

# Recommendations from the Community Governance Review

Council

Date: 10<sup>th</sup> November 2016

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Author:	Leader of the Council, Deputy Leader of the Council and Cabinet Member for Finance and Corporate Services, Cabinet Member for Streetsmart. Cabinet Member for Communities, Chief Executive, Corporate Director Resources, and Director of Law and Democratic Services
Wards:	All
Locality Affected:	All
Parishes Affected:	All

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## 1. Purpose and Reasons

- 1.1 This report summarises the Community Governance Review that the Council has undertaken and it seeks Members' support for the amendments to existing Parishes and the creation of new parishes as set out in **Appendix Three: "Recommendations to Council"**.
- 1.2 Legislation reserves the right to amend or create new parishes to Full Council.

## 2. Recommendations

Council is recommended to:

- 2.1 Adopt and give effect to the recommendations of the Cabinet set out in **Appendix Three: "Recommendations to Council"** of the report in order to ensure that community governance within the Borough is effective and convenient, and reflective of the identities and interests of communities within the Borough;
  - 2.2 Note that parishing the entire Borough would enable community empowerment at local level consistently throughout the Borough and extend localism to those parts of the Borough that do not currently have a local council and so do not have the full range of options for local service provision;
  - 2.3 Agree that the final proposal map at **Appendix Four: Map of the recommended new parish boundaries and parish wards** is approved as the new boundaries of existing and new parishes with effect from the dates to be set out in the Order;
  - 2.4 Subject to Council approving the recommendation set out above, authorises:
    - 2.4.1 the Director of Law and Democratic Services, in consultation with the Cabinet Member for Communities, to;
      - (i) Establish Shadow Councils for each of the proposed new parishes with a membership of at least 5 in number made up from the ward members in each area;
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Further information on the subject of this report can be obtained from Stephen Taylor, 01793 463012, [staylor@swindon.gov.uk](mailto:staylor@swindon.gov.uk).

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- (ii) Determine, in consultation with the Shadow Parishes, the governance arrangements for each new parish;
- (iii) In accordance with the requirements set out in Section 96 of the Local Government and Public Involvement in Health Act 2007, the Director of Law and Democratic Services be authorised to publish the Council's decision in relation to these recommendations together with the reasons for making this decision, and to take such steps as he considers sufficient to secure that persons who may be interested in the Community Governance Review are informed of that decision.

2.4.2 The Head of StreetSmart to organise the borough council's workforce in such a way as to facilitate any service transfer that may be agreed between the borough council and any new or existing parish or town council.

2.4.3 The Director of Law and Democratic Services to:

- (i) prepare, in consultation with the Leader of the Council, a revised scheme and consequential Community Governance Reorganisation Order to include such provisions as he considers appropriate in relation to (inter alia) implementation dates, asset transfers, and warding arrangements;
- (ii) seek the agreement of the Local Government Boundary Commission to any consequential changes to the protected electoral arrangements set out in the Swindon (Electoral Changes) Order 2012, and
- (iii) Make and implement the Reorganisation Order.

## 3. Detail

### Background

- 3.1 Cabinet agreed to commence a Community Governance Review at its meeting on 21<sup>st</sup> October 2015 (Cabinet Minute 39, 2015/2016 refers). The Terms of Reference approved are attached at **Appendix One: Community Governance Terms of Reference**~~Error! Reference source not found.~~. The indicative time approved is set out in Table One. The Cabinet decision was noted by Council on 12<sup>th</sup> November 2015 (Council Minute 47, 2015/16 refers).

