Wiltshire Council

Cabinet

24 March 2020

Subject: Service Devolution & Asset Transfer Package - Bradford on Avon

Cabinet Member: Councillor Richard Clewer - Cabinet Member for Corporate

Services, Heritage, Arts, Tourism, Housing, Climate Change and

Military-Civilian Integration.

Key Decision: Key

Executive Summary

Following the approval of the Service Devolution and Asset Transfer Policy in November 2017 Members and officers of Bradford on Avon Town Council (BoA TC) and Wiltshire Council have worked to finalise the detailed package of services and associated assets to transfer from Wiltshire Council to Bradford on Avon.

The final package of services and assets to transfer to BoA TC consists of the following:

Services:

- All grounds maintenance services within the BoA TC Boundary
- All Streetscene services within the BoA TC Boundary
- Responsibility for amenity land hard areas and assets.
- Responsibility for streetscene assets on the highway
- The maintenance of play areas

The responsibility to carry out services and maintenance on all land assets will be discharged by way of an Agency Agreement.

Assets to be transferred:

- Budbury Close Electric Sub Station
- Station Car Park Public Convenience Long lease
- St Margaret's Hill Scout Hut
- Poulton Field
- Poulton Recreational QEII Pavilion
- Frome Road Centre
- Land South of Bridge Street
- 10 distinct land holdings under one title Including but not limited to:
 - o Land Adjacent 10 Deverell Close,
 - Land south of Moulton Drive,
 - Land Adjoining Southway Road,

- Land West of Methuen Close.
- o Beddoe Close Open Space.
- Land south east of Bainton Close
- Land adjoining St Margaret's Hall
- St Margaret's Car Park North West (Part title Walk way only)
- Walk way fronting Swimming Pool
- Bearfield Play Aea
- St Aldhelm Road Play Area
- Greenland View Playground
- Spencers Orchard Play Areas
- Budbury Place Parking Area
- Frome Road Allotments
- Soulder of Mutton Allotments Long lease including rights over Avon Close land to the east
- Cemetery Extension
- · Cemetery with chapels and lodge.
- Barton Farm Country Park including land north east of Barton Farm

Additions

Section 106 - All S106 monies held by Wiltshire Council relating to assets within the BoA TC boundary will be transferred.

Capital fund from Wessex Water – £25k received to improve and develop Barton Farm Country park. Monies remaining following a programme of works will be transferred to Bradford on Avon Town Council

Allotments & Market Stalls – any deposits or rental income received will be transferred pro-rata commencing 1st June 2020

Town Lock-up – Management of the heritage building will be granted to the Town Council. All maintenance and liabilities will remain with Wiltshire Council due to the building's location on the public Highway.

These services and assets meet the criteria set out in the policy and are to be included in this package.

Proposal(s)

It is recommended that Cabinet:

- Consider and approve the list of services and assets that will be transferred to Bradford on Avon Town Council. The inclusion of any open space land is subject to consideration of any objections received following the advertising of the disposal in accordance with statutory obligations.
- 2) Delegate authority to the Growth and Investment Director following consultation with the Head of Estate and Development to remove assets

- from the final list if site constraints/legal issues are revealed as part of the detailed due diligence process
- 3) Note the net revenue impact to the Council and acknowledge that the Service Devolution programme benefits of cost savings and avoidance will be realised on a cumulative basis as the programme progresses and as more Towns/Parishes complete the process.
- 4) Delegate the implementation of the transfer of assets and the service delegation to the Growth & Investment Director in consultation with the Cabinet Member for Housing, Corporate Services, Arts, Heritage and Tourism,

Reason for Proposal(s)

To complete the transfer of the package of assets and services to Bradford on Avon Town Council.

Alistair Cunningham
Chief Executive Officer - Place

Wiltshire Council

Cabinet

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Key Decision: Key

Purpose of Report

To recommend a final package of services and assets to transfer to BoA TCand to provide detailed information in relation to the financial impact this will have on Wiltshire Council.

Relevance to the Council's Business Plan

The council has a Business Plan objective to transfer packages of assets and services, where applicable, to parish and town councils.

