

Jobs, Regeneration and Assets Overview and Scrutiny Committee

Agenda

Date: Monday, 20th July, 2015
Time: 2.00 pm
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

2. **Minutes of Previous meeting** (Pages 1 - 6)

To approve the minutes of the meeting held on 12 March 2015

3. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

4. **Declarations of Party Whip**

To provide an opportunity for Members to declare the existence of a party whip in relation to any item on the Agenda

For requests for further information

Contact: James Morley

Tel: 01270 686458

E-Mail: james.morley@cheshireeast.gov.uk with any apologies

5. **Public Speaking Time/Open Session**

A total period of 15 minutes is allocated for members of the public to make a statement(s) on any matter that falls within the remit of the Committee.

Individual members of the public may speak for up to 5 minutes, but the Chairman will decide how the period of time allocated for public speaking will be apportioned, where there are a number of speakers.

Note: in order for officers to undertake any background, it would be helpful if members of the public notified the Scrutiny Officer listed at the foot of the Agenda at least one working day before the meeting with brief details of the matter to be covered.

6. **Devolution of Assets** (Pages 7 - 32)

To consider a report on devolution of assets to Town and Parish Councils and Community Groups.

7. **Cheshire Neighbours Credit Union**

To receive a briefing on Cheshire Neighbours Credit Union and an update on its current position following the previous update on 12 March 2015

CHESHIRE EAST COUNCIL

Minutes of a meeting of the Jobs, Regeneration and Assets Overview and Scrutiny Committee

held on Thursday, 12th March, 2015 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor P Groves (Chairman)
Councillor F Keegan (Vice-Chairman)

Councillors G Barton, S Corcoran, S Hogben, J Wray and W Livesley (sub for J Weatherill)

Apologies

Councillor J Weatherill

ALSO PRESENT

Councillor D Stockton – Cabinet Member for Housing and Jobs
John Weir – Cheshire Neighbours Credit Union
Jez Goodman – Regeneration Programme Manager (Crewe)
Chris Jackson – Senior Projects Officer, Regeneration
Sharon Angus Crawshaw – Partnerships Manager
Heather McManus – Interim Head of Assets
Glyn Roberts – Property Projects Manager
James Morley – Scrutiny Officer

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman requested that the Committee note the sad passing of Councillor Phil Hoyland who had died suddenly on Wednesday 11 March 2015. Councillor Hoyland was a well liked and respected councillor and the Committee deeply regretted his passing and wished to send its condolences to his family.

2 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting held on 5 December 2015 be approved as a correct record and signed by the Chairman, subject to the following amendments:

- (1) That minute 32 at fifth bullet point the word “did” be replaced with “did not”.
- (2) That minute 33 at fourth paragraph the words “the report” be inserted after “complete”.
- (3) That minute 35 at the first paragraph the third sentence be removed.

3 DECLARATIONS OF INTEREST

There were no declarations of interest

4 DECLARATIONS OF PARTY WHIP

There were no declarations of party whip

5 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present who wished to speak

6 INITIAL RESPONSE TO HIGH GROWTH CITY TASK AND FINISH GROUP REPORT

Councillor D Stockton, Portfolio Holder for Housing and Jobs, provided an initial response to the Committee's High Growth City Task and Finish Group Report by thanking the task group for a well presented piece of work. A further full response to the Report would be requested and received at a future meeting in the new civic year.

7 ALL CHANGE FOR CREWE

The Committee gave consideration to an update on projects in the "All Change for Crewe" regeneration programme. Councillor D Stockton, Portfolio Holder for Housing and Jobs, and Jez Goodman, Regeneration Programme Manager for Crewe, gave a presentation about the various projects and initiatives which were currently taking place or being developed in Crewe. During the presentation the following points were made:

- A new entrance to the rail station had been developed last year on Weston Road with additional parking and taxi drop off reducing congestion on Nantwich Road.
- A new entrance and facilities, including operating theatres, had been completed at Leighton Hospital replacing some facilities which had been in place since 1971 when the hospital opened.
- Wulvern Housing had delivered 180 affordable homes through the affordable homes programme to date. The Council and its partners were prioritising the development of brownfield sites.
- Crewe Lifestyle Centre was currently under construction and would house a wide range of leisure and community facilities.
- Over recent months there had been a growth of many local businesses and there were a lot of strong expansion and investment opportunities under investigation.
- Last summer the Government had approved a bid for a new university technical college (UTC) in Crewe, based in the town centre, led by Manchester Metropolitan University, the Council and local businesses.
- Physical regeneration of the town centre was a high priority and a regeneration delivery framework was being developed to link the Local Plan with local commercial market requirements. It was suggested that the Committee be consulted on the delivery framework at the appropriate opportunity.

- The Council was continuing to pursue opportunities for geothermal energy in Crewe and was attracting interest from utility companies and financial investors.
- There were several major infrastructure projects either underway or planned for the near future including: Basford Way spine road; Crewe Green link road; M6 J16 and A500 widening; and M6 J17.
- In December Bentley Motors had announced large scale expansion of its Crewe site which would create hundreds of jobs including a new apprenticeship training facility.

