-style-type: none"> Careful consideration of legislation and guidance prior to agreeing to undertake a review. 	H	L
Negative budget impact of carrying out the review	M	H	<ul style="list-style-type: none"> Careful consideration of legislation and guidance prior to agreeing to undertake a review. Development of a costed project plan prior to decision being taken 	M	L

Liabilities being transferred to the principal authority should a community governance review recommend abolition of a parish council.	H	H	<ul style="list-style-type: none"> Local improvement board review informs asset and liability position Transition period with extensive project plan would need to be developed 	M	M
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Decision information

Key decision number	1223
Wards affected	All

Document information

Report author
Service Director – Corporate
Background documents
These are unpublished works which have been relied on to a material extent when the report was prepared.
None
Appendices to the report
None