Background

Following several decisions made by Wiltshire Council's cabinet (please see appendix 1 for copies of each cabinet report) since 2015 it has been agreed that Wiltshire Council would work with each Town Council to produce a package of services and their associated assets to be devolved to them.

Following the completion of the Salisbury City package transfer in April 2017 the Service Devolution and Asset Transfer policy was agreed by Cabinet in November 2017 (appendix 2); it sets out clear guidelines for the packages and provides a more streamlined process including the use of standardised service delegation agreements, lease agreements and freehold asset transfer documentation.

In a change to the original premise and lessons learned from the package transfers to Devizes and Chippenham town councils, a forensic analysis of assets owned by Wiltshire Council has been completed for BoA TC where all assets identified are being transferred. This approach has and will be adopted for all further package transfers. In cases where a freehold transfer is not possible the asset would become the responsibility of the Town Council via a service delegation agreement. The new policy lays out criteria for those assets which would not be included as a freehold transfer in the first instance, e.g. anything considered strategic for the Council, anything with a revenue income (except for Markets/Cemeteries) and anything which the Council holds a statutory responsibility to deliver.

From the service perspective, the policy states that the entirety of the service must be devolved to enable the best outcome for the transfer as piecemeal delegations are difficult to manage and risk disparate levels of delivery across the area.

Main Considerations for the Council

The proposal is for the transfer of the following:

Services

- All grounds maintenance services with the Bradford on Avon Town Boundary (as detailed in Appendix 3)
- All Streetscene services within the Bradford on Avon Town Boundary
- o Responsibility of amenity land hard areas and assets.
- Management of the weekly market
- Management of the two allotment sites
- Management of the woodland parks/nature reserves
- Management of the maintenance on all closed church yards within the town boundary
- Responsibility and management of the Town's open cemetery and cemetery extension land.

The responsibility to carry out services and maintenance on all land assets will be discharged by way of an Agency Agreement.

The transfer of the Grounds Maintenance and Street Scene services is on the basis of a contract novation with IdVerde from 1st June 2020 until either the Town Council exit the contract or the contract end date (November 2022). All future amenity and cleaning services within the parish boundary will be the responsibility of BoA TC to manage, including any future land adopted by Wiltshire Council.

• Assets to be freehold transferred:

- Budbury Close Electric Sub Station
- Station Car Park Public Convenience (125 year lease)
- St Margaret's Hill Scout Hut
- o Poulton Field
- Poulton Recreational QEII Pavillion
- Frome Road Centre
- Land South of Bridge Street
- Land north east of Barton Farm
- 10 distinct land holdings under one title Including:
 - Land Adjacent 10 Deverell Close,
 - Land south of Moulton Drive,
 - Land Adjoining Southway Road,

- Land West of Methuen Close,
- Beddoe Close Open Space.
- Land south east of Bainton Close
- Land adjoining St Margaret's Hall
- St Margaret's Car Park North West (Part title Walk way only)
- Avon Close land to the east
- Bearfield Play Aea
- St Aldhelm Road Play Area
- o Greenland View Playground
- Spencers Orchard Play Areas
- Budbury Place Car Park
- Frome Road Allotments
- Shoulder of Mutton Allotments (125 year lease)
- o Bradford on Avon Cemetery Extension
- Bradford on Avon Cemetery
- Barton Farm Country Park

The above list has been compiled on the assumption that there are no site constraints or legal issues affecting the asset which would prevent a freehold transfer being undertaken. In such circumstances the Town Council will be given the most appropriate form of responsibility, for example a. lease or licence. In addition, as part of the due diligence process, there may be a need to remove an asset from the final list due to site constraints / legal reasons.

Transfer of Funding

There will be no transfer of Wiltshire Council funding as part of this package.

Resources

Significant resource from Legal, Finance, Programme Office and Strategic Asset and Facilities Management (SA&FM) will be required to complete the transfer to BoA TC Council, due to necessary due diligence to ensure transfer of service and assets can proceed.

Overview & Scrutiny Engagement

In November 2017 Overview and Scrutiny Management Select Committee (OSMC) undertook a scrutiny review of the revised Asset and Service Devolution and Community Asset Transfer Policy, prior to its adoption by Cabinet.

