

Wiltshire Council

Cabinet

19 October 2010

**Subject: Delegation of Services to Town and Parish Councils
Funding Delegated Services**

Cabinet Member: Councillor Dick Tonge – Highways and Transport

Key Decision: No

Executive Summary

The ongoing funding of services post delegation has been a cornerstone of discussions with Local Councils since the inception of this initiative in 2008.

At present there are five Local Councils and a Community Group progressing with applications to receive and deliver delegated services who need to consider the financial impact on their budgets before committing themselves further.

Currently there are no guidelines on funding arrangements to recipient bodies to deliver delegated services.

The proposed arrangements set out in paragraph 14 will provide guidelines for an equitable and sustainable funding mechanism for future service delegations. It should be recognised that these are principles for negotiation which will be used in normal circumstances but will vary in individual cases.

Proposals

That Cabinet:

- (i) Approves the proposed guidelines on funding arrangements to recipient bodies to deliver delegated services set out in paragraph 14 of the attached report.
- (ii) Delegates authority to the Director of Neighbourhood Services to agree payments to recipient bodies and negotiates variations or changes to current contractual arrangements with contractors as required.

Reason for Proposals

To provide Guidelines on funding arrangements to recipient bodies to deliver delegated services.

MARK BODEN

Corporate Director

Department of Neighbourhood & Planning

Wiltshire Council

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Purpose of Report

1. For Cabinet to approve guidelines on funding arrangements to recipient bodies to deliver delegated services, recognising that these are principles for negotiation which will be used in normal circumstances but will vary in individual cases.

Background

2. The ongoing funding of services post delegation has been a cornerstone of discussions with Local Councils since the inception of this initiative in 2008.
3. At present there are five Local Councils and a Community Group progressing with applications to receive and deliver delegated services who need to consider the financial impact on their budgets before committing themselves further. The detail of the funding arrangements to these recipient bodies needs to be agreed with them to enable the delegation to progress.
4. In the past, there was a variety of funding arrangements across the predecessor authorities. Kennet District Council delegated public toilets to Town and Parish Councils without payment. North Wiltshire District Council delegated two Leisure Centres with a modest annual grant, but offered a sliding scale of contribution for the delegation of public conveniences starting at 100% of fixed costs in the first year, reducing to zero in year 5.

Main Considerations for the Council

5. The aim of the project is to enable the delegation of appropriate local services to Town and Parish Councils according to local needs. However, Wiltshire Council will need to realise long-term financial benefits to meet the continuing budget pressures. Local Councils and Community Groups do not have limitless resources; therefore, funding arrangements need to be equitable and sustainable to both the recipient bodies and Wiltshire Council.

Environmental and Climate Change Considerations

6. From a financial perspective, when Wiltshire Council delegates services to Town or Parish Councils that involve property, for example public conveniences in a town or lighting within a park, consideration needs to be given as to whether the Authority would retain responsibility for the purchasing of carbon allowances under the Carbon Reduction Commitment Energy Efficiency Scheme. Clarification on this issue is being sought from the Environmental Agency and will be considered on a case by case basis for each application for delegated services.

Equalities Impact of the Proposal

7. The aim of the project is to create, stronger and more resilient communities by enabling the delegation of appropriate, key local services to Town and Parish Councils according to local needs.

Risk Assessment

8. The political risk or risk to the reputation of the Council, should the project conclude that the delegation of some or all of the potential services is not practical or viable, is assessed to be low/medium (6/16). No change.
9. The political risk or risk to the reputation of the Town or Parish Councils, should the project conclude that the delegation of some or all of the potential services is not practical or viable, is assessed to be low/medium (6/16). No change.
10. The political risk or risk to the reputation of the Council, if there is no consistent approach adopted throughout the County in relation to those services to be provided by Wiltshire Council and those to be provided by local councils, is assessed to be medium (9/16). No change.

Financial Implications

11. This report proposes a policy for funding Town and Parish Councils which receive and deliver delegated services on an equitable and sustainable basis.
12. It will be necessary to review each scheme individually to assess the related financial implications. In some cases there may be short-term additional costs required to enable the transfer to take place. These costs will need to be managed; the finance department will assist in ensuring that any changes are reflected in future budgets.

Legal Implications

13. The current report does not raise any legal issues; however, as this project develops there will be significant legal issues that will need to be carefully managed to ensure compliance with the Council's legal obligations and duties.

Recommendations

14. It is recommended that the following guidelines be adopted as the basis of the funding arrangements to recipient bodies to deliver delegated services. It is recognised that these are principles for negotiation which will be used in normal circumstances but will vary in individual cases.

For Services Delegated as a result of the freehold transfer of an asset

(a) **Allotments**

The recipient body retains the income, no further annual payments from Wiltshire Council.

(b) **Public Conveniences.** (Where maintained by Wiltshire Council in-house staff).

The recipient body receives full Wiltshire Council direct costs¹ (excluding overhead) in year one reducing to 50% after four years. In year five and onwards, until the agreement ends, 50% of direct costs will be paid and adjusted annually by the increase/decrease in Wiltshire Council Tax.

(c) **Equipped Play Areas.** (Where maintained by Wiltshire Council in-house staff)

(i) Where there are outstanding commuted funds from Section 106 agreements, these to be transferred to the recipient body. The arrangement at 16 (ii) will apply when the period of the Section 106 expires.

(ii) Where there are no outstanding funds for maintenance from Section 106 agreements the recipient body receives full Wiltshire Council direct costs¹ (excluding overhead) in year one, reducing to 50% after four years. In year five and onwards, until the agreement ends, 50% of direct costs will be paid and adjusted annually by the increase/decrease in Wiltshire Council Tax.

(d) **Parks, other Public Open Space and Amenity Areas - Grounds Only.** (Maintained by Wiltshire Council in-house staff)

The recipient body receive full Wiltshire Council direct costs¹ (excluding overhead) for one year.

(e) **Assets Maintained or Services Provided by Contractor to the Council**

Subject to individual agreement with contractor and recipient body. This may be as a variation within the contract or novation or part of the contract.

¹ Includes as applicable: direct labour and material costs, vehicles and equipment, repair and maintenance, NNDR, power and services.

For Services Delegated without freehold transfer of an asset

(f) **Maintenance of Asset or Provision of Service**

- (i) Subject to individual agreement based on direct costs with recipient body and Service Level Agreement,
or if services currently delivered by a contractor to the Council.
- (ii) Subject to individual agreement with contractor and recipient body.

15. Delegates authority to the Director of Neighbourhood Services to agree payments to recipient bodies and negotiates variations or changes to current contractual arrangements with contractors as required.

MARK BODEN

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The following unpublished documents have been relied on in the preparation of this Report:

None

Appendices:

None