RESOLVED – That the presentation be noted

8 UPDATE FROM CHESHIRE NEIGHBOURS CREDIT UNION

The Committee received an update on the recent activity of Cheshire Neighbours Credit Union (CNCU). John Weir, Chief Executive Officer, at CNCU attended the meeting with support from Sharon Angus-Crawshaw, Partnerships Manager. John informed the Committee about the progress being made by CNCU and some of the issues it was facing. During the discussion the following points were made:

- The Council had provided a £60,000 grant to CNCU which helped cover its running costs until September 2015 avoiding the closure of the credit union.
- Members were aware that CNCU would require some further financial support in the next year however wanted to ensure that the Council's investment was worth while. The Committee requested that CNCU share its business case to explain how it planned to become financially sustainable and independent.
- CNCU had been continuing to try and rebuild its reputation and develop new relationship with partners and customers following poor performance in the past.
- Income from loans was increasing per month and arrears on the loan book were low at 1.6-1.7% (some other credit unions in the country typically had 20-30% arrears).
- Membership of the credit union was growing steadily. Gaining access to the Council's libraries had helped increase the profile of CNCU, particularly in Macclesfield where it had previously had a limited profile with residents.
- Crewe Town Council had taken £15,000 of shares in CNCU.
- The use of Jam Jar Accounts was growing slowly. The credit union was trying to build relationships with housing associations to encourage their tenants to use jam jar accounts to help manage their money and pay rent. This was considered particularly useful with the introduction of universal credit.
- The payroll deduction scheme was also growing slowly. The credit union was taking £58,000 per month from employees at Cheshire East and Cheshire West and Chester Councils; the target was to reach £100,000 per month to help secure the future of the credit union. CNCU was also developing relationships with local businesses to join the pay roll deduction scheme.

- The credit union had recruited two new board members with a wealth of skills and experience who would help achieve further growth and stability.
- There had been some interest from care leavers in having a credit union account however limited progress had been made with officers to complete the process. The Committee was requested to investigate how more progress could be made.
- The credit union wanted to make more progress recruit young people to become members. Members heard about a scheme called Future Savers, set up by Glasgow City Council, which provided a credit union membership, with a £10 deposit to all school pupils in S1 (year 8 equivalent). It was suggested that the Council should consider implementing a similar scheme for all year 7 pupils in the Borough each year. It was estimated that this would cost the Council £10,000 per year however would encourage young pupil to learn about finance and savings.

RESOLVED

- (a) That the update be noted
- (b) That a further update be received in July 2015 including a briefing on CNCU's business case

9 STRATEGIC ASSET MANAGEMENT PLAN

Glyn Roberts, Property Projects Manager, and Heather McManus, Interim Head of Assets, attended the meeting to discuss the Strategic Asset Management Plan (SAMP). The objective of the SAMP was to ensure that assets contributed to meeting the Council's corporate priorities and set out the Council's needs in the medium term. The SAMP was a detailed plan developed with the support of external consultants.

Members asked questions and commented about the SAMP and the following points arose:

- Assets were the second highest cost to the Council, following employee costs, and the SAMP was designed to help minimise costs by changing the way assets were used and improving service delivery.
- The SAMP was also designed to support economic growth in the Borough by utilising the Council's assets in the best possible way.
- It was acknowledged that there were some gaps in data available to aid decision making and these would need to be filled to ensure information published about assets was accurate and transparent. It was suggested that the strategy should be clear about what data is being referred to where it is incomplete.
- It was suggested that housing associations be added to the list of partners contained in the strategy. This was accepted.
- Approximately 80% of assets and land were registered with 20% still to be registered and would take some time to complete. The Committee agreed that ward councillors should be provided with all

information about land and assets owned by the Council in their area to enable them to communicate effectively with residents.

- The system for establishing whether an asset was surplus to requirements was complicated. Consideration had to be given to whether any asset which might be considered surplus could fulfil any other strategic purpose before being disposed of.
- The Council was investing in flexible working systems and technology to enable staff to work from any location. Desk/Staff ratio was being reduced to 7:10 to reduce the number of desk and ensure optimum use of corporate office buildings. It was explained that in order to achieve the goals the desk/staff ratio had to be strictly adhered to. Members expressed some concerns that a one size fits all approach to desks may not be the best way for some services to work.

RESOLVED

(a) That the Strategic Asset Management Plan be noted.

(b) That the Committee requests an update on the implementation of the Atrium System be provided at a future meeting.

10 WORK PROGRAMME

The Committee gave consideration to the work programme and was asked to recommend some key items which should be taken forward into the new civic year. The following items were suggested:

- Crewe Regeneration Delivery Framework
- Local Enterprise Partnerships
- Business Engagement
- Cheshire East Engine of the North
- Macclesfield Town Centre

RESOLVED – That the work programme be updated as discussed.

The meeting commenced at 2.05 pm and concluded at 4.00 pm

Councillor P Groves (Chairman)

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CHESHIRE EAST COUNCIL**REPORT TO : Jobs Regeneration and Assets Overview and Scrutiny Committee**

Report of: Executive Director Economic Growth and Prosperity

Subject/Title: Transfer of Assets/Devolution

Date of Meeting:

Portfolio Holder: Joint Cllr Don Stockton- Regeneration and Assets and
Cllr Les Gilbert - Communities

1.0 Report Summary

1.1 The purpose of this report is:-

1.1.1 To review the devolution/transfer of assets current position against original cabinet approved lists.

1.1.2 To review the Community Right to Challenge implications in conjunction with the transfer of assets programme.

2.0 Recommendation

2.1 To note the report and consider whether any further work by the Committee is required.

3.0 Reasons for Recommendations

3.1 Cheshire East Council approved at Cabinet on 5th September 2011 to transfer 50 assets to local Town and Parish Councils in line with the Localism Act and current policy on asset rationalisation. These assets were inherited from the legacy district authorities and it was understood to be more financially viable and closer to the local communities if the local town and parishes were able to take them on and manage them more effectively.

3.2 These assets consisted of Civic Halls, Community Halls, Allotments, Public Conveniences, Indoor/Outdoor Markets and other services such as hanging baskets, Christmas tree/lights, street furniture such as benches and planters. The cabinet approved list of 50 assets was listed as Appendix A on the attached Cabinet paper.

3.3 There was an Appendix B list of 24 Assets which was a 'wish list' from the local Town and Parishes and required further consideration by the Council before a Portfolio Holder decision would be required to approve a transfer. That's 74 proposed transfers in total across both the lists.

