

# Report

**Subject:** Parishing Framework – Budget and Structure Proposals

**Report to:** City Area (Community) Committee

**Date:** 16 December 2008

**Author(s):** Frank Dick & Alan Osborne

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## Report

### 1. SUMMARY

- 1.1 This report builds on the recommendations for the city council agreed by the City Area Committee and the Implementation Executive. It sets out options for the city council budget and precept that reflect those decisions, proposes a more detailed structure, details the processes for staff transfers and provides a summary of progress in implementing the parishing framework.

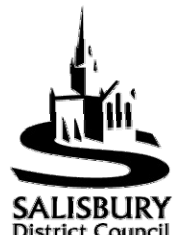
### 2. RECOMMENDATION

Members are asked to:

1. endorse the City Council's budget for 2009/2010, set out in appendix 2A
2. endorse the City Council's capital programme for 2008/2009 to 2024/2025, set out in appendix 2B
3. recommend the appropriate City precept for 2009/2010 to the Implementation Executive
4. recommend to the Implementation Executive an increase in fees and charges by an average of 5% for 2009/2010
5. agree the structure set out in appendix 3
6. consider the issues raised by the trade union in relation to the parishing of Salisbury, summarised in paragraph 4.9



Awarded in:  
Housing Services  
Waste and Recycling Services



### **3. BACKGROUND**

- 3.1 City Area (Community) Committee agreed (21 October '08) the recommendations in the Parishing Framework report, which included a set of functions and assets to transfer to the city council. This then formed the basis for the report to the Implementation Executive on the 29 October and the more detailed financial assessment report that IE considered on the 13 November. The recommendations agreed at this IE meeting are attached at appendix 1.
- 3.2 The financial assessment was driven by the Implementation Executive's concern to ensure any transfer of services or assets is cost neutral to the new unitary council. To achieve this, the Implementation Executive recommended that in relation to grounds maintenance, this should be on the basis of the relevant staff transferring to the city council, rather than the service being provided through a contract between the city council and the new unitary council.
- 3.3 Following the IE decisions, work has begun on the implementation stage of the parishing project, including:
- producing a revised budget and precept level
  - developing a more detailed staffing structure, taking account of the IE decision in relation to grounds maintenance
  - starting the process for staff transfers, including consultation with staff and trade unions
  - developing governance arrangements, systems and processes
  - refurbishing the short term accommodation for the city council and beginning work on the long term accommodation at the Guildhall

### **4. DETAIL**

#### **Budget and Precept**

- 4.1 In order to set a balanced budget and comply with statutory requirements, the Local Government Act 2003 requires that the Chief Financial Officer gives a positive assurance about the robustness of the estimates and of an appropriate level of reserves. The recommendations in this report are aimed at meeting these requirements.
- 4.2 A fundamental review of all budgets has been carried out as part of the budget setting process. The detailed draft revenue budget for the city council for 2009/2010 is attached at Appendix 2A.
- 4.3 When preparing the budget it is necessary to use a base Band D Council Tax rate. For these papers a Band D rate of £80 has been used. This gives a capital expenditure contribution of £707,630. For indicative purposes, a Band D of £75

gives a capital contribution of £632,380 and a Band D of £70 gives a capital contribution of £557,140.

- 4.4 It is proposed that fees and charges be increased in order to produce a general rise of 5% in 2009/2010 and provision for this has been included in the budget.
- 4.5 The reserves of the Salisbury City Council are equivalent to the capital financing requirement in Appendix 2B. As can be seen, there are healthy reserves forecast in 2009/10 of £817,590. However, there are large capital commitments in 2010/2011 and 2011/2012. The City Council will look to supported borrowing to fund these commitments over the medium to long term.

### **Staffing Structure**

- 4.6 An indicative structure was included in the Framework report to the CAC on the 21 October. This has been reviewed, particularly in the context of the IE decision to transfer grounds maintenance staff.
- 4.7 The proposal attached at appendix 3 is designed to ensure:
- a cost efficient structure with sufficient senior management capacity to run an organisation of this size
  - the necessary expertise is available in key areas, including finance, governance and community engagement

### **Staff and Trade Union Consultation**

- 4.8 The Staffing Regulations relating to Local Government Reorganisation provide for the staff transfers arising to be dealt with as if the Transfer of Undertakings – Protection of Employment (TUPE) Regulations (which protect employees' terms and conditions on transfer to another organisation) applied even though the TUPE Regulations themselves explicitly exclude TUPE transfers between public bodies.
- 4.9 Following meetings held recently with staff and the trade union explain the process to date and the proposals being put forward, the trade union has written to the Chief Executive setting out their views, as follows:
- a) that if the staff transfer to the city council cannot be undertaken within the TUPE provisions, the transfer should operate under the Cabinet Office Guidance on Transfers in the public sector and the transfer happen 'as if' TUPE applies ie the new Council commit to operating staff terms and conditions on the day after transfer as they were the day before and will not change them due to that transfer
  - b) that the new Council will continue to offer the Local Government Pension Scheme
  - c) that UNISON will be recognised and terms and conditions for transferees and new employees in the City Council will be those as transferred until or unless otherwise renegotiated

