

# CHESHIRE EAST COUNCIL

## Cabinet

---

<b>Date of Meeting:</b>	23 <sup>rd</sup> February 2016
<b>Report of:</b>	Steph Cordon, Head of Communities
<b>Subject/Title:</b>	Proposal for support to Local Councils 2016/17
<b>Portfolio Holder:</b>	Cllr L Gilbert, Communities

---

### 1. Report Summary

1.1 As a Resident's First Council, Cheshire East Council recognises the important and growing role that Town and Parish Councils (Local Councils) have as democratically elected bodies who serve the needs of their local communities. As there are increasing opportunities through devolution for Local Councils to undertake delivery of services and manage assets it is appropriate that we have a proposal which sets out how Cheshire East Council intends to provide funding to enable support for Town and Parish Councils (Local Councils) for 2016/17, and in order to help them to meet outcomes from our corporate priorities.

1.2 It is expected that the support provided to Local Councils will:-

- Identify any remaining unparished areas to be 'parished'
- Provide support to newly established councils and access to information, specialist training and quality assurance standards.
- Promote the NALC Local Council Award Scheme and support all local councils to improve and develop to meet their full potential.
- Review and promote the Code of Conduct
- Encourage Local Councils to share resources and to work collaboratively, and enable them to share good practice and expertise.
- Act as a conduit and represent the diverse views of Local Councils to the Borough Council and other public bodies
- Facilitate two-way communication and consultations so that Local Councils can contribute to discussions and decision-making.
- Support parish councils in making representation to CEC on strategic issues and ensuring that any particular duties and powers are appropriately followed
- Actively support uptake and monitor the number of local councils qualified under the General Power of Competence
- Encourage local councils to engage with voluntary and community groups, and develop joint working practices to address local needs and priorities

- 1.3 This report also proposes the development and implementation of a Local Councils Charter. This will set out expectations and agreements between democratically elected tiers of government, and will help to define and improve our relationship with each other.

## **2. Recommendations**

- 2.1 To agree the proposal for support for Local Councils.
- 2.2 To agree to award funding of £14,213 for 2016/17 to Cheshire Association of Local Councils (ChALC) in order to support Local Councils for purposes as specified in the Proposal.
- 2.3 To agree to the development and implementation of a Local Councils Charter in 2016

## **3. Other Options Considered**

- 3.1 Funding support could be withdrawn. However, without the appropriate notice period infrastructure organisations that support local councils would have a limited opportunity to adjust their plans, and it would significantly reduce their ability to meet the required outcomes.
- 3.2 A reduction in overall grant funding could be considered, as in previous years, by a small annual cut. This may not be sustainable as it has been established that further cuts could not be absorbed without reducing services or staff posts.

## **4. Reasons for Recommendations**

- 4.1 There are increasing opportunities available for Local Councils to take control of services and assets within their local areas, through transfer of assets and devolution of services.
- 4.2 There are many examples of successful transfers made to Local Councils allowing communities to take control and be responsible for the delivery of services at a local level to maximise community benefits. These include: -
  - 4.2.1 Congleton, who are now responsible for the Town Hall
  - 4.2.2 Audlem, who have taken over the public toilet block in the centre of the village
  - 4.2.3 Nantwich, who now run the Civic and Market Halls
  - 4.2.4 Wilmslow and Crewe are now responsible for local allotment sites
- 4.3 Local Councils have helped in the development of the Local Plan by supporting and taking part in consultation events and providing feedback. A number of local councils are also undertaking the development of Neighbourhood Plans, in order to help shape and influence infrastructure in

the future. This is influenced by a strong legacy of community plans, village design statements and housing needs assessments that many local councils have undertaken in the past in order to understand the needs and priorities within their local communities.