3.4 The current position with those lists to date CE has legally transferred 38 of these Assets most of which are from the 'A' list and one from the 'B'. There are currently 26 transfers still in program, 16 are from the original 'A' or 'B' lists

and still awaiting Town/Parish decision on whether to transfer or not. There are currently 10 which are new additional requests which Community Services have or are about to instruct Property Services to consider and seek authority to transfer. These are at differing stages of consideration/approval. The newer requests are from community groups as well as Town/Parishes.

- 3.5 New requests from either Town/Parish Councils or community groups should be considered for their localism/community benefits and against CE's corporate policies, service delivery obligations, the Asset Management Plan and both legal/financial regulations.
- 3.6 If the asset being requested is delivering an operational service and or the Council has a procured service maintaining/running the asset, the transfer of the asset out of the service provision or contract piecemeal could have a knock on affect to the effectiveness of that service and or the cost of delivering it as a lesser offering. The request may also be legally interpreted as a 'Community Right to Challenge' for the right to deliver that service more effectively than the Council. This is very different to asset transfer and is covered by legislative process which involves a properly constituted group being invited to follow a procurement competition to bid for the service delivery. This is even if only one group has requested to do so. There are also TUPE implications that have to be considered and adhered to.
- 3.7 Therefore, CE has been considering each request for asset transfer, that is not on the approved 'A' or 'B' list, to date, on its merits, taking the above implications into account and recommending only those assets for transfer that are not deemed to be service delivery or having a detrimental affect on the operational services or contracts in place in relation to such assets.
- 3.8 Community Services are reviewing the community assets across the Borough and reviewing the current position with the remaining assets on the 'A' and 'B' lists and more recent new additional requests with a view to determining what the Council should do with any Assets off the 'A' and 'B' lists not transferring to the Town and Parish Councils as they do no longer want them following review of them and for working up a consideration matrix for scoring any new requests against criteria and implications detailed herein and against legislative process to determine if a request should be taken forward for recommended transfer or not. Such matrix to be approved by Finance, Legal and operational services implicated to ensure no detriment to operational service, their budgets or contracts as a result. This matrix is still being consulted internally on and is not yet ready for review in this paper.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

**6.0 Policy Implications including - Carbon reduction
- Health**

- 6.1 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.

7.0 Financial Implications

- 7.1 The completed asset transfers to date to Town and Parish Councils have been transfers freehold for £1 (Civic Halls, PCs, Indoor Markets) and leasehold peppercorn rent (Allotments, Outdoor Markets) have been transferred with restricted uses and on the freehold with overage deeds to protect CE’s right to claim best consideration on those assets under Section 123 of the Local Government Act if the assets are sold on within 15 years of their transfer from CE.
- 7.2 Some of the transfers to Town and Parish Councils have included minor repairs and improvements on handover and one or two have incurred more substantial repairs to be fair in not handing over in too poor a condition. There is no further budget to support further substantial repairs or improvements in this process and any further requests for financial support in transferring would again have to be considered on its merits and if proven would have to come out of existing ‘stretched’ operational budgets or a budget found.
- 7.3 There is no budget for internal resource to deal with these transfers. They are being dealt with predominantly by Community Services, Property Services, Democratic Services and Legal Services alongside other corporate priority work and prioritised accordingly.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 Various legal procedures will have to be followed following on from decisions made. Legal consideration will be given at the appropriate time as each matters arises for consideration for disposal; and advice will given tailored for each transaction to the level of authority required under the Constitution. Detailed advice can be given and papers can be drawn once proposals are known as to the extent of the proposed scheme ultimately to be delivered and on the nature of each transaction then specified.
- 8.2 State Aid considerations may fall to be considered, and in some transactions the complexity may involve procurement legislation, and application of the contract procedure rules, for the due diligence information/material, depending on each particular set of circumstances.

9.0 Risk Management

- 9.1 The Council is proposing to continue to work up better matrix procedures for considering further asset transfer requests from both Town/Parish Council's and community organisations each on its merits and taking into account the legalities/budgetary implications/service delivery of any operational services/contracts that may be affected by the requests.
- 9.2 The Council could be in breach/subject to challenge if legal/financial/procurement regulations and due diligence on each request is not undertaken and the correct procedures followed.

10.0 Background

- 10.1 The Localism Act 2011 was introduced to empower local communities to look at shaping and running their own local services and assets. There are a few different aspects of this legislation:
- 10.1.1 Asset Transfer of surplus land or buildings (no service delivery)
 - 10.1.2 Community Right to Challenge – delivery of services (subject to procurement legislation)
 - 10.1.3 Community Right to Bid - Assets of Community Value (registering them for protection whether publicly owned or not)
- 10.2 CE has a Community Asset Transfer Policy/Guidance document available already which highlights the procedure for application and considerations to be detailed, see attached. Communities Service are also reviewing this document to reflect the issues and implications herein and in accordance with a new matrix for assessing each request whether it be from a Town/Parish Council or Community organisation. Formal decisions to transfer an asset have to follow constitutional delegation and are, subject to value, usually formal Portfolio Holder decisions and following new Cabinet allocations to be joint decisions by the Portfolio Holders for Regeneration & Assets and Communities.
- 10.3 CE has an established procedure and online application form for the Community right to Bid to register assets of community value and each request is reviewed and considered on its individual merits in accordance with the legislation and criteria for assessment.
- 10.4 The newly created Town Councils at Crewe, Wilmslow and Macclesfield also have transfers to be considered and the legislation and circumstances surrounding these transfers are also in programme and being managed by CE as another strand of this legislative process.

