

A PRACTICAL GUIDE TO TAKING ON DEVOLVED SERVICES FROM PRINCIPAL AUTHORITIES

The Devolution Local Paper toolkit sets out strategic directions for NALC to lobby government to introduce or repeal legislation that impacts on parish councils' ability to take decisions and provide services at a the most local level.

This practical guide is designed to assist parishes who wish to consider taking on devolved services from their principal authorities. It provides guidance on how to start the process, an understanding of the range of service that may be available for devolution, and information on getting to grips with the practicalities of taking on devolved services.

In order to do this it is broken up into the following steps:

1. Engaging with your principal authority on devolution.
2. Taking decisions on types of services to be devolved and the types of service models that can be adopted.
3. Impact on precept.
4. Examples of Councils who have taken on devolved services/assets.
5. Paperwork within the devolution process.

1. ENGAGING WITH PRINCIPAL AUTHORITIES ON DEVOLUTION OF SERVICES

Whereas a few years ago most principal authorities would have shuddered in horror at the thought of handing over vast chunks of service delivery to parish councils, a change of heart is taking place, owing to the constraining financial climate which has these authorities struggling to meet their statutory demands on social service alone. Principal authorities all over the country are now beginning to openly engage their parish and community councils in discussion about sharing services, or even handing over services and assets wholesale.

1.1 The Community Right to Challenge

However, even if your principal authority or authorities (for regions with both County and District Councils) have not thought to open up conversations on services the parish might wish to deliver there is nothing to stop parishes approaching them directly. The Community Right to Challenge, unlike Neighbourhood Plans, is not a well used piece of local legislation, but it does give parishes the ability to force engagement with principal

authorities where the parish feels it can run a service better: more efficiently, or more effectively and with better support from the local community.

Parishes and Community Councils will vary enormously in their appetite to take on local services with many seeing this as a form of double taxation, and others chomping at the bit to run services they believe are not being properly or efficiently performed.

1.2 Double Taxation

To address the issue of double taxation, when exactly does this apply? If a principal authority were, for example, to reduce the number of times it cuts the grass in its borough from 12 cuts per year to 8 cuts per year, and asks the parish to make up the costs of the additional 4 cuts per year, is this double taxation?

No. A principal authority has the right to reduce the scope or frequency of the services it provides, as long as it maintains its statutory obligations. Is there a statutory obligation to cut the grass on verges, play areas and parks? No, other than an obligation to maintain effective sight lines around bends and at certain road junctions where safety is compromised by long grass. In theory, any principal authority may consider not ever cutting the grass in your parish again.

However, if your principal authority continued to cut the grass in another parish in its borough, but didn't cut the grass in your parish, unless residents in the other parish were charged a special reserve within their borough precept, this would be double taxation.

1.3 Approaches – Adversarial or collaborate

If your principal authority approaches parishes on devolution, you are likely to at least start out the engagement process in a collaborative manner. It is more complex when a push upward is required, but a collaborative manner is still possible if you can get to grips with the finances at a reasonably early stage. Seeing things from your principal authorities point of view, and particularly couching your approach to them through demonstrating direct savings to them is likely to at gain you a foothold in the door, even if things don't remain cordial for very long.

Collaboration will almost always offer more speedy results, but even if you are using adversarial methods such as demanding information on service delivery and costs through freedom of information requests, arranging to 'call in' your principal authorities decisions (easily done if enough of your members agree to write individually to the principal authority) or taking legal advice on The Community Right to Challenge, it is helpful to maintain a cordial tone and manner during discussions and in the letters and emails you

send. Screaming matches between Borough and Parish Councils rarely result in good news stories, and are often played out in the press with no benefit to either party.

1.4 Gaining information

Perhaps more complex is the point that, because devolution is a relatively new concept, no-one really knows how to do it until you have done it. And this includes principal authorities. Even in circumstances where principal authorities approach parishes, stating they have a willingness to engage on devolution and need help in meeting their financial obligations, they will often approach the matter with no clear devolution strategy in mind. Phrases like, 'This must be driven from the parishes upwards,' 'One size does not fit all,' and, 'You tell us what services you are interested in taking on,' are typical, with parishes and community councils countering with, 'We don't know what issues to address unless you give us a full breakdown of costs,' 'What are statutory and non-statutory services,' and 'Tell us how much are you cutting this year and next.' The general lack of information at the starting point can paralyse both parties into inaction. It should be recognised that when a borough council goes out to tender, it will tender for a whole borough, not an individual parish, and so does not have at its fingertips the exact costs of emptying all your litter bins, cutting your grass verges, dealing with glass on your pavements, or providing an elderly person's anti-isolation service.

2. TAKING DECISIONS ON THE TYPES OF SERVICES TO BE DEVOLVED

2.1 Setting a vision

It is therefore a helpful starting point if parishes consider during a visionary item on their meeting agenda, 'What services are most important to our residents and what would they most miss if there were withdrawals of service.' This will vary from parish to parish. One parish might feel, for example, that maintaining the quality of the High Street is its number one priority through a good cleansing routine, proper street furniture maintenance and good lighting, whilst another might feel that providing on-going or expanded services for the young or the elderly takes precedence. Other examples of key goals might be to maintain library services, or improve the health of the parish residents through good leisure facilities, play provision and health and safety related services. Parish Council are best placed to know and to undertake surveys of residents, to get to grips with what are considered the most important services. A borough authority might believe it would be helpful if all parishes in its area focussed only on landscaping devolution, or cleansing issues, or the borough might introduce a community asset transfer regime without considering other services for devolution, but that doesn't mean that parishes have to be content with such limited thinking. Start from the point of view of what would your

residents most want you to do, given that they will end up paying for these devolved service, most likely through increases in the parish precept.