Safeguarding Implications

None

Public Health Implications

This proposal will have a number of positive public health implications as it allows the Parish Council to manage and enhance the local community services at a local level. A good example would be the redevelopment of the currently closed play areas in the Parish

Procurement Implications

This proposal affects current contracts and will result in a reduced requirement in future contracts. The procurement team will be involved further where appropriate.

<u>Equalities Impact of the Proposal</u> (detailing conclusions identified from Equality Analysis, sections 4 and 5)

The transfer of assets raises no issues in respect of equalities impact.

Environmental and Climate Change Considerations

None

Risk Assessment

Significant resources will be required to complete the work for the transfer.

Risks that may arise if the proposed decision and related work is not taken

 Reduction in budgets due to efficiencies may result in a reduction of services being offered by the Council and potential closures of amenity spaces.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

- A removal of the grounds maintenance for the Bradford on Avon area may result in a pro-rata increased costs of the overall services, as overheads will not be reduced and spread across the remaining service
- Customers may be uncertain about responsibilities in some areas, but experience from Salisbury, Devizes and Chippenham shows this can be overcome and a positive working relationship will be formed with Bradford on Avon Town Council
- Freehold titles may contain restrictions that impact on asset transfer, but these can be overcome by detailed due diligence and dialogue between the parties.

Financial Implications

Ongoing Revenue

Financial analysis has been conducted to examine the impact for the council. The financial model is based on the following assumptions:

The model assumes the transfer will take effect from 1st June 2020.

HR, Legal, Finance, SA&FM, Highways staff time costs for processing the transfer are excluded from the table below.

The table below shows a full year effect of the transfer for 2020/21

Service	Expenditure 2018/2019	Income 2018/2019
Grounds maintenance & Streetscene	£154,101.36	N/A
Markets	Approx. £2,700.00	-£9,674.00
Cemetery	£5,236.86 (Grass cutting, and other maintenance included in IdVerde Contract	-£22,185.00
Allotments	Included in IdVerde contract	-£670.97
Rental (Scout Hut)	£250.00	-£1,500.00
Total	£159,897.42	-£33,795.97

There would be an annual Net Revenue budget saving of £126,101.39 pro rata from 1st June for 2020/2021

The current Streetscene contract expires in June 2020. There is a proposal to extend the contract to 2022 past the Service Delegation and Asset Transfer programme timetable. This will mitigate the risks of considerable rate increases for the whole contract from tendering a service in 2020 without detailed areas and locations over the contract period.

A tender in 2020 would result in a baseline service for rural maintenance, with no guarantee for urban work. Contractors would price accordingly increasing urban rates due to the risk of the loss of this work.

Tendering in 2022 would allow quantities to be known, mitigating the risks of urban rates increases. However, the loss of most of the large urban areas works, close to operational depots (such as: Devizes, Chippenham and Salisbury), will naturally increase the average rate per square meter of any new tender. This will be a challenge to the budget or provision at that time. Service Delegation savings will far exceed the cost increases of the loss of economies of scale, but currently all savings will be surrendered at the time of transfer removing funding from the future service budget.

<u>Capital</u>

The assets listed have a current value of approximately £17k. This figure reflects the uses, restrictions and agreements that affect the assets. These values do not represent the sums that may be realised, were the properties to be offered to the market, but indicate the

reduction of the Council's asset base that will result from the proposed transfers, if approved.

Section 106 monies

Around £4,000 of Off Site Contribution capital section 106 monies would transfer to Bradford on Avon Town Council.

Please note these figures are correct as of February 2020, these amounts may change by the time of transfer based on funds being accessed.

Legal Implications

Section 123 of the Local Government Act 1972 ("the LGA 1972") imposes a general restriction on disposals by local authorities which means that Wiltshire Council cannot dispose of its land for a consideration less than the best that can be reasonably obtained in the market, except with the express consent of the Secretary of State. Disposals by way of short term tenancies are not caught by this restriction.