11.0 Access to Information

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

Name: Joanne Jones
Designation: Property Services Manager
Tel No: 01270 686127
Email: joanne.m.jones@cheshireeast.gov.uk

Attachments:

Cabinet Paper – 5th Sept 2011
Appendix A
Appendix B

Current Programme – Asset Transfers

Other Background Documents:

Community Asset Transfer Policy/Guidance

Community right to Challenge – Statutory Guidance

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	5 th September 2011
Report of:	Vivienne Quayle – Head of Policy and Performance
Subject/Title:	Local Service Delivery – Transfer and Devolution to Town and Parish Councils
Portfolio Holder:	Cllr Rachel Bailey Cllr David Brown Cllr Jamie McCrae

1.0 Report Summary

- 1.1 Cheshire East Council (CEC) is committed to delivering services tailored to its individual communities. In July 2010 the cabinet approved that further work and discussion would take place to progress the transfer of the following assets and services to Town and Parish Councils where that made sense to both parties.

Civic Halls

Community Halls

Allotments

Public Conveniences

Markets

Other services (hanging baskets, Christmas lights & Trees, Britain in bloom street furniture including benches and planters)

Possible “other assets” on a case by case basis (see Appendix B)

- 1.2 There were a number of other types of assets originally included for discussion and these are not being proposed for transfer at this stage. These are play areas, footpaths, parks, ponds and ditches.
- 1.3 During the last year CEC has been in negotiations with participating local councils about the potential transfers and on the implications for both parties. In consultation with all Town and Parish Councils it was established that the eight Town councils and eighteen of the larger parishes were ready to discuss potential transfers of assets or services. Working closely with Towns and Parishes is an on-going way of working not a one-off project and it should be emphasised that all parishes are welcome to discuss ideas for service delivery or transfer of assets as they arise. This report contains proposals to transfer assets where discussions around the implications are at an advanced stage. This does not preclude other activities being progressed nor new ideas coming forward.

- 1.4 A clear distinction is made between those services that are non statutory (transferred functions) and those that are statutory (devolved functions).
- 1.5 It is important that the special circumstances in the un-parished areas of Crewe and Macclesfield and the newly parished Wilmslow are considered. This is included in Section 10.8 – 10.10 of the report.
- 1.6 The report sets out the current proposals on the transfer of assets and services to be transferred starting from April 2012. It is recognised that a smooth transfer is desirable to all parties and it is therefore proposed that whilst April 2012 is the aspirational date for completion, that it might be some way into the financial year before the actual transfer takes place for more complex assets where this is agreed by both parties.
- 1.7 The report also covers the financial implications, risks, staffing issues and legal implications. In principle assets will be transferred at a nominal value or long term lease with responsibility for the on- going running costs (or surplus) being covered by the Town or Parish Council.
- 1.8 The extent of the transfers and functions means that the background information involved is necessarily detailed and complex. It is important though to continually focus on the overall benefit and driver for this initiative which is about local people choosing what services they pay for, each locality running services in the way that makes sense to that locality and ultimately continuing to build strong communities across Cheshire East with all forms of government working together, reducing duplication and working in partnership to make a difference in Cheshire East.

2.0 Decision Requested

- 2.1 Cabinet are asked to give delegated authority to the Strategic Director (Places and Organisational Capacity), Section 151 officer and the Monitoring Officer to finalise agreed legal and financial terms for a package of transfers (or leases) of the assets and functions contained in Appendix A with a view to transfer taking place by April 2012 or as soon as possible following that date where that is agreed by both parties.

The legal terms will include those points listed in section 10.12. Both parties will be expected to complete negotiations in a reasonable timeframe. It is anticipated that Civic Halls and Community Centres would be by freehold transfer for disposal at a nominal value and that, in negotiation, both parties will agree on either a transfer or a lease arrangement for the Markets and Public Conveniences with allotments likely to be transferred by way of a long lease.

- 2.2 Cabinet are asked to note the contents of Appendix B. At this stage these assets are not approved for transfer but will be reviewed on a case by case basis as part of the overall package to transfer. Such decisions to be delegated to the relevant portfolio holder (s). An initial analysis of these assets indicates that a number of them will not be suitable for transfer.
- 2.3 Cabinet are asked to approve the transfer of “other services” as listed in section 10.4 of the report.
- 2.4 Cabinet are asked to note the potential overall financial implications of the implementation of this policy and also note that there will be a potential impact on precept levels and Cheshire East’s budget.
- 2.5 Cabinet are asked to note the new delivery model for Town Centre Management (10.7)
- 2.6 Cabinet are asked to note the position in the un-parished areas of Crewe and Macclesfield and the newly parished Wilmslow as detailed in section 10.8 – 10.10.
- 2.7 Cabinet are asked to note the position on additional support costs in property and legal services funded from the Ear Marked Reserve.
- 2.8 Cabinet are asked to note that the terms of transfer and implications will be discussed with both the District Valuer and the External Auditor to ensure their relevant feedback is reflected in the agreements.
- 2.9 Cabinet are asked to formally recognise and thank the joint officer/member working group for their work which has been instrumental in achieving the progress to date.

In line with recommendations within this report and the fact that the negotiations are at an advanced stage it is felt that the group should no longer continue in its current form and therefore be dissolved.

3.0 Reasons for Recommendations

- 3.1 This is an ambitious programme of service and asset transfer designed to maximise the local focus of service delivery and to give each Town and Parish Council an increasingly important role in deciding what should be delivered in its locality and how this is best delivered. Further transfer and devolution will continue and be part of the way Services consider options for delivery moving forward.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

5.1 All

**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 The financial implications are detailed, complex and uncertain as they are dependent on results of negotiations with Town and Parish Councils and the changing costs and implications over time.

7.2 The financial implication from an asset value perspective is that the assets being proposed for transfer amount to approximately £6m in total with a further £5m worth of assets being requested by Town and Parishes outside the categories of service delivery listed at section 1.1

The proposal is to transfer the Civic and Community Halls for a nominal value (£1) and either transfer for nominal value or agree a long term lease for other asset categories. This is subject to further discussion with the District Valuer and external auditors. Appropriate formal valuations will be necessary.

7.3 The overall on-going revenue implication of this initiative is a saving of up to £450k per annum. The savings assumptions have already been factored into the medium term financial plans of the authority given the in principle support for this project in July 2010. There will be additional support services cost savings arising out of the transfers once complete which can not be quantified until negotiations with Towns and Parishes are finalised.