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**Table 1 Initial Review Timetable**

<b>Action</b>	<b>Timeline</b>	<b>Outline of Action</b>
Report to Cabinet / Council	October / November 2015	Timescale and Terms of Reference approved
Commence Review	December 2015	Council publishes Notice of the Review and notifies stakeholders
Introductory stage – Meetings with stakeholders	December 2015	
Stage 1	January – March 2016	Initial submissions invited
Stage 2	April - June 2016	Consider submissions. Prepare draft recommendations
Stage 3	July – September 2016	Draft recommendations published and comments sought
Stage 4	September – November 2016	Consider final submissions and prepare recommendations
Final recommendations	November – December 2016	Publish Final recommendations
Implementation Order	November – December 2016	Council to make Order

- 3.2 The review was requested of Council partly due to a number of parish councils having asked for their electoral arrangements to be reviewed, including the number of parish councillors and their parish warding arrangements, and also having regard to a petition currently ongoing for the creation of a new parish in an area that is currently parished.
- 3.3 In addition, Cabinet was also informed by the reported success of the initial pilot schemes in which some parish councils agreed to take on devolved services

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from the Borough. Each parish, as a separate entity, negotiated as to which services these were.

- 3.4 For every stage of the Review, Members have kept in mind the statutory duties as set out in Section 93 of the Local Government and Public Involvement in Health Act 2007, together with the statutory guidance on community governance reviews issued by the Secretary of State and the Local Government Boundary Commission for England.

- 3.5 Under section 93 of the 2007 Act:

“(4) The principal council must have regard to the need to secure that community governance within the area under review—

- (a) reflects the identities and interests of the community in that area, and
- (b) is effective and convenient.”

and the statutory guidance gives further assistance with regard to factors for consideration such as community cohesion together with size, population and boundaries of a local community or parish.

## Stage One

- 3.6 Stage One of the Community Governance Review commenced on 5<sup>th</sup> December 2015 and was reported to Cabinet on 16<sup>th</sup> June 2016 (Cabinet Minute 8, 2016/2017 refers). The all-party Scrutiny Committee reviewed the Cabinet decision-making process supporting this decision on 20<sup>th</sup> June 2016 (Scrutiny Minute 4, 2016/17 refers) and Council noted the Cabinet minute on (Council Minutes 31 and 36, 2016/2017 refer). A total of over 700 residents attended 32 drop-in sessions across the Borough, which were supported by ward members and officers. In addition to paper submission forms, the Council provided a dedicated CGR email address and an on-line facility to make submissions during the consultation period. As a result of this, 258 submissions (including two petitions) were recorded from both residents and interested groups/organisations. A copy of the submissions, with personal information duly redacted, was made available on the Council’s website and in the Members’ Room.
- 3.7 In reviewing the submissions, Cabinet took note of the need to provide more opportunities to inform and engage with those who had responded, so that there could be more adequate knowledge of the work of parish council and how they might both better reflect community identities and provide for effective and convenient community governance. To assist the discussions, Cabinet approved two illustrative maps to provide a visual context of how additional parishes might look. However, these maps did not constitute proposals.

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- 3.8 As a consequence of this, Cabinet agreed to proceed with Stage Two of the Consultation and amended the timetable as set out in Table Two.

**Table 2 Revised Community Governance Timetable**

<b>Action</b>	<b>Original</b>	<b>Revised</b>	<b>Outline of action</b>
Stage 1	5 <sup>th</sup> December 2015 to 30 <sup>th</sup> March 2016	5 <sup>th</sup> December to 30 <sup>th</sup> March 2016	Initial Submissions invited
Stage 2	31 <sup>st</sup> March to 30 <sup>th</sup> June 2016	31 <sup>st</sup> March to 29 <sup>th</sup> July 2016	Prepare draft recommendations, including public engagement from 22 <sup>nd</sup> June to 20 <sup>th</sup> July involving maps and setting out illustrative outline parish boundaries
Stage 3	4 <sup>th</sup> Jul to 16 <sup>th</sup> September 2016	9 <sup>th</sup> Aug to 30 <sup>th</sup> September 2016	Draft recommendations published and comments sought
Stage 4	19 <sup>th</sup> September to November 2016	3 <sup>rd</sup> October to November 2016	Consider final submissions and prepare recommendations
Final recommendations	November/December 2016	November/December 2016	Publish final recommendations
Implementation order	January 2017	January 2017	Council to make order