2.2 Undertaking a resident survey on services

It is difficult to decide on exactly when to broach the concept of devolved services with residents. Some parishes may feel it is necessary to engage with residents at the earlier opportunity to find out what services are most important to them.

Other parishes may feel that until they have a fully worked proposal on exactly how much it is going to cost for any services, there is no point in consulting with residents. In truth, it is up to the parish itself to decide when to engage with residents, and it is possible to engage more than once on this important subject.

If you decide residents need to tell your parish what they regard as most important then a survey is the best approach. Your survey should detail a list of services you may consider taking on and for the purposes of survey results collation, it is best to ask residents to rank each service between 1 and 6 for importance to them.

Your list of services could be fairly long including for example:

Landscaping – cutting grass on verges

Landscaping – maintenance of trees

Landscaping – maintenance of shrubs and wooded plants and plant beds

Landscaping – installation of bedding plants, maintenance of beds.

Landscaping – weed spraying of pavements, street edges.

Landscaping- grass cutting public amenity areas,

Landscaping- maintenance of shrubs, trees and flower beds, public amenity areas.

Landscaping- maintenance of public footpaths.

etc.

Cleansing – Removal of rubbish from all public amenity bins

Cleansing – Emptying dog waste disposal bins

Cleansing – removal of graffiti

Cleansing – removal of chewing gum from High St pavements.

etc.

Play area and park maintenance – maintenance and renewal of play equipment

Play area and park maintenance – maintenance and renewal of seating, paths, fencing and waste provision.

etc.

On-going provision of library – for adult books

On-going provision of library – for children's books

Retained hours of Library service provision

etc.

Provision of youth club facilities

Provision of youth club staff to run programme activities

Leisure services provision – of whatever services are run in the parish by the principal authority.

Elderly person club provision

Elderly person home contact anti-isolation provision

etc.

Environmental services – street sign maintenance

Environmental services – enforcement on dog waste and litter.

Environmental services – dealing with fly tipping and flyposting.

etc.

The list is almost endless but if you've undertaken a vision exercise, and isolated your thinking in terms of what the parish might realistically consider, then your first survey with residents would only reflect these items.

To ensure you engage with all age groups in your population it is a good idea to send out your survey questionnaire to every household by post/dropped delivery service, but also to include an option to complete the survey electronically. Survey Monkey is a good tool for this and allows you to construct a simple survey on-line in some cases for free, and others for a reasonably low cost, depending on exactly how complex your survey is.

Once you have done your costings of those services it looks most likely that you would take on, you can consult with residents a second time, perhaps this time through putting on engagement events, where you display options on services to residents and get them to put their responses in a box. However, another way to engage with residents is simply to take a ball park view of costs i.e. if the parish were to take on all landscaping services from its principal authority it would cost 'X' which would be a 'Y' increase on every D band household. A simple questionnaire to every household asking if residents would be willing to pay an extra 'Y' per annum to ensure landscaping in the parish was maintained and improved could give you an excellent mandate going forwards.

2.3 Models of engagement

There are a number of different ways to engage with your principal authority in taking on devolved services. These range from :

2.3.1 Parish Councils topping up reduced level of services provided by their principal authorities.

This is a very simple model, where the parish simply agrees that it does not want its principal authority to reduce the level of a particular service, which could range from grass cutting frequency to running a social club for the elderly.

The parish then provides its principal authority with funding to continue providing the service at the same level it was previously provided. This model tends to work for very small parishes, who don't have the infrastructure to run services themselves, but don't want to see their residents suffer cutbacks in service. It does not work where the principal authority has decided to remove the service entirely, only where it is cutting back on its current provision.

Advantages of this model

- Less work for parishes
- Each parish in a borough can decide how much top up it wants
- Economies of scale in purchasing the service

Disadvantages

- A base level service must be agreed by the principal authority, and with changing budget constraints this may vary from year to year.
- Parish residents pay more precept to parishes, but parish cannot control contractual outcomes.
- Not all parishes in the borough will agree with top up option and will want control over own destiny.
- Various sets of on-costs (management fees) may apply, as the borough council will have its own team to manage contracts, will have engaged a contractor who will also have a management team, and they in turn may sub-contract adding yet another set of management fees to the cost of undertaking the service.

2.3.2 Parish Councils take over the management of the contract the borough council has with their contractor.

This model works where parishes want a more active engagement with the organisations supplying the contracted services. The borough council would undertake the development of the contract tender and would appoint their preferred bidder. The parish would then develop a relationship with the management team of the contractor, to ensure that the contractor sticks to what was agreed in the tender. This gives the parish a hands on approach to maintain an effective relationship with the contractor, but does not give the parish rights to dictate who the contractor is, or what services they are contracted to provide. The parish may use this model in conjunction with the model in 2.3.3 to top up services so that the contractor provides an additional frequency of services which it is not applying in other parishes.

