

ALSAGER TOWN COUNCIL

13TH DECEMBER 2011

REPORT OF THE NEGOTIATING TEAM ON THE TRANSFER OF SERVICES FROM CHESHIRE EAST COUNCIL

Introduction

In progressing Cheshire East Councils “Transfer and Devolved Services Initiative” there has been a tremendous amount of energy and commitment put into this initiative by your Negotiating Team Council staff and Consultants both prior to and following the Town Council’s indicative decision in July to agree in principle to the transfer of some non-statutory assets and services. It has been and still is clearly a challenging task. However, everyone involved has been instrumental in achieving the huge progress we have made to date.

Purpose of the Report

The purpose of the report is to inform members of the work of the Town Council’s Negotiating Team in its negotiations with Cheshire East Council and its development of a business case that sets down considerations and recommendations for the transfer of the Civic Hall, Public Conveniences, Allotments and the Outdoor Market. The considerations are mainly as a result of legal, property, financial and operational matters with the findings being brought together in the Town Council’s Capital and Revenue Budget for the financial year 2012-13 that indicates the detailed financial impact of asset transfer and resulting precept increase.

The report additionally informs members of the corporate and other risks involved in the potential transfer of these assets and services.

In the interests of fully informed decision making the report details the results of public consultation and the statutory powers of the Town Council for asset ownership and local service delivery mindful of its duty for community wellbeing.

Timescale from Indicative to Final Decision of Asset / Service Transfer

2011 7 th June	Indicative decision to Cheshire East agreeing in principle to the transfer of services. Subject to conditions.
5 th Sept	Cheshire East Council agrees transfers and identifies the following services to be transferred to Alsager Town Council: Alsager Civic Hall Alsager Market Alsager Allotments (4 sites) Public Conveniences, Crewe Road, Alsager In addition the Alsager Offices, 3 Lawton Road, were to form the subject of a further review and portfolioholder decision.
Sept/Oct	Ongoing Negotiating Team meetings with officers of Cheshire East Council to discuss the practicalities around the physical transfer, including:

	Property Transfer – legal terms HR issues – staff transfer and TUPE Transitional Funding
Sept/Oct/Nov	Alsager Town Council – Budget preparation process 2012/13
17 th Nov	Finance & General Purposes Committee to consider Draft Budget
29 th Nov	Budget Briefing meeting for all Councillors
13 th Dec	Town Council meeting to formally approve, or otherwise, the Transfer of Services from Cheshire East Council and consider Draft Budget for 2012/13
2012	
31 st Jan	Deadline for Alsager Town Council to inform Cheshire East Council of its Precept

Throughout the above timescale the Negotiating Team had regular meetings with representatives from Cheshire East Council. The purpose was to gain legal, financial, property asset and other operational information that is relevant to enable a fully informed decision to be made in relation to the transfer of these assets and services.

The following set of criteria has generally been used during the negotiations.

Negotiating Criteria

- Can the function be effectively exercised within the Town Council area?
- Will Cheshire East's economy of scale in providing other services be lost if Alsager Town Council exercise the function?
- Will there be advantages in quality of service or accountability from local management?
- Effects on the Town Council's financial position
- Is there local support for the transferred services?
- Has the Town Council the financial resources and staffing to enable it to manage the assets?

The following five principles are those which have governed the negotiating teams approach to future arrangements between Cheshire East and the Town Council over the transfer of assets.

- Fairness in the provision of services by Cheshire East between different parts of their area following transfer of assets – double taxation issues
- Simplicity to keep administrative costs of operation to a minimum
- Transparency in negotiations
- Democratic control and accountability
- Finance following function—for devolved services and a transitional payment in regard to transferred assets

Advantages and Disadvantages of Transfer.

Members are reminded of the considered advantages and disadvantages in the transfer of the Civic Hall, Public Conveniences, Allotments and Outdoor Market for local service delivery by the Town Council.