## Stage Two

- 3.9 The findings from Stage Two of the Community Governance Review were reported to Cabinet on 17<sup>th</sup> August 2016 (Cabinet Minute 37, 2016/17 refers).
- 3.10 Prior to this on 14<sup>th</sup> April 2016, Council debated a motion calling for a consultative poll to be held in those areas that did not currently have a parish council to inform the Community Governance Review. This motion was defeated (Council Minute 89, 2015/16 refers).
- 3.11 Stage Two sought further detailed suggestions from residents of the Borough on possible arrangements for parishes so as to enable the council to formulate a proposal for public consultation in Stage Three. To that end additional public engagement activities, using 2 illustrative maps (Appendix Two A and Appendix

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Two B of the June Cabinet report) that set out potential outline parish boundaries, took place between 22<sup>nd</sup> June and 20<sup>th</sup> July 2016 as listed below:

- 3.11.1 8 public meetings (including 4 organised at request of members) were held and attended by a total of 181 residents;
  - 3.11.2 4 workshops for those who had expressed more detailed views at Stage 1 were held and attended by 27 residents;
  - 3.11.3 Illustrative maps and CGR information were published on the SBC website which attracted hits from over 500 residents;
  - 3.11.4 Members were asked to publicise the events in their wards;
  - 3.11.5 Social media activity to promote the public meetings and maps/information;
  - 3.11.6 Media relations activity, including press releases, generated media coverage on the engagement exercise across a number of outlets including Swindon Advertiser, Swindon Link, BBC Wiltshire and in some Parish/Community publications;
  - 3.11.7 Posters distributed by the Localities team to advertise the public meetings;
  - 3.11.8 Officer meetings with parish councils, community groups and Ward members; and
  - 3.11.9 139 submissions (including one petition) were recorded from both residents and interested groups/organisations. A copy of the submissions, with personal information duly redacted is available on the Council's website and in the Council's Members Room.
- 3.12 The main area of focus in discussions in the workshops as to the creation of parishes in areas without them was in relation to the number of new parish councils to be created. The options here ranged from one large single parish to a larger number of smaller parishes that would be more closely aligned to specific communities.
- 3.13 Members considered the merits of different possible parish arrangements and, on balance, determined that one large single parish would not be reflective of the identities and interest of the community in that area, as required by the 2007 Act. Put simply, a new large parish of approximately 56,200 households would not recognise the existing sub-divisions and governance arrangements of the areas of the town without parishes.
- 3.14 Cabinet recommended that the Borough consult on the creation of four new parishes; namely, West Swindon, Central Swindon North, Central Swindon South, and South Swindon and to expand Nythe to cover the unparished area of
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Liden and Eldene. In addition, Cabinet is also recommended to consult on the creation of a St Andrew's Parish from out of the current parish of Blunsdon St Andrew.

- 3.15 The Borough Council also considered the number of parish councillors for any new parish. The statutory minimum number of parish councillors is 5. There is no maximum number. The number of parish councillors in existing parishes in Swindon range from 5 (Castle Eaton, Stanton Fitzwarren, and Hannington) to 23 (Stratton St Margaret).