Advantages

- Parish can decide how much top up it wants
- Parish has control over contractor and outcomes.
- Parish will not need to draw up a contract or go out to tender, as it takes over existing contract with existing specifications, terms and conditions.
- Economies of scale

Disadvantages

- One contract, multiple clients each placing their own demands on contractor. Who get priority?

- Parish takes over existing contract with existing specifications, terms and conditions, but may top-up, not adjust specifications.
- Contract on-costs will apply.

2.3.3 Parish Council provides its own contractors, or employs its own staff, while the borough council provides the parish with base level funding.

In this model the parish will take over the running of a service, either by going out to tender for a contractor to run the service, engaging its own staff, or taking on through Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) legislation the staff the borough council or its contractor used to run the service. If the borough council has decided to cut the service entirely, then there is not likely to be any funding from the borough council. If however, it has decided to reduce its service level then it may be willing to provide the parish with a base level of funding equal or similar to the cost it puts into running the service for other parishes. However, much will depend on the timing of the end date of the contract the borough council has with its own contractor. If the borough council is mid way through its contractual term, then it is unlikely to have funding to give to the parish, as it will still have to pay its existing contractor for the remainder of the contractual term. The way in which TUPE arrangements can be negotiated will affect this calculation. TUPE issues are a legal minefield, and it is always best for a parish to take advice if this forms part of the transfer of services. TUPE doesn't always apply when parishes take on services, because the original contract will have been written for the whole borough, and not for an individual parish. However, determining whether it does or does not apply in each instance is a matter on which you should engage an HR expert to give you sound advice. Sometimes a borough council will automatically agree to redundancies and to make redundancy payments, because of changes in their circumstances, and this will remove obligations for TUPE to extend to the parish.

Advantages

Control over own contracts

Control over decision on who will provide service and how. e.g. man and mower, volunteers, engaged contractor, multiple methods, engage own staff, clustering with other parishes.

No unrelated on-costs

Ownership options e.g. play areas, parks, libraries, buildings for providing youth or elderly services, etc.

May get better prices from smaller local businesses.

Disadvantages

Parish must have skill set to write tenders, and manage contracts unless clustering with other parishes who already have these skills.

Parishes lose economies of scale benefits – e.g. for landscaping consider provision of a depot, number of gang mowers, etc.

Existing contract obligations e.g. TUPE, claims, penalty clauses, duration of existing contracts.

2.3.4 Hybrid version – Borough Council provides a base level of service, while parishes use their own contractor or staff to top up services.

In this model the Borough Council offers a base level of service provision, but a parish can add to this provision by engaging their own staff or using their own contractor to add services e.g. A borough council may reduce grass cuts to 6 per year whilst the parish employees a ‘man/woman with a mower’ to undertake a further 4-6 grass cuts per year.

Advantages

- Parish can decide how much top up it wants
- Parish has control over own contractor and to some extent outcomes.

Disadvantages

- Two distinct contractors to control – each blaming the other for faults
- Programme scheduling e.g. will be difficult
- Contract specifications may be different between contractors – e.g. outcome specifications versus input specifications making it hard to manage. An output specification is where for example the contract states grass must be no longer than 3 cm before being cut, whereas an input contract specification states that, irrespective of rainfall, the grass must be cut 12 times per year, on the following schedule.

2.4 Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

TUPE issues are a legal minefield, and it is always best for a parish to take advice if this forms part of the transfer of services. TUPE doesn't always apply when parishes take on

services, because the original contract will have been written for the whole borough, and not for an individual parish. However, determining whether it does or does not apply in each instance is a matter on which you should engage an HR expert to give you sound advice. Sometimes a borough council will automatically agree to redundancies and to make redundancy payments, because of changes in their circumstances, and this will remove obligations for TUPE to extend to the parish.

One of the significant issues with respect to TUPE obligations is any deficit that exists for the pension funds of those employees. Many LGPS pension funds are currently running deficits, so it is important to check this out. An actuary will be required to determine the exact level of the deficit. Part of your negotiation with your principal authority if you are taking on TUPE staff is who pays for the actuarial valuation and who pays the on-going deficit for the years of service the staff member has already worked. Generally speaking it should be the transferring employee (in other words the borough council or their contractor) who pays for both the actuarial valuation and the on-going deficit for previous years of work.

Another complexity of TUPE is the transfer of adequate records of staff members. Data transference on staff should include two years of Human Resource records, including absenteeism, discipline and grievance records (where there are still within their active deadline) and precise information on conditions of service, contracts of employment, pensions, leave, etc. Even apparently small changes such as changing the date on which pay is received, can be a major issue where TUPE is undertaken.

2.5 Taking on ownership of assets from the principal authority

Any parish who has taken on an asset (usually in the form of a building and land, but sometimes just land alone as in the case of parks or play areas) will tell you that actually they haven't taken on an asset at all, they've taken on a liability. This is because most often when a borough council has been struggling with retaining a range of services that take place through a variety of small assets, it has had neither the funding nor the man/womanpower to invest in ensuring those assets are kept in excellent condition. Stories about therefore about assets taken on where there has been immediate failure of industrial boilers, where ventilation systems have needed replacement, where floors have sunk, or where quite literally the roof has fallen in. It's never an easy process, and it is made harder by the hoops borough councils will try to set up when taking on an asset from them.

