

Shadow Dorset Council

Date of Meeting	Shadow Executive Committee - 20 July 2018
Officer	General Manager – Public Health and Housing – Purbeck District Council
Subject of Report	Transfer of assets to Town and Parish Councils – current position and proposed principles
Executive Summary	<p>The report provides a high level summary of what each of the sovereign Councils that will form part of the new Dorset Council are doing in relation to transfer of assets to Town and Parish Councils and other community groups.</p> <p>The report suggests an agreed set of principles for Dorset to ensure consistency of approach to asset transfer that would not adversely impact on the new Council.</p>
Impact Assessment:	<p>Equalities Impact Assessment: None</p> <p>Use of Evidence: None</p> <p>Budget: There could be some budget implications for the new Dorset Council if asset disposal is not undertaken in a co-ordinated and managed way.</p> <p>Risk Assessment: Having considered the risks associated with this decision using the LGR approved risk management methodology, the level of risk has been identified as: Current Risk: LOW Residual Risk: LOW</p> <p>Other Implications: None</p>
Recommendation	<ol style="list-style-type: none"> 1. To note the current position for each of the Councils in the Dorset area. 2. To agree the principles outlined in 3.2 for the transfer of assets.

Reason for Recommendation	The aim of the principles will ensure that decisions taken before 1 April 2019 do not adversely impact on the budget of the future Dorset Council.
Appendices	None
Background Papers	None
Report Originator and Contact	Name: Rebecca Kirk Email: rebeccakirk@purbeck-dc.gov.uk
Additional report contributors	Name: Judith Plumley Email: JPlumley@christchurchandeastdorset.gov.uk Name: Stephen Hill Email: SHill@dorset.gov.uk Name: Stuart Caundle Email: SCaundle@dorset.gov.uk Name: Karen Andrews Email: k.andrews@dorsetcc.gov.uk

1. Background

- 1.1 The six councils in the Dorset area own a wide range of assets varying from business units, car parks and toilets down to small parcels of land, often on housing estates, which are retained as open space. Some of these assets are capable of generating an income while others have ongoing revenue implications.
- 1.2 The proposal to create two unitary councils was a response to continuing austerity across local government. The legislation requires the existing councils to co-operate in the creation of the new councils. This could include co-operating in ensuring the new Dorset Council is financially sustainable. This would mean transferring to the new council all of those assets which are capable of generating net income now or in the future (e.g. with development value) as well as those which are needed to deliver statutory services.
- 1.3 The assets of the councils in the Dorset area will transfer to the new Dorset Council on 1 April 2019 unless the existing Councils dispose of them or otherwise transfer them within the public sector in the meantime.
- 1.4 Following the LGR announcement some town and parish councils have approached their appropriate district or borough council to request the transfer of some assets to them and councils have continued to transfer services/assets. This report summarises the approach of each Council in dealing with transfer of assets.

2. Current position

- 2.1 The amount and value of property holdings of each Council varies. In some cases it has been the policy to transfer property with no development value to town and parish councils, where they want it.

In some circumstances, particularly in the Borough of Weymouth and Portland where there is not yet a town council, such a transfer has not been necessary. Some Councils have not only transferred assets but have also devolved some services such as street cleansing, while others are in the process of delivering this work.

2.2 The picture is mixed across Dorset and below is a summary for each Council and their current position:-

2.2.1 Dorset County Council (DCC)

The County Council continues to engage with town and parish councils on a regular basis as outlined in the 'Working Together' strategy, which was co-produced with representatives from the sector and the Dorset Association of Parish and Town Councils (DAPTC).

The main focus of the work relates to engaging the sector on community and place based projects, and local commissioning of activities by town and parish councils, particularly in relation to highways discretionary services that do not form part of the County Council's core budget and statutory service provision.

There are no plans outlined in the 2018/19 budget and service plans for any devolution of services or asset transfers to town and parish councils. It should be noted however that the County Council does have a wider asset disposal programme that has been agreed by the Council and this will continue.

2.2.2 East Dorset District Council (EDDC)

The Cabinet Committee (One Year Strategy) met on the 30 May 2018 to consider Community Asset Transfer prior to 1 April 2019. The Committee agreed to the following recommendations:

- (a) any transfer of assets will usually be by transfer of the freehold to a public or charitable body or via a long lease (25 years minimum);
- (b) there is to be no discussion about possible transfer of services, only assets.
- (c) consideration will only be given to transfer of assets where there is no detrimental effect for a future Unitary Council;
- (d) transfer will also be dependent on an assessment of the capacity of the receiving authority/organisation to take on the asset;
- (e) EDDC will consider asset transfer to community groups other than P&TCs where appropriate and subject to the same assessment of the capacity of such groups but such transfers are considered to be lower priority because of timescales and capacity;
- (f) transfers will only be considered where there is staff capacity to deliver them and additional funds will be provided to support this project if required; and
- (g) a list of assets for potential consideration has been identified.

It is suggested in the report that certain town and parish councils have the majority of assets appropriate for transfer and therefore that initial discussions will be focussed on these areas. Individual meetings are being arranged during June with representatives of interested town and parish councils.

2.2.3 North Dorset District Council (NDDC)

NDDC had a programme of Local Delivery which started in 2008 and with local councils transferred a number of assets and services. The work was guided by a set of principles based on services being provided better at a local level and with a financial imperative. As a result, NDDC now has very few assets available for transferring and therefore there is no current programme.

