

CHESHIRE EAST COUNCIL

REPORT TO: Local Service Delivery Committee- Macclesfield

Date of Meeting:	27 th September 2011
Report of:	Vivienne Quayle – Head of Policy and Performance
Subject/Title:	Local Service Delivery – Transfer and Devolution Local Service Delivery Committee's
Portfolio Holder:	Cllr Rachel Bailey Cllr David Brown Cllr Jamie Macrae

1.0 Report Summary

The following report and appendix are designed to start to give members of the Local Service Delivery Committee sufficient information to make a decision on those existing services that they wish to see provided in the currently unparished area of Crewe (consistent with those transferring to parished areas) and enable them to consider issues relating to a potential special expense levy on the residents of the area.

A process of consultation and negotiation has taken place over the last 12 months with Town and Parish Councils where they have been invited to consider the assets, functions and services they wish to take over in their area and for which they have existing powers and duties .

All the Town Councils and some of the Parishes have registered an interest and Cabinet made a decision to approve the transfers of certain assets and services at its meeting on 5th September 2011. (Report attached for information)

It is Cheshire East Council policy that the relevant services become the responsibility of the Town and Parish Councils and it will be for each local Council to determine level of service and any impact on the local precept as required.

2.0 Decision Requested

2.1 As this is the first meeting of the Committee this report is for information in order to ensure members are aware of the current situation and so that the Committee can make a recommendation to cabinet and Council at its next meeting on the relevant services which is wishes to continue to be provided by Cheshire East and the level of special expense payment that should be levied.

3.0 Reasons for Recommendations

3.1 Crewe and Macclesfield are unparished and have no local Council at present to represent them. In order to ensure that the area of Crewe has similar opportunities and choices as the other parished areas and that all areas of Cheshire East are treated consistently, it has been necessary to set up specific committees to carry out the functions as outlined in the Terms of Reference.

4.0 Wards Affected

- 4.1 Macclesfield West and Ivy
- 4.2 Macclesfield Hurdsfield
- 4.3 Broken Cross and Upton
- 4.4 Macclesfield South
- 4.5 Macclesfield Central
- 4.6 Macclesfield Tytherington
- 4.7 Macclesfield East

5.0 Local Ward Members

5.1 All Macclesfield members

6.0 Policy Implications including – Carbon Reduction - Health

- 6.1 This initiative aligns with the first priority of the Sustainable Community Strategy “nurturing strong communities” and is part of Cheshire East’s stated drive to ensure that working locally is at the heart of what we do.
- 6.2 National policy is designed to decentralise government and give communities power to make a difference in their area. This initiative clearly aligns with this national drive.

7.0 Financial Implications (Authorised by the Director of Finance)

7.1 Town Centre Management

Within the 5th September report to cabinet, section 10.7 described a new delivery model for town centre management. It is intended that from 1st April 2012, the work of the two Town Centre Managers will be re-focussed, dedicated to the two principle towns of Crewe and Macclesfield.

The Managers will support the delivery of specific programmes of events and activities linked to the local strategies and developments (including Macclesfield Economic Masterplan and All Change for Crewe initiatives).

Management and financial support for Christmas lights and related events will also follow this model.

With the exception of Crewe and Macclesfield towns, from April 2012 it is proposed that Town Councils make arrangements for providing/ funding town centre management activity at their discretion; this could include Christmas lights and events, hanging baskets and street furniture.

7.2 Transfer Service

Paragraph 10.9 of the Cabinet report on 5 September referred to the work of this Committee, being consideration of the delivery of services in the relevant unparished area, in relation to those services or asset types being transferred or devolved to other Towns/ Parishes.

This involves consideration of the cost implications in the context of a potential “special expenses” levy in the unparished area, which would represent the cost of delivery and provide consistency across Cheshire East in respect of the financing of local services.

Previous work on the Local Service Delivery initiative has focussed largely on the transfer of services to Towns and Parishes and therefore – in a financial/ budgetary context - on the direct operating expenditure and income of facilities/ functions.

In reviewing the scenarios for Crewe and Macclesfield, it is also appropriate to incorporate costs of Town Centre Management (as outlined above) and also the Service Management and Support costs of the functions that Cheshire East will continue to deliver, on behalf of the towns’ residents.

Whilst the preparation of business planning and budget proposals will continue for a number of weeks, an early indication of the potential 2012/13 budgets for the range of services is shown in the table below, along with a calculation of a “special expense”, by way of illustration.