If Alsager Town Council does take on these assets:

Advantages

- Locally accountable and managed assets and services
- Low administration costs and other overheads
- Better utilisation of the resources for the local community
- A body of active local volunteers with expertise to help manage assets and services
- Improved quality through efficient local monitoring of service standards
- Greater community pride in the services provided
- Alsager Community Charge payers to pay for Alsager Civic Hall only
- Alsager Town Council, on behalf of the community, will own the Civic Hall and should it be sold in the future then the proceeds of sale will remain with the Town Council and not go to Cheshire East Council to be utilised throughout its area. (Subject to any Clawback agreement)

Disadvantages

The annual precept will rise.

If Alsager does not take on these assets:

From the outset the Town Council's position had to be evaluated in the light of Cheshire East Council declared policy for Transferred Services in the Report to Cabinet July 2010.

Options for Town and Parish Councils are as follows:

- Agree that the service is no longer needed – it will cease through local choice.
- Agree that the service should continue and CEC will run it and fund it through local precept.
- Agree that the service is needed but they are unable to run it – CEC can either ask a neighbouring council to run it for them and fund it through their local precept or (as a last resort) ask the Borough to continue to run it and fund it through their local precept.

As a result, a Business Case has been developed that considers the potential transfer of the Civic Hall, Public Conveniences, Allotments and Outdoor Market as the first stage of the Transfer and Devolved Services Initiative. The Business Case in its development sets out the issues that have been considered in arriving at the recommendations to the Town Council for local service delivery.

The Business Case.

In considering local service delivery in response to Cheshire East Borough Councils "Transfer and Devolved Services Initiative to Town and Parish Councils" the Negotiating Team's business case sets out its terms of reference for informed decision making in the Town Councils consideration of local service delivery. It explains that the business planning process has been led by the Negotiating Team which has reported regularly to the Town Council.

The business case confirms the Town Council's approach to the initiative in that its priorities are the investigation of transfer of assets and non-statutory services commencing with the Civic Hall, Public Conveniences, Allotments and Outdoor Market with the potential for asset transfer and operation in April 2012.

A history and situation analysis of the Civic Hall and Outdoor Market has been undertaken together with a capability (SWOT) analysis. This analysis has enabled the business planning process to understand the weaknesses and threats and build on the strengths and opportunities in developing options for local service delivery.

Property condition surveys have been undertaken together with public consultation and partner engagement in respect of the Civic Hall as to what planned improvements are felt necessary to bring the Civic Hall up to a “fit for purpose” standard that meets modern expectations in best serving the community. The total cost of repairs, planned maintenance, energy conservation measures and improvements amounts to £200,000 with this amount being planned for expenditure over a three year capital programme.

Financial appraisals have been undertaken in respect to the current operating costs of the Civic Hall, Public Conveniences, Allotments and Outdoor Market. These have been undertaken in consultation with CEBC with the findings that for the fiscal year 2012-13 the Civic Hall is projected to operate at a deficit in the region of £90,000 with the Public Conveniences costing £19,288 and the Outdoor Market operating at a deficit of £1,118.

The business case considers all ownership and management options including freehold/leasehold ownership and direct management, outsourced management to the private sector, local trust, and continued management by CEBC. In the completion of detailed financial appraisals and consideration of service levels the business case recommends the freehold ownership of all transferred assets with direct management of the facilities by a Joint Management Committee in the case of the Civic Hall and management by the Alsager Allotment Association in the case of the allotments.

The projected annual revenue budget cost within the first year of Town Council service provision for Civic Hall is £53,254 for the Public Conveniences is £19,951 and for the Outdoor and Indoor Market is £618. In support of a year on year reduction in revenue costs the business case supports and includes the provision of funding for improved information and communication technology in the effective management of the facilities, together with the ability to market and promote the Civic to make the most of the much improved facilities in serving and meeting the needs of both the local and wider community.

In the successful delivery of these additional services the existing Committee Structure and the governance of the Council has been reviewed. It is proposed that the current Committee and Management Structure is re structured early in the new year as a result of the Town Council taking on new services for local service delivery with a view to providing robust modern day governance.

In the event that the Town Council accepts the transfer of these assets and services from CEBC then an exit strategy for the Town Council has been considered in the knowledge of a scheme of clawback of costs by CEBC. In the event of the Town Council approving the transfer of the Civic Hall, Public Conveniences, Allotments and Outdoor Market then a joint implementation plan will be developed with CEBC for transfer of the assets and services with a target date of ownership and operation by the Town Council for local service delivery of the 1st April 2012 with all the financial implications being built into the Town Councils Budget for 2012-13.