2.5.1 Borough Council concerns

Borough councils have to consider the following when undertaking Transfer of assets to a parish council:

Who could the asset be transferred to? This need not necessarily be a parish council but could be a charitable organisation, a private users group constituting themselves as a co-operative body/company, or an existing company. These other organisations are not democratically accountable to their residents, so therefore the selection process that borough councils adopt is likely to be strict.

Can the organisation to whom the asset is being transferred afford to continue to run the building? To answer this question, you may be asked to prepare a business case in making application to take ownership of the building. More on this shortly.

Does the asset's value mean that state aid is being given to the organisation it is being transferred to? If the value is so high that it is interpreted as state aid, then the building cannot be transferred for the usual £1.00 even though it may be a loss making operation. Usually state aid in this context will be for buildings valued at more than £2M.

What are the long term aspirations of the organisation applying to take on the asset? These should in the mind of the borough council at least meet existing service needs. However, this is a point subject to negotiation. You may have a very different purpose in mind for the building/land.

What do existing users think of the parish taking over the building/land? Borough councils do not wish to get bad press about such asset transfers so often borough councils will seek to ensure that the existing users needs are being met, which can place onerous burdens on parish councils, as these may be incompatible with the parish vision or ability to run the building in a financially successful way. Again this is a matter for negotiation.

2.5.2. Writing a business plan

A business plan is a roadmap that outlines goals and details how you plan to achieve those goals. It:

- clarifies your business idea
- helps to spot potential problems
- sets out your goals for the future
- makes financial projections

A typical business plan includes

- A description of the service, asset or power you wish to take on from the principal authority.

- Brief details about the parish – current assets and value of these, precept, reserves on hand, annual return.
- A statement of intent – what the level of service or asset is like now, how do you plan to deliver against current standards, do you plan to raise/improve the service or asset?
- Are there overlaps between existing services or assets your parish owns or runs and the new service/asset?
- Any specific details about the product/service you wish to raise
- What consultation you have undertaken with residents and other groups
- What social purposes would be filled by your parish running the operation.
- Details on finance including: new capital outlay required and where funding will come from, 5 year forecast of income and expenditure, how cash flows will be managed
- What are the principal risks and how will these be mitigated
- Environmental issues
- Legal issues
- Health and safety issues
- What staffing requirement do you need to run the asset, and what provision have you made for this?
- Have condition surveys been undertaken on the asset?
- Relationships with current service/assets users and how these will be managed
- An Executive summary for those members of the cabinet who don't have time to read the rest.

A worked example of a business plan can be found at the end of this toolkit.

2.5.3. Process of applying to take over an asset

It is possible that your principal authority may have set up a process for this to take place, which will involve a pre-application stage, where you need to prove you are a suitable body to take on the ownership of the asset and won't fritter it away, or allow it to fall into disrepair, whereafter the borough council will have to 'rescue' the asset from you at great cost to themselves. You may be invited to attend several interviews after making your application and sending in as much paperwork as is necessary in the form of your business plan, financial projections, your own financial statements to prove level of income, and level of reserves, proof of your audited accounts, your financial and health and safety regulations, your code of conduct, your standing orders and whatever other policies may be particularly relevant such as your policy on safeguarding if you are taking on a youth club.

On the other hand your application to take over the asset may come completely out of the blue to the borough council, and they will need time to adjust their thinking around to yours. Be prepared to allow a bit of time for this to take place, speak regularly with ward

members and officers of your borough council, send them your business plan demonstrating that you have thought seriously about the matter, before raising legislation such as the Community Right to Challenge as an overt threat.

Asset transfers can take three or more years to complete. This is not a quick process.

2.5.4. Legal clauses

One of the reasons why such asset transfers often fall by the wayside is because both parties employ lawyers, and solicitors make their money by having long drawn out legal debates and not actually achieving what it is either party wishes to achieve. Whatever you do, don't let the solicitors of both parties talk to each other. Keep them apart, and insist all meetings are attended by the parish and the borough council, and no phone calls take place between solicitors. This will save you a significant sum of legal fees. Documents too should be emailed directly to the parish, and not sent to your solicitor for comment.

Solicitors will want to introduce two very arduous legal concepts into the Transfer Documents. Transfer documents are relatively simply until you add the concept of clawback. (See example in Section 5 of a TR1 document) Clawback comes into play when the borough council puts conditions on the way in which you run the asset, and if you do not meet these conditions they take on the right to clawback the asset, often with a large chunk of associated money for the privilege of the borough council taking back the asset. You will need to negotiate your way out of having a pre-emption agreement which will outline all the clawback requirements for the asset (liability) you are just about to take on. If you can't make sure at least that the clause does not set conditions so burdensome that the principal authority can clawback the asset just as soon as it starts making slightly more income than is needed to recover its own costs. A second clause that may pose you some difficulty is the disposal clause/s, which may prevent you from leasing the building in a sustainable way, or otherwise disposing of some or all of the building. Let's consider transfer of play areas as an example. You may find that you have an overprovision of those small Local Play Areas contactors used to be so fond of building with every development of 100 or 200 homes. Your resident population may now find that a tiny play area with a swing and a broken slide doesn't offer them much benefit, particularly as the children have now grown up. On the other hand other parts of your community may be crying out for a large Neighbourhood Play Area (NEAP) that can service multi-age families. If you can't sell off the small play area for housing to gain funds to help you develop a large NEAP then what is the point of you working to directly satisfy your residents needs? Yet the disposal clauses will prevent you from doing exactly that. Again something that you will need to

negotiate with your borough council. An example of a pre-emptive agreement which includes clawback and disposal clauses can be found in section 5.

