

Forward Plan reference number: FP/874/11/20

Report title: Extension of Devolution Pilot with Parish and Town Councils to 2021/22	
Report to: Councillor Kevin Bentley, Deputy Leader and Member for Infrastructure and Councillor Chris Whitbread – Cabinet Member for Finance	
Report author: Andrew Cook, Director, Highways and Transportation	
Date: 03 March 2021	For: Decision
Enquiries to: Peter Massie, Head of Essex Highways Commissioning email: peter.massie@essex.gov.uk	
County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 In 2018/19 the Leader of the Council made £1.0m available to run the devolution initiative as part of the budget announcement. On 1 March 2019, a devolution pilot project was launched whereby Essex County Council (ECC) allocated funding to a small number of Parish and Town Councils and allowed them to spend this on minor and routine maintenance works related to the highway network in their area. This pilot was expected to run until 31 March 2021.
- 1.2 Due to the impact of COVID19 and enforced social distancing rules, Parish and Town Councils have been unable to undertake the work envisaged by the pilot meaning that we cannot yet undertake a formal review of the pilot and assess its effectiveness.
- 1.3 This report asks the Cabinet Member to extend the devolution pilot for a further year, until 31 March 2022 and agree for the unutilised balance of £915,000 from the Transformation Reserve to be retained for use in future years. This will enable ECC to gather enough evidence for a formal review and further increase the uptake amongst Parishes and Town Councils not yet signed up.

2. Recommendations

Deputy Leader and Cabinet Member for Infrastructure:

- 2.1 Agree that the Deputy Leader and Cabinet Member for Infrastructure extend the devolution pilot until 31 March 2022.
- 2.2 Agree that the money available to each parish be unchanged for the length of the entire pilot.
- 2.3 Agree that the Director, Highways and Transportation may allocate additional funding to a parish during the pilot if the parish has spent the original allocation effectively and he believes that this is in the interests of evaluating the pilot.

Cabinet Member for Finance:

- 2.4 Agree that the unutilised balance of £915,000 from the Transformation Reserve is retained to fund the remaining term of the initiative.
- 2.5 Note that this may require a draw down from the reserve in 2021/22.
- 2.6 Agree a drawdown of £20,000 from the unutilised balance of £915,000 to fund committed payments to the Parish and Town Councils in 2021/22, which will be allocated in accordance with paragraph 5.1.3.

3. Summary of issue

- 3.1 The Council has a duty to maintain the highway network. In order to provide a high-quality service and ensure that resources are directed to the highest needs, we follow the priorities set out in our policies. This helps the public know what they can expect.
- 3.2 However, this also means that low priority items of work that the public would like to be completed are either not attended to or take a long period to be fixed. Such aspects are most likely not a statutory duty but may enhance the appearance of any area, such as sign cleaning, weed spraying, amenity grass cutting and minor repairs.
- 3.3 In 2018/19 the Leader of the Council made £1.0m available to run the devolution initiative as part of the budget announcement. For the 2019/20 financial year ECC created a new opportunity for Parish and Town Councils to undertake low priority items of work under a formal devolution agreement. Twelve parish and town Councils have signed up to devolution agreements with ECC since the start of the pilot.
- 3.4 Due to the restrictions implemented as a result of COVID19 and enforced social distancing measures, it has proved difficult for Parishes and Town Councils to carry out the work they committed to do in 2020/21. Available resources have been reduced as these are often met from within the community and there has been minimal volunteers coming forward to trial the processes or provide a better understanding of what is achievable long-term.
- 3.5 It is therefore recommended to extend the devolution pilot for a further year until 31 March 2022 and for the project to retain the unutilised balance of £915,000 from the Transformation Reserve to fund the remaining term of the pilot. This will enable ECC to gather enough evidence for a formal review and further increase the uptake amongst Parishes and Town Councils not yet signed up.
- 3.6 The Government's advice in relation to the Coronavirus outbreak and the implementation of social distancing rules has meant it has taken longer than expected for parishes to start operating the devolution scheme. Initial feedback has been encouraging and extending the scheme, along with the financial

commitment required, will mean we are better informed to decide whether or not devolution should be a long-term feature of our highways maintenance arrangements. The fact that an area is participating in the scheme does not affect the maintenance undertaken by Essex Highways, meaning that in effect this is new money, albeit the budget is modest.