The Negotiating Team’s Business Case for local service delivery of the Civic Hall, Public Conveniences, Allotments and Outdoor Market accompanies this report.

The Town Council Budget 2012-13 including for the transfer of the Civic Hall, Public Conveniences and the Outdoor Market.

To inform the Town Council in its consideration of the transfer of the Civic Hall, Public Conveniences, Allotments and Outdoor Market the financial implications of the transfer of the facilities have been brought together in the Town Councils Budget 2012-13 mindful of the transitional funding and indemnity as offered by Cheshire East Council.

The Town Councils Budget 2012-13 accompanies this report.

Corporate Risk Analysis - Transferred Services

This section relates to the overall risk management associated with the transferred services and identifies key risks.

Risk management is integral to the overall management of the authority. To operate its business, general principles of good governance require that it should also identify risks which threaten its ability to be legally compliant and the operation of its services.

Risk Description

Comment

Service Delivery Prioritisation

Risk that poor management of transferred Services cause ineffectual and inefficient Delivery of services such that the Town Council fails to achieve the transfer objectives.

Poor service delivery will impact the Town Council's reputation. Get it right from the start!

Staff

Risk that the Town Council fail to retain and motivate existing and any new workforce such that the staffing infrastructure fails to support the Town Council's aims and objectives.

Adverse local publicity to increasing workforce levels and staff salaries.

Management

Risk that the Town Council fail to introduce a Committee management structure to effectively manage the transferred services to achieve its aims and objectives.

Significant impact on corporate objectives, performance and quality if the management structure is not correct

Opportunities

Risk that the Town Council fail to maximise the opportunities arising from transferred services.

Closure by CEC of some services most notably the Civic Hall. Adverse local publicity/local public opinion damage reputation of Town Council.

Long Term Planning

Risk that we fail to plan effectively for long term service provision threatening the future financial viability and sustainability of the Town Council.

Significant improvement if services are undertaken locally

Transformation

Risk that the Town Council fail to manage the change from becoming a consultative council not a service provider council

Significant impact on the way the Town Council will need to organise its management and service delivery operations to avoid adverse publicity. Town Council must deliver services at least to the same standard as CEC, if not better.

Public Engagement

Risk that the Town Council fail to invest in, and make effective use of, information, publicity, marketing to effectively deliver the change to a service provider council.

Impact on the way we will need to provide information to and deal with enquiries from local people to avoid adverse comments which could damage the Town Council's reputation.

Reputation

Risk that consideration is not given and management actions is not taken to effectively maintain the reputation of the Town Council leading to a loss of public confidence in our ability to deliver the services.

No further comment required.

Transferred Services – Asset Information**Alsager Civic Hall**

Powers	Local Government Miscellaneous Provisions Act 1972 (as amended)
Proposed Terms of Transfer	Civic Hall and frontage land transferred for a nominal £1 freehold.
Staff Transfer/TUPE	Two posts confirmed.
Clawback	Approx 10 years – yet to be confirmed
Repairs	Category I repairs to be undertaken by CEC before transfer: Electrical rewiring Boiler
Car Parking	As yet no response to request for reserved spaces for users of the Civic Hall.
Operational management	Civic Hall Working Group/Halls Management Committee.
Budget Impact - Deficit	£53,254 (see Budget book for details)

Public Conveniences, Crewe Road

Power	Public Health Act 1936 (as amended)
Proposed Terms of Transfer	Nominal transfer of £1 freehold.

Staff transfer/TUPE	One staff with a substantive role in this facility.
Repairs	Category I repairs to be undertaken by CEC before transfer: Essential plumbing. Replacement of external doors to ladies/gents toilets. Internal decoration.
Operational Management	Opened 8am closed 4/4.30pm – 7 days per week (alterations to these times if function in Milton Park. Operative paid 2hrs per day at 11/2 per hour.
Budget Impact - Deficit	£19,951 (see Budget book for details)