3. IMPACT ON PRECEPT

It is rare for a parish to be able to take on a devolved service without increasing staff, putting out a new tender, or both. These activities are likely to have a significant effect on precept, particularly when precept is measured, as it always is by the DGLG, in percentage terms. In reality services can sometimes be taken on with just a few pounds or pence increase on an annual basis to a D Band household, but percentages can give misleading conclusions. The difficulty will be continuing to persuade ministers that parishes are good value for money, when percentage increases are above 2% and sometimes need to double in order for a devolved service to be taken on.

3.1 Referendum Principles on parish precepts

A challenge has been issued by the Secretary of State to parishes to engage their residents in any precept increases, and the DGLC will be looking for evidence that this is happened to avoid introducing referendum principles on parish precepts. Only a few parishes at this point in time use participatory budgeting thereby actively set their budgets with residents and resident groups. Where this takes place two methods are used: 1) a survey is sent out to residents asking for a response to an X% increase in order to undertake Y project. 2) residents are invited to form a working group with the parish, and the few who put themselves forward come together with the parish members at budget setting time to consider the budget for the forthcoming 3 years ahead. Of course, residents have no legal ability to set the budget, which must be done by Full Council, but they do get involved in the process and idea generation. Many more parishes will instead consult with residents after the process, in a way that clearly demonstrates to residents the decision making process involved. Sometimes this is done through a parish leaflet which goes out in March to all resident homes. An example of a parish leaflet setting out the reasons for parish precept increases can be seen in section 5 of this toolkit.

3.2 Working out the impact of taking on a new service or asset on your precept

If you are taking on a service you will in the first instance need to decide whether the service can be performed by existing staff, whether you will need to engage new staff, whether you must engage staff under TUPE regulations, whether you can fund or part fund the service through volunteers, or whether you need to bring in a contractor for the service.

In considering staff costs not only do salary, pension and National Insurance contributions need to be taken into account, but the management of all the ancillary functions related to staff needs to be considered, such as who will undertake line management, human resource management, payroll, toilet and desk provision, and increases to your insurance. The more manual jobs the higher your insurance, and the more employees the higher your employer's insurance will be. You might also wish to consider insurance to cover tribunal and legal costs which may arise. The impact of increasing levels of minimum wage must be considered, as must the impact of higher levels of minimum wage pushing up against your other wage bands. A 15-20% management fee is not considered unreasonable when taking on new employees, on top of wages, pension and National Insurance contributions.

When engaging a contractor you need to take into account inflation clauses or escalation clauses in your contract, the term (duration) of your contract, and whether the contract binds you to TUPE requirements in the long term should you in future want to employ a different contractor or your own staff. If there is a dispute over how the contract is being undertaken, what are the dispute resolution procedures and are they likely to cost you money such as legal fees?

If you are buying equipment for your own staff to undertake the service, do you need to depreciate this, and against what time-frame. For vehicles and mowers a 5 year fixed line depreciation rate is reasonable. You would need to ensure that reserves against re-purchases of such items are built up. i.e. cost of new item divided by 5, needs to be put aside annually for replacement. You may instead consider leasing equipment.

Other than the costs of employees and equipment, or the cost of the contract per annum, are there other costs you should be taking into account? Where will you store the vehicles you need such as gang mowers for grass cutting? What other equipment will be needed such as mobile phones, computers, or personal protective equipment?

If you are taking on a new building will you need both a short term maintenance budget and a long term refurbishment budget (broken into annual segments for the building)

Are there indirect costs associated with managing a contract or new employees, such as additional time used by your clerk, and how will you fund this?

When taking on a building, you should always have a condition survey undertaken, which could possibly, as a result of the condition survey pointing to something severely wrong, also highlight the need for a structural, electrical, or mechanical survey done. An asbestos survey is needed, as is a risk assessment for legionella's disease. These surveys will be a

starting place for you to understand what the building is likely to cost you over the next five years to repair.

Beyond this there are likely to be regular building running costs, beyond utilities, including rates, refuse removal, fire equipment provision and checks, alarm provision and checks, periodic inspection of electricity and annual testing of every appliance's electrical connection within the building. If music is played in the building provides then PRS and PPS charges may need to be paid.

Ground maintenance costs may also be associated with buildings, even if this is just the small flower bed around the outside of the building.

What about signage costs? Will you want the building to retain the same signage once you have taken it over or would you be seeking new branding in line with that of your own parish?

