

# Public Document Pack



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## CABINET

Tuesday, 5th December, 2017

### S U P P L E M E N T A R Y P A C K

|    |                       |
|----|-----------------------|
| 1. | <b>PARKING POLICY</b> |
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Amended copy of the Parking Policy attached. There are amendments to section 4.1.3 Hire of Car Parks (pages 13 – 14 of the supplementary pack) and 4.9 Recycling Facilities (page 16 of the supplementary pack).

(Pages 3 - 22)

|    |                               |
|----|-------------------------------|
| 2. | <b>CORPORATE ASSET POLICY</b> |
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Amended copy of the Corporate Asset Policy attached. There is an amendment to Section 4-C, paragraph 3.4 (page 69 of the supplementary pack).

(Pages 23 - 104)

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| 3. | <b>JOINT AUDIT - EDUCATION SCRUTINY WORKING GROUP INTERIM REPORT ON FINANCIAL VIABILITY OF SCHOOLS</b> |
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Copy of the Wales Audit Office review of education finance in Powys and the action plan produced in response to the review attached.

(Pages 105 - 136)

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# **Parking Policy**

Version: DRAFT

Sept 2017

**Cyngor Sir Powys County Council**

Updates

| Version | Date | Approved by |
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## 1 Introduction

This document sets out our approach to parking across all of the towns and the larger and smaller villages of Powys. Providing safe and convenient parking is vital to the economy of Powys, ensuring that our towns remain easily accessible for people who choose to drive.

Appropriate parking management supports the objectives of Powys County Council, offering access to many amenities and places to visit and enabling our residents and businesses to achieve their potential.

This document sets out the key policies within Powys with regard to the provision of both on-street and off-street parking and for the enforcement of Traffic Regulation Orders. By its nature, parking policies adapt and change over time and will need to be regularly reviewed and updated.

Powys County Council's parking policies aim to:-

- Integrate traffic management policies with effective on-street and off-street enforcement.
- Provide dedicated on and off street enforcement.
- Prioritise parking enforcement in areas where the requirement is greatest and to be responsive to changing needs, local factors and demand.
- Provide parking dispensations and suspensions as appropriate.
- Manage parking capacity both on and off street to meet the demands of business and the public.

Parking charges are set by the Council and reviewed periodically as necessary.

## 2 General

Powys County Council is the Parking Authority and the Enforcing Authority responsible for all on street parking and off street public car parks.

The Welsh Government made an Order – The Civil Enforcement of Parking Contraventions (County of Powys) Designation Order 2011, which provide the Council with the legal framework in which to enforce parking contraventions.

Except for certain military roads that are open for public use all public highways within the County of Powys form the civil enforcement area and a special enforcement area for the purposes of Part 6 of the Traffic Management Act 2004. Parking contraventions on these roads are therefore dealt with through a civil law regime.

Powys County Council will abide by the Statutory Guidance from the Welsh Government on the civil enforcement of road traffic contraventions.

Powys County Council is a member of PATROL, the joint committee of England and Wales for the enforcement of parking and traffic contraventions outside London. Being a member of PATROL allows the Authority to operate Civil Parking Enforcement [CPE] as well as gaining access to the independent appeals tribunal, the Traffic Penalty Tribunal [TPT].

## **2.1 General Policies**

Powys County Council will:

- Ensure that there is effective enforcement of on-street waiting and parking restrictions in order to reduce congestion and increase the availability of short stay parking space.
- Provide adequate space for taxis, coaches and buses to park and operate safely in appropriate locations.
- Review the extent of long stay, on street car parking where this causes problems in residential areas, conflicts with essential traffic movements, creates safety problems or reduces space for short stay visitors.
- Enhance and encourage the use of public off-street car parks for short and long stay parking.
- Make attractive parking arrangements for holders of “Blue Badges” in suitable locations and improve the access and internal layout of car parks to give full access for the disabled.
- Provide adequate space for overnight parking for coaches and heavy goods vehicles (HGV's) where this will not cause a problem for local residents in Long stay car parks.
- Deal with any challenges and appeals regarding enforcement in a fair and consistent manner.
- Ensure all informal/formal enquiries are dealt with within prescribed timescales.

## **2.2 Parking in Town Centre Areas**

Visitors to a town often fall into 3 categories:

1. Short term visitors who visit a few shops and/or banks etc. These shoppers need quick access to those shops for a relatively short duration. They require on street parking outside or within the central business area and be confident spaces would be available. Not having availability of this convenient parking may deter this type of shopper or

cause them to drive away often to out of town to supermarkets for example.

2. Longer term visitors. These are expecting to stay within a town for a longer period and may be visiting a variety of shops/services and or having longer appointments at a hairdressers or Estate Agent etc. These visitors have made a purposeful journey to the town wishing to stay longer than 1 hour and would expect to make use of an off street car park.
3. Commuters, these visitors are regular visitors to a town during the working week and need suitable parking within long stay car parks.

The short term visitor needs to be able to quickly access a towns facilities, undertake their business and then vacate the parking space for the next. Parking within the town centre is often limited however where it is safe and practical to provide, sections of limited waiting bays will be provided. To ensure there is sufficient turnaround of spaces the limited waiting bays will be restricted to either 30 minutes or 1 hour. This should provide sufficient chance for a short term visitor to be able to find a suitable space. In exceptional circumstances different times may be considered to meet a local need however the maximum on street parking will be 1 hour.

For longer staying visitors and commuters, the Council's off street car parks are available.

### **2.3 Reviews of Traffic Regulation Orders (TROs)**

Powys County Council is responsible for all aspects of on-street parking on the local highway network, introducing regulations to improve safety and the turnover of spaces and enforcement of regulations by civil enforcement officers

Traffic regulation orders are in place within our towns and communities, designated with appropriate signing and lining. Traffic orders place restriction on parking such as loading/unloading, disabled and residential permits.

Reviews of restrictions within Towns and Communities will continue to take place as funding permits to reflect new and changing priorities as well as safeguarding safety and securing the expeditious movement of vehicles along the highway.

Powys County Council may review TROs in the following circumstances where funding allows:

- Implementation of additional parking restrictions or alteration of existing to address a potential road safety issue.



- Implementation of additional parking restrictions or alteration of existing restrictions to address a problem associated with traffic movement.
- New or amendments to existing TROs to provide additional on-street or off street parking provision.

TROs may also be altered to allow the implementation of a traffic management scheme approved as part of the County Council capital programme or to facilitate a development and has been highlighted in any Section 106 or 278 agreement.

Requests for the introduction of restrictions or the alteration of existing restrictions will be considered in conjunction with the County Council's priorities on funding or where external funding has been secured to cover the costs incurred. Any such requests made during periods of moratoriums on expenditure will be retained on file for consideration in the event that funding becomes available.

Powys County Council may also review TROs in respect of off street parking places. TROs can be made to vary the terms and conditions of use of a car park or to add or amend the car parks that are covered by an Order.

Any proposed TRO will be consulted upon in accordance with the The Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996 as amended.

## **3 On Street Parking**

### **3.1 Disabled Parking Provision**

Disabled persons parking places will be provided on street within the town centre shopping areas. These mandatory bays will be marked in accordance with diagrams 661A and 1028.3 of The Traffic Sign Regulations General Directions (TSRGD) and may be enforced at any time of the day.

It will be the general rule that a 3 hour restriction will apply to all these types of bay to ensure that they do provide sufficient time for most visitors needs but also that they do not become blocked out by a limited number of long term visitors/commuters who should make alternative use of the nearest off street car park.

Within residential areas Advisory Disabled bays will be considered outside of people's property where residents with Blue Badges often find it difficult to park at or near their homes.

These types of bay markings are only advisory and therefore cannot be enforced should non blue badge holders park within them. However if they are used appropriately and sparingly they should be generally accepted that they are there to assist those with mobility issues and therefore be. Overuse may lead to them being disregarded and therefore not effective.

Where applications meet the appropriate criteria an advisory bay will be marked on the highway free of charge. The Council reserves the right to request information again, should it be suspected that circumstances have changed and the requirements for the bay are no longer met. The Council may remove the bay if the requested information is not satisfactorily provided.

Applications for disabled bays in residential areas must be able to satisfy the following criteria.

- The applicant does not have any off road parking facility at their home address nor is it feasible for them to make that provision. The feasibility will be based upon engineering difficulty as opposed to any costs involved to make that provision.
- On street parking predominantly occupies the available road space for the majority of the time.
- The applicant holds a blue badge and is the driver of the vehicle.
- There are no existing waiting restrictions
- Less than 10% of spaces in the street are taken up by disabled parking bays.
- It is practical in terms of road safety or traffic management that a bay could be marked outside the applicant's home address.
- The local elected County Councillor for the ward the applicant resides within lends their support.
- A Medical Practitioner provides written statement outlining the applicant's mobility difficulties and how the bay would assist them.

Where approved, a bay will only be marked outside the applicant's home address unless, where it is not possible to do so, neighbours to the applicant provide written confirmation that they would be willing to accept the bay to be marked wholly or partially outside their property.

### **3.2 Taxi Ranks**

Taxis are an essential part of the transport provision to the public. It is important that ample space is provided for taxi ranks in town centres. However, the provision of too many ranks can lead to some ranks not being occupied for long periods of the day and valuable town centre kerb space not being utilised

effectively. The County Council will continue to work with the Local Town Councils and other stakeholders where there is a need for new ranks and where alterations to existing ranks may be necessary.

It is also important that ranks are reserved for the use of hackney carriage taxis only. All ranks will be covered by TROs and are enforceable by the County Council's Civil Enforcement Officers.

### **3.3 Loading Bays**

Loading bays can be provided within town centre locations where they would provide a benefit by reducing the likelihood of goods being loaded or unloaded from vehicles at inappropriate locations. Loading bays can be reserved for the loading/unloading of all vehicles, or restricted to loading/unloading by goods vehicles only. Loading bays are generally only effective between the times and days identified on the accompanying signs, and are available for use by all other traffic outside of those times and days.

### **3.4 Motorcycle Parking**

Individual solo motorcycle on street bays are not generally considered necessary within the town centres. However should it be identified that the use of a specific bay for motorcycles would be appropriate this would be considered as part of a town wide parking provision review.

### **3.5 Bicycle Parking**

Bicycles are exempt from any parking TROs and in order to promote the use of this form of sustainable transport, cycle parking facilities may be provided within town centre areas, public transport interchanges and other key areas such as tourist locations.

### **3.6 Footway/Verge Parking**

Parking on footways and verges can be a significant problem in many areas. Where parking restrictions are in place in affected roads then the restrictions will also extend and apply to any adjacent footway or verge areas and can be enforced by the issuing of PCN's.

TROs may be introduced to deter footway parking, however such orders require significant investment to implement and result in a considerable amount of additional signage to the area, which can increase the 'street clutter' as well as the effect of vehicle displacement. This type of order will therefore not generally be considered except in exceptional circumstances.

The Council will however work in partnership with the local Police to educate motorists in areas where there are safety implications of inappropriate footway parking. Where such parking causes a clear obstruction to pedestrians or danger to other road users in any location then the Police may enforce.

### **3.7 Resident Parking**

Refer to separate policy for On Street Residents Parking.

### **3.8 Other Types of parking bays**

Other types of parking bay such as Bus Stands/Stops or Doctors will be considered and provided where appropriate. Bus Stop/stands do not require a TRO however other such restrictive parking bays and waiting/loading prohibitions do require a TRO and will only be considered as part of a town review unless specific funding is made available for an individual bay or other prohibition.

## **4 Off Street Car Parking**

Powys County Council recognises that by providing good value, attractive and safe off street parking it will contribute towards effective traffic management, economic growth and provide improved access to many members of the community.

The following outline policies have been developed to ensure that the provision of Off-street parking complements the provision of on-street parking in order to reduce congestion, allow safe parking and to allow local businesses to flourish.

Signage to all Council car parks will be provided by the highway authority along the most appropriate route. For town centre car parks signing promotes the use of the car parks thereby improving traffic flow, reduces journey times and congestion.

Car parks should be provided where there is proven demand for off street parking within a locality and it is viable to do so. Where new areas have been identified as requiring additional parking facilities due to a high level of on street parking causing congestion or road safety concerns, a business case will need to be undertaken. If it can be demonstrated there is a positive business case to provide a new car park, a suitable bid for capital funding will be made.

## 4.1 Charging Policy

### 4.1.1 Daily charges

The level of car park charges will be reviewed periodically, the charges will be in line with the following two designations. These designations have been developed in order to assist the public in choosing specific car parks to suit their needs.

**Short Stay Car Parks:** Defined as sites where stays of over 2 hours are to be discouraged in order to create a turnover of available spaces. Primarily designed for the use of shoppers and will be located very close to shops/facilities within a town. Often smaller car parks with limited spaces therefore the short maximum time limit assists in creating the turnaround of vehicles to increase the chances of users finding an appropriate space.

**Long Stay Car Parks:** Whilst allowing also short stay parking, these would also allow vehicles to park all day. Primarily aimed at commuters longer term visitors to a town.

### 4.1.2 Parking Permits

Parking permits will be made available at a concessionary rate to encourage the use of long stay off street parking. These permits are available for 1, 3, 6 and 12 months and can only be obtained via the website.

<http://www.powys.gov.uk/parking>

Parking permits are not available for use in any short stay car park.

Parking permits offering reduced rates to specific residents in properties adjacent or near to a long stay car park will not be made available.

### 4.1.3 Hire of car parks

Long stay car parks only can be hired to assist in facilitating events by entering into an agreement with terms and conditions which may be varied to suit the location and/or the type of event. The car park may be used for providing free parking for an event or to hold an event itself. Where a car park is being used to hold an event the organiser must demonstrate capacity for parking within the town is not compromised by the event unless providing suitable alternative arrangements.

Parts of long stay car parks may be hired, by agreement and subject to terms and conditions as may be appropriate to the operations, to assist in facilitating works where a compound may be required and there is no alternative location

is suitable or where building works are occurring adjacent to a car park. In these situations, a developer/builder will pay the daily charges for each bay taken out of action as if it were occupied by a car for a whole day, plus an administration fee. Within in coach and lorry car parks the charge will be made as if a coach or lorry is utilising the bay taken out of action. Any compound will not be provided for the parking of any vehicle which should make use of the general section of the car park paying any appropriate charges as necessary. For long term hire, consideration will be given to charging the equivalent to a seasonal parking permit for each bay taken out of action plus the administration fee.

Where an event or site compound is requested within a car park where charges are not currently imposed, the fees will be agreed prior to entering to an agreement.

#### 4.1.4 Discounted Parking Vouchers

Car park charges will not be discounted to cater for any local demand. However businesses or business groups and such like may apply for a voucher scheme to be implemented whereby the pay and display machines issues a secondary ticket 'a voucher' which entitles the recipient a discount in a participating business. The voucher may offer full or partial discount or other offer as may be deemed appropriate within the participating businesses. The scheme may be offered in individual car parks or within an agreed area.

The promotor of the scheme must fund all reasonable expenses incurred by the Authority in setting up and maintaining such a scheme. This cost will be agreed and paid upfront prior to it being implemented.

## 4.2 Advertising on P+D Tickets

An advertiser may work with our supplier and/or their agents by funding the cost of the production of blank pay and display tickets in return for advertising on the rear of those tickets.

The choice of advertiser will be at the discretion of the Authority and that decision is final. Advertisers not meeting the corporate values of the Authority or be offering a product/service that the Authority would not wish to be associated with may not be permitted to take up advertisements on the rear of the tickets.

Advertisers may, by agreement, be used within; individual car parks, within an area or county wide.

### **4.3 Disabled Parking**

Off street parking provisions for disabled drivers will be provided in all pay and display car parks. They will be located within the most easily accessible locations within the car parks and designed to assist ease of mobility.

Blue Badge holders may park within any bay of a pay and display car park and providing the blue badge is clearly displayed in the windscreen will benefit from the concession available.

Within the Short stay car parks the maximum time limit also applies to blue badge holders.

### **4.4 Motorcycle Parking**

In some circumstances motorcycle parking area can be marked within the Council's off street car parks however generally they are able to make use of bays marked for any vehicle. These will only be considered where there is a regular use of a high number of motorcycles within a car park and it would be more efficient use of space.

Where charges apply to vehicles they will also apply to motorcycles.

### **4.5 Coach Parking**

Coaches play a significant role in the provision of long-distance travel and commuter services and in the provision of transport for specific groups such as educational parties, theatre visitors, tourists and people with mobility difficulties. Powys County Council recognises these values and provides coach parking in many long stay car parks.

In addition to these provisions it is recommended that good relationships are established and maintained between the Council and the coach and tourism industries. This will encourage responsible behaviour by operators and drivers as well as providing feedback on any arising coach parking problems.

### **4.6 Motorhome/Caravan Parking**

Motorhomes and caravans are permitted to use most long stay car parks. Where they are permitted it will be allowed for that vehicle to be used for camping purposes for 1 night in any 7 day period.

It is recognised that visitors staying in a locality benefit the local economy and making use of a car park to stay a night assists in that regard.



#### **4.7 *Parking near Schools***

In order to promote safer journeys to school and to encourage parents/carers to park away from school gates to ease congestion, parking permits are available from some schools for the school start and finish times.

#### **4.8 *Emergency Service Vehicles***

Marked emergency service vehicles are permitted to park in the Authorities car parks without paying any required fee, providing that vehicle is being used in connection with official business. Marked vehicle being used for personal use, will be required to pay and display.

Unmarked vehicles will be required to obtain a valid pay and display ticket.

Emergency Service vehicles are those operated by the Police, Fire and Rescue Service, Welsh Ambulance Service [WAST] or the Mountain Rescue. Private ambulances operated by St John's Ambulance Service will also be exempt whilst providing cover for WAST.

#### **4.9 *Recycling facilities***

Recycling containers that are owned by or under contract to Powys Council Council's recycling service will be permitted within the Off Street car parks where there is no other convenient location within a locality. Where they are located within a car park, their number will be kept to a minimum for effective service delivery and placed only within an agreed area.

Containers from other operators will not be permitted.

### **5 *Civil Enforcement***

The County Council is a Civil Enforcement Authority operating under the Regulations of the Traffic Management Act 2004.

The Council is responsible for enforcing parking contraventions and the issue of Penalty Charge Notices by Civil Enforcement Officers [CEOs] and will follow statutory guidance as published by the Welsh Government.

Powys County Council is a partner in the Wales Penalty Processing Partnership [WPPP]. WPPP provide all the back office function following the issue of a PCN. The WPPP also produce [Civil Parking Enforcement Procedures](#) which sets out the methodology of enforcement and the appeals process.



## **5.1 Authorised Personnel**

Only appointed Civil Enforcement Officers wearing the issued uniform and identified by a unique CEO number will issue PCNs to a vehicle that is contravening a parking restriction.

CEOs will adhere to the observation times in the [WPPP Procedures](#) and shall not offer any discretion thereby treating every vehicle the same as the next to ensure they act in a fair and consistent manner.

All CEOs will be trained to at least Level 2 in Civil Parking Enforcement or an equivalent/higher qualification.

Body worn video badges are worn by each CEO for their personal safety. Recording can be made whilst patrolling/issuing PCNs. The recordings are encrypted and can only be viewed by nominated personnel. Whilst they are primarily used for the health, safety and wellbeing of an Enforcement Officer, the footage may also be used to substantiate or otherwise any complaints made against the service. The use of body worn cameras is subject to compliance with the requirements of current legislation governing their use and subject to separate policy/procedures.

Discretion will only be provided during appeal/representations following the issue of a PCN as it is recognised there are many genuine reasons for a parking offence for which the PCN may be cancelled. Only the authorised personnel listed below may make a decision upon an appeal. The Welsh Government Statutory Guidance expressly states 'elected members and unauthorised staff should not, under any circumstances, play a part in deciding the outcome of individual challenges or representations. This is to ensure that only fully trained staff make decisions on the facts presented.'

The Authorised staff able to make decisions on formal appeals/representations to a PCN are:

- The lead CEO's [but not on PCN's they issued]
- The Parking Officer
- The Traffic and Travel Manager
- Senior Manager Highways Technical Services
- Head of Highways, Transport and Recycling

Other officers of the authority or County Councillors will not be permitted to influence a decision on an appeal/representation.

## 5.2 Appeals

Any appeals/representations against a PCN must be made in writing to the WPPP. Any that are received by the County Council will be referred to the WPPP.

Each appeal will be considered on its own merits and a balanced judgement will be made depending upon the circumstances. The [WPPP Procedures](#) outline the main areas where discretion will be allowed providing the required evidence is supplied with the appeal.

The WPPP will notify the appellant of the outcome of any appeal/representation within set timescales.

## 6 Dispensations

The Council understands that in exceptional circumstances a vehicle (that is not exempt within the relevant Traffic Regulation Order) may need to stop or wait where they would not normally be permitted to do so, or to wait for longer than allowed in a limited waiting or “loading only” bay.

In these circumstances, and only when it is clearly safe and acceptable to do so, a parking dispensation may be issued. This would be subject to the Council being satisfied that there is no alternative available and that a request is not being made simply for the convenience of the applicant.

A dispensation is intended only for circumstances in which constant access to a vehicle is essential. Existing exemptions allow traders to drop off or pick up goods, tools and equipment so that they may move and park where it is legal to do so.

### 6.1 Dispensation Policy

Other than in exceptional circumstances, dispensations will not be issued for continuous periods in excess of five days or for more than two vehicles at any location.

Dispensations may not be required for vehicles usually exempted in Traffic Regulation Orders and Off-Street Parking Orders. Generally that means vehicles in use:

- by fire, ambulance or police personnel when on duty
- carrying out duties of the Highway Authority or working on the highway as a statutory undertaker

- by mail delivery services to collect or deliver mail
- as a hearse or by principal mourners at funerals (maximum three vehicles)
- as principal or attendants vehicles at weddings (maximum three vehicles)
- by a medical practitioner visiting adjacent premises in an emergency
- if directed to do so by a uniformed Police Officer..
- Vehicles involved in removals [either domestic or business] can do so without applying for a parking suspension, if a parking space is available. Blocking the space off e.g. by using cones or boxes is not permitted. However, the unloading and loading must take place continually, or the vehicle will be liable for a Penalty Charge Notice as it will be parked illegally.