7.4 In 2009/10 an ear marked reserve of £625k was set aside to support the localism agenda of Cheshire East. Consideration should be given to allocating a proportion of this to support the transfer of assets to Town and Parish Councils who are involved in the first phase of transfers.
The balance thereafter will then remain to support future transfer or devolution of services

- 7.5 It should be noted that transferring the package of services proposed will result in some Town Councils requiring an increase in their level of precept. However, part of the benefit of this initiative is that the Town Councils can focus on energising the services in their area, in consultation with local people, and can join up these services with their existing initiatives and either generate more income or tailor the services more effectively to bring an overall reduction in cost.
- 7.6 A great deal of work and discussion has taken place within Town Councils and with Cheshire East to understand the cost drivers and also look for ways of reducing the impact on local taxation. Clearly this is a matter for each individual Town or Parish Council and many have undertaken their own consultation to establish whether residents would be prepared to pay for the services that are being proposed to transfer.
- 7.7 In a number of cases the inclusion of the Market function as part of the overall package of assets to transfer will help to mitigate some of the costs associated with other transferred assets

Any debts associated with the function at the point of transfer will need to be discussed with the relevant parties and agreement reached as to how best to recover them.

Equally some Councils have asked for additional assets to transfer to help mitigate the financial effects. Initial analysis suggests that these will not all be appropriate for transfer. These are included at Appendix B and recommendation 2.2.

- 7.8 It should be noted that the impact of harmonisation of staff terms and conditions across Cheshire East may increase the cost of running some of the facilities being proposed for transfer. This relates to Civic and Community Halls where the current shift arrangements are not subject to enhancements whereas the new proposals may increase staffing costs at these venues. There are also potential residual costs for any staff where transfer under TUPE is not relevant but their post is no longer necessary as a result of the transfers.
- 7.9 A need for up to £200k was originally identified in the report to Cabinet in July 2010 for additional project management and legal resources to support this initiative. To date, the programme has been managed within existing resources. At this crucial stage and throughout the project additional resource will be required in property and legal services to ensure the appropriate controls and assistance are put in place to allow a smooth transfer. This will be funded from the earmarked reserve.
- 7.10 The issue of the condition of the asset on transfer has been raised by all the Town Councils taking part in this initiative. There may be some negotiation on the condition of assets at transfer that could result in a

capital cost to the council; A position will need to be reached that is acceptable to both parties.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 It is imperative that we get the legal process for transfer right. The legal basis for the transfer comes from our general well being powers. Details of Terms of transfer are contained in Section 10.12 of the report.
- 8.2 The Council can dispose of any land for less than the best consideration that can be obtained in reliance on the Local Government Act 1972 general disposal consent (England) 2003 if:
- (a) it considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects of the whole or any part of its area, or all or any persons resident or present in its area:
 - a. The promotion or improvement of economic well-being;
 - b. The promotion or improvement of social well-being;
 - c. The promotion or improvement of environmental well-being;
 - (b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2m; and all other conditions and requirements of the Consent are satisfied.
 - (c) All other conditions and requirements of the consent are satisfied
- 8.3 As more fully reported to cabinet on 19th July 2010:
- (a) In transferring assets the Council must behave prudently to fulfil its fiduciary duty
 - (c) The Monitoring Officer will require to be satisfied that the councils to which services are wished to be devolved have the ability to assume the obligations on the Council's behalf lawfully and effectively. Publications such as "The Guidance note: service delegations to parish and town councils" written for the Commission of Rural Communities and National Association of Local Councils, will help all the parties to understand the benefits and challenges of transfer along with their respective responsibilities going forward.
- 8.4 The Council will also need to comply with any new requirements in the Localism Bill once it becomes an Act, and in particular new provisions dealing with Assets of Community Value (also known as the

Community Right to Buy). Under the current proposals Councils will be required to maintain a list of Assets of Community Value ie land and buildings considered to be of Local Community benefit. Local organisations will be able to nominate assets for inclusion in the list and any future disposals will need to follow a process designed to give the opportunity for Community groups to acquire the asset to safeguard its long term availability for community use.

- 8.5 It will be necessary to advertise the potential disposal of any open space within assets desired to be transferred.
- 8.6 If the council does retain the freehold of any land, then it will remain responsible for the condition of the land/buildings on it under the relevant statutes such as the Defective Premises act 1992.

9.0 Risk Management

- 9.1 There are a number of significant risks arising from this project. The main risk is that a smooth transfer cannot be achieved and the service to the public is adversely affected. This can be mitigated by ensuring that appropriate support is put in place between the two parties, using short shadow periods where relevant; strong head of terms agreements in place at transfer; detailed negotiations and openness between both parties; detailed planning by individual Town and Parish Councils; on-going support from Cheshire East on key support functions that are unfamiliar to Towns and Parishes. It will not be possible to offer legal support services, however, as there is a potential conflict of interest. Other services could be offered on a chargeable basis.
- 9.2 There is a risk that Cheshire East will not have the capacity to support this project to the level required given the extensive detailed work involved in the next 6 months. This can be mitigated by extra resource from the Ear Marked reserve. (see 7.9).
- 9.3 There is a risk that individual Town and Parish councils do not have the capability and/or capacity to deliver the new functions and that this affects service delivery or safety. Cheshire East Council is supporting Town and Parishes to ensure that transfer is successful and this is a matter for each individual Council. However, many Councils have taken advice from external parties, examined examples of successful transfers in other Towns and have been working for some time on their business plans in relation to the transfers to mitigate this risk.
- 9.4 A further risk is that the financial savings are not achieved in the short or longer term. This can be mitigated by ensuring that the support services costs in Cheshire East, post transfer are included in efficiency reviews and the business planning process. Once the services are transferred the Towns and Parishes have an opportunity to make

further efficiencies and it will be for each Council to put arrangements in place. This is well understood by the Towns and Parishes.

