

CYNGOR SIR POWYS COUNTY COUNCIL.

**CABINET EXECUTIVE
26th July 2016**

**REPORT AUTHOR: County Councillor Graham Brown
Portfolio Holder for Procurement and Commissioning**

**SUBJECT: Community Delivery Funding Arrangements For
Welshpool Town Council**

REPORT FOR: Decision

1. Summary

1.1 The purpose of this report is to set out for discussion and decision, a proposal for funding arrangements that, it is hoped, will enable transfer of the delivery of the grounds maintenance and street cleaning service for Welshpool Town to the Town Council.

2. Proposal

2.1 Cabinet recently agreed that funding to go to the Town & Community Councils or other Community Groups, where they are taking over the delivery of services, will be based on 45% of the direct delivery costs of the service over a five year period. During the fifth year a review of the arrangements will be carried out.

2.2 The Town Council in Welshpool have asked if the funding could be based on the revenue from the three car parks in the town. After quite lengthy discussion and some debate over this point, it is felt that there may be some middle ground that might be acceptable and feasible for both the Town Council and Powys County Council.

2.3 At the current time, 45% of the direct delivery cost of the services in Welshpool equates to approximately £17,774 p.a. This figure equates to 11% of the ticket machine income based on the 2015/2016 calculations for the three car parks in Welshpool. This would be the base line figure and the £17,774 would be paid each year for three years to the Town Council.

- 2016/17 = £17,774
- 2017/18 = £17,774
- 2018/19 = £17,774

2.4 At the end of the third year the annual figure will be revised, still based on 11%, but it will be 11% of the average of the annual ticket machine income from the three car parks, calculated across the previous three years 2016 - 2019. This figure could be greater or it could be a reduced figure, depending on the volume of usage of the car parks, for example the revised figure could be £18,200. The new figure, still based on 11%, will be paid to the Town Council for each year for the next three years until the process is reviewed on the same basis again at the third year.

- 2019/20 = £18,200
- 2020/21 = £18,200
- 2021/22 = £18,200

2.5 In 2022 the revenue from the three car parks during the period from 2019 – 2022 may have dropped and therefore the 11% based on the average of the annual ticket machine income during this period might be less, for example £16,950. This is the figure that would be paid for the next three years.

- 2022/23 = £16,950
- 2023/24 = £16,950
- 2024/25 = £16,950

2.6 The reason for reviewing the sum to be applied at three yearly intervals is to ensure it correlates with the Authorities three yearly review of service budgets.

2.7 If the Authority were to sell one of the car parks for development for example, these calculations would be adjusted to continue at the same level and with the same theory applied, but would be based on the income from the two remaining car parks.

2.8 The Town Council have asked for the first year's payment to be made up front to enable them to set up and implement the service delivery. After the first year, payments will be made every six months in accordance with the Authorities standard arrangements for similar ongoing payments.

2.9 The review of the full contract as set out in the Service Level Agreement will take place during the fifth year as agreed by Cabinet. If these arrangements were put in place with Welshpool Town Council from 1st October 2016, the review of the Service Level Agreement would take place during 2021. This review is required to comply with our Auditing arrangements and does not mean the terms of the contract will automatically come to an end, they may continue if both parties are in agreement for them to do so.

3. One Powys Plan

3.1 Statement from the OPP which supports the objectives of the Community Delivery project:-

What difference will we make?

- Our towns and villages are more community focused, self-reliant and resilient.
- Services are retained and run by the community where they are important to that community.
- There is co-location of facilities where appropriate.
- Conditions have been created to support economic development.
- People feel that they matter, that they have a voice and can influence local decisions.

3.2 What are we going to do?

- Encourage communities to work with the LSB/PSB partners, local organisations and groups to improve, sustain and co-locate services at a local level.
- Provide more opportunities for people to have a greater voice and influence local decision making and service delivery in their area.

4. Options Considered/Available

4.1 The option could be to continue to apply the 45% based on the service budget, however this would not enable the transfer of the services to take place.