An application may be refused if acceptance would cause unnecessary problems to traffic flow or safety, or if it is requested for an unacceptable reason.

Acceptable reasons may include vehicles required for:

- loading and removing builder's debris
- transporting equipment which cannot be removed, e.g. vehicle-mounted devices, to which tradesmen working at adjacent premises need access
- use by a glazier when large shop front windows are being fitted
- domestic/business removals (when un/loading may not be seen as continuous)
- the loading and removal of asbestos or contaminated waste
- carrying hazardous materials/chemicals for use at adjacent premises
- handling heavy building materials (but not in continuous attendance)
- use as a mobile workshop (e.g. for welding, window cleaning)
- film productions or events that have been agreed with the Council.

The above list is not exhaustive and other situations may be considered.

Dispensations will not normally be approved for parking in:

- disabled parking spaces
- bus stops and areas reserved for specific users, e.g. taxi ranks
- areas subject to a loading ban or locations with loading restrictions
- school or pedestrian crossing areas marked by zig-zag lines
- locations within 50 meters of a signal-controlled junction
- locations at the entry or exit to pedestrian crossing markings
- locations where there may be a serious disruption or hazard to traffic
- instances where there are doubts concerning the validity of the application.

## 6.2 *Conditions of Issue*

**Validity** – A dispensation permit may only be used to the applicant and for the approved purpose. The dispensation will only apply for the specified location, dates and vehicle(s).

**Parking** - Permitted vehicles must be parked in a manner that creates no hazard to pedestrians or other road users, does not obstruct sight lines at junctions or accesses, or impede the free flow of traffic. A dispensation does not remove or relax the necessity to comply with any legal requirement.

**Display** - Each vehicle must display a valid dispensation permit as prescribed at all times or it may attract a Penalty Charge Notice.

**Rights** – The grant of a dispensation does not guarantee that space to park a vehicle (or vehicles) will be available. Other road users who do not require a dispensation, e.g. disabled badge holders, may already be parked at the location.

A Police Officer or CEO may require the immediate removal of a vehicle from a location at any time.

**Cancellation** - A dispensation permit may be cancelled at any time at the discretion of the Council and shall thereupon immediately cease to be valid.

Notification of such cancellation shall be initially by phone and confirmed in writing to the holder of the permit at the address that the Council believes to be that person's address and the dispensation permit shall forthwith be surrendered to the Council.

**Redemption** – In the event that no use is made of a dispensation, payments made to the Council in respect of an application will not be refunded.

## 6.3 *Dispensation Applications*

When a dispensation is requested, a correctly completed application form and payment must be received by the Council a minimum of five working days in advance of the proposed start date. This is to enable proper consideration to be given to the proposal, consultation with other services and for a site inspection to be carried out.

Same day dispensations will not to be issued except in situations of genuine emergency.

Applications, by post or in person, must be accompanied by payment of the non-refundable fee.

The vehicle registration number(s) and make(s), the exact location proposed and type of restriction currently in place must be detailed before applications can be processed.

## **7 Parking Bay Suspensions**

Parking bay suspensions can be granted for a number of reasons e.g. to facilitate street/road works, provide access to a site, special events, storing plant and materials and temporary structures. Suspensions can be granted for limited waiting bays and loading only bays and, in exceptional circumstances only, disabled badge holders, taxi ranks and doctors permit holders only bays.

Bay suspensions are not intended to provide unrestricted parking in places where parking would not normally be permitted. In these situations dispensations are available [see section 6].

When a bay suspension is required an application must be received by the Council a minimum of 10 working days in advance of the date required to enable proper consideration to be given, consultation with other officers and if necessary for a site inspection to be carried out.

Except in extenuating circumstances, suspensions will not be issued for a continuous period in excess of 7 days. For periods of more than 7 days the Authority may require the applicant to consult with Locally Elected representatives and/or make alternative provisions.

Applications must be submitted with a non-refundable application fee.

The Council will erect appropriate signage suspending the parking bays for the duration of the suspension. Any vehicle parking in a suspended bay will be issued a PCN if observed by a Civil Enforcement Officer.

Any misuse of a suspended bay will be investigated and we may withdraw the parking suspension.

Alterations to a booked suspension cannot be made unless notification is made at least 3 working days prior to the suspension being made. If notification is less than this an additional administration fee will be charged to amend the date. If the signs have already been erected on site the applicant will be required to reapply with new dates forgoing any fee already paid. Extensions to parking bay suspensions will not be permitted.

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## CYNGOR SIR POWYS COUNTY COUNCIL

### Corporate Asset Policy (CAP)

### for the Acquisition, Disposal, Transfer, Leasing, Monitoring and Management of Property

|                          |            |  |
|--------------------------|------------|--|
| <b>Current Version</b>   | <b>4.0</b> | <b>Awaiting approval</b>                       |
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## Quick Reference Guide for Services

| Subject                            | Key Points   | Reference                              |
|------------------------------------|--|--|
| Leases                             | <p>No officer at any level has specific authority to commit the council to enter any lease agreement, except social housing in respect of its owned operational Housing stock.</p> <p>All lease negotiations need to be referred to the Property Team.</p> <p>Services should notify the Property Team of their intentions (to stay or vacate) when there is only 12 months left to run on a lease where they are the tenant to enable the necessary action to be taken.</p> | Part 2B- paragraphs 6.1-6.3<br>Part 7B |
| Policing Assets                    | Each SM is responsible for ensuring that the properties they manage are thoroughly and regularly policed that no new rights are created over Council Property.   | Part 2C                                |
| Creation of rights                 | No formal rights over property should be created e.g. rights of way/ wayleaves without reference to both Legal Services and the Property Team  | Part 2C- Paragraph 1.4                 |
| External Meeting rooms             | Permission to use external facilities not owned by the Council will only be granted in advance, by the relevant Head of Service, after consideration of a full business  | Part 2G                                |
| Allocation of Office Accommodation | <p>No service is authorised to take over or use corporate office accommodation without express permission from the Property Team.</p> <p>When a service has any form of operational restructure, they will notify the Property Team. A review of the accommodation will then be held with the service, which may result in accommodation changes.</p>  | Part 2H                                |
| Declaring properties Surplus       | As soon as a Service determines that the existing use of a property asset is to cease, (whether owned or leased) they will complete the 'Intention to Cease the  | Part 3A                                |

|                       |  |         |
|-----------------------|--|---------|
|                       | <p>Current Use of a Property' form and submit it to the Property Team.</p> <p>At the date of closure or vacation of the property, the SM or the Head of Service must fully complete the 'Surplus Property Form' (which is available via an Intranet link).</p> <p>The SM must ensure that all internal or external bought in services (such as trade waste collections, photocopier / printer rentals, cleaning services, but NOT utility connections (gas, electricity, water, drainage, telecommunications) for that site are cancelled in advance of the agreed closure date.</p> <p>The SM must ensure that all service materials – (e.g. in the case of schools - books, registers, work displays, computers, etc.) are removed and the building left in an appropriate condition for disposal before submitting the surplus property form.</p> |         |
| Contaminated Land     | When land or property is declared surplus to a Service's requirements, enquiries will be made of the council's contaminated land officer regarding the site's history. If the land cannot be sold/leased it will be handed back to the originating Service for continued management.   | Part 3A |
| Small Parcels of Land | If an individual makes an unsolicited request to acquire a small parcel of land (for example to extend their garden) the request will be noted but the interest is likely to be declined unless "exceptional circumstances" exist.   | Part 4D |
| Acquisitions          | All acquisitions, whether freehold or leasehold, must be undertaken by the Property Team.  | Part 7A |

# **PART 1**

## **Introduction to the Corporate Asset Policy (“CAP”)**

**1-A Asset Management Mission**

**1-B General Introduction**

**1-C Terminology**

## Part 1-A The Property Management Mission Statement

This Corporate Asset Policy (CAP) provides the framework within which Powys County Council (the Council) operates its property on a day-to-day basis. It contains useful information, clear guidance and detailed procedures that support the Council’s Strategic Asset Management Plan (StAMP). It includes the allocation of office accommodation, how to deal with surplus property, how to dispose of property and procedures relating to the leasing in and out of property. It should be followed by all Services.

The CAP is part of a suite of documents and should be read in conjunction with these:

|   |   |
|---|---|
| Corporate Improvement Plan (CIP)        | The Corporate Improvement Plan is our key corporate strategy document. It sets out our vision and what we should all be aiming to achieve.  |
| Strategic Asset Management Plan (StAMP) | <p>Overarching policy for dealing with our assets. It reduces risk and liability and supports the Corporate Improvement Plan; including regeneration and service improvement. This contains the:</p> <ul style="list-style-type: none"> <li>• Farms Estate Delivery Plan (FEDP)</li> <li>• Commercial Estate Delivery Plan (CEDP)</li> <li>• Service Asset Management Plans (SAMP) which detail the services view of its property and land holdings.</li> </ul> |
| Corporate Asset Policy (CAP)            | The framework within which the Council operates its property on a day-to day basis.   |

## **Part 1-B General Introduction**

### **1. Purpose**

- 1.1 The purpose of the Corporate Asset Policy (CAP) is to provide guidance concerning the acquisition, leasing, disposal, transfer, monitoring and management of the Council's buildings and land assets, and to do this in an integrated and co-ordinated way.
- 1.2 It is intended that this single comprehensive policy for all key property procedures will achieve high visibility and compliance across the Council, while also providing the structure, guidance, standardisation and discipline that are essential to efficiently manage the large portfolio of valuable property from which most of the Council's services are delivered.

### **2. Scope**

- 2.1 The CAP document provides essential frameworks for the key areas that have a major and recurring impact on the Council's property portfolio and therefore require clear guidance.

### **3. Strategic Context**

- 3.1 The Corporate Improvement Plan sets out the current Council's priorities. These priorities help shape the Council's business plans and ensure resources are focused on making improvements where they are needed most. The Strategic Asset Management Plan (StAMP) sets out our vision for meeting these objectives.

### **4. Cancellation of Previous Asset Management Policies**

- 4.1 This CAP document cancels and overrides previous versions.

## Part 1-C Terminology

### 1. Corporate Terminology

- 1.1 The terms defined below appear throughout this “Corporate Asset Procedure (CAP) Manual” document and are based on the corporate structure as it was revised during the 2009/10 financial year.
- 1.2 CABINET – The decision making body of the organisation.
- 1.3 COUNCIL – Powys County Council
- 1.4 DIRECTORATE – Directorates make up the Council’s second level of management, immediately below the Chief Executive.
- 1.5 SERVICE AREA (SA) – Each Directorate consists of various Service Areas (see Paragraph 3.2 of Part 1-A above), which together form the Council’s third level of management.
- 1.6 SENIOR MANAGER (SM) and / or PROFESSIONAL LEADS – Each Service Area holds a number of Service Units (SUs) that make up the Council’s fourth level of management (e.g. Libraries within the Leisure & Recreation service area, and Property Services within Regeneration and Strategic Property). Each Service Unit is led by a Senior Manager (SM) and / or Professional Lead.
- 1.7 PREMISES MANAGER (PM) - The person responsible for managing a building on a day to day basis. This role has defined responsibilities under the Council’s Statutory Compliance Management System.
- 1.8 PROPERTY PORTFOLIO HOLDER- The Portfolio Holder for Property and Waste
- 1.9 REGENERATION, PROPERTY AND COMMISSIONING - This Service Area (within the Place Directorate) is the main driver of Property management issues across the Council. Within RPC, Strategic Property is responsible for the development and maintenance of the CAP.
- 1.10 STRATEGIC PROPERTY TEAM – This team provides the following asset management services for the Council:-
  - Strategic asset management leadership, support and advice
  - The Asset Register database of all the Council’s buildings and land assets
  - GIS images of the Council’s buildings and land assets
  - Acquisition, disposal, transfer and leasing of property
  - Valuation advice
  - Ongoing development and promotion of the Strategic Asset Management Plan (StAMP)



- Provide support to individual Service Areas to develop efficient building use strategies
- Compliance of corporate and operational buildings and land with the Disabled Discrimination Act (1995)
- Landlord management of the Council's tenanted farms
- Landlord management of the Council's Commercial Property
- Community Asset Transfer: central point of contact and delivery

References to the "Property Team" refer to the Strategic Property Team.

Any notifications under this Policy required to be sent to the Strategic Property Team should be sent in the first instance to the Professional Lead for Strategic Property- or, in their absence, either the Property Manager or Commercial Property Manager.

- 1.11 MANAGEMENT TEAM – The Council's Management Team meets regularly to address the strategic direction of the Council.
- 1.12 The CORPORATE IMPROVEMENT PLAN – sets out the current Council's priorities through a revised rolling programme. These priorities help shape the Council's business plans and ensure resources are focused on making improvements where they are needed most. The CIP also demonstrates what part the Council plays in achieving the wider priorities of the Powys Local Service Cabinet, a strategic partnership covering the whole of Powys County and whose priorities are set out in the Powys Community Strategy.
- 1.13 LOCAL DEVELOPMENT PLAN (LDP) – This is one of four strategies that the Council is statutorily obliged to produce (according to the Planning and Compulsory Purchase Act of 2004 (s.62) for Wales). The Council's LDP will set out the land-use procedure framework for Powys County outside the Brecon Beacons National Park which has already established its own LDP. The emerging LDP will allocate land for particular uses and also identify existing facilities and heritage to be conserved or enhanced. It is anticipated the LDP will be adopted during early Spring 2018.

## 2. Property Definitions

- 2.1 ORPHAN ASSET – This is a Council-owned property that exists on the Asset Register but has no active or designated Service responsible for managing it.
- 2.2 PROPERTY – Throughout this CAP document, the word "property" always refers to buildings and / or land (excluding highway infrastructure and housing).
- 2.3 SERVICE ASSET MANAGEMENT PLAN (SAMP) – A SAMP is an ongoing "live" document that outlines the current property portfolio of a Service Unit (SU), such as Libraries, Social Services, Depots, Schools and Outdoor Recreation, and seeks to determine efficient service delivery points for that

Service Unit, whether in shared or individual sites. The SAMP analysis process is primarily designed to identify how and where services are delivered, and as a consequence provide additional evidence to support the retention and for disposal of Corporate assets. SAMP information will also feed into the SU's annual business plan or service strategy, while also supporting its business case applications for various grants and funding.

- 2.4 Asset Management Plan (AMP) updates – these documents are an important information tool which the Property Team uses to disseminate information to all relevant services, including finance, insurance, and Service Managers, AMP updates will be published throughout the year as they are required. Recipients are encouraged to check all AMP updates they receive and to reflect any changes in their own management systems.

### 3. Contact

- 3.1 Email Address: - [property.sales@powys.gov.uk](mailto:property.sales@powys.gov.uk)  
[property.services@powys.gov.uk](mailto:property.services@powys.gov.uk)

Telephone: - 01597 82 6601

Webpage: - <http://intranet.powys.gov.uk/index.php?id=2016>  
<http://intranet.powys.gov.uk/index.php?id=5362>

## **PART 2**

### **Monitoring and Managing Property**

**2-A The Asset Register**

**2-B Monitoring and Management Responsibilities of Heads of Service and Senior Managers**

**2-C Policing and Encroachment Procedure**

**2-D Statutory Compliance – Achieving Full Compliance**

**2-E The Management of Invasive Species**

**2-F The use of Council property to sell external goods and services**

**2-G The use of Council meeting rooms**

**2-H The allocation of office accommodation**

**2-I Rationalisation and Development**

**2-J Release of Sky Lanterns**

## **Part 2-A The Asset Register**

### **1. Role of the Asset Register**

- 1.1 The Asset Register holds a variety of important information about the Council's portfolio of property.
- 1.2 For each property asset, the Asset Register database contains the following information:-
  - Site data
  - Estimated asset value – this will be the “carrying value” in the Council's Asset Register for statutory accounting purposes rather than the current market value.
  - Details of title deed, lease and various other records
  - Purpose of the asset (e.g. car park, housing, open space, office)

### **2. Managing the Asset Register**

- 2.1 Management of the Asset Register is shared by Finance and the Property Team. Finance update the financial details concerning the Council's property portfolio, while the Property Team manages the core data.
- 2.2 The following two sections of the CAP Part 2-B and Part 2-C outline specific procedures and solutions designed to improve management of the Council's property portfolio especially concerning the Asset Register and related legal issues.

## **Part 2-B Monitoring and Management Responsibilities of Heads of Service and Service Managers / Professional Leads**

### **1. Reviewing Asset Register Data**

- 1.1 Heads of Service and their Service Managers (SMs) / Professional Leads (PLs) must regularly ensure that their building and land assets are correctly allocated to them on the corporate Asset Register. This can generally be done in one of two stages with the assistance of the Property Team:-
- a. Requesting an Asset Register report from either the Finance Team or the Property Team;
  - b. Undertaking a periodic review of the above report and notifying the Property Team of any corrections that need to be made to the Asset Register.

### **2. Incorrectly Allocated Assets**

- 2.1 Where it is considered that an asset is incorrectly allocated to a Service Area, the Manager of that service should raise this with the Property Team using the "Reallocation of Assets" form.

The Property Team will reviews the enquiry to determine the asset's most appropriate Service Unit location on the Asset Register / Master List. The Property Team's recommendation is explained in a report to the Head of Service who initiated the enquiry and also to any other relevant Heads of Service or SMs.

If all concur with the Property Team's recommendation, both the outgoing and incoming SMs will formally agree to re-allocating the property on the Asset Register / Master List. This will be done via the 'Reallocation of Assets' form that is available from the Property Department – Please call one of the Property Administration Officers or alternatively email [property.services@powys.gov.uk](mailto:property.services@powys.gov.uk)

If the recommended property re-allocation is disputed by a Head of Service and / or a SM, then the property in question will be referred to the Head of Service for Regeneration and Regulatory Services at Management Team.

### **3. Avoiding Creation of "Orphan Assets" during Corporate Re-Structures**

- 3.1 To avoid creating orphan assets and other inaccuracies on the corporate Asset Register, Heads of Service and their SMs should:-
- a. Ensure that any potential Asset Register or Property allocation issues are thoroughly investigated and resolved, following the procedures outlined in Sections 1, 2 and 3 above and also in "Part 4-A, Internal Transfer of Property".

#### **4. Adhering to Title Deed Requirements**

- 4.1 Once a property is correctly reallocated on the Asset Register, the Head of Service and SM now responsible for this property will ensure that they adhere to any requirements or covenants recorded in the title deeds (e.g. liability, boundary responsibilities, insurance, maintenance, etc.).
- 4.2 If a Service Unit needs advice on any title deed issues, they should contact Legal Services for clarification.

#### **5. Updating Service Asset Management Plans (SAMPs)**

- 5.1 Each SM with an active SAMP is responsible for updating their SAMP whenever relevant changes occur in the properties that they are responsible for. This includes, for example, any significant changes in building condition, land use, or the SAMP site list itself (which should accurately include all the buildings and land parcels currently allocated to the Service Unit's property portfolio).

#### **6. Lease Agreement Procedures**

- 6.1 No officer at any level has specific authority to commit the council to enter any lease agreement, except social housing in respect of its owned operational Housing stock.
- 6.2 In all other cases, the creation of new leases or any variation of an existing lease, whether the property is leased-in or leased-out will be requested by Service Managers via the Property Team. Legal Services will only act upon formal instructions from the Property Team which will need to include member approval and budgetary information – see Part 7-B.
- 6.3 Heads of Service and SMs should note that if leases are entered into which do not follow this process, those Heads of Service may be subject to disciplinary action for any breaches (or deemed breaches) in those leases.

#### **7. Leased-In Properties**

- 7.1 Details of the leasing-in procedure are explained in “Part 7, Acquisition and Leasing-In Property Assets”.

#### **8. Leased-Out Properties**

- 8.1 For leased-out property, the relevant Head of Service and SM will ensure that the site is responsibly managed, including compliance by both landlord and tenant with all relevant lease requirements.
- 8.2 Any suspected lease violations should be reported to the Professional Lead for Strategic Property. If deemed necessary, the Professional Lead will then forward the enquiry to Legal Services for further clarification.
- 8.3 The procedure for leasing-out the Council's property assets is explained in “Part 6, Leasing-Out Property”.

## **9. Surplus Assets and the Disposal Process**

- 9.1 If a Head of Service and a SM determine that one of their properties is no longer required to deliver its current service, it is their responsibility to promptly declare that the asset is surplus to the Service Unit's requirements. This is the case even when the Head of Service and SM have an alternative use in mind for the property. The procedure for declaring and disposing of a surplus property, or for registering a Services interest in the property, is explained in "Part 3, Surplus Property" and "Part 4, Disposal of Surplus Property".
- 9.2 Where the Property Team identifies a Council owned property that does not appear to be occupied or used by its current Service Unit, the following procedure will be activated:-
- a. The Property Team will contact the responsible SM as indicated on the Asset Register about declaring the property surplus.
  - b. If no appropriate response or report is forthcoming on which a decision can be based, the matter will be referred to the Professional Lead for Property for discussion with the Head of Service and the Property Portfolio Holder for a decision regarding its disposal / retention.

## **10. Acquisition**

- 10.1 All property acquisitions must be managed by the Property Team. For further details, please refer to Part 7 – Acquisition and Leasing-In Property.

## **11. County Farm Estate – Management of Tenanted Property**

- 11.1 The day to day management of the farms estate is undertaken by the Property Team in line with the agreed farms strategy. Therefore the CAP does not cover the lease arrangements for these properties but does provide the procedure for all other aspects.

## **12. Council Housing Service**

- 12.1 The provision and management of Council House Stock is not covered by the CAP, apart from the provision of new land for development or sale of surplus assets (whether by freehold purchase or sale, or lease). Any non-Council House stock managed by another Service will be dealt with as other council owned assets and not as social housing.