	Gross Expenditure £000	Gross Income £000	Net Operating Expenditure/ (Income) £000	Service Management & Support £000	Net Expenditure/ (Income) TOTAL £000
<u>Macclesfield</u>					
Community Centre/Halls	78	(16)	63	9	72
Public Conveniences	44	0	44	4	48
Allotments	33	(12)	21	0	21
Markets	242	(372)	(130)	65	(65)

Town Centre Management	45	0	45	13	58
Christmas Lights/Trees	14	0	14	0	14
Street Furniture	1	0	1	0	1
Hanging Baskets	4	0	4	0	4
TOTAL	461	-400	62	91	153

Tax Base (2011/12 Band D Equivalents)	19,053.79
Illustrative "Special Expense" Council Tax	£8.05

Members are invited to consider the service levels and budgetary , along with the potential special expenses levy.

7.3 Special Expenses

The legislative background set out below provides a description of a “special expenses” levy.

The Local Government Finance Act 1992 is the main piece of legislation relating to the setting of Council Tax and in respect of this matter, Sections 34 and 35 are most relevant, dealing with “*Additional calculations where special items relate to part only of area*”. Essentially this enables an additional element of Council Tax to be calculated and charged to “a part only of a billing authority’s area” - i.e. in *addition* to the “basic amount of tax” that would be charged across the whole of the Borough.

Most commonly, it is via this particular legislation that additional elements are calculated and charged in respect of Town and Parish precepts. As Members will be aware, in each case the calculation is simply the amount of Town/ Parish precept, divided by the Band D equivalent taxbase for the relevant Town/ Parish Council.

However, there are a few other circumstances where additional elements of Council Tax may be calculated and charged in this manner; as per Section 35 (1) (b) these relate to “*any expenses of the authority which are its special expenses*”. Section 35 (2) (d) is most relevant to circumstances involving unparished areas and an extract follows:

“d) any expenses incurred by a billing authority in performing in a part of its area a function performed elsewhere in its area by ... a parish or community council ... are the authority’s special expenses”

In effect this would enable the Borough Council to charge an additional amount of Council Tax to taxpayers in unparished areas, to cover the costs of providing services in *those* areas, that elsewhere (in parished areas) are provided by Town or Parish Councils.

Whilst considering this members of the committee may wish to taken in account the strategic importance of the towns of Crewe and Macclesfield and

the wider benefit they make to residents outside of the boundaries of these towns and Cheshire East as a whole.

Members are reminded that the Charter Trustees of both Crewe and Macclesfield will continue to levy precepts in respect of funding their activities. The Council will need to be mindful of avoiding confusion in that regard and also of the need to communicate well the purpose of any special expense item of Council Tax.

8.0 Legal Implications (Authorised by the Borough Solicitor)

Legal input is being given for all of the assets and services to be transferred.

This report is for information and explains the background to special expenses levy. Any legal implications of a levy such as this will be covered at the next meeting when the recommendations to cabinet are formulated

9.0 Risk Management

- 9.1 There is a potential risk that inconsistencies could occur where services are continued to be funded centrally. If services are continued to be delivered in this way then it will be important that the reasoning behind this is clearly communicated.
- 9.2 There is a risk that the charge on the people of Crewe is unclear given the potential for a special expense and a charter trustee level as well as the usual Council Tax. This is part of the reason for setting up this Local Delivery Committee and communication of the results for this committee's recommendations and the Council decision will be designed to give as much clarity as possible to residents.

10.0 Background and Options

At its meeting on 19th July 2010, CEC Cabinet agreed a policy to transfer and devolve assets, functions and services to Town and Parish Councils in support of the localism agenda. The full report explains the rational and approach to this major initiative but the key benefits are to demonstrate localism; provide services at a more efficient and economic level; improve the responsiveness of service delivery and enhance choice and control.

Crewe and Macclesfield however are unparished and have no local Council to represent the areas. In order to ensure that similar opportunities and choices are afforded to residents in these areas it has been necessary to set up specific committees to represent them and decide what level of local services should be provided and at what cost.

As part of Cheshire East Council's initiative to transfer and devolve services to Town and Parish Councils, Full Council agreed that Local Service Delivery Committees are required to represent the unparished areas in the Borough to determine the level of local services required by communities. This decision was taken in November 2010.

The list of such services in this area is attached within Appendix A, the report to cabinet on 5th September 2011.

In order to be consistent with the overall Cheshire East policy unparished areas need an assessment of the cost of the relevant services and consideration by this local service delivery committee. This may result in a special expense levy on the CEC Council Tax bill. This is designed to be an equivalent to a precept for local services provided by a Town or Parish Council.

If and when a Town or Parish Council is established in these areas, the local service delivery committee will no longer be required.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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