- 4.10 From an employee relations perspective, the application of Cabinet Office Guidance would provide employees who are likely to transfer to the new organisation with some confidence that their terms and conditions of employment will be protected and enables the council to demonstrate that it is concerned for its transferring employees.
- 4.11 Whilst the guidance does not specifically provide for the continuance of the Local Government Pension Scheme, it requires that, as a minimum, comparable benefits are provided. Again, from an employee relations perspective, providing assurance to staff who are likely to transfer to the new organisation that their pension rights would remain the same would minimise concerns associated with any transfer and help the new organisation to start its life with employees who were positive about their future and that of the new City Councils. There are, however, financial considerations attached to this decision.
- 4.12 Trade Union recognition transfers where TUPE-like conditions are applied. On this basis, if the guidance is adopted then recognition would transfer. There is a requirement within the guidance that the new organisation consults with any trades unions so recognised on terms and conditions for new recruits.
- 4.13 Cabinet considered these issues at its meeting on the 5 November 2008 and agreed to support the position set out in the trade union letter to the Chief Executive.

### **Staff Transfers**

- 4.14 In line with the commitment to staff and trade unions, the method being used to identify staff for transfer – the ‘scoping’ exercise - is based upon best practice within the public sector, takes into account the legal definitions contained within the TUPE 2006 Regulations and is aimed at ensuring consistency, fairness and objectivity of process.
- 4.15 The exercise is designed to identify the ‘economic entity’ (an organised grouping of resources which has the objective of pursuing an economic activity, whether or not that activity is central or ancillary) that will transfer to Salisbury City Council (SCC) and retain its identity post transfer. Employees within the economic entity should be ‘wholly or mainly’ assigned to those activities and services.

### **Governance Arrangements, Systems and Processes**

- 4.16 Work is underway developing a constitution, standing orders and proposals for a committee structure. These will be discussed with the Member reference group and reported to CAC in the new year.

## **Accommodation**

- 4.17 The city council's temporary location is 22 Bedwin Street. Refurbishment of the offices is underway and will be completed to allow for occupation by the middle of February 2009.
- 4.18 The permanent location will be at the Guildhall. A report on the refurbishment of the Guildhall is on the agenda for this meeting.

5. **Background Papers:** Parishing report to CACC – 21.1.08; IE reports 29.10.08/13.11.08; Cabinet report 9.12.08

6. **Implications:**

**Financial** : Identified in the report

**Legal** : None directly related to this report

**Personnel** : Contained in the report

**Community Safety** : None directly related to this report

**Environmental** : None directly related to this report

**Human Rights** : None directly related to this report

**Climate Change** : None directly related to this report

**Ward(s) Affected** : All in the city

1. subject to detailed staff consultation, the staff involved in the frontline services described in Appendix A should be transferred by a TUPE-like process to the new Salisbury City Council on 1<sup>st</sup> April, 2009;
2. the plant currently owned by Salisbury District Council and utilised for the delivery of services identified in Appendix A should be transferred to the new Salisbury City Council where it is not needed to ensure cost neutral service delivery by the new Wiltshire Council;
3. the transfer of the Churchill Gardens and Lush House car parks to the new Salisbury City Council should be accompanied by appropriate covenants to ensure that future car park charges and enforcement policy remain consistent and not competitive with those developed by the new Wiltshire Council, and also to protect the Highway Authority's future operational needs; and
4. in line with the existing Transitional Orders, the Guildhall Square and Market Square should transfer initially to the new Wiltshire Council. The future of these squares and their ownership can be a matter for discussion between the new Wiltshire Council and the new Salisbury City Council.