## **13. Commercial Business Units**

- 13.1 The day to day management of the commercial property units is undertaken by the Property Team in line with the agreed commercial policy. Therefore the CAP does not cover the lease arrangements for these properties but does provide the procedure for all other aspects.

## **14. Rating Returns and Notifications**

14.1 Heads of Service / SMs must ensure that any of the Valuation Office Agency's (VOA) requisitions for rating information which arrive in their sections (whether correctly or otherwise) should be forwarded immediately to the Property Team at County Hall.

**15. Advice & Training for Heads of Service & Service Unit Managers (SMs)**

15.1 Heads of Service and SMs are encouraged to seek clarification and advice from the Property Team about the above responsibilities and procedures for efficiently managing their properties. Providing such consultation is part of the Property Team's role of delivering strategic asset management leadership and support across the Council.

**16. Non-Compliance**

16.1 The Property Team will raise any compliance issues relating to the CAP with the relevant Service Area Manager or Head of Service for review. In exceptional circumstances the matter will be referred for investigation and action to the Property Portfolio Holder, and also the Portfolio Holder for the relevant Service Area.



## Part 2-C Policing and Encroachment Procedure

### 1. Policing Assets

- 1.1 Each SM is responsible for ensuring that the properties they manage are thoroughly and regularly policed that no new rights are created over Council Property. Such rights can either be unauthorised or permissive.
- 1.2 Examples of unauthorised property use that require action are:-
- Pipes, cables and electric / telephone lines that have been laid on Council land without consent
  - Installation of gates that give private access to Council property
  - Installation of gates on Council footpaths, fences or roads without consent
  - Encroachment onto Council land (e.g. for gardening, vehicle parking, private use, etc.)
  - People using or inhabiting Council buildings without consent
- 1.3 Any suspected discrepancies that are discovered should be reported to both Legal Services and the Property Team who will start appropriate action.
- 1.4 Examples of permissive rights that must not be created without reference to both Legal Services and the Property Team include:
- Rights of way
  - Rights to park
  - Rights to occupy
  - Rights to install apparatus on buildings e.g. solar panels on rooftops
  - Granting leases (see Part 7-B)
  - Wayleave Agreements
- 1.5 Heads of Service should be made aware of any other notifications made by officers for all the service area and these should be investigated appropriately.

### 2. Encroachment Issues

- 2.1 “Encroachment” is defined as the unauthorised use and / or enclosure of Council Property over a sustained period of time. Examples are:-
- Homeowners or organisations gradually incorporating strips of adjacent Council land for their gardens, lawns or dwelling curtilages
  - Land-owners enclosing an adjacent Council-owned land parcel and maintaining it for their own use
- 2.2 Persons or organisations who openly use Council land to the exclusion of all others over a continued period of years without any Council knowledge,

may be able to claim adverse possession and therefore possessory title to Council property.

- 2.3 After being informed of a suspected land encroachment, the Property Team will research the asset and if satisfied that an encroachment is occurring, will notify Legal Services.

### **3. Non-Compliance**

- 3.1 The Property Team will raise any compliance issues relating to the CAP with the relevant Service Area Manager or Head of Service for review. In exceptional circumstances the matter will be notified to the Property Portfolio Holder.

## **Part 2-D Statutory Compliance – Achieving Full Compliance**

### **1. Introduction and Background**

- 1.1 The Statutory Compliance Management System sets out how the Council – through its Joint Venture partner, Heart of Wales Property Services Ltd (HOWPS) - will achieve full compliance with statutory legislation specific to Property Management (see Intranet page 5591).
- 1.2 Although the Council's system will ensure that orders are placed and risk assessments conducted as required for the Council's property assets, SM's remain responsible for any remedial works identified.
- 1.3 If following statutory testing and remedial work advice, compliance officers continue to have concerns about the operational safety of a property asset, they should follow the escalation procedure.

### **2. Identification of Remedial Works**

- 2.1 During every site inspection, test or maintenance visit, the appointed service contractor will complete a Service Inspection Sheet (SIS). The layout of the SIS will vary depending upon the asset being serviced and the contractor. A completed SIS will outline what works the engineer undertook and, most importantly, if there are any defects with the asset that need to be remedied.
- 2.2 In addition to a servicing visit, remedial works may also be identified during callout or breakdown works.
- 2.3 A Corporate Statutory Compliance Management System is kept where all data is held centrally for auditing and monitoring purposes.
- 2.4 Using the Building Maintenance Service will ensure that the Council builds up complete records of its assets.

### **3. Funding of Remedial Works**

- 3.1 In the first instance, the PM should look to their own allocated revenue property budget to fund the works. Where this is not possible, they must seek to identify appropriate alternate funding sources allocated to their Service.
- 3.2 PMs should include a request in their Service's Financial Resources Model to be considered and prioritised. Details of appropriate funding should be sought from the Finance Team.
- 3.3 Where capital allocations have already been approved and issued to a Service, the PM should work with their Head of Service or SM to prioritise the need within the Service and to allocate funds appropriately.

#### **4. Escalation Procedure**

- 4.1 If a Head of Service, SM or PM fails to complete an urgent remedial action, they will be exposing the Council to risk.
- 4.2 Council assets cannot be operational if serious defects exist that may expose users of the property to potential harm or injury. In such circumstance, where potential harm or injury exists in a building, and PMs are not undertaking the required remedial actions, the issue should be escalated to the relevant Heads of Service by the PM or the compliance team in HOWPS via the Property Team.
- 4.3 The Head of Service will report his/her decision, in conjunction with the Property Team, to the relevant Portfolio Holder (s).

## **Part 2-E The Management of Invasive Species**

### **1. Introduction**

- 1.1 Invasive species are defined as those plants and animals that are listed under Schedule 9, Part II of the Wildlife and Countryside Act 1981. Not all the plants and animals listed in Schedule 9 are highlighted within this section, SMs should make themselves aware of the entries in the Schedule and how they may affect their property or any works that they wish to undertake on their property.
- 1.2 Please refer to Intranet Page No. 6506 for full guidance.

### **Japanese knotweed (and other invasive plants)**

- 1.3 Japanese knotweed is listed on Schedule 9, Part II of the Wildlife and Countryside Act 1981 making it an offence under Section 14 (2) (a) of the Act to “plant or otherwise cause Japanese knotweed to grow in the wild”.
- 1.4 Both the Police and local authorities have enforcement powers to act under Schedule 9, it is an offence to spread Japanese Knotweed or any other listed species.
- 1.5 SMs and PM’s should use the form on page 6506 of the Intranet to report any suspected invasive growth to the Invasive Plant Co-ordinator (IPC).

### **2. Who is Responsible?**

- 2.1 Managing invasive plants is the responsibility of the owner/occupier of the site. In all instances, it is prudent to take action to control its spread quickly.
- 2.2 Allowing Schedule 9 species to spread onto neighbouring land will be considered a statutory nuisance.
- 2.3 Where an invasive species is identified on Council land, the Council has a duty to provide a plan of action. The Service is responsible for allocating funds for specified treatments.

### **3. Identification and Treatment of an Invasive Species**

- 3.1 If the SM / PM is informed by any contractor or suspects that they may have an invasive species, they should contact the IPC immediately.
- 3.2 The IPC will visit site and undertake an assessment. If an invasive species is positively identified the IPC will obtain quotes for the effective treatment plan.
- 3.3 If the SM / PM does not instruct the IPC within one month of receiving quotes to undertake identified treatment, where they are required, then the IPC will escalate the matter to the relevant Head of Service.

- 3.4 The IPC will maintain a corporate register of all invasive species found within Council sites, along with full details of treatments and action plans.
- 3.5 The IPC will manage the action plan and provide ongoing support and advice.

## **Part 2-F The Use of Council Property to Sell External Goods and Services**

### **1. Introduction**

- 1.1 The section covers the use of public areas of Council buildings, (e.g.: reception areas, car parks) by charity organisations for sale of goods.
- 1.2 The use of public areas by charities for publicity purposes will be provided free of charge.

### **2. Key Principles**

- 2.1 The Council values the work undertaken by Charities and Third Sector Organisations, which is crucial to the wellbeing of residents in Powys. These organisations will be supported where practicable.
- 2.2 The Council should not be seen to support or promote one charity or organisation over another in relation to the sale of goods or services. This is to avoid any potential claims of discrimination or unfairness.
- 2.3 The Council will allow promotional material to be placed on its notice boards but Services should ensure compliance with this procedure when approached by charities or organisations wishing to use Council premises to sell goods or services or to use the property to collect goods from staff or members of the public.
- 2.4 The procedure will only allow the sale of any goods by charitable organisations within any Council property, where permission has been obtained from the Property Team, or the specific property falls within one of the permitted exemptions below.

#### Chairman's Exemption

- 2.5 The Chairman of the Council may wish to promote one or more charities of his/her choice throughout their term of office and this may involve fundraising. The Council may prioritise these charities over and above others for the use of public areas.

#### Commercial Organisations

- 2.6 Commercial organisations will not be permitted to sell goods within public areas.
- 2.7 Commercial organisations may only promote their business, if staff place an advert on the suitable notice board on the business's behalf.

## Exemptions

### 2.8

- Any properties that are owned or managed by the Council for commercial purposes are not included within this procedure, (e.g. livestock markets, business units, leisure centres, shops).
- Goods produced by the Council Social Services workshops.
- Schools are run by Governing Bodies and therefore it is up to the discretion of the Governors as to what charities or organisations they support.

## **3. Approval Process**

### Corporate Offices

- 3.1 The use of publicly accessible areas is strictly controlled by the Property Team and anyone seeking to use these areas must obtain written approval from the Property Team within the confines of this guidance.

### Other non-exempt buildings

- 3.2 The use of publicly accessible areas is strictly controlled by the PM for the Service and anyone seeking to use these areas must obtain approval from the PM within the confines of this guidance. It should be noted however that any consent which may be given should follow Corporate guidance.

## **4. Approved use of Council Properties**

- 4.1 If a charity has sought and obtained approval to use a public area of a property, the following is recommended:
- Approval will only be given up to one month at a time and not for consecutive periods.
  - There should be no more than two charities per month permitted at each location.



## Part 2-G The Use Of Council Meeting Rooms

### 1. Corporate Office Accommodation

#### Use of Corporate Meeting Rooms by the Council

- 1.1 Meeting facilities within corporate office accommodation for internal use can be booked on the Intranet. The Chamber and Committee Rooms can only be booked by contacting Democratic Services staff in County Hall.
- 1.2 Where a room booking is no longer required, it must be cancelled as soon as possible to allow the facility to be used by others.

#### Use of Corporate Meeting Rooms by Groups affiliated to the Council or Powys Teaching Health Board.

- 1.3 All external organisations will be required to pay for the use of Meeting Rooms (save where there are reciprocal arrangements) other than where such organisations already lease accommodation from the Council in the same building. A schedule of charges is maintained by the Property Team.
- 1.4 Rooms will only be available to these groups if there is no identified Council need for that meeting facility.

#### Out of Hours Use

- 1.5 Office buildings are closed for access at 6.30pm daily during the working week and all day at weekends and Bank Holidays. Where meetings are requested in Corporate buildings outside normal office hours, at weekends or Bank Holidays those requesting the booking will incur additional charges.
- 1.6 The Registration Service has access to corporate office buildings to perform ceremonies out of normal office hours and this arrangement is separate and not affected by this guidance.

#### Catering Facilities

- 1.7 Where formal catering is required at a meeting within corporate office accommodation, services are required to use the in-house catering provider (if available).

#### Charges

- 1.8 Room hire charges and booking forms for use of meeting rooms by external organisations are available from Property, on 01597 826601 or [property.services@powys.gov.uk](mailto:property.services@powys.gov.uk).

#### Equipment

- 1.9 The room booking system provides guidance regarding conference equipment included in each room. If required, additional facilities (where available) can be provided by arrangement with the Building Caretaker.

## **2. Other Council Venues**

- 2.1 Services may offer certain rooms in their operational properties for staff to use. Services will operate its own terms, conditions and may charge for bookings and so users should enquire directly with each location.

## **3. Use of Other Non-Council Property for Meetings / Conferences**

- 3.1 Permission to use external facilities not owned by the Council will only be granted in advance, by the relevant Head of Service, after consideration of a full business case.

## **4. Health & Safety**

- 4.1 Staff meeting in a building that they are unfamiliar with should make themselves familiar with the fire procedures and exits, especially if they have external guests. They must ensure that they and their guests have signed in and out of the appropriate fire register held at the building.

## **Part 2-H The Allocation Of Office Accommodation**

### **1. Application**

- 1.1 Office accommodation is allocated to service areas on a case by case basis based upon the service delivery objectives.
- 1.2 Services are encouraged to promote agile working practices when advertising any posts.

### **2. Changes to allocated space**

- 2.1 No service is authorised to take over or use corporate office accommodation without express permission from the Property Team.
- 2.2 When a service has any form of operational restructure, they will notify the Property Team. A review of the accommodation will then be held with the service, which may result in accommodation changes.
- 2.3 New posts should follow the HR system via Trent, whereby the Property Team will approve all new posts only when a way forward has been agreed between them and the service for how any new staff will be accommodated.
- 2.4 The Council continually reviews its office accommodation and will implement review and rationalise as required. SMs should note they may be required to relocate as part of any review process taking place.
- 2.5 Where services are seeking additional accommodation they are required to contact the Property Team giving as much notice of the future requirements as possible. The Property Team will then review and manage such requests – whether for new starters, staff relocations or service expansion.

## **PART 2-I Rationalisation and Development**

- 1.1 The Council reviews its property stock via various mechanisms. These include Service Asset Management Plans (SAMPs) and Service Reviews. Other property reviewing mechanisms will be considered as required.
- 1.2 Strategic Property hold and maintain all asset data pertaining to property and make it available to services who wish to review their property portfolio.
- 1.3 For major rationalisation models, Programme Boards are usually set up, for example, Schools Modernisation. Working Groups are also used for more specialist or locally important reviews.

## **Part 2-J Release of sky lanterns**

Releasing sky lanterns (also known as Chinese lanterns) from any Council owned or managed property was banned following a decision by the Cabinet in October 2015 because of dangers to residents, farm animals, wildlife and property.

## Part 2-K Protection of Protected Species

- 1.1 The Council has a statutory duty to ensure that none of the work it carries out – whether for its own development, or prior to disposal of sites with the benefit of planning permission – will cause harm to protected species (for example, but not exclusively, bats, newts, reptiles, barn owls).
- 1.2 When considering the purchase of greenfield sites for development, or alternatively sales with planning permission, the Council’s Ecology Officer will be consulted in the first instance.
- 1.3 Inevitably, dependent upon the surveys which are required, ecological demands will add considerably to the time taken to either develop new schemes (e.g. new schools, new Business units) or to gain planning permission.
- 1.4 Only suitably licensed persons are permitted to undertake surveys of protected species.
- 1.5 The following table gives some indication of the timescale which ecological delays may have due to survey work:-

| Species   | Optimal Survey Period (inclusive)             |
|-----------|---|
| Bats      | April to September                            |
| Badgers   | All year, but early spring / late autumn best |
| Dormice   | April to November                             |
| Newts     | March to September                            |
| Reptiles  | April to September                            |
| Watervole | Mid-April to Mid-September                    |

- 1.6 Where protected species are identified, there may be further delays to a project whilst mitigation works are developed and put in place.

## **PART 3**

### **Surplus Property**

**3-A Identification & Management of Surplus Property**

**3-B Options Appraisals for Surplus Property**

## Part 3-A Identification of Surplus Property

### 1. Introduction

- 1.1 To assist the Council in delivering the priorities of the Corporate Improvement Plan, the Council is committed to prompt and ongoing rationalisation of its buildings and land.
- 1.2 If considering a sale at less than Market Value, the Local Government Act 1972: General Disposal Consent (Wales) 2003 Paper, "Disposal of land in Wales by authorities for less than best consideration" removes any requirement for local authorities to "... seek specific consent for any disposal at an undervalue where the authority considers that the disposal is in the interests of the economic, social or environmental wellbeing of the whole or any part of its area ...and the undervalue is £2,000,000 or less..."

### 2. Deciding to Make a Surplus Declaration

- 2.1 As soon as a Service determines that the existing use of a property asset is to cease, (whether owned or leased) they will complete the 'Intention to Cease the Current Use of a Property' form and submit it to the Property Team.
- 2.2 Where only a part of a property use has ceased this will be declared surplus.
- 2.3 The Service will consider the implications of any closure proposals on support services - e.g. cleaning staff. The Head of Service / SM will in any event, ensure that their Portfolio Holder and the relevant local member are aware of their decision.
- 2.4 Upon receipt of the above form, the Property Team will begin the internal process prior to the disposal process.

NOTE – In all circumstances, the intention to declare an asset surplus should still be made even if the Head of Service and / or the SM already have an alternative use in mind for the asset within their own Service Area.

- 2.5 As part of this process, the Property Team will review the entire site identified to ensure that disposing the asset will not impact upon any other land parcel(s) that the Council would retain.

#### Properties with On Going Liabilities

- 2.6 Where a property has on going liabilities that cannot be immediately resolved (for example community heating system or reinstatement liabilities) the service will remain responsible for all costs, fees and management until the issues are resolved.
- 2.7 If there are significant issues with the property the Property Team will work with the service to resolve whatever issues may be evident.



## Leased in Property

- 2.8 Where Services have leased in a property which is no longer required by that service, and part of the lease term still remains, that accommodation may be offered to other service providers within the Council, in accordance with any user restrictions or planning conditions apparent in the lease terms.
- 2.9 The original leasing service will continue to be responsible for all costs associated with the lease and any reinstatement liabilities until an alternative service use is identified. If such use isn't identified, the Property Team will contact the landlord in an attempt to negotiate an early surrender of the lease. The costs of any such early surrender of a lease will be met by the original leasing service.
- 2.10 If an alternative Service takes over the balance of a lease term, then both Services will share the reinstatement costs at the end of the lease on a pro rata basis or as agreed between them.

## Contaminated Land

- 2.11 When land or property is declared surplus to a Service's requirements, enquiries will be made of the Council's contaminated land officer (CLO) regarding the site's history. Whilst this simple enquiry will enable a site's former use or uses to be identified, this information will not necessarily reflect a site's contamination status. If the CLO advises the land has a former use which could have caused contamination, that site will be assumed at this point to be potentially contaminated.
- 2.12 If the land is considered suitable for sale or lease then:
  - 2.12.1 the CLO and Property Teams will carry out a reasonable search of the Council's archives to collate all relevant information. The CLO will pass any information it finds to the Property Team; and
  - 2.12.2 the Property and Legal departments will also seek to ensure that there is a provision included within such sale or lease documentation the purpose of which is to remove all liability from the Council as seller / landlord, onto the buyer / tenant.
- 2.13 It is considered that any site may then be offered for sale (or lease) with full disclosure – including full liability transfer. For full disclosure, the Council must ensure it provides a specific transfer of its Part 2A responsibilities under the Environmental Protection Act 1990. This would include, for example, all existing reports and data held by the Council in relation to the surplus land. Supplied with such information at marketing stage and in advance of any sale or lease, responsibility for any contaminants subsequently discovered – in all probability through intrusive investigation – will pass to any purchaser or tenant of the site.

- 2.14 In the event, that the land or property cannot be sold or leased, the land or property will be passed back to the originating Service for continued management.

### **3. Clarifying Any Restrictive Covenants**

- 3.1 The Property Team, in consultation with the Head of Legal Services, will ensure there are no contractual rights of pre-emption or other restrictions within any title or lease documents, and also ensure that the “Crichel Down” rules do not apply.
- 3.2 Where legal investigations identify that restrictions exist on a surplus property, whether owned or leased, any costs associated with addressing those restrictions will be the responsibility of the declaring service.

### **4. Consulting Planning Authorities**

- 4.1 The Property Team will seek pre application advice (if appropriate) from the relevant planning authorities (including Council Development Management and the Brecon Beacons National Park Authority) to indicate what development may be permissible for the surplus property.

### **5. Excluding Surplus Assets from Normal Disposal Options**

- 5.1 Where any property is identified as becoming surplus to requirements as part of a major rationalisation review (for example the School Modernisation Programme) or other authorised initiatives, the Council, via approval from the Property Portfolio may exclude that land and / or property from “Part 4-B, Sale of Property to a Registered Social Landlord / Local Health Board” and “Part 5, Community Asset Transfers” in order to obtain full market value for the Council.

### **6. Surplus Declaration Procedure**

- 6.1 At the date of closure or vacation of the property, the SM or the Head of Service must fully complete the ‘Surplus Property Form’ (which is available via an Intranet link).
- 6.2 The SM must ensure that all internal or external bought in services for that site are cancelled in advance of the agreed closure date. Services in this context mean, for example, cleaning, trade waste, equipment hire, and DO NOT INCLUDE utility providers such as electricity, water, drainage, gas and telecommunications networks.
- 6.3 The SM must ensure that all service materials – (e.g. in the case of schools books, registers, work displays, computers, etc.) are removed and the building left in an appropriate condition for disposal before submitting the surplus property form.
- 6.4 When the form is completed in full, it should be sent to [property.services@powys.gov.uk](mailto:property.services@powys.gov.uk)

- 6.5 If the Surplus Property Form is not completed fully or following inspection found not to have been appropriately cleared, Property will not accept responsibility for the site and will return the form, identifying those areas where additional work is necessary. Please also refer to section 2.6 above.
- 6.6 Where the SM has an alternative use for the property, this interest should be recorded via 'Surplus Property Form - Expression of Interest' and sent in with the 'Surplus Property Form' to Property. This interest will be considered, with other potential service interest, under "Part 4-A, Internal Transfer of Property Assets".

## **7. Community Interests**

- 7.1 If the property is declared surplus but it later becomes the subject of a Community Asset Transfer (CAT), please refer to "Part 5 of this manual, Community Asset Transfers".
- 7.2 If the property will be used to provide the same service as that originally provided, but is leased to an external organisation for service delivery, the property will revert to the originating Service to monitor the service provision and ongoing lease compliance responsibility through a Service Level Agreement (SLA).
- 7.3 If the property will be used to provide a different service to that originally provided, the property will be vested in the Service Area usually responsible for the provision of that function to monitor the service provision through an SLA.