## Stage Three

- 3.16 The outcome of Stage Three of the Community Governance Review was reported to Cabinet on 19<sup>th</sup> October 2016 and subject to a lengthy and detailed discussion in public at that meeting.
- 3.17 The consultation process has taken the following form:-
- 3.17.1 5 public meetings in the current non-parished areas were held and attended by a total of 172 residents. Members were asked to publicise Council-facilitated events in their wards and some ward members also held additional public meetings;
  - 3.17.2 1 joint meeting with Blunsdon st Andrew parish council was held and attended by 12 consisting of Councillors, employees of the Parish Council and residents;
  - 3.17.3 Royal Mail was commissioned to deliver an 8 page leaflet to every household;
  - 3.17.4 3 meetings with businesses were held that led to decisions to hold further steering group sessions to help shape the relationship between businesses and parish councils in future;
  - 3.17.5 The existing and proposed maps and CGR information were published on the SBC website which attracted 8,342 page views from over 1,300 unique visitors during the CGR process;
  - 3.17.6 Social media activity to promote the public meetings and maps/information;
  - 3.17.7 Media relations activity, including press releases, generated media coverage on the engagement exercise across a number of outlets including Swindon Advertiser, Swindon Link, BBC Wiltshire and in some Parish/Community publications;
  - 3.17.8 Posters distributed to advertise the public meetings;
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- 3.17.9 Officer meetings with parish councils, community groups and Ward members; and
- 3.17.10 A total of 420 submissions were recorded from both residents and interested groups/organisations. A copy of the submissions, with personal information duly redacted is available on the Council's website and in the Council's Members Room. In addition, the Swindon Labour Group conducted a number of polls by secret ballot. As at 18th October 2016, the results were a total of 317 votes against creating parishes and 3 in favour; of these 226 also voted for the creation of a single town parish for whole unparished area, and 39 for a smaller, single parish Council for most of the traditional part of Swindon. The submissions were summarised using a qualitative analysis process to ensure that Members could see the range of opinions being expressed.
- 3.18 The key themes from the consultation were set out in Appendix Three to the Cabinet Report for this meeting with additional submissions being circulated at the meeting. The consolidated document setting out the analysis of the submissions and evidence from key stakeholders such as parish councils is attached at. **Appendix Two: "Summary of Submissions to Stage Three of the Consultation"**.

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- 3.19 The detailed proposals for each parished and currently unparished area of the Borough are set out in **Appendix Three: "Recommendations to Council"**, together with the rationale for those proposals.
- 3.20 The Cabinet Member has consulted with all the political party groups about the proposed schedule of parish wards. It was suggested that census data be used rather than the number of electors to determine these areas. However, the statutory guidance makes clear the principle that each vote should have equal weight across the parish, which can best be achieved by using the number of electors.

## Shadow Parishes

- 3.21 In order to coincide with the commencement of the new financial year for both the Borough Council and Parish Councils, it is proposed at this stage that the new arrangements come into effect on 1<sup>st</sup> April 2017, so far as practicable. Recognising the normal timescales for elections, it is proposed that the elections for any new parish councils, together with any consequential elections for existing parish councils, take place on Thursday, 4<sup>th</sup> May 2017.
- 3.22 Since Nythe parish is expanding into an area without a parish, there will be no shadow council as the existing Council will have the authority to act for the whole area once the Order comes into effect. Nythe parish council elections would



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normally be in 2019, but the parish council may wish to consider co-opting individuals from Liden and Eldene and discussions will be held with them on that point.

- 3.23 In order to allow consultation on the details of the community governance order to allow the creation of the new parishes and to oversee work required between 10<sup>th</sup> November 2016 and 1<sup>st</sup> April 2017 it is proposed that shadow parish councils are established. On the assumption that the new arrangements come into effect on 1st April 2017, and in order to ensure that any new parish councils take up their duties with adequate funding, the role of these shadow parishes would be to set the Budget and precept of any new parishes for the 2017-18 Financial Year and to agree and oversee operational arrangements to ensure the safe provision of services from 1<sup>st</sup> April 2017.
- 3.24 As reported to Cabinet, and subject to the decision of Council, the Borough Council has put in place a transitional team to support the parish councils over service delivery and clerking issues and it may well be that in some areas, the Borough Council remains the service delivery provider for a transitional period until the parish is established and feels able to manage the services either directly or through a third party.
- 3.25 The transitional team will be available to provide operational, financial and clerking support to minimise duplication within the proposed new parishes in terms of the establishment of policies and procedures, to enable economies of scale in terms of joint contracting for services and to generally provide support and advice to ensure sustainable service delivery models can be established.
- 3.26 Due to their knowledge of local areas and their democratic mandate as elected representatives of those areas, it is proposed that the local Borough Council ward members for each area be invited to form the shadow parish councils, where they are willing to do so. Where there are insufficient numbers of ward members available, then it is suggested that other borough councillors be so invited, subject to the membership reflecting the current political balance of the area.