- 4.4 In order to have the confidence and skills to pro-actively pursue and manage effective local governance and increase scope to undertake additional activities for the benefit of their local communities, local councils need to have well-trained and qualified clerks and councillors.
- 4.5 Previous funding support has been provided to ChALC through a more general Policy for Infrastructure Organisations. However, this has not recognised the different and more specialised nature of support that is required in order to effectively serve democratically elected bodies with statutory duties and powers.
- 4.6 ChALC is part of a national network that provides support to Local Councils and is the only provider in Cheshire. The proposal sets out our approach to provide grant funding for 2016/17.
- 4.7 DCLG would like to see more local councils qualified under the General Power of Competence as this is useful to increase their scope if devolution takes place. There are examples of parishes setting up charitable trusts to deliver services and accessing new models of community finance, and greater networking opportunities available for councillors and clerks through 'My Community'
- 4.8 A Local Council Charter between Cheshire East Council and Cheshire East Local Councils was established in 2005 under Cheshire County Council. The Charter aims to set out protocols to enhance and develop collaborative working between the Parish and Town Councils and Parish Meetings and Cheshire East Council acknowledging that each play a valuable role in local democracy and service provision. It also sets out principles by which the two tiers of local government can work together in partnership to deliver services, influence policy decisions and overall improve the quality of life for those living, working and visiting in the area. A draft Charter has been prepared during 2015 as an outcome of the funding agreement for 2015/16.
- 4.9 During 2016 a number of policy reviews will be carried out on some existing strategies and new ones will be developed. This will allow us to improve on good work and remove policy that is no longer relevant or fit for purpose, so that we can meet our corporate priorities in more effective ways. Such documents include : - the Sustainable Community Strategy, Health and Wellbeing Strategy, Social Value Strategy as well as the VCF Commissioning Framework
- 4.10 It therefore makes sense to conduct a review and redevelopment of the Local Council Charter at the same time, so a renewed and fit-for-purpose Charter can be informed by changes made to these policies and also help shape their aims and objectives.

- 4.11 It is intended that the chief outcome of such a review will be robust Charter supported by policy that will deliver appropriate funding and in the appropriate way for the support of Local Councils from 2017 onwards.
- 4.12 The Principal Manager for Partnerships and Communities manages the Council's budget for supporting infrastructure organisations. The level of funding available has been decided by the Principal Manager as the budget holder, in consultation with the Department's Portfolio Holder. Funding will be used to achieve the following outcomes on 2016/17 : –
  - 4.12.1 Local Councils have well trained and qualified clerks and councillors
  - 4.12.2 Remaining unparished areas to be identified and evidence of support towards parishing them
  - 4.12.3 Implementation of the Local Council Award Scheme
  - 4.12.4 Opportunities for parishes to network together
  - 4.12.5 Development of shared resource or collaboration schemes
  - 4.12.6 Local councils are signed up to the Code of Conduct
  - 4.12.7 Local Councils are actively looking to take on additional services/duties and work collaboratively through the General Power of Competence

## **5. Background/Chronology**

- 5.1 ChALC has previously received grant funding from Cheshire East Council. This support has been informed by a general Support for Infrastructure Organisations Policy, which has outlined the funding criteria required, and the expected outcomes.
- 5.2 Previous grant funding has enabled ChALC to support local councils and helped them achieve a number of outcomes for the benefit of local communities including:- well trained and supportive parish clerks and councillors, take up of the Code of Conduct, support for the parishing of unparished areas e.g. Hulme Walfield and Somerford Booths Parish Council; developing Rural Forums to look at issues such as planning, partnership working with other agencies and maintaining strategic relationships with Cheshire East Council and other statutory organisations.

## **6. Wards Affected and Local Ward Members**

- 6.1.1 The recommendations relate to all wards and ward members within Cheshire East

## **7. Implications of Recommendation**

### **7.2. Policy Implications**

- 7.2.1. Positive Impact

### 7.3. Legal Implications

7.3.1 In deciding whether to directly award a grant consideration must be given to the facts and circumstances in which a direct grant award is being proposed and be satisfied that in making a direct award the Council is meeting its public law duties.

7.2.2 The Council has the powers to award a grant to support the organisations using its general power of competence in Section 1 of the Localism Act 2011. In exercising the power to the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably.