## **8. Transferring the Surplus Property to Strategic Property**

- 8.1 Once the fully completed 'Surplus Property Form' has been accepted by the Property Team and the building or land parcel has been vacated and secured, management of the asset will transfer to the Property Team.
- 8.2 The Property Team may arrange for an inspection to be undertaken in the presence of the vacating service to agree what actions are required to safeguard the property whilst vacant. The service will be required to fund any works that are required to retain the property in good order.
- 8.3 The Property Team will ensure that the surplus asset is added to the Council's Surplus Property List and that the Principal Accountant and all relevant parties are all informed.
- 8.4 The Property Team will ensure that the Property Portfolio Holder is notified.
- 8.5 The asset is transferred from the "Operational" category to the "Surplus Assets" category on the Asset Register. The valuation will reflect the market value of the asset in accordance with the CIPFA Code of Practice.

## **9. Non-Surplus Property**

- 9.1 There will be times when a Service is approached by an organisation or person to rent or sell a piece of land or property that is, at that time, not considered to be surplus. If the property is a “small parcel of land” as defined in Part 4-D then the procedure policy set out in that Part will be followed. If the property is not a “small parcel of land” the Service should consider the request in conjunction with the Property Team. If it is agreed that the asset is to be sold, it will be declared surplus in the usual way.

## Part 3-B Management of Surplus Property

### 1. Notification of a Surplus Property

- 1.1 Property will determine whether the surplus property can provide a solution to any accommodation needs whilst also circulating the property to all Service Managers in line with the internal transfer procedure. There may however be overriding circumstances where it is not appropriate to circulate properties internally before offering for sale – for example, where a property has been bought under a Compulsory Purchase Order and is no longer needed for the purpose of its acquisition (where it legally must first be offered back to the original vendors). Such departures will only be followed having first consulted the Property Portfolio Holder.
- 1.2 After receiving the above notification, Services have **three weeks** to declare their interest in securing future use of the surplus property.
- 1.3 Any declaration of interest must be supported within **one calendar month** by a written Statement of Intent highlighting:-
  - Support for the internal transfer by the Cabinet Portfolio Holder for the interested Service Area
  - A clear and brief Business Case:-
    - Explanation of the service to be delivered
    - Long-term management feasibility
    - Summary of capital and revenue expenditure proposals
    - Demonstration of the project's long-term sustainability
- 1.4 If a Business Case is not forthcoming after the defined time limit in 1.3 above, Property will make contact with the service to confirm that the service has no interest in the property so that the disposal process may continue. A further deadline for submission of a Business Case may be agreed.
- 1.5 If no interest is shown in the surplus property, it will be disposed of. See “Part 4, Disposal of Surplus Property”.
- 1.6 Any interest declared by one or more Heads of Service will be dealt with following the procedures in “Part 4-A, Internal Transfer of Property”.

### 2. Suitability for Social Housing

- 2.1 If a Service Area has expressed an interest in the internal transfer of a property or the property has also been identified by a Registered Social Landlord, the interest of both parties will be dealt with under “Part 4-A, Internal Transfer of Property”.

### 3. Retention of Property

- 3.1 Where it is viewed by Property officers (for example due to poor market conditions), that a property should be considered for retention, the Property Portfolio Holder, will be presented with a briefing paper for consideration. If it were considered necessary by the Portfolio Holder, a report may also be taken to Cabinet. If approved, the Council would forego an immediate capital receipt for a medium to longer term gain and potential short term revenue income. In this event, finance colleagues should be advised that revenue income should be recorded as temporary and should not be reflected in service income targets.
- 3.2 The management of this asset whilst it was retained will remain with Property, who manage the surplus property stock.
- 3.3 Dependent upon the type, location and overall condition of a surplus property, Property officers may seek approval from the Property Portfolio Holder to retain a surplus property long-term as an investment property within the Commercial Property portfolio, to increase the Council's revenue income stream.

## **PART 4**

### **Disposal of Surplus Property**

**4-A Internal Transfer of Property**

**4-B Sale of Property to a Registered Social Landlord or Local Health Board**

**4-C Sale of Property**

**4-D Small parcels of land**

**4-E Sale or Reuse of Furniture and Equipment**

## **Part 4-A Internal Transfer of Property**

### **1. Procedures for Internal Transfer of Surplus Property**

- 1.1 Under all circumstances, business cases (as referred to in Part 3-B) will be reviewed by the Property Portfolio Holder together with the relevant Portfolio Holders for the requesting areas, and the Portfolio Holder for Finance.
- 1.2 If the Portfolio Holder approves the transfer, the Property Team will formally advise all concerned of the decision and the transfer date will be taken as the date of approval.
- 1.3 If the transfer takes place to the Housing Service then paragraph 5 below will apply.
- 1.4 If the proposed transfer involves a Registered Social Landlord then Part 4-B will apply.

### **2. Rejection of an Internal Transfer**

- 2.1 If a request for transfer is rejected through the processes described in Part 4-A above, then the surplus asset will be offered for sale on the open market.

### **3. Using the Surplus Property Form to Express an Interest**

- 3.1 If a Head of Service and / or an SM feel they have a compelling case for retaining an asset that is now surplus to requirements, this departure from the normal procedure will follow the relevant processes outlined above.

### **4. Notification of Internal Transfer**

- 4.1 At the conclusion of the Internal Transfer, the Property Team will circulate the outcome to all relevant parties.

### **5. Internal Transfer of assets to or from the Housing Service**

- 5.1 Where a transfer is requested by the Housing Service for affordable housing using its own Capital funds, then the same process as set out in 4-B will be followed as if Housing were an RSL. However, in such an instance, there will be an expectation that as soon as Cabinet, or designated Portfolio Holder, has approved a transfer of a surplus property to the Housing Service at an agreed sale price, the transfer will be effected within 6 months of that decision.



## **Part 4-B Sale of Property to a Registered Social Landlord or Local Health Board**

### Registered Social Landlord (RSL)

#### **1. Background**

- 1.1 In order to promote development of new affordable housing for either rent or low-cost home ownership, the Welsh Government (WG) gives Social Housing Grants (SHGs) to RSLs.
- 1.2 Local Authorities identify and prioritise those settlements within their jurisdiction where there is a high demand for social housing schemes and work with RSLs to secure development sites.

#### **2. The Process**

- 2.1 During the internal circulation process, the Housing Service is able to lodge interest in any property on behalf of one of the RSLs operating in Powys.
- 2.2 This interest must be supported with a Business Case, as outlined in Paragraph 1.3 of “Part 3-B.
- 2.3 If the Cabinet Property Portfolio Holder accepts the Business Case, the RSL must accept the management and maintenance liability of the property in the form of an Option Agreement. The Option Agreement fee – charged at 5% of the Council’s assessment of Market Value - will need to be completed within three months of this decision. The option fee will be deducted from the purchase price on legal completion, but will be non-refundable should the RSL subsequently withdraw from the process.
- 2.4 An Option agreement will be offered for up to 24 months (to run concurrently from the date of the Cabinet Portfolio Holder decision) in order to allow for valuation, finance and planning work-streams to be secured and also for a purchase to be negotiated
- 2.5 The Property Team will advise the relevant Local Member that consideration is being given to a sale of a property to an RSL.
- 2.6 The Property Team will commission an Independent Expert valuation of the property from the Valuation Office Agency (VOA) or similar independent body, which will comprise both a market value and a market valuation restricted to affordable housing.
- 2.7 Upon receipt of the VOA report, the RSL will undertake a full viability assessment of the property to determine whether the VOA valuation is affordable.

- 2.8 Once the outcome of the viability assessment is known, the Property Team will produce a Cabinet report outlining both valuations, and the offer made by the RSL. Cabinet will in all circumstances be asked to determine whether they wish to support a sale at less than market value in order to meet demonstrable affordable housing needs or whether the Council's need for the higher value capital receipt should take priority. Where the viability assessment indicates that the RSL is only able to submit an offer considerably lower than the affordable housing valuation. The RSL may be required to attend the Cabinet meeting to take questions.
- 2.9 In the event that Cabinet does not support the recommendation, instructions will be provided as part of the Cabinet's decision.
- 2.10 If Cabinet or Portfolio Holder approve the disposal to the RSL, the Property Team will immediately notify the Town or Community Council.
- 2.11 Instructions to the Head of Legal Services to proceed with the disposal will be issued by the Property Team no sooner than five working days after the Cabinet or Portfolio Holder decision to support the sale has been made.

### **3. Overage Provision in the Transfer Document**

- 3.1 If an asset is sold to an RSL, the property must be developed for affordable housing with the transfer documents containing an overage clause to that effect.

### **4. Local Health Board**

#### Background

- 4.1 The Local Health Board within Powys (PTHB), mirrors the aims and objectives of Council in that they serve the people of Powys. The two organisations have a working agreement whereby they each strive to ensure the needs of the public are met to the highest standard. In order to achieve this, all surplus property will be circulated to the PTHB.

#### Process

- 4.2 The process to be followed in these cases, when the Council has surplus property, mirrors that for RSL's above.

### **5. Notification of Transfer to RSL/PTHB**

- 5.1 At the conclusion of the transfer, Legal will circulate the transfer document to all parties named on their formal Green Form instruction.

## Part 4-C Sale of Property

### 1. The Process

- 1.1 If there is no internal interest or if expressions were rejected, the property will be offered for sale on the open market.
- 1.2 The Property Team will consider whether any “exceptional circumstances” (defined below) exist whereby the property should be offered to another party prior to being offered to the general market.
- 1.3 “Exceptional circumstances” may include, **but are not limited to**, the following: -
  - A landmark building (e.g. a former Town Hall) which may have historical links to a Town or Community Council and be considered as a heritage asset.
  - Land where a Town or Community Council already has an interest or presence (e.g. an office, recreational area, etc.)
  - Crichel Down Rules – If a property was acquired by compulsory purchase, it may have to be offered back to the original owner.
  - Minor extensions to gardens, where it is clearly obvious that there can only be one realistic purchaser (and subject to the minor sales policy).

All potential exceptional circumstances will be dealt with individually on a case by case basis. In all cases where officers are considering whether Exceptional Circumstances exist, approval will be obtained from the Monitoring Officer to depart from the normal procedure in this CAP.

- 1.4 Notification of a proposed sale should be given to the relevant Local Member if the land is to be offered for sale on the open market. Any land offered in this way will not necessarily include newspaper and / or roadside advertising but may be offered solely through the Council’s Website, or external agent.
- 1.5 Where a potential sale has been initiated by a private individual (under Part 4-D or otherwise), the applicant, along with any other adjoining landowners will be contacted directly, to advise them of the land being offered for sale. In these circumstances, the advertisement, via the Council’s website will run for a period of no less than **three weeks**.
- 1.6 If a property was acquired by compulsory purchase it may have to be offered back to the original owner and/or the owner’s family, if it had not been utilised for its intended purpose and the original vendors were still alive.
- 1.7 In order to ensure that the Council maximises its receipt on all disposals, consideration will be given to the possibility of securing additional value by development or change of use in consultation with the appropriate Planning Authority.

- 1.8 Where it is appropriate to do so, the Property Team will ensure appropriately worded covenants are included in instructions to Legal Services to protect the Council's interest.
- 1.9 Services should note that where land or property is declared surplus to requirements – whether by deliberate action or in response to a request from a member of the public – if that asset subsequently fails to sell (perhaps because the original applicant no longer wishes to acquire it and it is of limited or no value to any other party), the Property Team reserves the right to transfer the asset back to the originating Service, as the Property Team does not have a significant management budget for the upkeep of surplus assets.

## 2. Exceptional Circumstances

- 2.1 The Property Team will notify the local Member and those parties who appear to satisfy the necessary criteria, giving them an appropriate period of time to declare their interest in acquiring the surplus property – **two months** for corporate bodies such as Town Councils, and **one month** for other private vendors.
- 2.2 Where an interest is confirmed by a qualifying party, the Property Team will issue an instruction to the Valuation Office Agency (VOA) seeking an Independent Expert valuation, taking into account the special circumstances of the proposed transfer. Both parties will agree to accept the independent valuation as evidence of the property's true market value.
- 2.3 Should the qualifying party wish to proceed at the VOA's figure, a Portfolio Holder Report will be submitted for approval. Upon receipt of approval to the recommendation, the Head of Legal Services will be instructed and the local Member notified.
- 2.4 Should the qualifying party not wish to proceed at the VOA's figure, both the Property Portfolio Holder and the relevant local Member will be notified and the property placed on the open market.
- 2.5 If no interest is declared, the property will be offered on the open market.

## 3. Offering the Property for Disposal on the Open Market

- 3.1 Where no exceptional circumstances exist or have otherwise been exhausted, the Property Portfolio Holder, will be advised of the marketing proposals, agreeing how the property is to be sold.
- 3.2 Where a sale is to proceed either by private treaty or by tender, prior to offering property for disposal a Portfolio Holder / Cabinet Report (see paragraph 8 below) will be prepared, providing market value advice and seeking delegated officer approval for accepting offers of an agreed minimum. The report will be reviewed / updated where circumstances dictate (e.g. where the market conditions change) or every 6 months until the property is sold.

- 3.3 No sooner than five working days after the above Portfolio Holder/Cabinet Report has been accepted and published, the Property Team will advertise the property for sale on the open market.
- 3.4 Where a sale is to proceed by auction, prior to instructing an auctioneer to put the property in an auction, a Portfolio Holder/ Cabinet Report will be prepared explaining the reasons for this sale method and seeking delegated authority for officers to agree a guide price for the property prior to marketing and for the Property Portfolio Holder to agree a reserve price (which must be no lower than the minimum price as stated in the report) prior to the auction itself. The report will be reviewed / updated where circumstances dictate (e.g. where the market conditions change) or every 6 months until the property is sold.
- 3.5 Sale particulars will be prepared and provided to the Property Portfolio Holder and the local Member for information.

#### **4. Sale by Private Treaty**

- 4.1 Following a period of marketing and negotiation where an offer above the agreed minimum price (approved by the Property Portfolio Holder through the portfolio holder report or through a Cabinet Report as outlined in paragraph 3.2 above), has been received and it is deemed that no higher price can foreseeably be achieved, the portfolio holder will be notified of this offer and the Property Team will issue instructions to the Head of Legal Services to complete.
- 4.2 In certain circumstances of private treaty negotiation, where two or more parties remain interested and are effectively out bidding each other while using the Property Team as an informal auctioneer, a decision may be taken to call for best and final sealed tenders. This decision will be made in consultation with the Property Portfolio Holder where the asking price has not been reached, but will be automatically invoked where the asking price has already been exceeded. The sale method will then adopt the procedure outlined in the following section.

#### **5. Sale by Tender**

- 5.1 The Property Team will instruct the Head of Legal Services to prepare the sale contract, together with any special conditions of sale.
- 5.2 Applicants will be sent pre-printed tender forms for their completion. Typical required information will be their tendered sum, their solicitor's details, and confirmation that they are in a position to complete a purchase within four weeks of exchange of contracts should their offer be accepted. Instructions will also be issued detailing where, and by when, completed tender forms should be returned.
- 5.3 After the closing date for the receipt of tenders has passed, opening of the tenders will be arranged by the Business Support Unit, in the presence of a Cabinet Member.

- 5.4 After tenders have been opened, the most favourable tender received at or in excess of the figure provided to the Portfolio Holder in the report prepared at paragraph 3.2 will be recommended to the officer designated to take that decision. No further report will be required. The most favourable tender will be determined on the basis of all the submitted information – e.g. cash purchase compared with provisional mortgage.
- 5.5 The Council is not obliged to accept either the highest, or any, tender received.
- 5.6 Upon receipt of confirmation that the recommendation is acceptable, the Property Team will write to all other parties advising them that their tenders have not been recommended for acceptance, and that should the sale fall through for any reason, they may be given a further opportunity to acquire the property at the level of their submitted bid.
- 5.7 The Property Team will issue instructions to the Head of Legal Services to complete the sale.

## **6. Sale by Auction**

- 6.1 The appointment of external selling agents will be agreed with the Property Portfolio Holder.
- 6.2 The Property Team will instruct the Head of Legal Services – by use of the Yellow Form - to prepare the sale contract, together with any special conditions of sale.
- 6.3 The Property Team will agree the guide price for the property prior to marketing during consultation with the Property Portfolio Holder and the Council's appointed auctioneer / selling agents.
- 6.4 During the final week of marketing, the Property Portfolio Holder in consultation with the Property Team will agree the reserve price below which the property will not be sold, such reserve to be based upon the auctioneer's advice around particulars requests, property viewings and Legal Pack requests / downloads.
- 6.5 At the auction, if the agreed reserve price is met or exceeded, the successful bidder will be required to sign the Contract of Sale before leaving the sale room.
- 6.6 The Property Team will notify all relevant Service Units that the sale of the property has been agreed via the normal Green Form.

## **7. Completing the Sale**

- 7.1 Prior to exchange of contracts, the Legal Service will require the Property Team to ensure that final meter readings for energy and water are taken and forwarded to the Energy Management Officer.

- 7.2 Legal Services will notify all parties identified on the Property Team's sale instructions (Green Form) that the sale has been completed and will provide the relevant member of the Property Team with an electronic copy of the transfer documents.
- 7.3 Where a sale has been agreed to a special purchaser, (item 1.3) the Property Team will notify the relevant Town / Community Council or other relevant party that a sale has been agreed without external marketing.
- 7.4 Capital Receipts will normally be credited to the Central Fund and will be used to progress the Council's principal objectives defined in the Corporate Improvement Plan. However, up to 4% of the capital receipt may be reclaimed by Property as permitted and approved costs of sale.
- 7.5 Where sold in auction, the auctioneers cost of sale will normally be deducted from the deposit he has collected on the day, prior to forwarding the balance to Legal Services. These fees are debited to the Service and credited to the capital receipt by the Finance Team.
- 7.6 At the date of writing, Capital receipts from the sale of Farm or Agricultural land under the County Farm Estate and property vested in the HRA will be subject to the following apportionment:

| Type              | Service Area | Corporate | Reserved |
|-------------------|--------------|-----------|----------|
| Agricultural      | 10%          | 90%       |          |
| Housing Dwellings | 100%         |           |          |
| Housing Land      | 100%         |           |          |

## 8. Financial Authority of the Property Portfolio Holder

In respect of any disposals the following authority limits will apply:

|  |                           |
|--|---------------------------|
| Freehold sales/ Leasehold premiums up to and including £500,000  | Property Portfolio Holder |
| Leaseholds (where there is no premium) up to and including total rental value of £500,000 (e.g. 10 year lease at £50,000 pa)   | Property Portfolio Holder |
| Leaseholds (where there is both a premium and a rental) up to a total value of £500,000 (e.g. 50 year lease with premium of £100k and annual rental of £5k= total £350k)   | Property Portfolio Holder |
| Any disposal for nominal value where the market value to be foregone is £100,000 or under (in the case of a freehold or leasehold premium) or the total rental value to be foregone is at or below £100,000 (in the case of a leasehold with an annual rent e.g. | Property Portfolio Holder |

|  |         |
|--|---------|
| a 10 year lease at a peppercorn rent when the market value is £10,000 per annum) |         |
| Any decisions above these limits   | Cabinet |



## Part 4-D Small parcels of land

### 1. Application of this part of the Policy

1.1 This part of the Policy applies to “small parcels of land” which

- Are no more than 200 sq m in area OR
- Are no more than £10,000 in value

### 2. Unsolicited expressions of interest from individuals

2.1 If an individual makes an unsolicited request to acquire a small parcel of land (for example to extend their garden) the request will be noted but the interest is likely to be declined unless “exceptional circumstances” exist (as defined below).

2.2 “Exceptional circumstances” may include, but are not limited to, the following:

- Where there is a benefit to the Council e.g. a cost saving benefit or where the sale would prevent existing anti-social behaviour such as fly tipping; or where
- the applicant can demonstrate a community benefit.

2.3 If the Property Team consider that an exceptional circumstance exists then they will contact the holding Service who should then declare the property as surplus. Until a surplus form is received, the Property Team will take no further action. The applicant will be advised accordingly.

2.4 Once a surplus form is received, the Valuation team will undertake a valuation appraisal and if this is acceptable to the interested party a pro forma will be completed in the form set out in **Appendix A** and sent to the Portfolio Holder to approve a sale at no less than this quoted valuation.

2.5 The land will then be marketed for a **minimum of 3 weeks** by being advertised on the Council’s website.

2.6 The Valuation team will then negotiate and the best deemed offer will be accepted subject to contract when Property will instruct the Head of Legal Services, and advise the Property Portfolio Holder that a sale has been agreed.

2.7 Where the Council decides to sell a small parcel of land following an unsolicited request, on completion the successful purchaser will also be responsible for paying a fee of £850 as a contribution to cover the Council’s

costs. Such costs will be notified to the applicant and included in any advertising when marketing the land.

### **3. Circumstances where the Council wishes to dispose of small parcels of land**

- 3.1 There may be circumstances where a Service wish to dispose of (a) small parcel(s) of land
- 3.2 In such circumstances, the Service should notify the Property Team and declare the property as surplus in accordance with Part 3-A.
- 3.3 The Valuation team will prepare a valuation of the land which will then be marketed for a minimum of **3 weeks** by being advertised on the Council's website.
- 3.4 Following a period of negotiation with all prospective purchasers the pro forma in Appendix A will be completed with the highest offer and sent to the Property Portfolio Holder for approval.
- 3.5 Once Portfolio Holder approval has been granted, Property will instruct the Head of Legal Services.
- 3.6 Where the Council decides to sell a small parcel of land, on completion, the holding Service will also be responsible for paying the costs of sale (subject to a minimum charge of £850).