2.2.4 Purbeck District Council (PDC)

At the Council meeting on 8 April 2018 it was agreed that:

- (a) all assets required for the delivery of statutory services and those capable of generating income are transferred to the new unitary Dorset Council;
- (b) property held as public open space, free car parks and the public toilets at Corfe Castle and Studland be offered to the appropriate town and parish councils; and
- (c) the Solicitor to the Council be authorised to appoint local solicitors to complete the transfers with the cost met from the Council's reserves

At the meeting, Members also agreed following a request from Swanage Town Council to transfer a building that contains public toilets and a museum to the Town Council. Heads of Terms are being drawn up and they will have strict overage clauses that ensure if any income is generated from the site in future from rental or the site is sold, Dorset Council will obtain a proportion of the income.

2.2.5 West Dorset District Council (WDDC)

West Dorset District Council's Strategy Committee met on 12 September 2017 and agreed to establish a programme board, outlining the transfer of services and assets to town and parish councils and programme principles (which were agreed with the programme board) and at its meeting on 14 December 2017 agreed the Terms of Reference and to commission the Local Government Resource Centre (LGRC) and allocate finances. As well as the transfer of assets the report suggests the devolution of some services to those town and parish councils that want them. The suggested services are:

- TIC/ tourism
- public conveniences
- town centre economic development
- discretionary grants
- town centre street cleansing.

It is worth noting that car parks (as income generators and/or development potential) were not and never have been included. An allocation of up to £120k from the set aside of more than £1m revenue reserves was approved to implement management of the Transfer of Services/Assets programme.

This work is being finalised with LGRC advising, in negotiation with local councils and is likely to focus on public conveniences; TICs; and some assets on a cost neutral basis.

The Council also has a property asset management plan – disposal list. At their [24th April 2018 Strategy Committee meeting](#) members approved the disposal of nine assets for sale on the open market and the transfer of some to the new Partnership; three of which are potential housing sites. WDDC has also agreed in its 2018/19 budget to allocate up to £4m to the Local Authority Trading Company for future development.

To continue the WDDC programme of asset transfers, the Strategy Committee has considered preliminary proposals for the transfer of some assets to Bridport Town Council; this is being finalised by LGRC.

2.2.6 Weymouth and Portland Borough Council (WPBC)

Following a Community Governance Review covering the Weymouth area of the Borough Council, the Council resolved to create a new town council for Weymouth to cover the whole of the Borough apart from the area covered by Portland Town Council. As part of the process to establish a new town council, work is underway to plan the services it will provide, its financial needs and the assets it will need to provide those services. At the time of writing this report, the list of assets that are proposed to transfer has not been formulated.

Parallel with this work, the Council is considering possible asset transfers to Portland Town Council (PTC). Although PTC has existed since 1974, it charges a nominal precept and relies on WPBC to provide most services a town council might typically provide. The discussions are taking place in parallel so that PTC can be put on a similar footing to other town councils in terms of service provision from April 2019.

3. Next steps

- 3.1 It can be seen from the above position statements that most of the Dorset area councils have been through a formal process to agree a policy for the transfer of assets. However, in order to create some consistency across Dorset and manage expectations of town and parish councils it is recommended that a set of principles are agreed by the Shadow Executive Committee.
- 3.2 At the meeting of the Committee on 18 June 2018 a recommendation from the Interim Section 151 Officer regarding the Protocol on Spending and Commitments was agreed. The report noted that “At present the existing councils are free to continue to run their affairs and make financial decisions without taking into account the impact upon the new unitary. The protocol requires any items that could have a financial impact upon the new unitary to be initially assessed by the interim Section 151 Officer and, if it has a significant financial impact, seek approval by the Shadow Executive. De minimis levels of £100,000 for each District and Borough and £500,000 for Dorset County Council are proposed in order to avoid the process becoming unmanageable. The spirit of this protocol is that a council should not be ‘breaking down’ items into parts in order that become lower than the de minimis levels.”

- 3.3 As the transfer of an asset of value will have a financial impact on the new Dorset Council the final principle in the list takes into account the financial protocol. However as this relates to an asset rather than a financial spend the amount should be equal for all councils.
- 3.4 It is recommended that the following principles are agreed:
- (i) All assets required for the delivery of Council services and those capable of generating income are transferred to the new unitary Dorset Council.
 - (ii) Any existing programmes for the disposal of assets already agreed by sovereign Councils will continue and will not be impacted by these principles. These principles relate to any future disposal of assets.
 - (iii) Property held as public open space, community buildings, free car parks and public toilets can be considered for transfer to the appropriate town or parish council.
 - (iv) Any transfer of assets will usually be by transfer of the freehold to a public or charitable body or via a long lease (25 years minimum). Transfer will also be dependent on an assessment of the capacity of the receiving authority/organisation to take on the asset.
 - (v) Councils can consider asset transfer to community groups other than parish and town councils where appropriate and subject to the same assessment of the capacity of such groups but such transfers are considered to be lower priority because of timescales and capacity.
 - (vi) Any transfer (other than by a lease) of open spaces will contain overage clauses that will retain the land for public use or, if the land is sold the new Dorset Council will receive a proportion of the proceeds from the sale.
 - (vii) Where a Council has negotiated the devolution of a service to a town or parish council and asset is transferred to support the delivery of that service, there will be no financial loss to the new Dorset Council i.e. the transfer is cost neutral.
 - (viii) No financial agreement will be made with a town or parish council, or other receiving body to support the maintenance and running of a transferred asset after 1 April 2019.
 - (ix) Any asset transfer that could have a financial impact upon the new Dorset Council will be initially assessed by the interim Section 151 Officer and, if it has a significant financial impact, seek approval by the Shadow Executive. De minimis levels of £100,000 are proposed in order to avoid the process becoming unmanageable.