Producing your 5 year business plan, which will in turn feed into your budget for running the building is therefore no simple thing. Add all these annual costs together, (plus your sum going into the budget for long term refurbishment) then remove any funding your principle authority is giving you for on-going maintenance. Bear in mind however that on-going maintenance funding is not likely to last forever. Do not remove lump sum funding given to you by your principle authority for once off repairs; simply do not add the cost of these repairs (or the amount of funding provided towards the repairs) into the total.

Once you have the total additional annual cost for taking on the service/asset/or both, less on-going funding provided by your principal authority, it is then relatively simple to divide this by your tax base (number of D band houses in your parish) to find how much extra your residents would have to pay per annum for you taking on the costs of the devolved service. At this point consultation with residents is hugely important to ensure you get a mandate for taking on these services/assets.

4. EXAMPLES OF COUNCILS WHO HAVE TAKEN ON DEVOLVED SERVICES

4.1. Buckinghamshire Town Council has taken on all verge and park maintenance from their principal authority. They engaged apprentices and trained up school leavers for this project.

4.2 Cornwall Council has a policy of having individual discussions with Town and Parishes who have an aspiration to engage. Some of the assets/services devolved include the following:

- Libraries

- Public Toilets
- Public Buildings
- Tourist Information
- Town Management
- Highway weed-spraying
- Green Spaces, Parks and Gardens and Sports Pitches (non-strategic)
- Allotments
- Information Services (One Stop Shops)
- Public Open Spaces
- Beach Management
- Event Management
- Youth Services
- Education Services
- CCTV
- Car Parks
- There are also various opportunities to add top-up (i.e. cash) to the delivery of enforcement services and environmental initiatives.

Contact: Rob Andrew Head of Localism at Cornwall Council randrew@cornwall.gov.uk or Scott Sharples who has a remit for asset/service devolution ssharples@cornwall.gov.uk

4.3 Stoney Stratford Town Council has taken on a library from their principal authority and re-configured the top floor of the library for meeting room space. They are working with a voluntary organisation to train unemployed people at the venue.

4.4 Newport Pagnell Town Council has taken on a swimming pool, sports ground, community centre and youth club from their principal authority. They have engaged a leisure services contractor who has built a £1M gymnasium on the site of the pool, thereby creating a new income stream which has allowed the facility to pay for itself rather than be funded. They have introduced a successful Friday night youth club for young people at the youth club which has over 200 signed members, and are seeking opportunities to provide targeted youth interventions at the facility. Plans are also afoot to improve the sports facility with a new off-site cricket ground, new pavilions, floodlights, etc.

Contact Shar Roselman on TownClerk@newport--pagnell.org.uk

4.5 South Gloucestershire Council (SGC) devolved responsibility for highway verges and meadow grass cutting plus maintenance of shrub beds in the town as well as the cost of emptying the dog bins to Bradley Stoke Town Council and SCG are now looking to pass down open space maintenance to groups/clubs/towns and parish councils.

Contact Sharon Petala on sharon.petela@bradleystoke.gov.uk

4.6 Western-super-Mare Town Council took on Weston Museum premises for £1 but only after initial reluctance due to a huge public campaign against its total closure and all running costs fall on the town council while the museum retained ownership of the museum collection. Public toilets were

taken on after the principal authority withdrew all funding and basically said if communities want toilets they must pay for them themselves. The parish did get a one off capital sum of about 70% of the cost needed to do some long overdue repair work but nothing towards the on-going running costs. Similar with flowerbeds where the borough council withdrew all funding for flowerbeds. Western-super-Mare now provide 11 flowerbeds in two of their parks. Youth services which were completely withdrawn by the borough council, except for children in care, so the town council now funds the YMCA to do some youth work.

Contact Malcolm L Nicholson LLB DMS MILCM on malcolm.nicholson@wsm-tc.gov.uk

5. PAPERWORK RELATION TO DEVOLUTION

5.1 EXAMPLE OF A BUSINESS PLAN

YOUTH CLUB BUSINESS PLAN TRANSFER OF OWNERSHIP TO NEWPORT PAGNELL TOWN COUNCIL.

Executive Summary:

The Newport Pagnell Youth Club was previously leased to the Trustees of the Youth Club, but this lease has expired. A Management Committee runs the Youth Club on behalf of the Trustees. Funding for the club and all youth provision has been withdrawn by Milton Keynes Council. The Trustees of the Youth Club do not wish to take on the personal risk of managing the finances of the Youth Club, given such lack of on-going funding. The Management Committee has agreed it does not wish to apply for ownership of the club. The future of the Youth Club is therefore uncertain, so Newport Pagnell Town Council has decided to make application under the CAT process to own and manage the Youth Club, with a view to continuing Youth Services in Newport Pagnell and surrounding areas. The Town Council is a very active Parish Council, which already has significant connections with the Youth Club in that one of its members is a Youth Club Trustee, and the Town Council funds the Friday night Youth Club sessions that currently take place at the Youth Club. The Town Council has already demonstrated competence in devolution of assets in taking ownership of Green Park Community Centre, Middleton Swimming Pool and Willen Road Sports Ground from Milton Keynes Council.

1. Background

The Newport Pagnell Youth Club has been in existence since 1964, when the ground was first leased to the Trustees of the Newport Pagnell Youth Club. The Trustees acquired funding from the Co-operative, to build the Youth Club building on the land leased to them. A further lease was issued in 1992 to the Trustees, but this lease period expired in 2002. The Newport Pagnell Youth Club is a registered charity.