The power of the Secretary of State to give a general consent for the purpose of land disposals by local authorities is set out in section 128 (1) of the LGA 1972. Specific consent is not required for the disposal of any interest in land at less than best consideration where the authority considers that the disposal will help it to secure the promotion or improvement of the economic, social or environmental wellbeing of its area. However, disposal at less than best consideration is always subject to the condition that the undervalue does not exceed £2 million. Therefore, all proposed transactions where the aggregate of "undervalue" exceeds the £2 million threshold will require the specific consent of the Secretary of State.

The properties listed have a current asset value of approximately £945,000. This figure reflects the uses, restrictions and agreements that affect the assets. These values do not represent the sums that may be realised, were the properties to be offered to the market, but indicate the reduction of the Council's asset base that will result from the proposed transfers, if approved

The model community asset transfer and leasehold documentation is drafted on the basis that the use of the property will continue for the benefit of the local community.

Open Space Land

A local authority has a statutory duty to advertise its intention to dispose of open space land in a local newspaper for two consecutive weeks and to consider objections. This will be done before any final decision is taken on the disposal so that proper consideration is given to the responses that are received. This process will need to be factored into the transfer programme for Bradford on Avon Town Council.

State Aid

European State aid law is intended to avoid any state aided subsidies which could distort competition and affect trade between members states. State aid law can potentially apply to town and parish councils and third sector organisations when they receive community assets and/or financial contributions from Wiltshire Council towards the cost of delivering delegated services. State aid can only be found in the situation where the organisation receiving the aid acts on a market. Local Authorities (as well as charities) can in some of their functions be assessed as acting on a market. This assessment is unlikely to be made where the recipient is engaged in carrying out not for profit activities to meet local community need. However, the use of each individual asset or financial contribution must be considered, and Legal Services must be engaged to advise Wiltshire Council on the State aid implications for the transfer package.

If State aid has been granted without European Commission approval (either through a separate notification or by following the terms of the relevant exemption) this would be illegal State aid. The European Commission has the ability to make such orders to correct the perceived market distortion caused by the illegal aid. This could take the form of an order to the recipient to return to Wiltshire Council any assets and/or repay the value of any financial aid, plus interest from the date of the aid to the date of repayment.

Even where there is no illegal State aid in favour of the recipient, care needs to be taken to avoid accidental leakage of aid in the future when the recipient itself deals with the asset or funding. For instance, care needs to be taken by the recipient to avoid giving a third party a competitive advantage by letting a community asset at below market rate, and an EU compliant procurement process must be followed by the recipient when engaging any third party to carry out delegated services. There are clauses in the model legal documentation between Wiltshire Council and the recipient to deal with this.

Transfer of employees

There are two different types of transfer of employees under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) – Service Provision Change or a Transfer of Whole or Part of an Undertaking.

It will be necessary to consider the application or otherwise of TUPE having regard to the circumstances of the case and whether for example redundancy costs may be payable in the event that TUPE doesn't apply. These costs will need to be identified and form part of the financial analysis of the proposed service devolution.

TUPE may occur at the end of the Idverde contract, for any work delegated. The land transfers and contract novation will occur pre expiry of the Idverde contract. BoA TCmay receive staff subject to TUPE (staff follow the work) although this is considered unlikely and in any event would be a matter for BoA TC to resolve should this arise.

Section 101 of the Local Government Act 1972 and supporting legislation (the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012)

allows the Council to decide to delegate certain functions relating to services to town and parish councils, including Bradford on Avon Town Council.

There are two levels of service delegation proposed under this report depending on the function involved:

<u>Delegation of service delivery.</u> This type of delegation applies for the Grounds Maintenance and Streetscene service and may be discharged by way of an Agency Arrangement. The function is a statutory function which remains the responsibility of Wiltshire Council, however the delivery of the service may be transferred to BoA TC who will become responsible for the delivery contracted out services. This arrangement must be by way of a written agreement which clearly defines the services being transferred and any conditions to which the transfer is subject.

<u>Delegation of service responsibility</u>. The service (and any land, buildings or assets that are required to run the service locally) will transfer to Bradford on Avon Town Council. This type of delegation can only apply where Wiltshire Council has a high degree of discretion about the provision of the service. Wiltshire Council will cease to be responsible and accountable for the delivery of these services.