## Property Assets

- 3.27 Part of the role of any shadow parish(es) would be to provide input over the assets that should transfer from the Borough Council to the Parish Council(s) to be included in the Community Governance Review order.
- 3.28 It is not proposed to transfer strategic assets such as Lydiard Park, Coate Water and its surrounding lakes, Barbury Castle or Stanton Manor and Country Park to parishes due to the strategic nature of these assets and resulting maintenance responsibilities. In respect of other community-type assets such as local parks, community buildings, allotments, play areas and small depots, it is proposed that they should be transferred to any new parish councils unless they form part of a

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future development site as part of the Borough Council's strategic property responsibilities. On this basis, the property could be leased or maintained under a maintenance agreement with the freehold being retained by the Borough Council.

- 3.29 Within these parameters it proposed that the Director of Law and Democratic Services, in consultation with the Leader of the Council, agree any property transfers to be contained within the CGR order with the Shadow parish(es).

## Community empowerment

- 3.30 One of the drivers for reviewing unparished areas of the Borough was to enable community empowerment and allow the Borough Council to devolve powers to neighbourhood level and extend localism. Any new parishes would, therefore, be able to provide services being deprioritised by the Borough Council that existing parish councils are providing in other areas of the Borough.
- 3.31 Since 2014, some parish councils have been steadily increasing the range and depth of service provision provided in their areas which has been well received in those areas.
- 3.32 In 2014, it was considered that services costing the Borough Council around £5m per annum could potentially be provided by parish councils in future as there were examples of parishes providing those services across the country. As a result of the CGR engagement process and via consultation on specific service changes, it is no longer proposed that the cost of street lighting energy is passed to parish councils and the Borough Council is reshaping bus services without seeking a contribution from parish councils. Further, Cabinet has confirmed its intention to withdraw funding from some local services where possible. As a result, it is now expected that the Borough Council will work with parish councils to take on these services where there is a desire for them to do so.
- 3.33 In overall terms, it is therefore expected that parish councils could generate new income to invest in services across the Borough. In the parished areas of the Borough, service levels have been increased above those affordable by the Borough Council in most areas, with local communities having more influence over local services and priorities.

## *Transitional Funding and Reserves*

- 3.34 The greater the scale and complexity of the services that are provided by parish councils in future increases the financial risks the organisations will be exposed to. In order to support the success of any newly created parish councils it is recommended that the Borough Council takes steps to increase their financial resilience from the first day of operation rather than waiting for reserves to be established over time.

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- 3.35 In addition, Members have been clear throughout the CGR process that they do not wish to create hardship for Council Tax payers through unnecessarily high increases from one year to the next.
- 3.36 Within this context, Cabinet is asked to agree the following financial arrangements to support both the establishment of any new parish councils and in support of parish councils taking over services from the Borough Council. The exact payment to be made to each parish council should be agreed between the Corporate Director Resources on behalf of the Borough Council and Parish / Shadow Parish Council before the start of the new financial year.
- 3.36.1 New Parish Council Reserves – Subject to agreement by Council, all new or significantly expanded parish councils be paid 10% of the cost of services currently being provided by Swindon Borough Council that will be discontinued with effect from 1st April 2017 and instead provided by parish councils. This will be held as a start-up reserve by the parish councils to cover unforeseen costs and should not be spent on planned expenditure during the first three years.
- 3.36.2 It is expected that this will cost the Borough Council around £300k, but the actual cost will be impacted by the scale of services that the new parish councils decide to provide.
- 3.36.3 Section 106 / Community Infrastructure Levy (CIL) Funding – Where the Borough Council is holding Section 106 or CIL funding that has been earmarked to be spent in a specific area on services that will typically be managed by parish councils in future, that funding will be passed to the parish council. The parish council will be required to demonstrate it has spent any funding in accordance with the conditions attached to each deposit.
- 3.36.4 Existing Parish Reserves – If any existing parishes are split into more than one parish it is proposed that any reserves held by the parish council are shared in a fair and pragmatic way. The Borough Council would expect that any funding earmarked to be spent in a specific area should be given to the new parish whose boundary that area falls within. Where reserves are not earmarked, it is recommended that they are split based on the estimated proportion of the existing Council's budget spent in each new area with overheads being apportioned in line with direct costs.
- 3.36.5 Earmarked Borough Council Reserves - Where the Borough Council is holding a specific reserve that has been earmarked to be spent on assets that will be managed by parish councils in future, that funding will be passed to the parish council. The parish council will be required to
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demonstrate it has spent any funding in accordance with the purpose of the reserve.