## **Part 4-E Sale or Reuse of Furniture and Equipment**

### **1. Introduction**

- 1.1 No service or individual is permitted to sell, gift, remove or dispose of any Council asset without following this procedure. This includes items that may be legitimately identified for scrap or recycling.
- 1.2 Before serviceable items are deemed to be surplus to the needs of the Council, they must first be offered to Heads of Service / Officers for reuse.
- 1.3 Where a service holds items of antique furniture and that furniture is declared surplus, such items may not always be offered for internal transfer especially where the item is not suitable or compatible with modern work practices or environments.
- 1.4 Exemptions to this policy will include (but are not limited to) the following:-
  - ICT – Managed by separate procedure.
  - Catering and Cleaning. Managed by separate procedure.
  - Furniture and equipment that becomes available as a result of school closures will be firstly offered to other schools via the Schools Service.
  - Fleet – Dealt with directly by fleet service with agreed procedure.

### **2. Declaring an item surplus**

- 2.1 In most cases, the relevant Head of Service or SM will assume responsibility for declaring an item surplus to the needs of his/her service and instruct the Property Team accordingly.

### **3. Reuse of equipment**

- 3.1 Heads of Service should ensure that any furniture and equipment held which is designated surplus to their requirements, is appropriately stored and an appropriate description of the items provided to Property. Property will be responsible for ensuring surplus items are listed on the intranet, including identifying photographs, brief descriptions, and item locations. Items will automatically be listed for a period of one calendar month.
- 3.2 If listed items are required by another service of the Council, no charge will be made between services.
- 3.3 Items will be allocated on a first come basis to other service providers.
- 3.4 Where items offered for reuse in this way are subsequently allocated to another service, the Property Team will advise the disposing service of this and the acquiring service will be responsible for the collection of, or arranging delivery of, such items.

- 3.5 Items will only be offered for sale if they comply with all relevant and current legislation.
- 3.6 If a Head of Service considers that items are beyond reuse, the service must dispose of such items accordingly at its own cost.
- 3.7 Where electrical or gas powered items are declared surplus to the requirements of a specific service, the relevant Head of Service / SM must ensure that the items are carrying current safety certificates. If no safety certificate is supplied, these items will be scrapped.
- 3.8 Services must satisfy themselves that any items being declared surplus does not contain asbestos.

#### **4. Methods of Disposal**

- 4.1 The Property Team will dispose of the items in the manner considered most likely to achieve the best outcome for the Council.

##### Internet Auction

- 4.2 Other than where approved and exempted processes already exist (e.g. Fleet Management, ICT) the Property Team will administer and manage the process of internet auction sales, ensuring that a log for e.g. excel spreadsheet is kept of all items sold via this method, items details, auction dates, listing no, winning bid, fees, etc.
- 4.3 General conditions of sale will include:

Items will be advertised for a minimum of 7 days, (auction lots will not be terminated early), generally without reserve, and will be offered on a collection only basis. Items will be sold on description only, with no returns and bidders must hold a PayPal account or in some cases, an instant bank transfer into the Council's bank account will be agreed with the purchaser. No other form of payment will be considered. Due to the Council's VAT status, all lots offered for sale will be on a "plus VAT" basis, and purchasers will be given the opportunity of requesting a VAT receipt.
- 4.4 Where items remain unsold, a decision will be taken to relist or scrap, based upon the circumstance of each case.

##### Internet Auction – management of accounts

- 4.5 The Council operates an Ebay and a PayPal account, managed by approved officers only. A protocol, agreed by Finance, is in place to manage the flow of funds in and out of the PayPal account.
- 4.6 In selling items via on line auction houses such as Ebay, listing fees are payable by the authority. These fees are managed by Ebay, and are dependent upon the value of the item offered for sale. Ebay automatically deducts its listing fee from the winning bid, before crediting the Council's PayPal account.

- 4.7 The Council will accept payment for items offered by online auction by either PayPal, or direct bank transfer. Where payments are received by direct bank transfer, the listing fee will be set against the Council's balance held in its PayPal account.
- 4.8 Finance officers have produced a spreadsheet, available for the use of approved Council Ebay users, to make sure that receipts, listing fees etc are all properly identified for each item sold. Through the use of this spreadsheet, payments received into the Council's PayPal account must be properly accounted to Treasurers on a monthly basis.

#### Specialist Auction

- 4.9 A specialist auction is suited to those items which are known or suspected to be of significant value, such as pieces of antique furniture, artworks etc.
- 4.10 If specialist equipment is being offered for sale, the Service disposing of the equipment must provide some evidence of value.

#### Charity / Voluntary Sector

- 4.11 If approached by a charitable or voluntary service organisation, requests for items will be considered on a case by case basis by the Property Team.

### **5. Proceeds**

- 5.1 In normal circumstances, fees relating to and receipts from the sale of surplus items will be credited to a corporate budget. In other, agreed circumstances where an item is sold and the receipts are returned to the Service, the service will in return, be responsible for meeting the costs of the disposal (fees for advertising, etc).
- 5.2 As a general rule, funds (under £10k) are permitted to return to the service if the service is declaring items surplus in order to replace or upgrade existing facilities. This should be stated at the time the item is declared surplus.

## **PART 5**

### **Community Asset Transfers (CAT)**

**5-A Introduction to Community Asset Transfers (CAT)**

**5-B General Community Asset Transfers (CAT)**

**5-C Criteria for Community Asset Transfers (CAT)**

## **Part 5-A Introduction to Community Asset Transfers (CAT)**

### **1. Background**

- 1.1 The term “community asset transfer” abbreviated herein as “CAT”, is defined by the Department of Communities & Local Government as “passing ownership or management of a building or piece of land from a public sector body to a third sector organisation” (The Quirk Review 2007, page 36).
- 1.2 The Quirk Review also highlighted that clear procedure guidance, and not more legislation, is required to help local authorities understand and use their existing powers for transferring property assets to community organisations. This procedure guidance should clarify the risks associated with community asset transfers and explain how to manage those risks effectively.
- 1.3 In Wales, updated guidance exists in the form of the 57 page Welsh Government publication “Community Asset Transfers in Wales – a Best Practice Guide” dated March 2016. Under this guidance, members should be aware that Welsh public authorities are not current obliged to undertake CATs and currently, in the case of Local Authorities, the process of transfer should be initiated by them (although there are plans to enable eligible community bodies to also initiate the process).
- 1.4 It should be noted that whilst there may be a link between CATs and Service Delivery, the two topics are not intrinsically linked: Service Delivery is a mechanism whereby third sector organisations are prepared and willing to take over the delivery of a traditional Council service, e.g. grounds maintenance, which does not necessarily include a need to take over a Council building currently used for that service delivery. There are likely to be instances where third sector organisations already hold property which may be adequate and suitable for the purpose of delivering a transferred service.

### **2. Purpose of the CAT Procedure**

- 2.1 The purpose of this CAT section is to provide guidance and procedures that enable an appropriate property transfer from the Council to a local Third Sector Organisation that has:-
  - Identified a suitable property candidate through a written proposal or Concept Paper
  - Met the organisational and Business Case requirements listed in “Part 5-D, Criteria for Community Asset Transfers (CAT)”
- 2.2 To help achieve this result, the CAT procedure provides a standardised framework for assessing the risks and benefits of each proposed property

asset transfer, while also ensuring its alignment with both Council and community priorities by reference to the Place workshops which will take place under the STAMP.

- 2.3 The CAT procedure also provides for a comparison between the option for disposal at market value and an asset transfer for community benefit. If a Council property asset is transferred at less than market value, it will be accompanied by appropriate legally binding agreement(s)



## Part 5-B General Community Asset Transfers (CAT)

### 1. Introduction

- 1.1 Within Powys County Council, the property asset transfer process should be driven internally. However, Third Sector Organisation approaches to the Council will be considered but only if the asset is available and considered as a “community asset”. A “community asset” is an asset which is or will be used, accessed and enjoyed by the local community. Heads of Service and SMs should consider if their property portfolios contain buildings or land parcels that can be managed more sustainably by local voluntary organisations to the benefit of both the community and the Council.

Under the STAMP, an initial series of workshops will have now taken place across the County (“Place workshops”) long-term plans for each of the “Places” identified under that process have been established, which can now help inform the Council of potential sites suitable to be treated with as having potential for CAT. More workshops will take place in due course to review progress.

- 1.2 CATs can be either of the freehold or by a lease. In general terms, Leasehold requests (of an appropriate length) are the preferred option for the Council and Freehold will normally only be considered where a leasehold transfer is likely to cause difficulties to the acquiring organisation, especially where significant grant funding is also being sought by the acquirer or if it is in the Council’s interest to offer the freehold. The transfer method used in each case will therefore vary according to the circumstances. In the context of this Part 5-B, “transfer” can be interpreted as either method. If a freehold transfer is being proposed officers must ensure that, where the transfer will take place at less than market value, that part of the value foregone will be recouped by the Council as revenue savings wholly attributable to the CAT within the first five years following legal completion.
- 1.3 This policy is not intended to cover any major transfer of service provision where property may be included.

### 2. Submitting and Reviewing a CAT Application

#### Internally Identified CAT Property

- 2.1 A Head of Service and / or SM may identify a property or land that can be considered for a CAT. In this case, they must notify the Property Team in order to progress the matter.
- 2.2 The Property Team will refer the matter to the Strategic Asset Board for consideration.
- 2.3 Where, following the Strategic Asset Board meeting, the Head of Service/SM cannot support the request, the applicant will be advised accordingly in writing.

- 2.4 Where the Head of Service/SM can support the request the procedure outlined in section 3 below will be followed.

### Externally Identified CAT Property

- 2.5 If a Third Party Organisation contacts the Council to enquire about a potential CAT, that application should be referred to the Property Team who will acknowledge receipt of the enquiry. The Property Team will then notify the relevant Head of Service / SM and refer the matter to the next available Strategic Asset Board for consideration.
- 2.8 Where, following the Strategic Asset Board meeting, the Head of Service/SM cannot support the request, the applicant will be advised accordingly in writing.
- 2.9 Where, following the Strategic Asset Board meeting, the Head of Service/SM can support the request, the procedure outlined in section 3 below will be followed.

### **3. Procedure When a CAT is to be considered**

- 3.1 Where, following the Strategic Asset Board meeting, the Head of Service/SM is able to agree in principle to the request, the Property Team will invite Expression of Interest (EOI) Forms giving the applicant a timescale for completion (20 working days). Submission of the form will be via [property.sales@powys.gov.uk](mailto:property.sales@powys.gov.uk) or by post.
- 3.2 The submitted EOI forms will then be discussed at the first available Strategic Asset Board meeting, chaired by the Property Portfolio Holder, usually held every 4 – 6 weeks.
- 3.3 Where the applicant's Expression of Interest (EOI) is not considered viable by the Strategic Asset Board, a letter will be issued by the Property Team to the applicant. Other relevant Portfolio Holders may also be informed. The applicant will have no right of appeal but may contact the Property Team for clarity on the reason for refusal.
- 3.4 If the applicant's Expression of Interest (EOI) is considered viable by the Strategic Asset Board, a letter of comfort will be sent to the applicant that:-
- Expresses the Council's initial support for the project
  - Outlines a timescale (**3 months**)
  - Invites the applicant to submit a Business Case using the appropriate form available on Intranet page 5700 within the above timescale.
  - Outlines the next stages of the process – Valuation, Cabinet/ Portfolio Holder report
- 3.5 A summary of the Business Case will then be presented to the Strategic Asset Board at its next available meeting, when a decision will be taken whether the applicant's proposals are viable or not.

## Exemptions

- 3.6 Where a CAT is linked to a Council Service provision and the applicant is working closely with a Service to develop the proposal, it may not be necessary for the applicant to complete a template Business Case form, as long as the Head of Service can demonstrate, in writing, that the application is sustainable and fits within the Corporate Improvement Plan

### **4. Transferring a Property Asset at Market Value or Below**

- 4.1 If the CAT applicant's Business Case is considered viable by the Strategic Asset Board, a Portfolio Holder Report will be prepared, and if the proposed asset transfer will be at its previously obtained, independently assessed market value, then the transfer will be confirmed by the Property Portfolio Holder as an "exceptional circumstance," in accordance with "Part 4, Disposal of Surplus Property".
- 4.2 If the CAT applicant's Business Case is considered viable by the reviewing Officers in their briefing note and the reviewing Members agree but the Business Case requires the transfer of an asset at less than market value, in those cases where the Market Value differs from the CAT bid by no more than £100K, the Property Portfolio Holder may determine the application under delegated powers (see prescribed limits set out in Part 4-C, paragraph 8 of this manual). However, it should be noted that freehold transfers will not normally be approved where the foregone capital value cannot be recouped by not more than 5 years' worth of associated revenue savings.
- 4.3 If the CAT request is supported but the applicant's submitted bid is more than £100k under the Market Value, then the decision to approve the transfer will be taken by Cabinet (see Part 4-C, paragraph 8 above). Any such disposal should also be supported where the loss in capital value can again be recovered by no more than 5 years' worth of associated revenue savings.
- 4.4 Where a CAT request is made and the applicant can only submit a nominal bid for the freehold interest of the property and / or a public service, it is suggested that a freehold transfer will not be agreed, with applicant organisations being encouraged to instead take on a long-term lease of the subject property.
- 4.5 Where either Cabinet or Portfolio Holder(s) have supported a decision to sell an asset at less than market value, the Head of Legal Services will be instructed to include within the legal documentation, the Council's standard CAT overage and claw-back provisions, a copy of which can be made available to applicant on request. Essentially, and in summary, these provisions allow the County Council, in the event of a subsequent failure of the community organisation granted the CAT, to repurchase the transferred property for the same proportionate consideration as that which the community group originally paid or, alternatively, to receive a pre-agreed percentage of any uplift in value should the Council choose not to

repurchase a property disposed of by CAT, and that property then be disposed of at market value by the community organisation.

## **PART 5-C Criteria for Community Asset Transfers (CAT)**

### **1. Risk Assessment and Options Appraisal**

1.1 Deciding to transfer Council property assets to a local community organisation involves assessing various risks and benefits, including:-

- The benefits generated for the Council, the local community and the Third Sector Organisation.
- The risks presented to the Council, Community and Third Sector Organisation.
- How the CAT may affect the Council's overall strategy for an area

### **2. Criteria for the Applicant Organisation**

2.1 The CAT applicant must:-

- a. Be community led (i.e. its governance arrangements must ensure that it has strong links with the local community and that members of the community are able to influence its operation and decision-making processes.
- b. Be a voluntary Third Sector Organisation that is, a legal entity that:-
  - Exists for community / social / environmental benefit
  - Has community benefit objectives (e.g. a Community Interest Company)
  - Is non-profit distributing (i.e. must reinvest any surplus funds to further its social aims and community benefits)
- c. Be appropriately constituted (e.g. a registered charity; a community interest company; a charitable incorporated organisation; a not-for-profit company; a co-operative). Such constitution allows the ownership and management of buildings and / or the provision of services.
- d. Demonstrate good governance by operating through open and accountable co-operative processes, with adequate systems for monitoring, evaluation, and financial management.
- e. Demonstrate it has the skills and capacity within, or available to, its managing body to effectively manage the property asset and deliver its services.
- f. Demonstrate a procedure of diversity and also work to improve community cohesion and reduce inequalities.
- g. Be engaged in economic, environmental or social regeneration within Powys County or provide a service of community benefit that aligns with the Council's core priorities.

- h. Demonstrate management experience and / or expertise.
- i. Have a proven track record (e.g. accounting records)
- j. Demonstrate that following any CAT, the asset is likely to be used more frequently and effectively by the whole community and that such use is likely to prolong the life of the asset.

### **3. Criteria for the Business Case**

- 3.1 In developing a Business Case for consideration by the Council, a CAT applicant needs to clearly identify:-
- a. A proven local need for the project.
  - b. Planned outcomes and benefits to result from the property asset transfer.
  - c. 3 year plans for revenue and capital funding, plus cost projections for managing and operating the property asset.
  - d. Any financial resources that the asset transfer will release or attract.
  - e. Financial sustainability and forward planning.
  - f. How the CAT applicant will invest in and maintain the property asset, including a specific plan for meeting Health & Safety responsibilities.
  - g. A community governance / management structure with the capability to sustain the property asset.
  - h. A track record for delivering services and / or managing property.
  - i. A plan for how much space is required and its potential usage.
  - j. If the CAT applicant requests that the property asset be transferred for an amount equal to or less than its existing use value (either freehold or leasehold), the Business Case must quantify the benefits to the community and Council in order to justify this subsidy.

## **PART 6**

# **Leasing-Out Property and Allocating Accommodation to Voluntary Community Organisations and Commercial Tenants**

## **Part 6-A Leasing-Out Property & Allocating Accommodation to Other Public Sector, Voluntary Community Organisations and Commercial Tenants**

### **1. Introduction**

- 1.1 It is important for the Council to maximise the usage of its Corporate Operational stock. To be able to undertake this effectively, the following guidance is provided.

### **2. Declaration of Vacant Accommodation**

- 2.1 Services, should notify the Property Team of any vacant accommodation in their allocated space.
- 2.2 Where practicable, the Property Team will offer any internal space it has available to the Commercial Market or to other Partner Organisations.

### **3. Qualifying for Accommodation**

- 3.1 The County Council will not consider applications for accommodation from Political parties, pressure groups and prospective tenants whose business activities are likely to cause offence.
- 3.2 OTHER PUBLIC SECTORS – Council is committed to working with similar minded public organisations to deliver the best possible services to its residents.
- 3.3 COMMERCIAL SECTOR (Corporate Operational Property) – Any potential commercial tenant will need to demonstrate to the Council its compatibility with the existing Council services operating from that site.
- 3.4 COMMERCIAL SECTOR (Commercial Investment Property) – where such lists exist, the Property Team will offer Business Units to applicants who have asked for their names and addresses to be added to waiting lists for units in specific areas of the County. Applicants will be advised their details will be held exclusively for this purpose, and will be removed from the lists after a period of 6 months if no suitable accommodation has become available. Where no waiting lists exist, and vacancies exist either in Business Units or other commercial investments such as Ladywell House, Newtown, the Property Team will undertake appropriate marketing to attract new tenants. It will be the responsibility of the applicant to ensure that any planning applications etc which may be required for their own specific use are obtained as necessary.



#### **4. Register of Accommodation**

4.1 The Property Team will maintain a Register of Accommodation as a database that includes information occupancy.

#### **5. Terms of the Letting**

5.1 All leases and licences will be drawn up by the Head of Legal Services who will act only upon instructions (which will include full Heads of Terms) from the Property Team.

5.2 The Property Team will prepare a brief Condition Assessment of the accommodation being let, for inclusion in the lease documents.

5.3 Legal Services will confirm completion of the lease as soon as is practicable, to the Property Team and forward an electronic copy of the completed lease agreement for inclusion on the Asset Register, Managed Records System. No tenant will be permitted to occupy accommodation in advance of the lease completion.

5.4 The Property Team will then confirm with relevant officers that the lease has commenced and that billing for rent, utility charges, NNDR and / or insurance premiums (where appropriate) should be commenced. For the avoidance of doubt, where the Service continues to hold a property under their service, it will be the responsibility of the relevant Service Manager to ensure that recurring billing is established for all liabilities – rent, service charge, insurance etc. The Property Team is unable to take on this role.

5.5 The Property Team will then notify the relevant Head of Service and SM reconfirming the agreed Heads of Terms and identifying key responsibilities of the Service, to ensure compliance with the agreed lease. Confirmation of the date of the agreement and rental payment and review periods will also be provided.

5.6 Where a Service leases out accommodation and that lease has 12 months left to run, the Service will be required to notify the Property Team of its intended course of action. This action will be to either terminate the lease with the tenant or to offer a new lease or extension to the tenant. In addition, the Property Team will advise Services of any other opportunities up to 12 months in advance of those dates.

5.7 Where a lease is to be terminated, the Service is responsible for ensuring that the Property Team are used to prepare a dilapidation schedule for remedial works to be undertaken prior to acceptance from the Tenants.

5.8 Space will be let on either an internal repairing basis or full repairing with the rental element reflecting current market evidence, according to the nature of the specific letting.

5.9 Service charges will be used to recharge external tenants a proportion (based on percentage floor area) of periodic outgoings.

## **6. Whole Property Rentals**

- 6.1 When disposing of property the Property Team will consider whether a commercial rental is preferable to a sale as the Council needs to increase its revenue income where possible to make it sustainable for the future.
- 6.2 Any asset being leased out in its entirety will normally have been identified by the Head of Service or SM as surplus to requirements.
- 6.3 When considering external lease over sale, a business case will need to be presented to the Property Portfolio Holder, detailing the benefits to the authority in accepting an ongoing rental income in place of a capital receipt. Where the Portfolio Holder accepts that business case, the following procedure should then be followed.
- 6.4 The Property Team will market the property and evaluate responses.
- 6.5 Upon receipt of an acceptable offer, the Property Team will notify the relevant Property Portfolio Holder, and will seek their approval to proceed.
- 6.6 The Property Team will then instruct the Head of Legal Services accordingly setting out full heads of terms.
- 6.7 Legal Services will confirm completion of the lease as soon as is practicable, to the Property Section and forward an electronic copy of the completed lease agreement for inclusion on the Asset Register, Managed Records System.
- 6.8 The Property Team will notify Finance that the property is to be held solely for market rental. It will be reallocated on the Asset Register as an Investment Property and both Property and Finance will update their records accordingly.
- 6.9 The Property Team will then confirm with relevant officers that the lease has commenced and that billing for rent, utility charges, NNDR and / or insurance premiums (where appropriate) should be commenced.

## **7. E-Pims**

- 7.1 Surplus property will be placed on E-Pims, which is a Welsh Government sponsored property database of all public organisation stock.

## **PART 7**

### **Acquisition and Leasing-In Property**

**Part 7-A Acquisition**

**Part 7-B Leasing-In**

## **Part 7-A Acquisition**

### **1. Acquisition**

- 1.1 All acquisitions, whether freehold or leasehold, must be undertaken by the Property Team.
- 1.2 Upon instruction being received, the Property Team will require evidence of any approvals that may have been given in principle before commencing negotiations. For example Portfolio Holder Report or Cabinet decision.