- 9.5 There are HR risks in terms of the staff transferring and appropriate arrangements being put in place. These are being managed by the project manager and the HR team.
- 9.6 There are other risks around failure to fully capture all the detailed implications e.g. Cheshire East services remaining in transferred venues, Cheshire East's reduction in venues and possible additional costs arising, short term effect on the balance sheet and writing down the asset value. These are being raised as they arise and dealt with appropriately. Cross functional working within the authority is strong on this project and, the detailed heads of terms will cover significant areas.

10.0 Background and Options

Overview and Benefits

- 10.1 This initiative is part of a range of activities designed to strengthen local communities. It recognises that Towns and Parishes are the tier of government closest to the community and that Cheshire East respects and values the important role that local Councils already play in the Community.
- 10.2 There are a number of different aspects to this general philosophy:
- Firstly, there are those services where Cheshire East is minded to no longer fund and where the service is capable of being delivered by local Councils.
 - Secondly, there are those individual situations recognising the hugely diverse nature of Cheshire East where on a case by case basis it makes sense for local Councils to deliver services or hold assets.
 - Thirdly, there are some local services which Cheshire East has statutory responsibility to deliver but would be happy to see delivered by local Councils.
 - Fourthly, there will be circumstances linked to any of the first three items where Cheshire East no longer proposes to deliver a service or function and the local Council is unable or unwilling to deliver it. This provides opportunity for other community options to be considered as a potential solution. All of this strongly links to the localism ideology of central government and Cheshire East's commitment to implement a local way of working.
- 10.3 This report is concerned with a group of services falling into the first category above, possible services/assets within the second and briefly

commenting on the current devolution pilot relevant to the third point above.

Transferred Services

10.4 The Services being proposed for transfer are:

Civic Halls
Community Halls
Allotments
Public Conveniences
Markets
Other services (hanging baskets, Christmas lights & Trees,, Britain in bloom street furniture including benches and planters)

The asset related services are listed by Local Council in Appendix A. There are also a number of other assets/services listed in Appendix B where local Councils have asked for transfer. Initial analysis of the assets in Appendix B suggest that a number of them will not be suitable for transfer.

The services in the list above and at Appendix A will be transferred to the local councils who will have full responsibility for the asset and service delivery. Relevant financial implications will be reflected in each council's precept . Local Councils have considered the implications and have indicated that they are in a position to formally negotiate the transfer. Their decisions are in principle and subject to final legal agreement.

10.5 Public Conveniences. In the majority of cases public conveniences can transfer to Towns and Parish Councils. Through legacy contracts, a range of automatic toilets with expensive buy-out terms are in place. These will need to be considered as part of a separate review.

10.6 Parks and Play Areas. A number of councils have expressed an interest in taking on the ownership and maintenance of parks and play areas. This is closely linked to devolving grounds and park maintenance services and it is felt more appropriate to include this in discussions on devolution. This timescale allows a phased approach which would seem sensible in any event.

10.7 Town Centre Management

The town centre management across Cheshire East provides a valuable service to local towns through supporting events, engaging with retailers and providing a co-ordination point into the Council for

local town and parish councils. It is anticipated that, in time, the function is transferred to local areas and parishes/town councils pick up both the activity and provide the funding through local precepts.

The new delivery model is to focus town centre management on our two principle towns, Macclesfield and Crewe to support the Macclesfield Economic Masterplan and All Change for Crewe initiatives. Operational from 1st April 2012, one of the two posts will be dedicated to each town to deliver specific programmes of events and activities linked to the local strategies. Support for Christmas events and Christmas lights will follow the model outlined above. 2011 will be the final year for providing dedicated support for Christmas lights and activities in all town centres apart from Crewe and Macclesfield.

The current model does not take account of the fact that some town councils already provide dedicated town centre management not funded through Cheshire East Council. There is a strategic case for dedicating scarce Cheshire East resources on our two largest town centres. The remaining towns and local areas will in some areas continue to deliver their own town centre management functions such as Congleton and Middlewich. In those areas where Cheshire East support is currently provided such as Poynton and Wilmslow, discussions will commence to build up local provision prior to 1st April 2012 and where necessary fund through local means.

The delivery model outlined above could also continue to deliver town centre management functions across the remaining towns and parishes if local areas wish to commission the Council to provide the service and fund through local means. Negotiations will commence in the Autumn to determine the level of interest in this option so the Council can align resources appropriately by 1st April 2012.

Un-parished and Newly Parished Areas

- 10.8 The relevant assets and services including in this initiative in Crewe and Macclesfield (un-parished) and Wilmslow (newly parished) are not currently included in the proposed transfer as the un-parished areas have no power to run these services or obtain assets through the Charter Trustees. In Wilmslow, the Town Council is too new to take on these functions by April 2012.
- 10.9 In order to present a similar opportunity and approach in the un-parished areas, the Council has set up Local Delivery Committees who will recommend the local service levels for this suite of services and review the financial implications. An option is to raise a special expenses" levy through CEC to ensure that local people pay for the level of local services they receive. The committees have recently been constituted and will be able to meet during the Autumn in line with the business planning process to enable decisions to be taken. The

introduction of a special expense levy is unlikely to be necessary based on the current financial analysis. Once the figures have been discussed the cabinet may wish to set a de-minimus level so that a tax is not levied if the revenue to be generated is marginal.

- 10.10 One of the new Parish Councils, Wilmslow Town Council, formed in May 2011 has assets in its area that are relevant to this transfer. Clearly they have not had time to consider the opportunity afforded through this policy in the short time of their existence so it is proposed that negotiations are carried out with this council and transfers implemented where appropriate in April 2013. It is expected, however that the new parishes are treated consistently in April 2012 with regard to the more minor services e.g. Christmas lights, street furniture, hanging baskets.