5. Preferred Choice and Reasons

5.1 The preferred choice is to enable the methodology for the funding as explained in section 2 of the main report, to be applied and to transfer the delivery of the two services for Welshpool Town to the Town Council. There is a degree of risk to the Town Council which is based on the usage of the car parks and also on the basis that there continues to be three car parks and the land is not sold for development for example. There is commitment from all parties involved to enable the community delivery ethos to be carried forward.

6. Sustainability and Environmental Issues/Equalities/Crime and Disorder, /Welsh Language/Other Policies etc.

It is not expected that these proposals will impact on these policies in a negative way.

7. Children and Young People's Impact Statement - Safeguarding and Wellbeing

It is not expected that these proposals will impact on these policies in a negative way.

8. Local Member(s)

The proposal will be of interest to County Council Members who are also members of their local Town and Community Councils.

9. Other Front Line Services

It is not expected that these proposals will have any major impact on front line services.

10. Support Services (Legal, Finance, HR, ICT, BPU)

HR Comment

There are currently no direct implications for staff employed by Powys County Council from this request to amend previous agreements . However, any subsequent involvement of staff, particularly TUPE transfer, will be managed in line with the Management of Change Policy.

Finance Comment

The Finance Business Partner Place notes the contents of the report whilst savings should be achieved to cover the cost of the payments to the Town & Community Councils or other Community Groups it should be noted that in future years applying a percentage to the total car park income could lead to a pressure which the service budget is unable to sustain if the car park income increases significantly.

Legal – The recommendations can be supported from a legal point of view

11. Local Service Board/Partnerships/Stakeholders etc

It is not expected that these proposals will impact in a negative way on the LSB, partnerships or stakeholders.

12. Communications

These changes are of significant interest to Town and Community Councils and community groups and should be communicated widely via proactive news release and social media channels following decision. T&CC's should also be contacted directly by email informing them of the funding changes and project communication documents eg Community Delivery Toolkit should be updated to reflect the changes.

13. Statutory Officers

The Strategic Director Resources (S151 Officer) notes the comments made by finance and that the proposed approach contributes to the council's savings requirements.

The Solicitor to the Council (Monitoring Officer) has commented as follows: “ I note the legal comment and have nothing to add to the report.

14. Members’ Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
<ol style="list-style-type: none"> 1. To support the proposed methodology set out in section 2 of the report, for the calculation of the annual funding which will enable the delivery of the grounds maintenance and street cleaning services to transfer from the Authority to the Town Council. 2. As shown in the example in section 2 of the report, the funding would be based initially on 11% of the 2015/16 revenue from the three car parks in Welshpool. 3. The funding will be reviewed in three yearly blocks and the new starting point for each three year block would be based on the figure calculated from the average of the revenue from the three car parks, based retrospectively on the previous three years as shown in ‘section 2. Proposal’ of this report. 4. To maintain the review at the fifth year of the full content of 	<ol style="list-style-type: none"> 1. If supported, these arrangements will enable the Authority and the Town Council to progress the community delivery ethos with regard to the transfer of the delivery of the grounds maintenance and street cleansing services to Welshpool Town Council. 2. The methodology used for the calculations as explained in the main body of the report, will enable what has been a long and detailed negotiation process to come to fruition. 3. Reviewing the funding in three yearly blocks will correlate with the Authorities three yearly review of service budgets. 4. Maintaining the review at the fifth year of the Service Transfer Agreement supports the auditing requirements for the Authority and maintains a fair and consistent approach. 5. The Town Council have identified set up costs for resource and equipment and will rely on the full funding for

<p>the Service Transfer Agreement as proposed and agreed previously by Cabinet.</p> <p>5. To allow the Town Council to have the first years payment in full, commencing from the 1st October 2016, to enable them to set up and implement the service delivery.</p>	<p>the first year to assist with this.</p>
--	--

Relevant Policy (ies):			
Within Policy:	Yes	Within Budget:	Yes

Relevant Local Member(s):	ALL
----------------------------------	------------

Person(s) To Implement Decision:	Paul Griffiths Strategic Director Place Lisa Griffiths Organisational Design & Development Manager (Place)
Date By When Decision To Be Implemented:	ASAP

Contact Officer Name:	Tel:	Fax:	Email:
Lisa Griffiths	6255		Lisa.griffiths@powys.gov.uk

Background Papers used to prepare Report: