

## Rother District Council

<b>Report to:</b>	Cabinet
<b>Date:</b>	28 June 2021
<b>Title:</b>	Protecting Discretionary Services Strategy
<b>Report of:</b>	Robin Vennard, Assistant Director Resources
<b>Cabinet Member:</b>	Councillor Dixon
<b>Ward(s):</b>	All
<b>Purpose of Report:</b>	To agree the Council's strategic approach to the transfer to other organisations of community assets that support the delivery of discretionary services to ensure their long-term access by the residents and visitors to Rother is protected.
<b>Decision Type:</b>	Non-Key
<b>Officer Recommendation(s):</b>	<b>Recommendation to COUNCIL:</b> That the Protecting Discretionary Services Strategy at Appendix A be approved and adopted.

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### Introduction

1. Members will be aware that following the creation of the Bexhill-on-Sea Parish Council (now known as Bexhill Town Council), Rother is now fully parished. This presents an opportunity to move this Council to a predominately strategic and regulatory role within the district. Part of this move is to consider how and by whom, discretionary services are best provided. A guiding principle will be to ensure that discretionary services are delivered by the most appropriate organisation closest to the community it serves. This also affords the opportunity to minimise the carbon footprint of the services by ensuring supply chains for operational costs are as local as possible.
2. In addition, as with many local authorities, Rother is operating with a financial deficit, where following many years of limited Government grant and substantial cost pressures (particularly with contracted-out services) day-to-day expenditure exceeds our income. This is causing an unsustainable reliance on reserve funding to support the revenue budget. If this situation were to continue unchecked, in the next five years, the Council would likely have to take drastic action to reduce its expenditure, including the cessation of several discretionary services.
3. The Council has embarked on a programme of work to deliver financial stability to the Council. This ambition is described in the Council's Corporate Plan reported elsewhere on this agenda and part of this programme is to seek the transfer of certain community assets to organisations better able to protect them and secure their public use into the future. A simple and straightforward

strategy (set out at Appendix A) to support this programme has been developed which sets out the Council's approach.

## Strategic Objectives

4. The first objective of this strategy is to protect for the future enjoyment and benefit of the residents and visitors to the Rother area the following discretionary services:
  - Parks and Open Spaces
  - Public Conveniences
  - Museum buildings
  - Bus Shelters
  - Christmas special lighting
  - Off-street public parking places which are currently free to use
5. The second objective is to reduce the Council's net spend on discretionary services. The above services account for approximately £1.4m of spend each year, mainly in maintaining the underlying assets in a reasonable and useable condition.

## Deciding which assets to transfer

6. Whilst there is a financial imperative to safeguarding these community assets, there are a number of other factors that will be considered on an asset by asset basis before any decision is made. These include:
  - a) Does the asset have strategic importance?
  - b) As a minimum, can the operational costs be covered by charging users?
  - c) Is there an alternative use for the asset that is more beneficial?
7. A detailed schedule of the assets is currently being compiled to accompany the strategy.

## Delivery options

8. To achieve these objectives, the most efficient and locally empowering option is to transfer the assets to suitable organisations that can raise sufficient funding to ensure continued public access to these services and facilities. There are two main types of organisations considered suitable:
  - a) Parish and Town Councils
  - b) Charitable organisations including Community Interest Companies
9. **Parish and Town Councils** – have the advantage of being statutory bodies with powers to raise a precept to meet the cost of services they provide. Currently Parishes and Towns are outside of the Government's council tax referendum regulations that restrict upper tier authorities. This gives greater freedom to raise sufficient income to invest in and maintain the assets for their long-term use.
10. **Charitable Organisations** – there are numerous examples of where charitable organisations have been established to take responsibility for a public asset, including in Rother. The variation in scale of organisation

involved is considerable from the De La Warr Pavilion Trust to those organisations that operate the transferred allotments. Charitable organisations have greater access to funding bodies for capital investment projects, but the main challenge is ensuring sufficient funding is raised each year for day-to-day commitments. As these organisations cannot raise precepts, then it will likely be a combination of generating donations and carrying on activities for which users of the facilities pay a fee.

### **Protecting the Assets from change of use or disposal**

11. Some of the assets to transfer may have alternative uses that, if disposed of, could generate substantial sums. It is important that the continued community use is protected and the best way to do this is to transfer the assets on a long lease basis. For charitable organisations, this can represent an issue with regard to fund raising activities. It is thought this can be overcome if the lease is of sufficient length to give any funder the confidence that the long-term control of the asset has been effectively transferred.

### **Early Financial Support**

12. As mentioned above, there has been some success in transferring the Council's statutory allotments to other organisations to operate. In addition, three free to use car parks and associated public conveniences have also been transferred to parish councils. As part of this process, it was identified early on that depending on the asset, there may need to be some transitional financial support arrangements to assist with the transfer. The strategy will continue with this principle and will form part of any negotiations with a future owner.