Milton Keynes Council has in the past providing funding for the maintenance of the building. However, the Trustees have been advised that no such funding will be forthcoming in the future from the financial year starting 1st April 2016.

Milton Keynes Council has also been providing Youth Services through the building. However all such services have already been withdrawn, aside from the Friday night Youth Club sessions, which are funding by Newport Pagnell Town Council. Youth worker provision for these Friday night sessions has stopped on 1st April 2016. It is understood that a single youth worker will be made available by Milton Keynes Council for the whole of the rural area.

In addition to the above, the Trustees of the Youth Club have been advised that they will be expected to pay SME business rates as from 1st April 2016, rather than be awarded charitable rates status.

The Trustees had appointed a Management Committee to manage the activities of the club. A number of different organisations use the club for youth related activities, such as football, preschool provision, a youth theatre group, and other clubs. The Youth Club also hires out premises from time to time for parties, and thus operates in a similar way to a community centre. The only actual Youth Services provision that takes place in the building is the Friday night Youth Club and a group of carers that meets fortnightly. The Management Committee holds a licence agreement with Milton Keynes Council for the adjacent field owned by Cedars School, whereby they maintain the pitches on it and the land in return for exclusive use of the field during evening and weekend hours.

Given the loss of the financial support and youth worker services previously provided by Milton Keynes Council, the Trustees of the Newport Pagnell Youth Club have stated that they do not wish to be burdened with the long term financial obligations of running the facility in the future.

Newport Pagnell Town Council has been funding Youth Service activities from the building, and would like to see a continued Youth Service provision in the town. Newport Pagnell Town Council is therefore making application under the CAT process to own and manage the Youth Club, with a view to running Youth Services for youth in Newport Pagnell and surrounding areas.

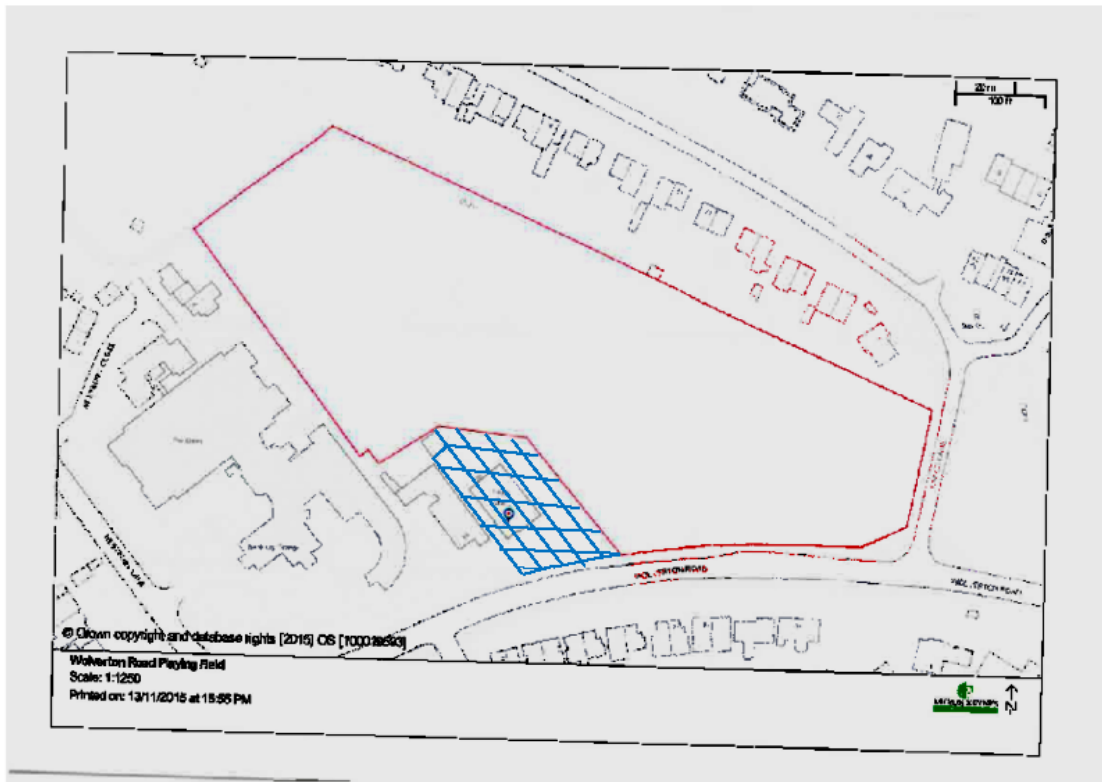
2. Name and details of Applicant:

Newport Pagnell Town Council
Principal contact: Shar Roselman Town Clerk
Address: 80 High Street, Newport Pagnell, MK16 8AQ
Email: TownClerk@newport-pagnell.org.uk
Phone Number: 01908 519718 or 01908 618756

3. Facility for which the community asset transfer application is being made:

Newport Pagnell Youth Club

The Newport Pagnell Youth Club consists of a two story building with hard core parking, a small area of surrounding land which is dedicated to the use of the pre-school, a grass triangle of land which is used by the pre-school, and an extended area of grass, which is marked out with football pitches. It is this latter grassed area which is the land that is owned by the Cedars School and is a school playing field. The Town Council is applying under the CAT scheme for the area hatched in blue below. It is envisaged that a licence agreement for the school playing field will continue, either between the Football Club using the premises and Milton Keynes Council, or between the Town Council and Milton Keynes Council. The Youth Club acts as the emergency site for critical incidents at various schools in Newport Pagnell.