It is confirmed that Wiltshire Council has the power to delegate the proposed services by s.101 of the Local Government Act 1972. There is the power for BoA TC to deliver the service however it is for BoA TCt o determine its own ability to deliver the service and this was considered at a formal meeting of the Town Council before deciding to accept the service delegation

Officers will instruct Legal Services to draft the required Agency Agreement, so that terms relating to all functions to be delegated can be negotiated with Bradford on Avon Town Council.

In respect of the Section 106 monies a process will need to be defined to ensure that there is a clear understanding of what it can be used for and the date by which it must be spent with the parties entering into legal documentation to set out the arrangements.

Proposal 'c' below in this report; "Delegate the implementation of the transfer of assets and the service delegation including the ability to remove assets where site constraints/legal issues are revealed in the due didilgence process the Growth & Investment Director in consultation with the Cabinet Member for Housing, Corporate Services, Arts, Heritage and Tourism," Paragraph 2.2 of the Constitution sets out the issues that must be properly considered and completed when exercising delegated powers, including:

- The views of the relevant Cabinet Member, Committee Chairman and Area Boards following the application of the consultation criteria set out in the Constitution;
- The implication of any Council policy initiative, strategy or procedure. Officers need to be aware of any potential impact of a delegated decision on other services. In such cases, consultation with officers, relevant Cabinet Members(s) or Committee Chairman from any affected portfolio and local members, where the issue relates to a specific area, should take place;
- The range of available options;
- The staffing, financial and legal implications;

 The assessment of any associated risks in accordance with the Council's risk management strategy

The above list is not exhaustive. Please refer to Part 3 Section D Scheme of Delegation to Officers of the Constitution for a complete list of the issues that must be taken into consideration.

Options Considered

None

Conclusions

The council can move towards achieving its Business Plan objective to transfer packages of assets and services to parish and town councils with this transfer.

Proposal

It is recommended that Cabinet:

- a. Consider and approve the final list of assets and services listed that will be transferred to Bradford on Avon Town Council
- b. Note the net revenue impact to the Council and acknowledge that the Service Devolution programme benefits of cost savings and avoidance will be realised on a cumulative basis as the programme progresses and as more Towns/Parishes complete the process.
- c. Delegate the implementation of the transfer of assets and the service delegation including the ability to remove assets where site constraints/legal issues are revealed in the due diligence process to, the Growth & Investment Director in consultation with the Cabinet Member for Housing, Corporate Services, Arts, Heritage and Tourism,.

Alan Richell Growth and Investment Director

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24th February 2020

Background Papers

The following documents have been relied on in the preparation of this report: None

Appendices

Appendix 1 – Cabinet Papers

Appendix 2 – Service Devolution Policy

Appendix 3 – Grounds maintenance & Streetscene specifications

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Appendix 1

Cabinet papers relating to CAT Programme and Salisbury City Council Transfer:

• July 2015 - Cabinet Report



• April 2016 - Cabinet Report



Appendix 2

• Service Devolution & Asset Transfer Policy



Service Devolution Asset Transfer Policy.

• November 2017 - Cabinet Report



Service Devolution and Asset Transfer Ca

Appendix 3 - Grounds maintenance & Streetscene specifications

Soft Maintenance Services

Task	Comment	Conditions
Litter Picking	 Litter examples include: Dead animals (road kill) Dog/ animal faeces Cigarette waste & cigarette packets Beverage and drinks containers Food containers or utensils Publications, magazines and newspapers Shopping and other bags Illegal deposits of commercial and household waste which shall be cleared as fly tipping, see further below Removal of pigeon droppings from pathways and footways Removal of fallen branches, wood, metal and plastic objects Removal of leaf and blossom falls to an approved programme Other similar waste types up to 1 cubic meter 	Must be carried out on both Amenity Land and the Highway
Emptying of Litter Bins		Must be carried out on both Amenity Land and the Highway
Removal of Dead Animals on the Highway		Must be carried out on both Amenity Land and the Highway
Removal of Fly Tipping (but no enforcement related tasks)		Must be carried out on both Amenity Land and the Highway
Removal of Fly Posting (but no enforcement related tasks)		Must be carried out on both Amenity Land and the Highway
Graffiti Removal (but no enforcement related tasks)		Must be carried out on both Amenity Land and the Highway
Shopping Trolley Removal (but no enforcement related tasks)		Must be carried out on both Amenity Land and the Highway