### **Key Stakeholders**

13. The report has highlighted the two key stakeholders with regard to the delivery of this strategy, namely the Parish and Town Councils and existing Community Interest Companies. In addition, it is sensible to engage with Rother Voluntary Action who provide support and guidance to local charitable organisations. This would be particularly relevant if it is seen that new charities are established to help the Council meet its strategic objectives.

### **Communications**

14. There is a danger that this strategy could be seen as merely cost shunting or double taxation with no added benefit to residents and visitors to Rother. However, in the current local government funding regime, there is a real danger to the sustainability of those discretionary services that make Rother a great place to live, work and visit. This will need to be the focus of our communications with the key stakeholders and the residents of Rother. The Council needs their support and commitment to ensure the successful and timely transfer of assets. A communications plan will be developed in conjunction with our specialist communications team.

### **Resourcing**

15. In addition to the early financial support referred to above, it was agreed by Cabinet (Minute CB20/120 refers) to create a small dedicated team to

progress this work. This will need to include both relevant operational staff together with legal and financial support. This represents a great learning opportunity for our staff and therefore secondments will be encouraged.

## Conclusion

16. The Council's desire to transfer assets that support delivery of discretionary services to other organisations should be seen positively to ensure their continued contribution to the quality of the Rother area. Documenting the Council's approach through this strategy ensures there is a high degree of transparency to the actions the Council is taking. Members are asked to support the strategy.

## Environmental

17. Whilst this strategy itself has no direct environmental implications, the services it relates to do. How these assets are maintained and improved can have positive or negative environmental implications depending on both the strategic and operational approaches taken. This will form part of the discussions with any prospective organisation that agrees to assume responsibility for these community assets.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	Yes
Environmental	Yes	Access to Information	No
Risk Management	No	Exempt from publication	No

Chief Executive:	Malcolm Johnston
Report Contact Officer:	Robin Vennard
e-mail address:	<a href="mailto:robin.vennard@rother.gov.uk">robin.vennard@rother.gov.uk</a>
Appendices:	Appendix A - Protecting Discretionary Services Strategy 2021 to 2025
Relevant Previous Minutes:	CB20/120
Background Papers:	-
Reference Documents:	-

## PROTECTING DISCRETIONARY SERVICES STRATEGY 2021 TO 2025

### Background

1. The creation of Bexhill Town Council means that the District of Rother is now fully parished. This presents an opportunity for Rother District Council to become a predominately strategic and regulatory body within the district. Part of this move is to consider how and by who, discretionary services are best provided. A guiding principle to this strategy is to ensure that discretionary services are delivered by the most appropriate organisation, one which is closest to the community which the service serves. This also affords the opportunity to minimise the carbon footprint of the services by ensuring supply chains for operational costs are as local as possible.
2. Additionally, Rother District Council is operating with a financial deficit, where following many years of limited Government grant and substantial cost pressures (particularly with contracted-out services) day-to-day expenditure exceeds income. This is causing an unsustainable reliance of reserve funding to support the revenue budget. If this situation were to continue unchecked, in the next five years the Council would likely have to take drastic action to reduce its expenditure, including the cessation of several discretionary services.
3. The Council has embarked on a programme of work to deliver financial stability to the Council. This ambition is described in the Council's Corporate Plan and part of this programme is to seek the transfer of certain community assets to organisations better able to protect the asset and secure the use into the future.

### Objectives

4. The first objective of this strategy is to protect for the future enjoyment and benefit of the residents and visitors to the Rother area the following discretionary services:
  - Parks and Open Spaces
  - Public Conveniences
  - Museum buildings
  - Bus Shelters
  - Christmas special lighting
  - Off-street public parking places which are currently free to use
5. The second objective is to reduce the Council's net spend on discretionary services to ensure it can continue to deliver its statutory services to an acceptable level. The above services account for approximately £1.4m of spend each year, mainly in maintaining the underlying assets in a reasonable and useable condition.

### Who the Council will work with?

6. The Council will work with the Parish and Town Councils within the Rother District and any not for profit organisation that has sufficient financial security

to ensure the long-term viability of the community assets. The Council is happy to work with new organisations including those that need help to be become established.

### **Protecting the Assets from change of use or disposal**

7. Assets will be transferred on a long-term lease basis. Leases will provide sufficient length to give any grant funding body confidence that the long-term control of the asset has been effectively transferred. Freehold disposals are unlikely to be considered.

### **Early Financial Support**

8. The Council will endeavour to transfer assets in good useable condition, but it is recognised that depending on the asset there may need to be some transitional financial support arrangements required to assist with the transfer. Any transitional financial support will be considered on a case-by-case basis.

### **Schedule of Assets**

9. A schedule of the assets for potential transfer is attached to this strategy. The schedule includes details the location (including map), a description of the asset including the existing use and the current direct costs.

## **Schedule of Assets – to be confirmed**

The schedule of community assets that are likely to be devolved / transferred is currently being compiled and will form part of the consultation and subsequent discussions with interested parties.