- 3.36.6 Future Capital Bids and Loans – For the vast majority of assets and services managed by parish councils in future, with good financial management the annual precept value and any transferring reserves plus appropriate insurance arrangements will be sufficient to cover their running costs and future liabilities. However, for a very small number of more significant assets, there may periodically be a requirement to incur more significant one-off capital investment to undertake major maintenance work or improvements. An example may be major improvement work to a park or remedial works to a damaged asset.
- 3.36.7 In this circumstance, through close partnership arrangements between the ward members and parish councillors, it may be appropriate to propose that a capital bid be submitted to the Borough Council for either a loan, or potential joint funding of the works. It is also normal practice for parish councils to borrow from the Public Works Loans Board (PWLB).
- 3.36.8 Transitional Funding – For all parish councils (existing and new) that agree to provide services currently provided by the Borough Council, transitional funding will be provided for two financial years. In 2017-18, 50% of the marginal cost savings in that year freed up by Swindon Borough Council from no longer providing these services in each area will be paid to the parish councils. In 2018-19, this will reduce to 25%. The intention of this transitional funding is to allow parishes to phase the cost of services into their annual precept over a 3 year period rather than burdening tax payers with the full increase in one year and is separate to the funding already agreed with existing parish councils that have already taken over services.
- 3.36.9 It is expected that this will cost around £2.5m but the actual cost will again be influenced by the range and scale of services the councils choose to provide. Linked to previous-year service transfers to parish councils, the Borough Council already has transitional funding commitments for the next two financial years amounting to around £0.3m.
- 3.36.10 In order to fund the establishment of parish reserves and the total transitional funding likely to be agreed, it is proposed that a specific reserve is set aside of £3m with any surplus or deficit being managed as part of the Council's overall in-year Budgets.

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## *Local Government Pension Costs*

- 3.37 Around 50% of the £3.5m of parish-type services currently provided by the Borough Council relates to staffing costs. All Council staff are automatically entitled to be part of the Local Government Pension Scheme if they work for the Council and this national pension scheme is more expensive than many other pension schemes due to its more favourable benefits.
- 3.38 A significant proportion of the grounds and street cleaning team employed by the Borough Council has a large amount of experience gained through a long and loyal service history supported by regular training. It is therefore not surprising that there is an appetite for most staff to be supported to continue providing these types of services across the Borough, albeit through a different employer.
- 3.39 Recognising this, through the engagement process, a number of residents and organisations have raised questions around the future liabilities facing parish councils if they take over the Borough Council workforce, especially when members have significant local government service which could attract expensive severance packages should the workforce need to be reshaped in future.
- 3.40 In order to support both the workforce to be welcomed by parish councils or other future employers and to balance the financial risks facing smaller organisations in future, it is proposed that the Borough Council under-writes a proportion of the liabilities for any staff transferring to a parish council or sub-contractor of a parish council.
- 3.41 If no further service transfers to existing parish councils took place and no new parish councils were established, the status quo position means that the Borough Council is responsible for meeting all pension liabilities due to be paid by the employer for its workforce. This includes future service costs, past service liabilities plus one-off severance costs should staff retire early or be made redundant. Therefore, any transfer of pension costs to a new employer will reduce the Borough Council's current financial exposure. The same applies for redundancy payments.
- 3.42 Recognising this, it is proposed that Cabinet agrees that a cost-sharing arrangement is put in place with organisations employing staff currently providing services that the Borough Council will be pulling back from in future on the following basis.

## *Pension Transfer Costs*

- 3.43 Parish Councils will have an automatic entitlement to be part of the Local Government Pension Fund. Any sub-contractors can apply for admitted body status so that they can employ staff and allow them to remain in the Fund.