**PROPOSED SERVICES FOR TRANSFER - DELIVERY DETAIL (October 2008)**

**APPENDIX 1**

	<b>Service</b>	<b>Detail of Transfer</b>	<b>Delivery Detail - Current</b>	<b>Delivery Detail - April '09 on</b>	<b>Delivery Detail - Future</b>
1	Parks (Precept) - incl cemeteries, play areas, sports pitches etc	Full freehold asset transfer, full administration. Autonomous from WC.	Internal SDC contract with Commercial Services, fixed price to a full, detailed specification, expires March 2011. Administration / Policy etc via Parks client section	Subject to staff consultation, delivery by frontline staff transferred to the new Salisbury City Council by a TUPE like process.	Service delivery structures beyond March 2010 to be determined by the new City Council
2	Parks (General Fund) - incl play areas, sports pitches	As 1 above	As 1 above	As 1 above	Via directly employed SCC staff
3	Public Conveniences	As 1 above	Internal Committee approved cleaning, opening / closing regime with Commercial Services, fixed price p/a, detailed specification. Rolling contract. Administration / Policy etc via Parks client section	As 1 above	Via directly employed SCC staff
4	Parks Associated Car Parks (Lush House / Churchill Gardens)	As 1 above	Internally managed and maintained. No contract arrangements	As 1 above	Service delivery structures beyond March 2010 to be determined by the new City Council
5	Allotments	As 1 above	As 1 above	As 1 above	Via directly employed SCC staff
6	Civic/ceremonial - incl assets (City silver, robes etc)	Full transfer of roles, responsibilities, assets etc. Autonomous from WC	Charter Trustee role	Elected SCC Members	Elected SCC Members

7	Guildhall and associated artefacts	As 1 above	Via directly employed SDC staff	Via directly employed SCC staff	Via directly employed SCC staff
8	Crematorium	As 1 above	As 7 above	Subject to staff consultation, delivery by frontline staff transferred to the new Salisbury City Council by a TUPE like process.	As 7 above
9	Charter fair	Full transfer of roles, responsibilities, administration etc. Autonomous from WC	As 7 above	As 7 above	As 7 above
10	Charter market and other markets	As 9 above	As 7 above	As 7 above	As 7 above
11	Bemerton Heath NC	As 1 above	As 7 above	As 7 above	As 7 above
12	General fund shops (owned by city prior to 1974)	As 1 above	As 7 above	As 7 above	As 7 above
13	Events - Xmas lights, St Georges Day, Music in the Parks, Britain in bloom, Food & Drink Festival	As 9 above	As 7 above	As 7 above	As 7 above
14	General fund garages (let to residents) as pre 1974	As 1 above	As 7 above	As 7 above	As 7 above
15	City Centre Management	Full transfer of role and function. Autonomous from WC	Via CCM appointed staff	Via CCM appointed staff	Via CCM appointed staff
16	General community fund	As 15 above	As 7 above	As 7 above	As 7 above



**SUMMARY OF SALISBURY CITY COUNCIL BUDGET 2009/10****APPENDIX 2A**

	<i>Expenditure</i>	<i>Income</i>	<i>Net</i>
<i>London Road Cemetery</i>	23,680	(32,120)	(8,440)
<i>Devizes Road Cemetery</i>	19,200	(9,470)	9,730
<i>Allotments</i>	36,870	(19,140)	17,730
<i>Victoria Park</i>	53,490	(4,000)	49,490
<i>Fisherton Recreation Ground</i>	10,040	(1,510)	8,530
<i>Hudsons Field</i>	88,270	(82,720)	5,550
<i>Bishopdown Sportsfield</i>	14,800	(1,490)	13,310
<i>Harnham Recreation Ground</i>	15,510	(3,340)	12,170
<i>Westwood Sportsfield</i>	4,910	(4,250)	660
<i>Bourne Hill &amp; Greencroft</i>	19,680	(20)	19,660
<i>Churchill Gardens</i>	29,660	(1,350)	28,310
<i>Bemerton Recreation Ground</i>	8,990	(8,990)	0
<i>Queen Elizabeth Gardens</i>	26,290	(610)	25,680
<i>Middle Street</i>	2,880	(140)	2,740
<i>Meyrick Close</i>	1,000	0	1,000
<i>Carpet Bedding Displays</i>	9,200	0	9,200
<i>Annual Flower Show</i>	310	0	310
<i>Verges, Gardens and Shrubberies</i>	71,200	0	71,200
<i>Closed Churchyards</i>	11,550	0	11,550
<i>Children's Playgrounds</i>	36,890	0	36,890
<i>Monuments</i>	4,610	0	4,610
<i>Seats</i>	8,510	0	8,510
<i>Bus Shelters</i>	14,530	0	14,530
<i>Bemerton Folly</i>	6,680	0	6,680
<i>City Tree Maintenance Programme</i>	37,000	0	37,000
<i>Highways Grasscutting Enhancement</i>	26,500	0	26,500
<i>St Marks Open Space</i>	5,460	0	5,460
<i>Maltings Amenity Area</i>	2,800	0	2,800
<i>Harnham Slope</i>	6,750	0	6,750
<i>City Area Other General Costs</i>	4,300	(7,200)	(2,900)
<i>Guildhall</i>	211,370	(181,940)	29,430
<i>Crematorium</i>	355,820	(703,910)	(348,090)
<i>Salisbury Produce Market</i>	107,920	(372,610)	(264,690)
<i>Salisbury Pleasure Fair</i>	14,310	(22,650)	(8,340)
<i>Churchill Gardens Public Conveniences</i>	8,030	0	8,030
<i>Lush House Public Conveniences</i>	12,600	0	12,600
<i>Bus Station Public Conveniences</i>	6,840	0	6,840
<i>Public Conveniences General</i>	3,520	0	3,520
<i>Churchill Gardens Car Park</i>	10,250	(20,000)	(9,750)
<i>Lush House Car Park</i>	24,440	(190,000)	(165,560)
<i>Churchfields Open Space</i>	8,470	(600)	7,870
<i>St Edmund's Churchyard</i>	14,010	(10)	14,000
<i>Children's Playgrounds</i>	32,400	0	32,400
<i>Environmental Improvements</i>	4,500	0	4,500
<i>Portway Sportsfield</i>	14,390	(220)	14,170