3.7 We intend to actively encourage new parishes to apply to join the pilot but this will be dependent on retaining the funding previously committed to the devolution pilot by the Leader. The funding available to each parish will be calculated in the same way as the current pilot and in accordance with 5.1.3 below. It is proposed that the Director, Highways and Transportation be given discretion to allocate additional funding to parishes which have spent their current allocation. This would allow them to continue to operate during the extended pilot period. This is because these parishes are likely to support the scheme and if we do not allocate additional funding they may need to cease operations which increases the risk that they will not wish to resume if the pilot is made permanent. Additional funding will be allocated on a similar basis to 5.1.3 below but adjusted with respect to the length of time covered. It is requested that £20,000 is drawn down at the start of 2021/22 in order to support this activity.

3.8 This devolution pilot initiative helps achieve the following aims of the Organisational Strategy:

- **Help create great places to grow up, live and work**

Secure sustainable development and protect the environment

- Reduce the environmental impact and cost to the taxpayer of dealing with waste, by working effectively with partners to minimise waste.
- Improve the image of the county, by promoting the benefits of Essex Highways and the County Council.
- Reduce carbon emissions and energy costs for Essex Highways by supporting the development of new strategies that promote clean growth and the use of affordable energy.

- **Transform the council to achieve more with less**

Limit cost and drive growth in revenue

- Optimise revenue from services, by charging appropriately and realising commercial benefit
- Drive out inefficiency, by reducing costs, increasing productivity and adopting lean methodology.
- Work collaboratively with partners to deliver maximum value for taxpayers' money that is spent through Essex Highways.

4. Options

4.1 **Option 1 (Recommended): Extend the devolution pilot until 31 March 2022 and retain the unutilised funding of £915,000 from the Transformation Reserve**

This will enable the Town and Parish Councils signed up to the agreement the chance to fully implement the pilot in their areas and give more considered feedback on how successful the pilot has been in each of their respective parishes and what is achievable long term. It will also give us the opportunity to encourage new parishes to apply to join the pilot and grow the ambition of the scheme becoming a long-term feature of our highways maintenance arrangements.

4.2 Option 2 (not recommended): Extend the pilot to all Parish and Town Councils and retain the unutilised funding of £915,000 from the Transformation Reserve

Without the backing of the existing signed-up Town and Parish Councils it is more likely that others will not choose to join and therefore the initiative is likely to be unsuccessful in the long term.

4.3 Option 3 (not recommended): Cease the pilot initiative and reallocate the funding

The impact of the Coronavirus outbreak has impacted participating Parishes' ability to carry out the works they signed up for in 2020/21. This has also discouraged others from signing up as volunteer resources were limited in the community. Not implementing devolution at this stage will mean that the scheme is abandoned without giving it a fair chance to succeed. This is likely to be unpopular with those town and parish councils who have joined the initiative and who believe it to be a success so far, or who believe that it can be made successful with further opportunity to carry out work and test the concept.

5. Issues for consideration

5.1 Financial implications

5.1.1 At present £915,000 of the original £1.0m allocation remains uncommitted and in the Transformation Reserve. The Highways Service have no permanent budgets to support the future delivery of this initiative and as a result require the balance to remain ringfenced towards this so as to enable further roll out of the programme.

5.1.2 The funding for this project was announced in the 2018/19 Budget by the Leader of the Council. The Pilot has now run for two years with success in those areas that have taken up the initiative.

5.1.3 The annual sum calculated for each Parish is based on 2011 population census and is calculated by multiplying the population of the parish by 68p. A de-minimus value of £1,000 per annum is set for each parish. A draw down of £20,000 is required in 2021/22 to support the delivery of this initiative by those Councils already signed up.

- 5.1.4 Any funding unutilised by this project once it has completed will cease to be ringfenced and made available for transformation elsewhere within the Council.

5.2 Legal implications

- 5.2.1 Essex Legal Services drafted the agreement between ECC and Town/Parish Councils. The initiative supports the services delivered by the ECC but it does not remove or replace the need for ECC to comply with its statutory duties as local highway authority.

6. Equality and Diversity implications

- 6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

7. List of appendices

none

Role	Date
I approve the above recommendations set out above relating to my portfolio for the reasons set out in the report. Councillor Kevin Bentley, Deputy Leader and Cabinet Member for Infrastructure	09 March 2021
I approve the above recommendations set out above relating to my portfolio for the reasons set out in the report. Councillor Chris Whitbread – Cabinet Member for Finance	10 March 2021

In consultation with:

Role	Date
Executive Director of Finance and Technology (S151 Officer) Nicole Wood	02 March 2021
Director, Legal and Assurance (Monitoring Officer) Paul Turner	23 December 2020