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- 3.44 For all transferring pension liabilities, the Borough Council will pay upfront any deficit value within the existing pension fund as at the transfer date so that any transferring staff are fully funded on their first day of employment with their new employer
- 3.45 The parish council, or new employer, will meet the cost of its future employers pension on-costs recommended by the Local Government Pension Fund actuary. By doing this, the fund should remain fully funded and there should be no deficit liabilities for the parish in future.

## *Future Redundancy Costs*

- 3.46 The Borough Council will under-write any severance costs (including pension and redundancy payments) up to the value as at the service commencement date by the parish council. In effect, this would mean that if liabilities arose for an employee with 20 years' service, two years after the parish service commencement date, the Borough Council would meet 18/20ths of the pension and redundancy costs.
- 3.47 The programme is being managed to try to prevent compulsory redundancies but, should any staff take voluntary or compulsory redundancy prior or on the service commencement date, the severance costs would be met by the Borough Council in full prior to the transfer.

## Council Tax Support

- 3.48 As part of the engagement and consultation processes, a number of questions have arisen over the cost of Council Tax Support and the impact of this on other residents in parished areas with higher numbers of households in receipt of this reduction.
- 3.49 In overall terms, around 10% of the cost of Council Tax is met from Council Tax Support and this has been factored into the financial modelling around likely future income levels and savings for Swindon Borough Council. Financial modelling has also been undertaken to show the potential impact on Council Tax bills of new parishes that could be established within the proposed boundaries. This modelling takes into account the potential expenditure levels of the proposed new parishes, the household numbers and bandings and the levels of Council Tax Support and other discounts and exemptions in place. The modelling does not show any material differences between the likely increases in Council Tax bills for those parishes containing higher level of households in receipt of Council Tax Support and those with lower levels. This tends to be because they are often more heavily populated areas so the cost of services is spread across a larger number of households.
- 3.50 Parish Council receive a grant from the Borough Council towards the cost of Council Tax Support and this grant is proportionate to the amount paid out in



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each area. Therefore, those parishes with higher levels of deprivation will receive a larger grant than other areas. In addition, the Council Tax calculations take into account this grant and ensure that sufficient Council Tax is raised to cover the cost of services within an area after taking into account any discounts and exemptions in place for some households.

## Council Tax Capping / Referendum Criteria

- 3.51 At the present time, parish councils are not restricted over the levels of annual council tax increases. However, during the last few years, articles have been published that suggest that capping could be considered in future for the largest parish councils in the Country.
- 3.52 In response to this, the Government has included as part of its consultation on the 2017-18 Local Government Settlement some proposals to restrict large increases in parish council precepts. As extract from the consultation is set out below.
- 3.53 *"We propose that referendum principles are introduced for local precepting authorities (town and parish councils) whose Band D precept is higher than that of the lowest charging district council for 2016/17 (£75.46), and which have a total precept for 2016/17 of at least £500,000 (subject to the next paragraph). These parishes would face the same referendum principles as shire districts: increases of less than 2% or up to and including £5 (whichever is higher) can be set without triggering a referendum. Based on these thresholds, the Government expects this new principle will affect around 120 of England's 8,800 local precepting parishes.*

*In doing this, the Government wishes to ensure that parishes continue to have the flexibility to take on responsibilities from other tiers of local government without being unduly constrained by council tax referendum principles. It is therefore proposed that parishes will not be in the category to which the referendum principle applies where there has been a transfer of responsibilities, and where three conditions are satisfied:*

- i. the parish council and a principal council covering the area of the parish council have each resolved that a particular function carried out by the principal council in relation to the parish council's area in the financial year 2016-17 is to be carried out instead by the parish council in the financial year 2017-18*
- ii. the parish council and the principal council have agreed the reasonable cost of the exercise of that particular function in the parish council's area by the parish council in the financial year 2017-18*
- iii. that the agreed cost, if collected by way of the parish council precept, would take the parish council over the threshold of a 2% or £5 increase on the previous year.*



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*A large proportion of parishes are modest in size – for example, around 4,000 parishes have precepts of £25 or less. However, the Government is aware that increases in these precepts continue to concern local tax payers and is therefore prepared to consider extending referendums to all parishes. We recognise that issues of proportionality, practicality and cost could be raised by such a step, and would welcome views on this.”*