### **2. The Process**

- 2.1 The Property Team will provide the following assistance to Heads of Service and SMs:-
  - Identify available properties within the Council's portfolio or if none are available, externally on the open market.
  - Undertake an appraisal of identified sites with the Service.
  - Negotiate with the external agent / land owner of the preferred site(s)
  - Assist in the preparation of further reports to Cabinet prior to purchase including budgetary commentary in respect of both capital and revenue liability in respect of the Property.
- 2.2 If approved, the Property Team will issue full instructions to Legal Services.
- 2.3 Legal Services will then confirm with the occupying service that the purchase has been completed and their responsibility for utility, NNDR payments, insurance premiums (where appropriate) or other key responsibilities has commenced.
- 2.4 The Property Team will then inform other relevant service functions that a new acquisition has been completed and that the Council is now liable for the property, by issuing an AMP update.

## Part 7-B Leasing-In

### 1. Leasing-In

- 1.1 Heads of Service or SMs will occasionally identify the need to lease-in property assets in order to enhance or deliver their service due to growth or a change in requirements. All acquisitions of this type must be undertaken by the Property Team.
- 1.2 Upon instruction, the Property Team will require evidence of any approvals given and the identified budget, if available at that time.

### 2. The Process

- 2.1 The Property Team can provide the following assistance to Heads of Service and SMs:-
  - Identify available properties within the Council's portfolio or if none are available, externally on the open market
  - The E-Pims Welsh Government property database will be consulted in the first instance to see if there are any suitable properties available in the required location
  - Agree terms with the external agent / land owner of the preferred site(s) – including at least 1 break option.
  - Assist in the preparation of reports to Cabinet.
- 2.2 The Property Team will notify the Head of Service / SM about the proposed terms and seek their approval to proceed, where the estimated rental (not including all on-costs) is below £10,000 pa. Where the estimated rental (not including all on-costs) exceeds £10,000 pa, the Head of Service will be required to seek approval to proceed from the Cabinet / Portfolio Holder(s). Please refer to section 4-C, paragraph 8 for the relevant authorisation thresholds for each level of the organisation.
- 2.3 The Property Team will issue instructions to the Head of Legal Services.
- 2.4 Legal Services will confirm completion of the lease as soon as is practicable, to the Property Section and forward an electronic copy of the completed lease agreement for inclusion on the Asset Register, Managed Records System.
- 2.5 The Property Team will then confirm with the occupying service that the lease has commenced and their responsibility for rent, utility, NNDR payments, insurance premiums (where appropriate) or other key responsibilities has commenced. It will be the responsibility of the managing service to ensure that its obligations under the lease are met. Confirmation of the date of the agreement and rental payment and review periods will also be confirmed as well as a standard checklist for setting up service charge payments such as utilities and NNDR.

- 2.6 The Property Team will then inform other relevant service functions that a new lease acquisition has been completed and that the authority is now liable for the property.

### 3. Renewal of Break Options or Extension to Expiring Business Leases

- 3.1 Where a Service operates a lease and that lease has 12 months left to run, the Service will be required to notify the Property Team of the intended course of action. This action will be to either allow the lease to terminate or to negotiate for a new lease or extension.
- 3.2 Where a new lease term or extension is required, the Service will instruct the Property Team to negotiate on their behalf and will supply appropriate authorisation from their Portfolio Holder / Head of Service.
- 3.3 Services will monitor their leases and will seek advice from Legal Services as break options approach.

### 4. Expiry of Business Leases

- 4.1 If it is intended to vacate a property upon termination, the Property Team will, subject to the appropriate notification having been given under paragraph 3.1 above, advise the Service of its duties under the lease at least 9 months in advance of the relevant termination date. This will give the surrendering service appropriate time in which to seek funding for dilapidation responsibilities as evidenced by their lease agreement.
- 4.2 Ongoing correspondence after the termination of the lease with the Landlord will be handled by the Legal team on behalf of the Service.

### 5. Surplus Lease

- 5.1 Where a Service has a lease that is valid, but no longer has a use for that property, then paragraph of Part 3-A, Identification and Management of Surplus Property will apply.

## **PART 8**

### **Provision of Allotments**

## Part 8-A Provision of Allotments

### 1. Legal Background

- 1.1 Allotments were first appropriated by the Enclosure Act of 1845, and the responsibility for administering these was passed to parish councils under the Local Government Act of 1894. They were once again placed under the responsibility of the parish councils in the Smallholdings and Allotment Act of 1908.
- 1.2 These laws have been amended many times since, culminating in the Statute Law (Repeals) Act of 1993, which passed over their powers of allotment management to the local authorities. The Local Government (Wales) Act of 1994 went one step further and named the community councils, county councils, and county borough councils in Wales as the “allotment authorities”.
- 1.3 However, the allotment law contained within the 1908 Act has remained substantially unchanged. Under that law “the allotment authority must take into consideration any representation in writing made to them by any six or more registered parliamentary electors or council tax payers resident in the area, to the effect that it is the duty of the allotment authority, to take proceedings for the provision of allotments.”
- 1.4 Section 3 of the 1908 Act also states that “it is the express duty of every allotment authority, where they are of the opinion that there is a demand for allotments in their area, to provide a sufficient number of them, and then to let them to persons resident in the area.”
- 1.5 The 1908 Act goes onto say that “if the duty is not carried out, an interested person would be able to apply for a judicial review, and seek a mandatory order, in accordance with Part 55 of the Act.” In practice, however, this archaic procedure is seldom used.

### 2. Identifying Allotment Participants and Suitable Land

- 2.1 All enquiries to the Council seeking creation of new allotment gardens to be sent to Countryside & Contracted Services; Outdoor Recreation Officers to act as lead for their areas.
- 2.2 Upon receipt of initial enquiry, Outdoor Recreation Officer to:-
  - (a) Acknowledge receipt of application and check initial numbers of potential plot holders to ensure statutory minimum number of potential allotment holders are properly identified.  
  
If enquiry has sufficient level of potential allotment holders and is valid, then:-
  - (b) Notify Local Member & Portfolio Holder of the application.



- (c) Check against details of existing allotment gardens known in vicinity, as existing facilities; if insufficient or not existing, then:-
- (d) Seek review of Land Terrier to identify potential County Council owned land in the vicinity of enquiry.
- (e) Before taking the matter further, the Applicant, Residents Association or Town / Community Council will need to agree in principle to becoming, or to support the formal creation of, an Allotment Association to take on management and tenure of the site should suitable land be identified and available for such use by any of the Responsible Bodies or other sources. The Outdoor Recreation Officer would assist in the Agreements development of a formal Constitution and Tenants

- 2.3 If the Council holds potentially suitable land, notify application to key Service stakeholders, e.g. Housing, Highways, Planning & Regeneration, Farm Estates, etc. Set up meeting with key Council Service stakeholders and determine actual status and availability (subject to tests in Corporate Asset Policy) of land.

Concurrently, the Town Council or Community Council will be notified by the Outdoor Recreation Officer of the formal request and will seek formal notification of what available and suitable land can be offered by these Councils.

At this time, the Outdoor Recreation Officer will compile a composite list of all potentially available and suitable sites.

- 2.4 Meeting to be arranged with key stakeholders, Local Member & Allotment Garden Applicant to discuss whether or what land can be made available, and to review what conditions may have to be met before an allotment garden can be developed, e.g. Planning and Highway issues, access to water and grant opportunities to support scheme?
- 2.5 The Outdoor Recreation Officer would request the assistance of the Regeneration Manager to assist the Allotment Association or Town / Community Council in identifying suitable grants or other sources of in kind support in establishing the allotment garden.
- 2.6 It must be understood from the outset that any agreement entered is undertaken at no additional cost to the Council (except for set up costs associated with the lease agreement).

### **3. Three Options for Establishing New Allotment Areas**

- 3.1 **FIRST OPTION** – The Council agrees that the Town or Community Council can assume responsibility through a minimum 21 year lease for a Council land parcel that has been identified for allotment use. It must be understood from the outset that this agreement is undertaken at no additional cost to the Council (except for set up costs associated with the lease agreement).

3.2 SECOND OPTION – Because there is no specific budget allocated by the Council for creating and managing new allotment gardens, any such proposal under this option must include establishing an allotment association that will:-

- Lease the allotment area from the appropriate landowner (on a minimum 21 year lease)
- Obtain appropriate funding for establishing the new allotment gardens
- Be responsible for gaining the appropriate permission to develop the site for allotments
- Be responsible for the administration of the allotment gardens throughout the full period of the lease
- Be responsible for the maintenance, management and insurance of the site throughout the full period of the lease
- Organise those works

It must be understood from the outset that this agreement is undertaken at no additional cost to the Council (except for set up costs associated with the lease agreement).

3.3 THIRD OPTION – Upon identification of a suitable land parcel within the ownership of the Town or Community Council, the Outdoor Recreation Team will offer assistance and advice through the Council's professional officers.

#### **4. Existing Allotment Provision**

4.1 Individual Plot Requests (where allotments already exist within a locality),

- Where allotments are managed by the Council, their contact details are placed on the Council's allotment waiting list for their area.
- They are asked to contact the appropriate Town Council, Community Council or allotment association, who independently manage allotment gardens within the relevant areas.

OR

- If the waiting list for existing allotments is considered by the managing Council or Allotment Association to be over-subscribed, that Council can seek to audit land parcels in those areas (belonging or available to County, Town or Community Councils) to determine whether or not there is suitable land for creating new allotments.
- This should also include a regular review of the use and size of existing allotment plots to ensure that opportunities are taken between tenants to meet local need.

4.2 If suitable Council land is identified, it must be declared surplus to the requirements of both the relevant Service Unit and the Council as a whole, before there can be any further consideration or consultation.

## **5. Promoting Allotments through the Local Development Plan (LDP)**

- 5.1 Policies in the LDP should address the need to provide and protect allotment / compost / wildlife sites where a need (current or future) has been identified, and to improve the accessibility of such sites for all users. It may be appropriate to use Section 106 Agreements to provide allotments in combination with composting and natural green spaces.

Where it is proposed to develop land used as statutory allotments for other purposes, the local authority should seek to mitigate loss with a requirement to provide new, alternative allotment/compost/wildlife sites. Statutory allotments, provided by local authorities, receive protection under the Allotments Act 1925.

## **PART 9**

# **Reviewing, Revising and Promoting the Corporate Asset Policy (CAP) Manual**

## **PART 9-A Reviewing, Revising and Promoting the Corporate Asset Policy (CAP)**

### **1. Biennial Reviews and Revisions**

- 1.1 It is essential that the Corporate Asset Policy (CAP) be thoroughly and regularly reviewed, revised and promoted. Therefore, the CAP will be reviewed at least once every two years, (from the date of approval).
- 1.2 Each CAP review will be implemented by the Property Team, who will ensure that:-
  - a. Stakeholders are consulted about proposed changes to the CAP.
  - b. A new draft CAP is presented to and recommended by the Property Portfolio Holder and key senior management.
  - c. Formal approval is obtained for all revisions

### **2. Communicating and Promoting the CAP**

- 2.1 When a revised CAP has been formally approved, the Property Team will ensure that the revised policies are clearly communicated and promoted to relevant stakeholders across the Council.

### **3. New Heads of Service**

- 3.1 All incoming Heads of Service will be offered the opportunity to receive a formal briefing on the CAP.

## **PART 10**

### **CAP Toolkit**

**All forms that support the CAP can all be found on page 5700 of the Intranet.**

## Appendix A

### Sale of small parcels of land Portfolio Holder Approval

Area of land to be sold (name/description):

Local Member:

Reason for sale (Please Circle):

- Service have declared surplus

or

- An unsolicited expression of interest has been made

If an unsolicited expression of interest has been made please outline the reasons for the accepting the expression of interest. For example there is a benefit to the council or the applicant can demonstrate a community benefit:

The land measures sq m (must be 100 sq m or less)

Minimum price at which it is recommended to sell:

Price land will be advertised at for a minimum of 3 weeks:

I Councillor

Portfolio Holder for Property and Waste

confirm that I approve the sale of the above land at the minimum price given above.

Signed: Date:

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WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Review of Education Finance – **Powys County Council**

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This document is also available in Welsh.

The team who delivered the work comprised Huw Lloyd Jones and Nicholas Raynor.

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# Summary report

- 1 Powys County Council (the Council) determines its overall education budget annually. The legal framework within which local authorities allocate their education expenditure to schools is set by the School Funding (Wales) Regulations 2010, as amended. The regulations require local authorities to allocate expenditure to three budgets:
  - **Local Authority Education (LEA) Budget** – this budget is retained and administered centrally by local authorities and is for central local authority functions relating to education. This includes expenditure relating to schools such as, for example specified categories of Additional Learning Needs (ALN) provision, school improvement, home-to-school transport and strategic management.
  - **Schools Budget** - this budget is retained and administered centrally by local authorities and covers expenditure directly aimed at supporting schools. It comprises expenditure on services for which the local authority may retain funding centrally, such as other ALN funding and school meals.
  - **Individual Schools Budget** – the bulk of the education budget is delegated to schools in the form of the Individual Schools Budget (ISB). In consultation with the Schools Budget Forum, the Council determines how the ISB is distributed to schools and allocates funds to schools accordingly. The proportion of gross budgeted expenditure on schools<sup>1</sup> that comprises the Individual Schools Budget is known as the delegation rate.
- 2 The Council's gross budgeted expenditure on schools for 2016-17 is £104.989 million, 78% of which is delegated to the individual schools' budgets (**Exhibit 1**). **Appendix 1** includes detailed analysis of the Council's education budget while **Appendix 2** compares budgeted education expenditure in Powys with that in all Welsh local authorities. **Appendix 2** shows that, like other predominantly rural authorities, the Council's budgeted education expenditure per pupil is well above the Wales average. However, the delegation rate is among the lowest in Wales with the result that delegated budgets per pupil in primary and secondary schools are below average, and well below those in similar authorities.

<sup>1</sup> . This includes all elements of Council spending that relate to school provision: school budget plus LEA budget (including central administration of the LEA) less spending on home-to-college transport and further education and training for young persons and adults. The figure is on a 'gross basis' and therefore includes specific Welsh Government grants as well as the funding allocated to education by the Council. (Source: **Welsh Government Statistical Bulletin SB 28/2016 : Local Authority Budgeted Expenditure on Schools 2016-17**, published July 2016)

Exhibit 1: The Council's gross education budget for 2016-17 is £104.989 million

|                                   | Gross education budget<br>(£s) | %           |
|-----------------------------------|--------------------------------|-------------|
| Individual Schools Budget         | 81,900,000                     | 78.0%       |
| Centrally retained Schools Budget | 9,246,000                      | 8.8%        |
| Local Authority Education Budget  | 13,843,000                     | 13.2%       |
| <b>Total</b>                      | <b>104,989,000</b>             | <b>100%</b> |

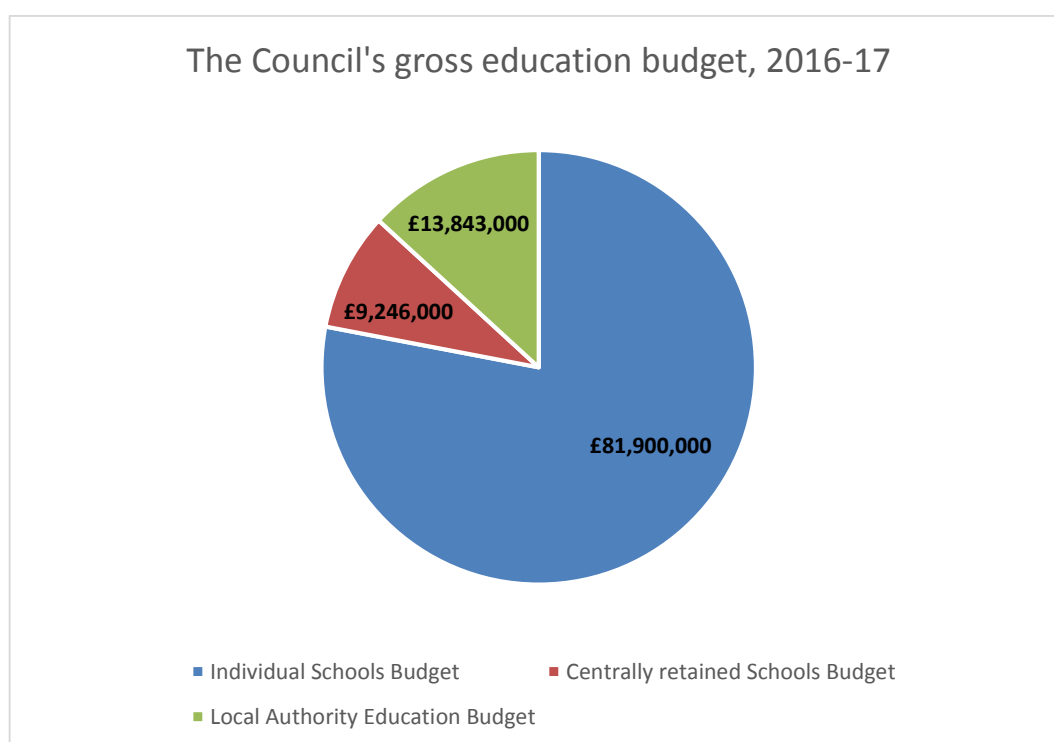


Exhibit source: Table 2: Schools Budgeted Expenditure, **Welsh Government Statistical Bulletin SB 28/2016: Local Authority Budgeted Expenditure on Schools 2016-17**, published 7 July 2016 and supporting RA/Section 52 budget statements.

- 3 Schools' governing bodies have statutory responsibility for the oversight of financial management in schools and for ensuring that schools comply with the Council's policies and procedures, including the financial regulations.
- 4 The Council has a statutory duty to promote high standards in its schools. Effective resource management plays a key role in the delivery of high standards. In promoting high standards, the Council should monitor, challenge, support and, where necessary, intervene in its schools.

- 5 The Council has known for some time that it needed to improve the support and challenge offered to schools with regard to the management of their delegated budgets. Reports by the Wales Audit Office in 2012 and by Pricewaterhouse Coopers in 2015 have raised concerns about the number of schools with financial deficits. This matter has also been raised in correspondence to the Auditor General during 2015 and 2016. The issues that the Council and schools are facing are not new, but the urgency and pace at which they need to respond to them is taking on greater significance. In part, this greater significance has arisen due to highly publicised issues in Llanfyllin High School (and, to a lesser extent, in a few other schools) with regard to the funding and procurement of home-to-school transport, which showed that some Governing Bodies were not routinely complying with aspects of financial regulations.
- 6 Our study therefore set out to answer the question, 'Is the availability and quality of advice adequate to support the Council and its schools in managing education budgets'? In reaching our conclusions, we reviewed key documents and data, and held interviews with relevant councillors and staff at the Council, and with head teachers and bursars and school managers in a small sample of schools.
- 7 We concluded that schools and councillors receive improved advice and support about the management of schools' budgets, but the Council faces challenges in achieving the pace to deliver an affordable, sustainable education service. We reached this conclusion because:
  - the monitoring of schools' delegated budgets, and the support and challenge provided to schools when setting their budgets, are improving in most respects; but
  - the Council faces major challenges in achieving the pace that will deliver an affordable and sustainable education service and halt the projected substantial decline in schools' financial health.

8 We have made six proposals for improvement.

## Proposals for improvement

| Proposals for improvement |  |
|---------------------------|--|
| P1                        | In order to provide the necessary challenge to secondary schools with regard to their financial planning, the Council should ensure that it has the capacity to analyse and evaluate schools' curricular planning.   |
| P2                        | The Council should work with schools to explore means of improving the efficiency and effectiveness with which schools procure goods and services.   |
| P3                        | <p>In order to further embed resource management as a key component of school improvement, the Council should agree with schools:</p> <ul style="list-style-type: none"><li>• a consistent template for recording key financial information within School Development Plans; and</li><li>• a system whereby schools' financial health might be assessed and reported annually.</li></ul>                       |
| P4                        | In order to improve its clarity and transparency, the Council should review its Service Level Agreement with schools for Financial Services, ensuring that the optional element includes only those services that are not statutory functions of the Council.  |
| P5                        | In order to ensure a common understanding of financial data, the Council should ensure that data reported to members is consistent with that reported to Welsh Government, and that any necessary variance between the two sets is fully explained.  |
| P6                        | In order to achieve an affordable and adequately resourced school system, the Council should increase the pace and scale of change in implementing its Schools Organisation Policy, 'Planning Education Provision'. In particular, the Council should work with partners inside and outside Wales to ensure that learners aged 16-19 are able to access a suitable curriculum in the language of their choice. |

9 The audit team wishes to thank all those we met for their time in contributing to this review.



# Detailed report

## Schools and councillors benefit from improved advice and support about the management of schools' delegated budgets, but the Council faces significant challenges to deliver an affordable and sustainable education service

### The monitoring of schools' delegated budgets, and the support and challenge provided to schools when setting their budgets, are improving in most respects

Schools are benefiting from improving working relationships between Council officers but there are opportunities to enhance the advice and support given to schools, particularly in respect of procurement

- 10 The working relationships between finance officers, human resource officers and other education officers, including Challenge Advisers from Education through Regional Working (ERW, the Regional School Improvement Consortium) have improved significantly in recent years. This has been, in large part, a result of better communication between the teams because they work in closer proximity to each other than before in the corporate centre.
- 11 Better collaboration is improving officers' knowledge of national and local issues with the result that the level of advice and support provided to primary schools, in particular, for setting, monitoring and challenging schools' budgets is becoming more joined-up, timely and robust. However, the Council lacks the capacity to challenge secondary schools rigorously. Council officers have limited experience of the complexities of the secondary school curriculum and the associated costs, so there remains a gap in respect of the quality of support and challenge provided for secondary school education.
- 12 Schools reported that finance officers, human resource officers and other education officers were more visible and accessible to them now than previously. Schools are provided with a standard level of financial advice and can approach officers for additional advice and support at any time. The role of officers in challenging schools focuses appropriately on those schools who are experiencing, or anticipating, financial difficulties.