7.2.3 There is currently no overarching Council policy/framework by which grant funding should be allocated and in principle a direct grant award can be made. The proposal for Support to Local Councils sets out how Cheshire East Council intends to provide support to assist Local Councils across Cheshire East to achieve their aims and objectives, from 1st April 2016 to 31st March 2017. In the event only one organisation, the Cheshire Association of Local Councils (ChALC) is to receive this funding.

7.2.4 In awarding a grant the Council cannot exhibit the same amount of control over the organisation as is commensurate with a contract. Essentially the terms of the grant should set out what the purpose of the grant is for and only claim claw back provisions in the case of the grant funding being used for other purposes or otherwise improperly. The Council will not be able to assess the quality of the services that are being provided and determine to withdraw grant funding on that basis (except at the end of the period of the grant funding).

7.2.5 Consideration must be given to State Aid implications of directly awarding a grant.

7.2.5.1 State Aid rules apply where:

- State resources are involved
- The beneficiary is involved in economic activity
- The beneficiary could get an advantage that they cannot normally get from the market
- The services are theoretically tradable across the Member states.

A scheme must meet all four of the above criteria in order to be considered to be State Aid. It is arguable that given the nature of the activity is such that it would not be of interest to other member states.

7.2.6 The proposal for Support to Local Councils sets out how the Service has determined that the recipients (ChALC) is able to meeting the Council's criteria for funding. It goes on to state that no other organisations operating within the Cheshire East area are to meet the criteria. In the event of a challenge, the

policy provides some evidence to support the view that the beneficiaries are not being given an advantage (on the basis there is no market) a grant award is not State Aid.

7.2.7 Payments which are less than the State Aid De minimus threshold (200,000 euros in any rolling three year period) can be made lawfully in any event. However, all sums received by a recipient in a three year rolling period are taken into account.

7.2.7 It is noted that the Service are carrying out a policy review in the next financial year by which to determine how to support Local Councils in the future. Procurement of services via contracts or the implementation of a competitive grant procedures will potentially negate State Aid issues in the future.

7.2.6 Continuing to provide support to the identified recipient to deliver specialist advice and guidance during 2016/17 whilst this review takes place will ensure projects will continue to be delivered and expertise will be retained.

#### **7.4. Financial Implications**

7.3.1 The recommendations will enable a grant award of £14,213 for 2016/2017 to be funded within existing budget provision.

#### **7.5. Equality Implications**

7.5.2. Positive impact. Support to Local Councils provides advice, guidance and examples of good practice.

#### **7.6. Rural Community Implications**

7.6.2. Positive Impact. The provider will work closely with rural Local Councils to provide support, advice and guidance

#### **7.7. Human Resources Implications**

7.7.2. Resources have been provided as part of existing staff job roles

#### **7.8. Public Health Implications**

7.8.2. There are no Public Health Implications

#### **7.9. Other Implications (Please Specify)**

7.9.2. There are no other implications

## **8. Risk Management**

- 8.2. The risk of not agreeing the proposal is that a considered approach to providing funding against clear outcomes and timescales may not be agreed, and funding is unable to be released
- 8.3. Furthermore, the risk of not being able to fund means that the local councils may not receive the specialised support they require in order to deliver a quality service, resulting in a loss of benefit to the communities they serve

## **9. Access to Information/Bibliography**

- 9.2. Papers are attached as follows: -
- 9.2.2. Proposed Support to Local Councils

## **10. Contact Information**

Contact details for this report are as follows:-

<b>Name:</b>	<b>Sharon Angus-Crawshaw</b>
<b>Designation:</b>	<b>Strategic Partnership Manager, Partnerships and Communities</b>
<b>Tel. No.:</b>	<b>01270 685793</b>
<b>Email:</b>	<b><a href="mailto:sharon.angus-crawshaw@cheshireeast.gov.uk">sharon.angus-crawshaw@cheshireeast.gov.uk</a></b>