<b>Events</b>	112,140	(12,130)	100,010
<b>Bemerton Heath Neighbourhood Centre</b>	119,540	(17,140)	102,400
<b>Garages</b>	1,420	(7,200)	(5,780)
<b>Shops, etc</b>	28,590	(146,680)	(118,090)
<b>City Centre Management</b>	38,790	0	38,790
<b>Governance Costs</b>	616,760	0	616,760
<b>Capital Expenditure Contribution</b>	707,630	0	707,630
	<u>3,055,300</u>	<u>(1,851,440)</u>	<u>1,203,860</u>

**Council Tax Base** 15048.57

**Band D** 80.00

**Salisbury City Council Capital Programme**

**APPENDIX 2B**

<i>City Council</i>	<i>Estimate 2008/9</i>	<i>Estimate 2009/10</i>	<i>Estimate 2010/11</i>	<i>Estimate 2011/12</i>	<i>Estimate 2012/13 - 2024/25</i>	<i>Total</i>
<i>Scheme</i>	£	£	£	£	£	£
Play Area Refurbishments*	45,000					45,000
Bishopdown Pavilion*	15,000					15,000
Play Area - Hudsons Field*	95,000					95,000
Churchill Gardens Kickabout Area*	40,000					40,000
Victoria Park Crazy Golf Facility*	30,000					30,000
Youth Shelters and Sportswalls*	34,000					34,000
Management Plan Projects**						
- Hudson's Field	20,000	270,000				290,000
- Queen Elizabeth Gardens	20,000	250,000	160,000			430,000
- Victoria Park		30,000	190,000			220,000
- Allotments	20,000					20,000
Bus Shelters	82,230					82,230
Crematorium - Mercury Abatement Works				800,000		800,000
Crematorium - Replace Cremators				700,000		700,000
Crematorium - Condition Survey Works			93,450	5,930	89,860	189,240
Guildhall - Fit out costs			748,000			748,000
Guildhall - Condition Survey Works			52,500	52,500	683,000	788,000
Investment Properties Condition Survey Works			216,700	145,360	1,361,620	1,723,680
<b>Total City Area Committee</b>	<b>401,230</b>	<b>550,000</b>	<b>1,460,650</b>	<b>1,703,790</b>	<b>2,134,480</b>	<b>6,250,150</b>

\* Financed from R2 Deposits

\*\* Financed from earmarked reserve for future capital schemes.

**Financing of Capital Programme**

- - <b><u>CAPITAL PROGRAMME</u></b>	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012</b>	<b>2012/2013 - 2024/2025</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
City Area	401,230	550,000	1,460,650	1,703,790	2,134,480	6,250,150
<b>Total Funding Required</b>	<b>401,230</b>	<b>550,000</b>	<b>1,460,650</b>	<b>1,703,790</b>	<b>2,134,480</b>	<b>6,250,150</b>
<b><u>FINANCING AVAILABLE:-</u></b>						
- City Reserves	707,950	0	0	0	0	707,950
City Revenue Contribution	94,240	707,630	707,630	707,630	9,199,190	11,416,320
Developer & Other Contributions	259,000	0	0	0	0	259,000
<b>Total Capital Resources</b>	<b>1,061,190</b>	<b>707,630</b>	<b>707,630</b>	<b>707,630</b>	<b>9,199,190</b>	<b>12,383,270</b>
<b>Capital Financing Requirement b/fwd (Surplus)/Deficit for Year</b>	<b>0</b> <b>(659,960)</b>	<b>(659,960)</b> <b>(157,630)</b>	<b>(817,590)</b> <b>753,020</b>	<b>(64,570)</b> <b>996,160</b>	<b>931,590</b> <b>(7,064,710)</b>	
<b>Capital Financing Requirement</b>	<b>(659,960)</b>	<b>(817,590)</b>	<b>(64,570)</b>	<b>931,590</b>	<b>(6,133,120)</b>	

**SALISBURY CITY COUNCIL  
STRUCTURE(DRAFT) Dec 08 v2**

**APPENDIX 3**