Task	Comment	Conditions
Leaf Clearance		Must be carried out on both Amenity Land and
		the Highway
Balancing ponds, amenity footpaths,	Monitor the condition and highlight any health	Must be carried out on Amenity Land
Streetscene assets and water courses	and safety concerns on amenity footpaths,	
	ponds, ditches and any amenity asset and	
	effect their reasonable repair	
Park and Highway Furniture	Monitor the condition of the furniture and	Must be carried out on both Amenity Land and
	highlight any health and safety concerns and	the Highway. WC's prior written permission must be given in respect of repairing and
	effect their reasonable repair/replacement (subject on each occasion to WC's permission	replacing Highway furniture.
	to repair/replace highway furniture)	replacing ingliway furniture.
Grounds Maintenance	Shrub Bed Maintenance, Maintenance of	Must be carried out on Amenity Land and the
Grounds Wainterfailed	Shelterbelt/Plantation Areas/	Highway. WC's consent to maintain the
	Hedge Maintenance/ Tree/ Herbaceous	verges of the Highway is hereby given.
	Borders and any soft area maintenance.	3 3, 3 3 3, 3
Grass Maintenance	Sheltered Housing Schemes	Must be carried out on the Amenity Land and
	High amenity areas	the verges of the Highway. WC's consent to
	General grass areas	maintain the verges of the Highway is
	Low Amenity areas	hereby given.
	Highway verge areas	
	Rough grass areas	
	Flail grass areas	
	Wild flower/conservation areas	
Sports Pitch Maintenance (Football and Rugby)		Must be carried out on Amenity Land
Cricket Pitch Maintenance		Must be carried out on Amenity Land
Countryside	Litter clearance and emptying of litter bins	Must be carried out on Amenity Land
Woodlands and Countryside Site	Scavenging and cleaning and/or maintenance	Must be carried out on Amenity Land
Play Areas, Multiple Use Games Areas (MUGA) and Skate Park Inspection and Maintenance		Must be carried out on Amenity Land

Task	Comment	Conditions
Allotments	General up keep and maintenance including: Boundary fencing Gates and Hedges Tracks Car parks Grass areas and Footpaths	Must be carried out on Amenity Land (allotments)
Open Cemeteries	General up keep and maintenance including memorial testing	Must be carried out on Amenity Land (cemeteries)
Closed Churchyards	General up keep and maintenance including memorial testing	Must be carried out on Amenity Land (closed churchyards)
Car Parks and hard areas maintained by WC immediately prior to the Transfer Date	Maintenance of car parks – grounds and street cleaning (as per Idverde Scope)	Must be carried out on Amenity Land and hard areas subject to the exclusions in Column 1
Centre Litter Picking and Sweeping		Must be carried out on Amenity Land and the Highway
Weed Control (amenity hard areas and highways)	Responsibility for all weeds on the highways and service delegated areas	Must be carried out on Amenity Land and the Highway
Bus shelter maintenance	Litter collection, cleaning (graffiti, fly posting, moss etc. removal) and replacement of the structure	Must be carried out on Amenity Land and the Highway

Hard Area Maintenance Services

Type of Land		
The public open space where the hard asset is managed is:	 public gardens; land used for the purposes of public recreation; parks; natural and semi-natural urban greenspaces derelict open land; sports pitches; outdoor sports areas; play provision; amenity greenspace; play areas; skateboard parks; outdoor basketball hoops; and other more informal area (e.g. 'hanging out' areas, teenage shelters); accessible countryside in urban fringe areas; cemeteries; closed churchyards. 	
For the avoidance of doubt, hard asset management would not be delegated for:	 Play & Display Car Parks Highway assets (without prior agreement – see below) Campus or Hub areas Housing Revenue Areas 	

The concept of the delegation would be for hard asset maintenance to be as an asset transfer.

As such anything on the asset and anything beneath (but not adopted assets) would become the responsibility of the local council.

Hard assets would include: fences; walls; paths; lighting; seats; fixed equipment etc.

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