- 3.54 Swindon currently has one parish with an annual precept over £500k and it is likely that the larger proposed new parishes could also raise a precept in excess of £0.5m. However, the Government is very supportive of the creation of new parishes which is demonstrated by it recently passing legislation making it easier for them to be created and therefore it is not expected that above inflation increases in precepts during the early years of new parishes being established would be challenged. The consultation detailed above also recognises that the referendum principles should not apply where there is a transfer of responsibilities down to parish councils as is the case in Swindon.
- 3.55 Should new legislation be introduced in future that does impact on the proposed strategy to support parishes to take on a greater range and depth of service provision, it is proposed that the Borough Council liaises with Central Government over potential future increases and, if necessary, reviews its transitional funding arrangements to ensure the strategy can be implemented successfully. However, that is not proposed at present and it is proposed that the Council responds to the consultation on this to confirm that it supports the Government’s proposal that should referendum criteria be introduced for parishes in future, it should not apply where there is a transfer in responsibility for services.

## Business Community

- 3.56 As well as engaging with residents, the Council is also committed to engage with business representatives, including the Old Town Business and Professional Association, to ensure key businesses in the town understand the context the Borough Council is operating within and the Community Governance Review process that is being undertaken.
- 3.57 A number of engagement events and meetings have been held to explore how businesses could influence and contribute towards the cost of services provided in commercial shopping areas. Officers will continue to work with InSwindon and the local business community about ways they can augment or replace the Council’s budget contribution and, in the interim, and recognising that the Town Centre is an asset for the whole borough, the Borough Council will continue to pay the cleaning and maintenance costs of the Town Centre.

# Recommendations from the Community Governance Review

Council

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## 4. Alternative Options

- 4.1 Council could choose to decline some or all of the recommendations set out in the Minute from Cabinet. It is not the Council's practice to decline no

## 5. Implications, Diversity Impact Assessment and Risk Management

### Financial and Procurement Implications

- 5.1 The cost of the Community Governance Review has to date been met using existing resources and budgets with the exception of £15k spent from the Transition Grant to fund a leaflet drop to all households as part of stage 3 of the consultation. Other financial implications are as referred to in the report.
- 5.2 Should the Community Governance Review result in the whole Borough being parished, it is estimated that at least £3m of new income could be generated from council tax payers to fund important local services should the parishes so decide.
- 5.3 If agreed, around £3m of one-off funding would be required to establish parish reserves and to fund transitional funding to ease the impact of the proposals on council tax payers.

### Legal and Human Rights Implications

- 5.4 Legal and Human Rights implications have been taken fully into account in the preparation of this report. It is considered that the recommendations of the report are compatible with Convention rights.

### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.5 There are no other direct implications associated with this report.

### Diversity Impact Assessment

- 5.6 A Diversity Impact Assessment (DIA) has been undertaken on the proposal for parishes to take a larger role in service provision and this is available for inspection from the report author.
- 5.7 A DIA for the CGR itself has not been undertaken. It should be noted that parish councils are Public Authorities and so subject to the Public Sector Equality Duty.

### Risk Management

- 5.8 There are none linked to this report although failure to comply with the statutory procedures would be a legal and reputational risk to the Council.

# Recommendations from the Community Governance Review

Council

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## **6. Consultees**

- 6.1 The Corporate Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.
- 6.2 Borough Councillors, Parishes and parish councillors, stakeholders and the public have been consulted during Stages 1, 2 and 3 of the Review.

## **7. Background Papers**

- 7.1 Community Governance Review working papers and feedback.

## **8. Appendices**

- 8.1 Appendix One: Community Governance Terms of Reference
- 8.2 Appendix Two: "Summary of Submissions to Stage Three of the Consultation"
- 8.3 Appendix Three: "Recommendations to Council"
- 8.4 Appendix Four: Map of the recommended new parish boundaries and parish wards
- 8.5 Appendix Five: - Draft Minutes of the Cabinet Meeting, 19<sup>th</sup> October 2016