Alsager Wednesday Market – Fairview Car Park

Power	Local Government Act 1972 (as amended)
Proposed Terms of Transfer	Licence to hold market on Fairview Car Park on Wednesday or other days to be decided by the Town Council.
Staff Transfer/TUPE	Not applicable at this stage
New Market Site during Co-op development	To be retained on Fairview Car Park.
Operating times	9.00am to 3.00pm Wednesday each week.
Operating issues	In conjunction with Middlewich/Sandbach Markets.
Market Capacity	25 stalls.
Current No. of weekly stallholders	12 approx.
Repairs/maintenance	New stall equipment purchased by CEC
Average income	£200 per week.
Budget Impact - Deficit	£618 (see Budget book for details)

Alsager Allotments (4 sites) Cedar Avenue, Coronation Avenue, Lawton Road and Talke Road.

Powers	Smallholding and Allotments Act 1908 (as amended)
Proposed terms of transfer	Long Lease
Staff transfer/TUPE	Not applicable.
Repairs	Category I repairs to be undertaken by CEC before transfer: Fence alongside brook at Cedar Av. site

Operational issues	Allotments managed by Alsager Gardeners Association for which they receive a 50% discount.
	Charging Policy – Annual Invoice based on 0.22p per sqm plus inflation.
Budget Impact	£Nil (see Budget book for details)

Offices, 3 Lawton Road

Power	Local Government Act 1972 (as amended)
Proposed terms of transfer	Either on long Lease or Freehold – Awaiting meeting with Porfolioholder
Staff transfer/TUPE	Not applicable.
Repairs	Nil.
Operational issues	Whole building – freehold or Ground floor only if lease.
Budget Impact - Deficit	£5,000 (see Budget book for details)

NOTE: The Negotiating Team has negotiated a contribution of £30k from Cheshire East Council towards transitional costs of the transfers.

Civic Hall Public Consultation Survey

The Civic Hall has been at the heart of the community for more than 40 years and during that time has been a focus for many charitable and community events.

In July 2011 the Town Council carried out a survey to all households in Alsager to ascertain the views of residents on the Civic Hall.

Some 507 survey forms were returned – 468 from Alsager residents.

79% indicated that they would pay extra Council Tax to keep the Civic Hall open.

19% indicated that they would not pay extra Council Tax

2% did not answer the question.

Note: Non residents and under 16's were not included.

The returns have given valuable information regarding, current usage patterns, improvements and changes residents would like to see, and ideas for additional functions.

It is clear from the survey that views and usage concerning the Civic Hall are polarised by age and there is a clear feeling of the passion of older groups for their association with the building and the services it provides.

The survey also served to open a dialogue with the local community and raise awareness of the assets that were being transferred.

Cheshire East Local Development Framework – Place Shaping Consultation

The aforementioned Consultation Exercise undertaken in Alsager during October 2011 has given an indication that the people of Alsager would like to see:-

- The Civic Hall to be protected, improved and retained in the Town Centre
- The Civic Hall was one of the services, that the people consulted, liked most about Alsager but they also indicated that it was a services that needed improving
- The Wednesday Market was perceived as a strength of the Town Centre and made a valuable contribution to the local Alsager economy as well as being an important community facility.

Comment

From the start of negotiations with Cheshire East the Negotiating Team has been fully committed to making this first phase of transfer a positive experience.

Having negotiated, considered and recommended the best legal, financial, ownership and management terms for local service delivery for transfer, the Town Council now need to consider what is best for the local community of Alsager.

The Town Council has adopted a sustainable business approach which demonstrates how taking over the services locally will enable them to be delivered better at reduced cost to the community.

The Negotiating Team firmly believes that freehold ownership and local service delivery engenders local support, engagement and pride and that the Town Council in consultation with the local community are best placed to decide how local services should be managed.

Negotiating Team Recommendations

The Negotiating Team now recommend the Town Council:-

- a) To agree the transfer of the following services from Cheshire East Council to Alsager Town Council:

Alsager Civic Hall
Alsager Wednesday Outdoor Market
Public Conveniences, Crewe Road
Alsager Allotments comprising of the 4 sites referred to in the report.
- b) To authorise the Negotiating Team to complete the transfer negotiations (First Phase) with Cheshire East Council with a target date of 1st April 2012.
- c) To authorise the Negotiating Team to hold talks with Cheshire East Council on the Implementation Plan for these services.

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23.11.11