Devolution of statutory services

- 10.11 This report describes and requests decisions on transfer of assets and services. For some months a devolution pilot has been in place in the Congleton Town Council area. Early indications are that this pilot has led to successful ways of working and more local input into the service delivery in the locality. Decisions will soon be required on formally taking devolution forward, and consideration will need to be given to different types of delegation schemes, their set-up and the implications for the local councils and how the delegation is managed and monitored.

Devolution will be subject to a separate cabinet report.

Property Transfer - Legal Terms

- 10.12 Every transfer will be effected by a legal agreement. These will be drawn up by the Borough Solicitor in conjunction with the Assets team. The following are the general principles/terms:
- There is a presumption that the transfer of assets will protect community use of the assets
 - There is a further presumption that no car parking will transfer unless it is essential to the on going operation of the facility
 - The transfer will take place for a nominal value (£1) and the Town or Parish Council will be wholly responsible for the service and the asset save insofar as the Council chooses to take back leases of accommodation within the asset or enter into joint use arrangements or

has residual legal responsibilities under contracts or legislative provisions.

- The agreement will secure an overage mechanism for the Council if there is a future planning permission which enhances the value of an asset or the Town or Parish Council sells the asset within a period of up to 25 years.
- Where Cheshire East services will remain in a transferred asset e.g. (libraries) it will only be responsible for general outgoings and repair and maintenance of the premises it occupies and may pay a service charge; no rental or occupancy charge will be due. Appropriate access and operational arrangements will be agreed.

HR Issues – Staff Transfer and TUPE

10.13 The general principle of transfer will be that TUPE applies and that staff will transfer to the relevant Town or Parish Council. Provision TUPE lists have been provided to the local Councils and staff affected are aware of the proposals. Formal processes will need to be put in place to ensure a fair and smooth transfer. There are likely to be some individual instances where the transfer is subject to negotiation e.g. where a member of staff spans several relevant transferring assets but not a significant proportion at one particular asset. There may be residual costs arising where TUPE does not apply but a post is no longer required as a result of transfer. HR advice, good practice and negotiation will be used to resolve such issues.

Options for Assets and Services not transferred to Local Councils

10.14 Where local councils decide not to take over the services proposed for transfer within this initiative, the future of such facilities needs to be determined. This will depend on the nature of the asset and the reason it has not been transferred. In some cases, this is because the facility is not well used and does not constitute value for money in which case it makes sense to cease it. In others it may be that the function is seen as important by the community but that a different delivery model will be required e.g. through the establishment of a social enterprise models where a number of local organisations would resource and run facilities. This is now under consideration and will form part of the usual budget and policy setting processes within the council. There should be few assets and functions in this position as Town and parish councils have, in the main, indicated a desire to take them over.

Transitional Funding

10.15 An ear marked reserve of £625k was set outside at the inception of Cheshire East to support local working. Part of this fund will be made available to those Towns and Parishes councils taking on major transfers based on the number, scale and complexity of the packages

of assets and functions they are taking on. Such allocations will be discussed on the basis that they can only be claimed based on evidence that the expenditure is specifically supporting the transition, and that the Councils can demonstrate that their own reserves cannot be applied to support the transfers.

- 10.16 It is also recommended that the remaining CEC fund is kept under review as further services and functions are considered for devolution and / or transfer. An additional allocation is also proposed for the two Parish Councils (Holmes Chapel and Prestbury) participating in minor transfers of public conveniences, based on the fact they have very little funding to refurbish facilities and would be unable to undertake them without this support which would part fund the total cost of renovation.

11.0 Next Steps

- 11.1 There has been a tremendous amount of energy and commitment by the Town and Parish Councils into this initiative which is to be welcomed and supported. Clearly this is a challenging task for both Cheshire East and individual Towns and Parishes. The CEC Town and Parish Working Group which includes senior representatives across the Borough and two Cheshire East Councillors (who are also Town Councillors) has been instrumental in achieving huge progress and their contribution should be formally recognised.

Inline with recommendations within this report and due to the fact that the negotiations are at an advanced stage it is felt that the group should no longer continue in its current form and therefore be dissolved

- 11.2 There is vast potential to work with this critical layer of local government and develop their role as a key provider of local services in partnership with other third parties, as part of the Council's commitment to transforming services and ensuring they are delivered at the right level and in the most effective way. This goes beyond the running of local venues and may include the wider provision of preventive services and community wellbeing.
- 11.3 A number of Town and parish councils have already registered an interest in the delivery of further services in future years either independently or through the development of a Community Trust or Social Enterprise. These should be considered post implementation of this first phase of this project.
- 11.4 Once the decisions requested by cabinet are clear, a fully detailed project plan will be drawn up to ensure that the phasing of transfers and the necessary steps to transfer are explicit. Local councils need sufficient information to set a realistic budget for 2012/13 and raise the necessary precept and key milestone dates will form part of the plan.

12.0 Access to Information

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

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List of assets to transfer by individual areas					
Town / Parish Council	Town and Civic Halls	Community Halls	Markets	Public Conveniences	Allotments
Audlem Toliets				Cheshire Street (Already Transferred)	
Alsager	Alsager Civic Hall, Lawton Rd, Alsager		Alsager Outdoor Market (located on carpark at rear of Civic Hall	Crewe Road, Alsager	Cedar Avenue
					Coronation Avenue
					Talke Road
					Lawton Road
Middlewich	Middlewich Civic hall		Outdoor	leadsmithy street	Booth Lane
				Southway	
				France Hayhurst Pavilion	
Sandbach	Sandbach Town Hall, Highstreet,		Indoor Market, retail units and Market store	Town centre, Sandbach	
			Outdoor Market		
Knutsford	Civic Hall, Toft Rd (Transfer is subject to a separate exercise to find an operator)	St Johns Wood	Indoor market	Bexton Rd	Warren Avenue
				King Street	Mereheath Lane
				Northwich Road	Sparrow Lane
Bollington					Harrop Rd
	Civic Hall				
Nantwich	Nantwich Civic Hall, Market Street, Nantwich	The Gables, Beam Street, (There are specific issues with this Asset that will need further negotiation)	Nantwich indoor and Outdoor Markets, Market street,	Barony Park toilets, Barony Road, (currently Closed)	Welshman's Lane
				Snow hill, Snow Hill carpark,	Brookfields, Brookfield Lane
				Nantwich Market, Market Street,	Brookfields 1, Brookfield lane
Poynton					Coppice Road
Disley		Disley Community Centre			
Holmes Chapel				London Rd	
Prestbury				The Village Rd	
Willaston					Crewe Road
Wistaston					Wistaston Green
Adlington					Meadowside
Shavington					Gresty Lane
Alderly Edge					Ashbrook Road
					Beech Close
					Chorley Hall Lane
					Heyes Lane
Congleton	Linked to Devoultion Pathfinder- asset due to transfer as part of the project				

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APPENDIX B

Town and Parish Councils-Other Assets Including Land		
	For Review and Possible Portfolio Holder Decision	Requested but not Proposed to Transfer
Alsager	Alsager Office, Lawton Rd	
Middlewich	Victoria Buildings, Middlewich street	
	Brine Pump	
	Land of Rutland Drive	
	Fountain Fields- Bowling Green & Pavillion	
	Playing Fields, Wych House lane	
Sandbach	Disused (fenced off) playground, junction of Princess Drive	Scotch Common (Car Park)
	Wilkinson House London Road Elworth	Small Common (Car Park) This needs further consideration as the TC have commented that this could jeopardis the transfer of the Town Hall complex
	Closed Highway end of Milbrook way	
	Land South of and adj to Sandbach Station (currently container Storage	Sandbach enterprise Centre
Knutsford	Town Council Offices, Toft Road	
Bollington	Town Hall	
Nantwich	Brookfield Hall, (Portacabin occupied by town Council) Brookfield lane, Nantwich	
Poynton with Worth	Land between London Road / Dickens Lane / and Poynton Brook	Vernon infants School
	London Rd North Depot	
	Anson Road Depot	
	Garages off Barnby Road	
	Scout Hut off Coppice Road	
	Land behind Petre Bank Cottages on Middlewood Road	
Disley	Ballcourt (Multi use games area) Station Approach	

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Requested Devolution/Asset Transfers

No.	Property Requested	Requester	Status	Approval Granted
1	Alsager Office Lawton Road	Alsager Town Council	Assets not instructed to transfer property	No
2	Brine Pump	Middlewich Town Council	Instruction received to transfer asset. Assets waiting for the Town Council to decide if the property is still requested	No
3	Middlewich Outdoor Market	Middlewich Town Council	Instruction received to transfer asset. Assets waiting for the Town Council to decide if the property is still requested	Yes
4	Leadsmithy Street Public Conveniences	Middlewich Town Council	Instruction received to transfer asset. Assets waiting for the Town Council to decide if the property is still requested	Yes
5	Booth Lane Allotments	Middlewich Town Council	Instruction received to transfer asset. Assets waiting for the Town Council to decide if the property is still requested	Yes
6	Southway Public Conveniences	Middlewich Town Council	Instruction received to transfer asset. Assets waiting for the Town Council to decide if the property is still requested	Yes
7	Land of Rutland Drive	Middlewich Town Council	Assets not instructed to transfer property	No
8	Disused (Fenced Off) Playground, junction of Princess Drive	Sandbach Town Council	Assets not instructed to transfer property	No
9	Town Council Offices, Toft Road	Knutsford Town Council	Instruction received to transfer asset. Negotiations ongoing	No
10	Civic Hall, Toft Rd	Knutsford Town Council	Assets not instructed to transfer property	No
11	Bollington Town Hall	Bollington Town Council	Instruction received to transfer asset. Negotiations ongoing	Yes
12	Brookfield Hall Brookfield Lane, Nantwich	Nantwich Town Council	Assets not instructed to transfer property	No

13	London Road North Depot	Poynton Town Council	Assets not instructed to transfer property	No
14	Garages off Barnaby Road	Poynton Town Council	Assets not instructed to transfer property	No
15	Scout Hut off Coppice Road	Poynton Town Council	Assets not instructed to transfer property	No
16	Land Behind Petre Bank Cottages on Middlewood Road	Poynton Town Council	Assets not instructed to transfer property	No
17	Ballcourt, (Multi Use games area) Station Approach	Disley Parish Council	Assets not instructed to transfer property	No
18	Gresty Lane Allotments	Shavington Parish Council	Instruction received to transfer asset. Assets waiting for the Town Council to decide if the property is still requested	Yes
19	Atax Field Bollington	Bollington Health and Leisure Trust	Instruction received to transfer asset. Negotiations ongoing	No
20	Wheelock Playing Fields	Sandbach Town Council	Instruction received to transfer asset. Assets waiting for the Town Council to decide if the property is still requested	No
21	Audlem Car Park and Playing Field Site	Audlem Parish Council	Instruction received to transfer asset. Negotiations ongoing	No
22	Anson Museum Poynton	Anson Engine Museum	Instruction received to transfer asset. Negotiations ongoing	No
23	Broken Cross Pavilion (Jasmine Park), Macclesfield	Jasmine Park Community and Sports Centre Limited	Instruction received to transfer asset. Negotiations ongoing	No
24	Bollington War Memorial (Parcel of Land)	Bollington Town Council	Instruction received to transfer asset. Negotiations ongoing	Yes
25	Land adjacent to Audlem Civic Hall	Audlem Parish Council	Instruction received to transfer asset. Negotiations ongoing	Yes
26	The Gables and additional parcels of land	Nantwich Town Council	Instruction received to transfer asset. Negotiations ongoing	Yes