- 13 The School Development Plan (SDP) is the school's strategic plan for improvement. It sets out the actions a school will take to improve learner outcomes. The SDP covers a three year period but is updated annually. It sets out how the governing body will utilise available resources to best meet their school improvement targets. When planning for the current school year, the head teacher and governors will already be aware of the staff and funding resources they have available. For years two and three of the plan, governing bodies should capture how they intend to utilise existing and anticipated resources to meet their school improvement targets.
- 14 SDPs do not routinely include detailed financial information, although schools are expected to refer to the costs and/or savings arising from any significant curricular changes planned for the year ahead.
- 15 In contrast, the Welsh Government, which provides funding for further education colleges in Wales, allocates each college to one of four financial health categories based on an annual analysis of financial data that is provided in a consistent format<sup>2</sup>. The principles of formally assessing colleges' financial health can be readily applied to the Council's primary and secondary education provision because each school produces three-year budget plans in a consistent format (four-years for secondary schools). Including consistent, multi-year budget plans in each SDP can provide a basis for formal assessment of a school's financial health and demonstrate that the SDP is aligned to the school's financial planning and that it addresses any worrying trends identified by the financial data.
- 16 Although schools must abide by the Council's Financial Regulations and Standing Orders in purchasing, tendering and contracting matters, they have a great deal of autonomy with procurement decisions. Schools spend significant time and effort to source and secure goods and services in order to achieve financial savings. In primary schools this work often falls to the head teacher, and to business managers in secondary schools.

<sup>2</sup> Information on the financial health categories allocated to further education colleges and a summary of the criteria for allocating a college to a category are included in the report published by the Auditor General for Wales (February 2017) **Welsh Government oversight of further-education colleges' finances.**

- 17 The Council could help schools achieve greater efficiency and further financial savings by taking the initiative to identify and co-ordinate opportunities for collective bargaining on some goods and services. Council officers acknowledge that there is more to do in analysing costs within schools' budgets and benchmarking to share information that schools could use to identify areas where financial savings may be possible. This is particularly so in primary schools where budget plans are provided and financial data is captured in a consistent way. Currently, secondary schools do not use template budget plans and not all use the Council's financial system, e-Financials. As a result, the Council has provided little benchmarking information to help schools compare their costs against those of others in Powys. The Council has stated its commitment to moving secondary schools onto the e-Financials system and providing benchmarking data based on costs at schools both internal and external to Powys.

**Budget setting is becoming more challenging and the Council intends that the school funding formula should become more transparent, but the focus of schools is on the short term budget**

- 18 The Education Finance Team co-ordinates and supports schools with the production of multi-year budget plans. The team provides each school with the budget plan for the forthcoming year and the indicative budget for the following two years, along with summaries of the budget allocation formula and additional ALN funding allocation. Pupil numbers are based on information provided by the schools in the annual PLASC<sup>3</sup> data collection. The Education Finance Team and the school discuss all aspects of the budget, including a review of all income and expenditure lines, at a finance surgery held during each year's budget-setting process.
- 19 The budget-setting process at school level is becoming more robust and the degree of challenge provided by officers is greater than previously. However, some schools are concerned that they do not fully understand the non-delegated elements within the Schools Budget and the workings of the funding formula that distributes the Individual Schools Budget to schools. Some schools also question the accuracy of the data and assumptions underlying indicative budgets for future years.
- 20 The Council intends to improve the transparency of the budget-setting process and schools' understanding of it by providing clearer instructions and explanations in the information pack issued with the budget allocations. The Council is also undertaking a review of the Fair Funding Formula, which allocates funding to schools, in response to concerns over its complexity and schools' lack of understanding of its application.

<sup>3</sup> Pupil Level Annual School Census, conducted by Welsh Government.

21 The setting of multi-year budgets is good practice and is in line with the Council's corporate approach to medium term financial planning. However, we found that the main focus of individual schools is on setting the budget for the short term, with the degree of focus and attention given to forward projections being variable. The setting of school budgets that may not be sufficiently realistic will hinder the Council's ability to make informed decisions on the setting of corporate budgets and funding allocations.

**A Service Level Agreement clarifies the respective responsibilities of schools and the Council in managing delegated budgets but aspects of the agreement can be improved**

22 The Council has produced a range of Service Level Agreements (SLAs) to ensure greater transparency in the delivery of support services to schools. The documents support schools in making informed decisions about the services they choose to buy. The Financial Services SLA offers advice, support and guidance to head teachers and school governing bodies across a wide range of financial services. The Council is keen to gauge views and opinions of the financial support it provides to schools and feedback surveys have been sent to schools.

23 The Financial Services SLA is made up of three elements:

- **Core financial service (non-delegated)** that sets out the service that will be provided for all schools regardless of whether they enter into the SLA;
- **Statutory obligations of the school**, that sets out the information that a school will be expected to provide in a timely manner to allow the Council to meet its statutory, regulatory, contractual and business obligations, even if the school does not purchase the SLA; and
- **Enhanced financial service (delegated)** that sets out a range of optional services such as Treasury Management and Management and Financial Accountancy that schools may, as a package, choose to buy. For each service, the SLA sets out clearly the respective responsibilities of Financial Services and schools.

24 All schools have purchased the optional element of the Financial Services SLA. However, our review of the Financial Services SLA has identified a number of elements within the optional 'Enhanced financial service (non-delegated)' sections that are, in fact, part of the Council's statutory responsibilities and would still have to be provided by the Council if schools opted out of the SLA.

**The monitoring of schools' financial position is improving and clearer reporting to councillors allows them to consider action to address schools with financial difficulties**

- 25 The financial position of schools is included in regular reports to the Council's Schools Service Management Team. The reports clearly set out the actual and forecast financial position for each school and analyse the current and projected outturns across the primary, secondary and special school sectors.
- 26 Cabinet receives regular information on schools' balances to allow them to monitor current and future year projections at both overall and individual school levels. Progress updates on the management of unlicensed deficits are also presented regularly to Cabinet, and Cabinet decides on the action to take in the case of schools with unlicensed deficits.
- 27 The Education Scrutiny Group, which reports to the People Scrutiny Committee, provides challenge across a wide-range of education issues, including schools' financial health. The Education Scrutiny Group seeks to align its work to the Cabinet forward work programme and makes recommendations to Cabinet.
- 28 Like all local authorities, the Council also reports its year-end school balances to Welsh Government, which publishes an annual statistical release summarising the level of schools' financial reserves across Wales<sup>4</sup>. There are small discrepancies between the figures reported to Cabinet in July 2016 and those reported to Welsh Government. Our analysis indicates that these discrepancies relate to way in which loans made by the Council to four schools in 2013-14 have been accounted for. However, the paper to Cabinet does not refer to the differences between the two sets of figures. Such discrepancies are potentially misleading to councillors and to interested members of the public, and reduce their ability to compare the position in Powys with that in other authorities in Wales.

**The Council has been more proactive than before in holding schools to account for their financial management but has yet to use its statutory powers of intervention**

- 29 The Powys Scheme for Financing Schools 2016-17 (the Scheme) clearly sets out the financial relationship between the Council and the maintained schools that it funds. The Scheme contains the requirements relating to financial management and associated issues that are binding on both the Council and on schools.
- 30 Although the Council has been particularly concerned about schools in financial difficulties, about half the schools in Powys held reserves amounting to more than 5% of the previous year's delegated budget at the end of 2015-16. The Scheme sets out the parameters within which a deficit budget may be licensed but also refers to the circumstances in which the Council may 'claw back' surplus balances held by schools.

<sup>4</sup> Reserves held by schools in Wales, SFR 139/2016, Welsh Government, 20 October 2016

- 31 In recent years, the Council has not clawed back surplus balances held by schools. The Schools Service Management Team considered and assessed the reasons for the 2015-16 actual outturn surplus balances and individual schools' plans for using their surplus balances. Given the worsening financial projections, Cabinet understandably approved a recommendation by the Portfolio Holder for Education and the Portfolio Holder for Finance on 20 December 2016 that no claw back action be taken on schools with surplus balances at 31 March 2016.
- 32 The Scheme sets out that, in accordance with s.51 School Standards and Framework Act 1998, the Council 'may suspend a school's right to a delegated budget ... if the provisions of the Scheme for the Financing of Schools (or rules applied by the Scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily'. The principal effect of suspension of the right to a delegated budget is that a governing body loses the right to decide on how the school's budget should be spent and loses the majority of decisions on staffing numbers and allocation.
- 33 In July 2016, eight schools had set unlicensed budgets. As a result of further work by the schools and Council officers, this number has fallen to five. The Council has issued notices of concern to schools where appropriate but it has not used its powers to intervene formally in the management of individual schools' finances. Suspension of the right to a delegated budget is seldom used in Wales, and the Council has concerns as to whether it has the necessary skills and resources available to effectively manage and resolve unlicensed budgets if it were to suspend a school's right to a delegated budget. However, the projection of decreasing school balances (see paragraph 36) is likely to lead to an increase in the number of schools that fail to make the savings necessary in order to set a balanced budget. The Council's reluctance to use its statutory powers in extreme cases presents a risk that schools will perceive that there are no consequences to flouting the Scheme for the Financing of Schools by persistently setting unlicensed deficits.

## The Council faces major challenges in achieving the pace that will deliver an affordable and sustainable education service and halt the projected substantial decline in schools' financial health

The Council is facing a number of significant financial challenges, one of which is the significant and unsustainable projected reduction in the level of schools' financial balances

- 34 The Council was forecasting a year-end over spend in the region of £5.6 million at the end of November 2016<sup>5</sup>. A Budget Recovery Plan presented to Cabinet on 20 December 2016 set out the reasons for the deficit and outlined proposals for addressing it.
- 35 Overspends in adult social care are the major driver of this projected deficit. However, the Schools Service is projecting a deficit of £557,000, mainly due to further demand on home-to-school transport, which is being addressed by a Home-to-School Transport Board, and severance pay relating to redundancies in schools. The latter is based on an estimate of future redundancy costs that will be incurred by the Schools Service as part of the efforts by schools to eliminate deficits and achieve balanced budgets in the face of rising costs and falling pupil numbers.
- 36 The cumulative financial position of schools' delegated budget balances at 31 March 2016 was a surplus of £2.9 million, with both secondary and primary schools having net surpluses ([Exhibit 2](#)). The forecast to 31 March 2019 presented to Cabinet in December 2016 shows a reduction of £6.4 million in schools' balances and an overall deficit position of £3.5 million. The forecast has taken into account the effect of the changes to the age of admissions in primary schools.
- 37 Of the Council's 99 schools, the number of schools with deficit balances is forecast to increase from 18 schools at 31 March 2016<sup>6</sup> to 56 schools by 31 March 2019<sup>7</sup>. Schools that continue to set annual budgets that exceed their income will eventually exhaust any financial reserves they may have had.

<sup>5</sup> This figure does not include schools delegated budgets.

<sup>6</sup> Cabinet 5 July 2016, Item 'School Budget 2016/2017', paragraph 5.14

<sup>7</sup> Cabinet 20 December 2016, Item 'Schools Balances', paragraph 2.10

Exhibit 2: The projected £6.4 million reduction in cumulative schools' balances between 31 March 2016 and 31 March 2019 will result in deficits in each of the primary, secondary and special school sectors

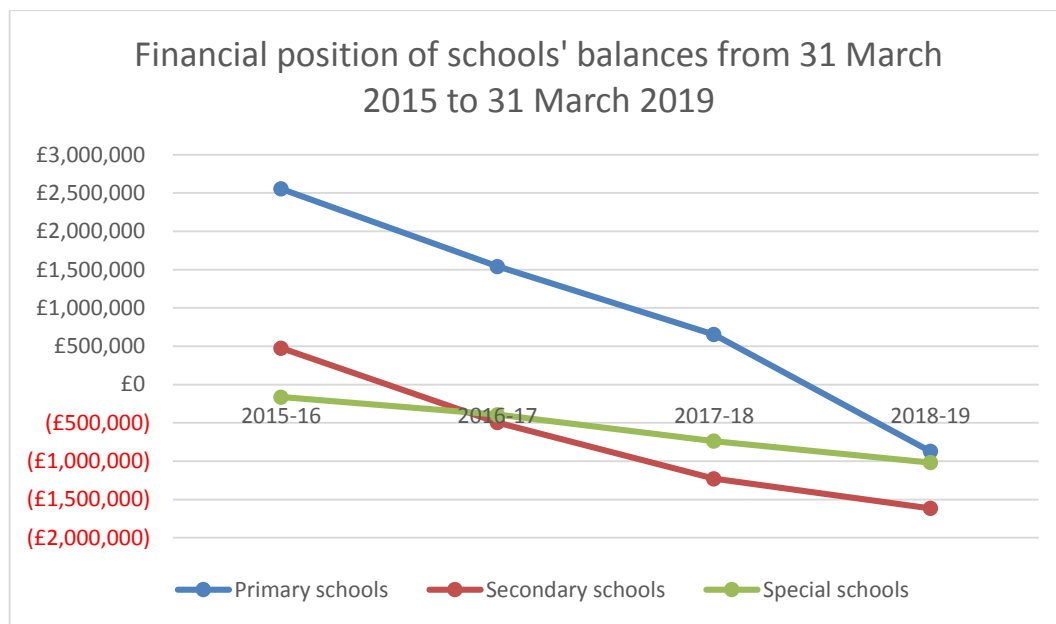


Exhibit source: 2015-16 Actual Position: Cabinet 5 July 2016, Item 'School Budget 2016-2017', Appendix A. 2016-17, 2017-18 and 2018-19 Planned Positions: Cabinet 20 December 2016, Item 'Schools Balances', paragraph 2.9.

Demographic trends indicate that the funding of education will become more challenging for the Council in future years

38 The financial settlement from Welsh Government to Local Government in Wales as a whole for 2016-17 saw a reduction in funding of 1.3%, with the Council facing a reduction in funding of 3%<sup>8</sup>. The Council's settlement reflects movements in formula indicators such as population and pupil numbers; the pupil numbers used for calculating the Council's settlement have fallen in both primary and secondary sectors. The number of pupils of primary school age in Powys has fallen by 4.4% since 2009-10 (Exhibit 3). Powys is one of only two councils in Wales to have seen a fall in primary school pupil numbers over this period, at a time when the number of pupils of primary school age across Wales increased by 7.5%.

<sup>8</sup> Table 1: Budgeted Net Revenue Expenditure on Education, Welsh Government Statistical Bulletin SB 28/2016: Local Authority Budgeted Expenditure on Schools 2016-17, published 7 July 2016



39 The implication of this trend in pupil numbers for the Council is that its share of the notional education budget within the Revenue Support Grant, allocated annually by the Welsh Government, will fall. As a result, the Council faces the choice of reducing its spending on education or diverting funds from other Council budgets to maintain current levels of spending. The Council's Medium Term Financial Plan, presented to Council in February 2016, recognises this. The Plan noted that the outlook for future education settlements is unlikely to improve as the county's younger population is forecast to decline long-term, mainly due to a reducing birth rate and a sizeable outward migration of young people looking for further educational and career opportunities.

Exhibit 3: The number of pupils of primary school age in Powys has fallen by 4.4% since 2009-10 whilst primary pupil numbers across Wales have increased.

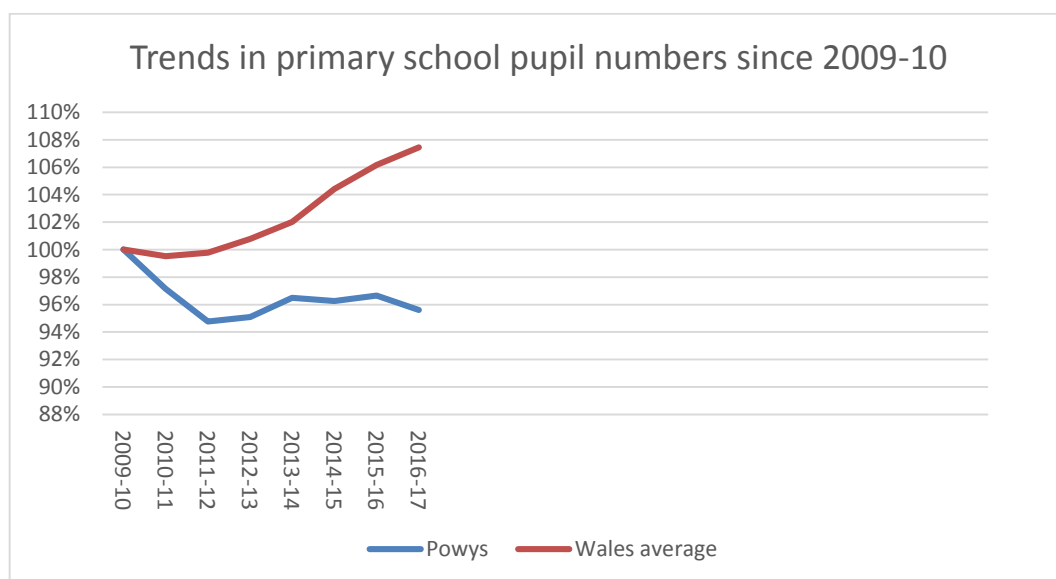


Exhibit source: Data compiled from tables published by Welsh Government, Delegated School Budgets by School: [Delegated School Budget](#).

Schools continue to focus on reducing expenditure but are concerned that no further significant savings can be made at a time when they are taking on additional unfunded costs and responsibilities

- 40 The Welsh Government settlement mechanism usually gives no requirement to fund specified services at specific levels. However, in recent years, Welsh Government has required Councils to protect funding for schools. For 2016-17, the required level of protection for schools was 1% above the overall change in the Welsh Revenue Budget, which equated to 1.85%, or £1.273 million, for the Council<sup>9</sup>.
- 41 The Council's Medium Term Financial Strategy 2016-2019 stated that, whilst meeting the Welsh Government requirement, all increases or reductions which relate to changes in pupil numbers will be passed on to schools' delegated budgets, and also that schools will take account of all inflationary pressures, including staffing costs, when preparing their budgets.
- 42 The majority of expenditure in a school's budget is staff costs. The Council is not providing additional funding to schools to meet annual increases in salary and salary related costs, such as national insurance and pension increases. Some additional costs are also passing to schools from the corporate centre.
- 43 Schools continue to work hard to reduce non-teaching costs and head teachers have to devote an increasing amount of their time to managing their budgets. This is particularly difficult in the primary sector, where increasing numbers of head teachers also undertake a significant teaching commitment in order to balance their budgets. There is consensus amongst schools that further significant efficiency savings cannot be made without having a detrimental impact on the provision of education. The financial challenge of balancing budgets is exacerbated in small schools providing dual stream education, particularly where one language stream is significantly smaller than the other. In such schools, the need to allocate more staffing in the smaller stream than the funding formula provides for has greater impact on the school's overall resourcing than in larger schools where there is greater flexibility to manage budgets.

<sup>9</sup> Council 25 February 2016, Item '**Budget for 2016-17, Medium Term Financial Strategy 2016- 2019 and Capital Programme for 2016-2021**', paragraph 3.8

The Council is committed to providing an affordable, accessible, high-quality education system but neither the pace nor scale of change are great enough to address financial and curricular challenges

- 44 The Council's commitment to ensuring that a high quality education system is accessible to all, affordable and sustainable with a focus on high quality leadership, teaching and learning is clearly stated in the Council's Corporate Improvement Plan 2016-2019 (page 33) and the One Powys Plan 2014-2017.
- 45 The Council's Schools Organisation Policy, 'Planning Education Provision' (the Policy), published in December 2015, sets out the Council's aspirations for its educational infrastructure and its vision for schools in Powys. The Policy recognises that the Council will need to consider new models of delivering educational provision in the county in order to establish an infrastructure of schools that meet the Council's aspirations for education. Aspirations set out in the Policy include:
- having primary schools with single year group classes and head teachers with no classroom responsibilities;
  - secondary schools having at least 600 pupils in Years 7 to 11, allowing average year group sizes of a minimum of 120 children; and
  - a model for post-16 education where centres are able to provide 25 subjects, with a minimum class size of 12 or above.
- 46 The Policy acknowledges that there is no one-size-fits-all approach to school organisation and that in some situations geographic or linguistic issues make the aspirational targets for the size of schools difficult to achieve.
- 47 The Council is aware of the issues and challenges it faces, and the need to transform schools to achieve its aspirations. This is evident from:
- our meetings with members, officers and head teachers;
  - a presentation from officers to members on Planning Schools Provision on 7 December 2016; and
  - the Powys Improvement Conference, held by Estyn on 8 February 2017, which considered the effectiveness of central finance support in overseeing school budgets.
- 48 The Council has reduced the number of schools in the county from 129 to 99 during the last 10 years. This reduction has been achieved mostly by the closure or amalgamation of primary schools and has required significant capital investment. In the secondary sector, two schools have merged, albeit on separate sites, and another has merged with its feeder primary school to form a 3-19 school.

- 49 The Council's ongoing Schools Transformation Programme includes a number of further proposals. These proposals include the closure of Builth Wells and Llandrindod High Schools and establishment of a new dual-stream 11-18 school that will operate on the current campuses. There are also proposals for the reorganisation of primary education in Welshpool, with the discontinuation of four primary schools and establishment of two new primary schools: one English-medium Church in Wales School, and one Welsh-medium County Primary School.
- 50 Following consultation periods, some proposals for reorganisation have been abandoned. These include proposals to close Llanbister and Llanfihangel primary schools, and the closure of Brecon High School and Gwernyfed High School to establish a new English-medium 11 – 16 secondary school in Brecon.
- 51 A key challenge facing the Council is the provision of post-16 education. Secondary schools may not be big enough to offer a desirable range of vocational and academic pathways, and which are available in large sixth form colleges within reasonable travel distance in England. Many of those that we spoke to believe that the broader curriculum choice is a key reason for pupils choosing post-16 education out of the county.
- 52 Despite an awareness of the key challenges facing the Council and the ongoing school reorganisation proposals, neither the pace nor scale of change are great enough. Schools' balances are projected to decline significantly, and the Council has yet to clearly set out and commit to how it will deliver a high quality education system that is affordable and sustainable in the long term.

# Appendix 1

## Analysis of the Council's education budget for 2016-17 of £104.989 million

|   | £000   | £000           | %           |
|---|--------|----------------|-------------|
| <b>Individual Schools Budget (ISB) delegated to schools</b> |        |                |             |
| Primary Schools ISB   | 39,124 |                |             |
| Secondary Schools ISB                                       | 34,353 |                |             |
| Special Schools ISB   | 5,804  |                |             |
| Middle Schools ISB  | 2,619  | 81,900         | 78.0%       |
| <b>Centrally retained and administered Schools budget</b>   |        |                |             |
| Additional Learning Needs                                   | 4,302  |                |             |
| Inter Authority Recoupment                                  | -355   |                |             |
| Staff   | 84     |                |             |
| Other Schools Budget (excluding CERA)                       | 4,906  |                |             |
| Capital Expenditure Charged to Revenue Account              | 309    | 9,246          | 8.8%        |
| <b>Centrally retained and administered LEA budget</b>       |        |                |             |
| Additional Learning Needs                                   | 251    |                |             |
| School Improvement  | 1,029  |                |             |
| Access to Education (excluding transport)                   | -113   |                |             |
| Home to School transport                                    | 9,085  |                |             |
| Strategic Management – Schools                              | 3,591  | 13,843         | 13.2%       |
| <b>Total budgeted expenditure</b>                           |        | <b>104,989</b> | <b>100%</b> |

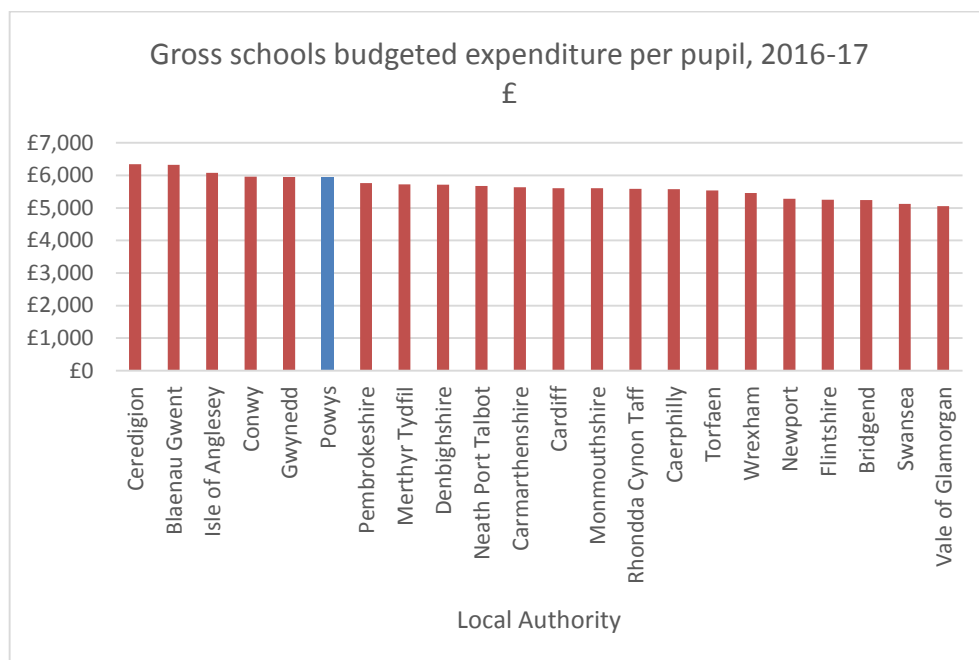
Exhibit source: **Table 2: Schools Budgeted Expenditure, Welsh Government Statistical Bulletin SB 28/2016: Local Authority Budgeted Expenditure on Schools 2016-17**, published 7 July 2016, and supporting RA/Section 52 budget statements. The budget covers all elements of LEA spending that relate to school provision. The figure is on a 'gross basis' and therefore includes Welsh Government specific grants.

# Appendix 2

## Comparative analysis of budgeted education expenditure for 2016-17 across Wales<sup>10</sup>

The Council's total gross schools budgeted expenditure per pupil is the 6th highest in Wales at £5,933 per pupil (Chart 1), £363 per pupil above the Wales average.

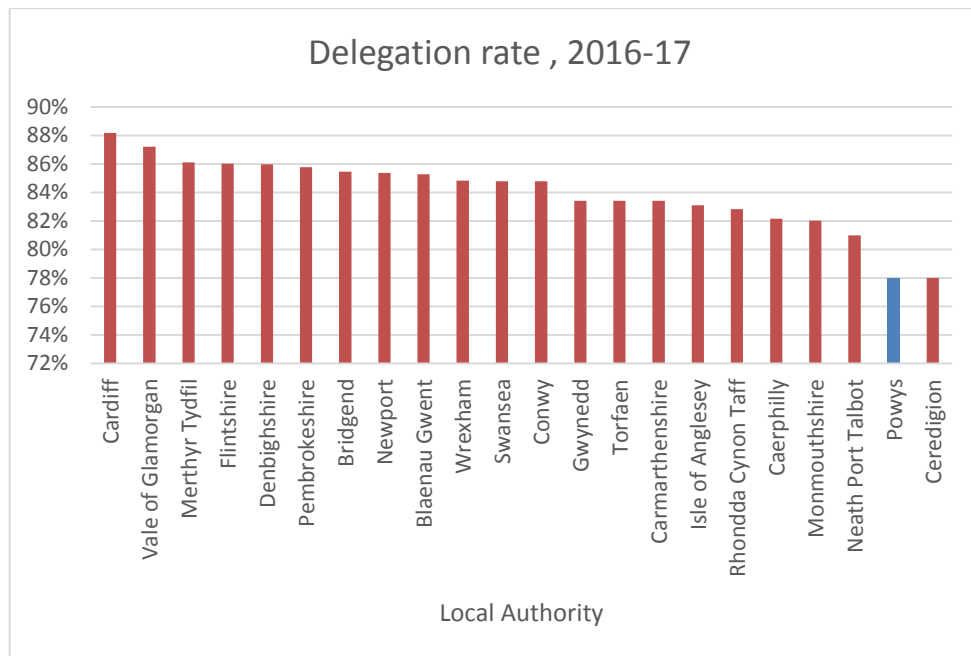
Chart 1: the Council's gross schools budgeted expenditure per pupil is well above average



However, the percentage of gross schools budgeted expenditure delegated to schools in Powys (the 'delegation rate') is the second lowest in Wales at 78% (Chart 2). As a result, delegated expenditure per pupil in primary and secondary schools is the fifth lowest in Wales (Chart 3 and Chart 4).

<sup>10</sup> All data in Appendix 2 is drawn from **Statistical Bulletin SB 28/2016: Local Authority Budgeted Expenditure on Schools 2016-17**, published 7 July 2016, and supporting RA/Section 52 budget statements.

Chart 2: the Council's delegation rate is the second lowest in Wales



Charts 3: delegated budgets per pupil in primary schools are well below average

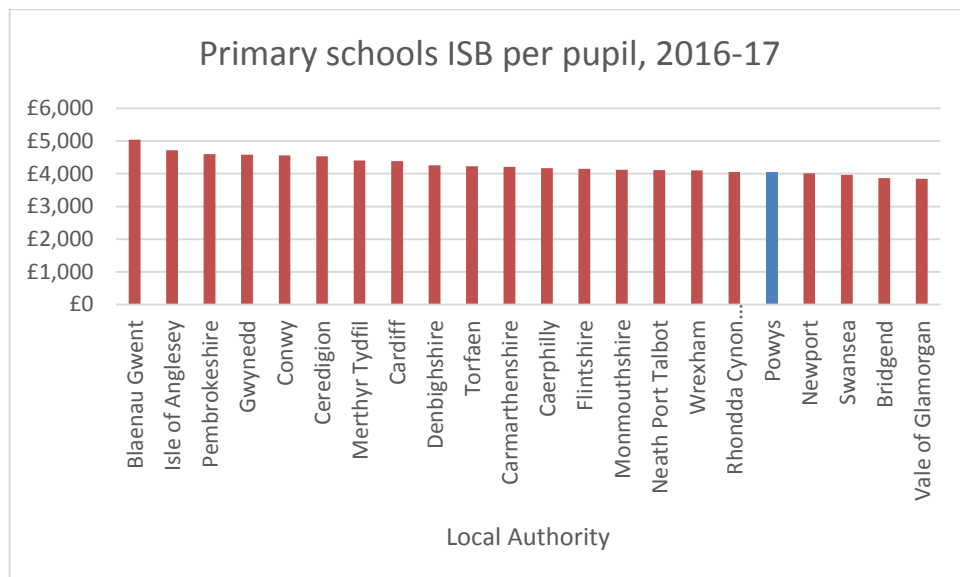
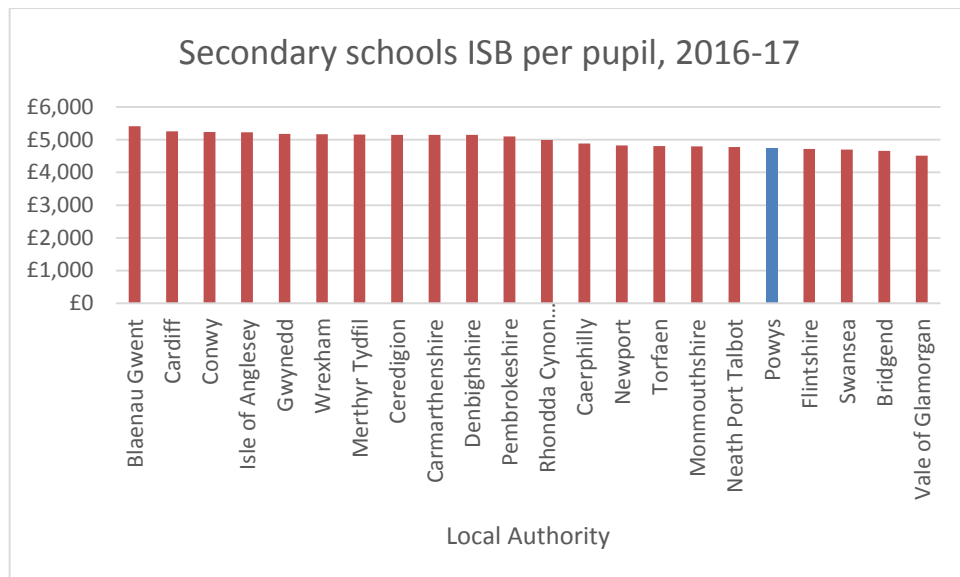


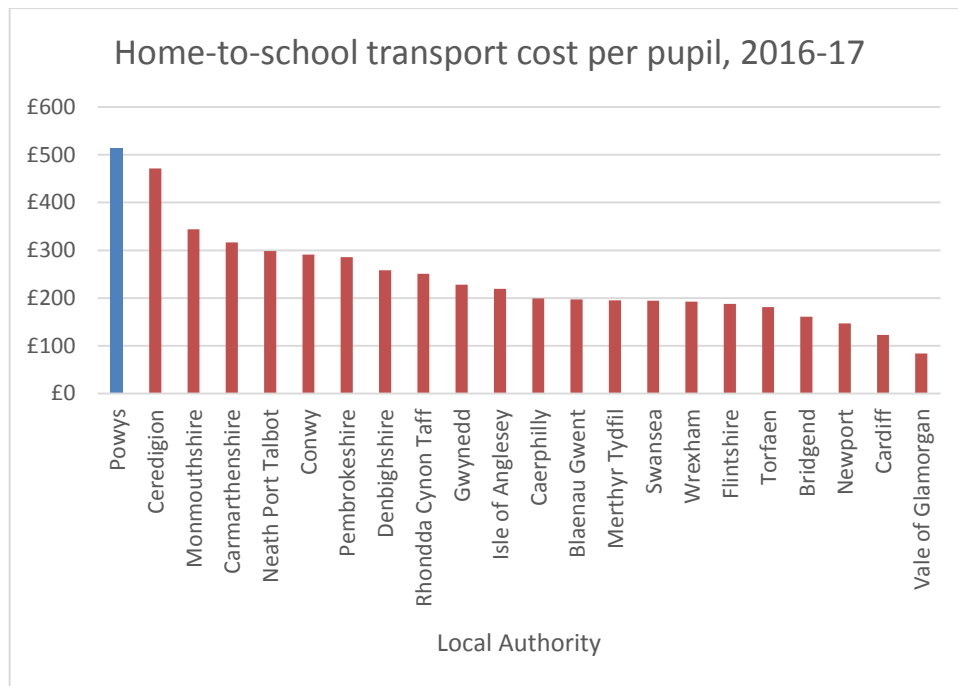
Chart 4: delegated budgets per pupil in secondary schools are well below average



The Council's combined centrally retained and administered Schools Budget and LEA Budget per pupil is the second highest in Wales at £1,305 per pupil. The largest component within these non-delegated budgets is home-to-school transport. The Council's budgeted home-to-school transport costs for 2016-17 are £9.085 million. This is the second highest in Wales in terms of total expenditure and the highest cost per pupil at £513 per pupil (Chart 5).



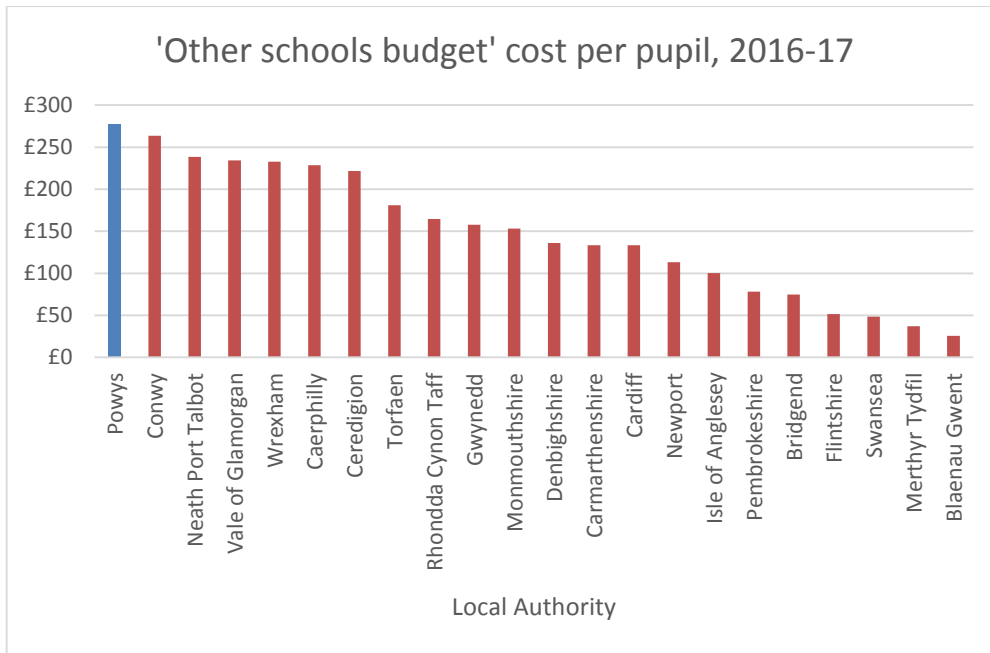
Chart 5: home-to-school transport costs per pupil are the highest in Wales



However, there are also other components within the Council’s non-delegated budgets that are considerably higher than in most other authorities. Centrally-retained expenditure within the Schools Budget of £4.302 million for Additional Learning Needs (ALN), for example, represents £243 per pupil, the third highest in Wales. The Council is currently reviewing the way it delivers some of its ALN services.

The ‘Other Schools Budget’ is also high in comparison to other authorities, contributing to the low delegation rate. This budget of £4.906 million includes the sum of £1.792 million for the Service Level Agreement with Freedom Leisure that provides schools with access to sports facilities. The Council has the highest cost per pupil for ‘Other Schools Budget’, at £277 per pupil (Chart 6).

Chart 6: expenditure per pupil classified as 'Other Schools Budget' is the highest in Wales





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**Action Plan Following Recommendations for Improvement from WAO Review of Education Finance**

| WAO Proposal  | Responsible Officer   | Actions  | Deadline for Action |
|---|---|--|---------------------|
| P1 In order to provide the necessary challenge to secondary schools with regard to their financial planning, the Council should ensure that it has the capacity to analyse and evaluate schools' curricular planning. | Head of Schools / Secondary Challenge Advisors / Schools Finance Team | A1a To develop and agree a curriculum planning model to be used in each sector   | 31/12/2017          |
| P2 The Council should work with schools to explore means of improving the efficiency and effectiveness with which schools procure goods and services.   | Interim Professional Lead Commercial Services                         | A2a Analyse the spend data we have for 2016/17 to identify high expenditure areas. Look for buying patterns so that expenditure can be aggregated. Look for significant spend with a supplier. E.g. Supply Teacher Insurance | 31/12/2017          |
| Page 133  | Interim Professional Lead Commercial Services                         | A2b Encourage the use of existing Corporate Contracts  | On going            |
|   | Interim Professional Lead Commercial Services                         | A2c Improve Contract Management – a Schools Service Contract Manager is being recruited.   | 31/10/2017          |
|   | Interim Professional Lead Commercial Services                         | A2d Review Contract options  | 31/03/2018          |
|   | Interim Professional Lead Commercial Services                         | A2e Establish Corporate contracts where none exist.  | On going            |
|   | Interim Professional Lead Commercial Services                         | A2f Provide support and training for schools including strategic forward planning for purchasing e.g. ICT  | 31/03/2018          |
|   |   |  |                     |

**Action Plan Following Recommendations for Improvement from WAO Review of Education Finance**

|  |  |            |   |                   |
|--|--|------------|---|-------------------|
| <p>P3</p> <p>In order to further embed resource management as a key component of school improvement, the Council should agree with schools: a consistent template for recording key financial information within School Development Plans; and a system whereby schools' financial health might be assessed and reported annually.</p> | <p>School Finance Manager / Senior Challenge Advisors</p>              | <p>A3a</p> | <p>Schools finance to meet with challenge advisors to review current information recorded in School Development Plans and develop a new template for recording key financial information which is consistent across all schools</p> | <p>31/01/2018</p> |
|  | <p>School Finance Manager / Senior Challenge Advisors</p>              | <p>A3b</p> | <p>Communicate with schools to ensure they are aware of the new template and the requirements for completion and inclusion within the school development plans</p>  | <p>30/05/2018</p> |
|  | <p>School Finance Manager / Senior Challenge Advisors</p>              | <p>A3c</p> | <p>Implement requirement for all schools to include new financial template within their School Development Plans</p>  | <p>01/09/2018</p> |
| <p>Page 134</p>  | <p>School Finance Manager</p>  | <p>A3d</p> | <p>Review current reporting of school balances to allow comparison of individual schools planned and actual balances to enable an assessment of financial health</p>  | <p>31/12/2017</p> |
|  | <p>School Finance Manager / Senior Challenge Advisors / Schools HR</p> | <p>A3e</p> | <p>Termly meeting with Schools Finance Team, Challenge Advisors and Schools HR Team to discuss and review schools. Monthly one to one meetings with HR Team and Finance Team to discuss individual schools</p>                      | <p>01/09/2017</p> |
|  | <p>School Finance Manager</p>  | <p>A3f</p> | <p>Secondary school benchmarking has been carried out and will enable schools to draw comparisons on spend with other similar schools across Powys and Wales</p>  | <p>31/10/2017</p> |
|  | <p>School Finance Manager</p>  | <p>A3g</p> | <p>Further develop the benchmarking of primary schools financial information to enable schools to draw comparisons on spend with other similar schools across Powys</p>   | <p>31/02/2018</p> |
|  | <p>School Finance Manager</p>  | <p>A3h</p> | <p>Further develop the benchmarking of primary schools financial information to enable schools to draw comparisons on spend with other similar schools across Wales</p>   | <p>31/10/2018</p> |
|  |  |            |   |                   |

**Action Plan Following Recommendations for Improvement from WAO Review of Education Finance**

|    |  |  |     |  |            |
|----|--|--|-----|--|------------|
| P4 | In order to improve its clarity and transparency, the Council should review its Service Level Agreement with schools for Financial Services, ensuring that the optional element includes only those services that are not statutory functions of the Council.  | Schools Finance Manager  | A4a | Review the current Service Level Agreement that is in place that was developed with schools and make necessary changes to ensure that statutory functions are not included in the optional elements of the Service Level Agreement | 30/11/2017 |
|    |  | Schools Finance Manager  | A4b | Consult with Schools on changes to the Service Level Agreement   | 31/01/2018 |
|    |  | Schools Finance Manager  | A4c | Implement new Service Level Agreement  | 31/03/2018 |
| P5 | In order to ensure a common understanding of financial data, the Council should ensure that data reported to members is consistent with that reported to Welsh Government, and that any necessary variance between the two sets is fully explained.  | School Finance Manager   | A5a | Review data presented to Cabinet in Finance Reports in respect of reporting loans to ensure that figures presented in reports can be easily reconciled and understood compared to figures reported to Welsh Government             | 30/11/2017 |
| P6 | In order to achieve an affordable and adequately resourced school system, the Council should increase the pace and scale of change in implementing its Schools Organisation Policy, 'Planning Education Provision'. In particular, the Council should work with partners inside and outside Wales to ensure that learners aged 16-19 are able to access a suitable curriculum in the language of their choice. | Director of Education / Head of Schools / Senior Manager<br>Schools Transformation | A6a | To undertake a Transformation seminar with Cabinet to agree work programme, to review options for the recommissioning of post 16 education and to implement a work programme arising from A1a                                      | 12/10/2017 |
|    |  |  | A6b | Commence planning and implementation   | 01/11/2017 |
|    |  |  | A6c | Commence new delivery model  | 01/08/2018 |

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