The area outlined in red on the plan above is the school playing field. The area hatched in blue is the Youth Club buildings, parking, and the external area used by the pre-school.

4. Organisation applying for asset transfer.

Newport Pagnell Town Council is a local council servicing the town of Newport Pagnell and its approximately 16000 residents, as well as offering many services to residents beyond the boundaries of Newport Pagnell. The Town Council's has recently taken ownership of the Green Park Community Centre, Middleton Pool and Willen Road Sports Ground from Milton Keynes Council and has worked with a partner, Places for People, to capital fund and build a 50 station gymnasium adjacent to Middleton Pool worth £1.1m. Current assets are worth approximately £11,737,356.00 at replacement value, and in addition to the pool and gymnasium include three community centres, Town Council offices and Council Chamber, five allotment sites, a sports pavilion, public toilets and five other buildings which are let out to clubs and organisations. The Town Council has 16 members, from all walks of life, who are dedicated to the development and management of services within Newport Pagnell. Management of Services takes place through various committees which generally meet on a monthly basis.

5. Statement of Intent

Newport Pagnell Town Council has provided funding for a Friday night Youth Club (ages 8-13) at the Newport Pagnell Youth Club building for fifteen years, and plans in the future to continue this. There are 205 young people registered on this club's attendance register, and the average attendance is between 39 and 70 children per Friday evening. Although most of the children are from Newport Pagnell itself, a number of children from Campbell Park, Olney, Stantonbury, and Wolverton attend, and there are a

sprinkling of children from Bradwell, Broughton, Old Woughton, Monkston, Woughton, Fishermead and Stony Stratford. A service level agreement has already been set up with a Youth Service Provider (Youth Network MK) to take over the running of the Friday night Youth Club when youth workers from Milton Keynes stop this provision. The current youth worker running this session will be employed by Youth Network MK to continue in this role. Beyond this, the Town Council intends to expand Youth Provision at the Youth Club, re-instating the club for teenagers, which was previously run by Milton Keynes Council but was withdrawn in September 2015. The Town Council is also looking at additional youth functions such as a Coderdojo club, for teaching young people computer coding techniques, as well as an enhanced education provision and youth counselling sessions. In addition to the above, the Town Council would intend to keep existing users of the facility in place.

6. Vision of the Town Council

The Town Council set a vision for Newport Pagnell during 2013, based on five pillars these being:

- Keeping and enhancing the vibrancy of the Town Centre
- Encouraging more and better events
- Creating further off-street parking
- Developing the Town's Heritage offerings
- Expanding leisure and sporting facilities in the town.

This fifth pillar is fundamental to the desire of the Town Council to ensure that the Youth Club remains a leisure and sporting facility for the youth of Newport Pagnell and that it provides a full scope Youth Service.

7. Product/Services

Currently there is only a very limited youth offering that takes place at the Youth Club building in the form of the Friday night Youth Club sessions that are funded by the Town Council. However, there are a range of other activities for young people that occur in the building, including a pre-school, a theatre group, a karate club, zumba classes, football and junior football, and a young carer's group. Should the Town Council take ownership of the Youth Club facility, there is no reason for any of these groups to be displaced.

In addition to these the Town Council will fund a teenage Youth Club with related activities, and is also looking to provide enhanced education facilities, further youth interest clubs ranging from computers to music, and youth counselling services. There is also the possibility of engaging young people in community interest projects. The Town Council has already consulted with attendees at the Friday night club on play provision in the town, and would seek to further engage the youth at the club in consultation exercises and community work such as litter picking volunteer days, where this is relevant. The Town Council is also in discussion with Sports Traider and Growth Business Portal about the development of sporting activities for disabled people through the Youth Club.

8. Consultation

Newport Pagnell Town Council has consulted with the Management Committee, the Trustees, all the user groups at the facility as well as with churches in the town, on opinions and views as to the Town Council taking ownership and management of the facility. No responses were received that indicated a negative view of the Town Council taking ownership, and there was strong support in many cases for this to occur.

9. Social Purpose

The Newport Pagnell Youth Club serves several different social purposes:

- It provides a key facility for children to engage in fun activities.
- It provides a key facility for children to engage in sporting activities.
- It offers a 'home from home' for children who are struggling to find support at either their homes or their school environment.
- It provides opportunities to make new friends.
- It offers children career opportunities in the theatre environment.
- It provides a pre-school venue, for pre-schooling which is in very short supply in the town. It should be noted that this lack of pre-school provision is prior to the building of the 1400 new homes planned within the Neighbourhood Plan.
- It can provide an opportunity for children to enhance their school grades.
- It can help to reduce crime and delinquent behaviours by offering teenagers the opportunity to engage in other activities.
- It can offer counselling services to young people needing mental health assistance, or other forms of counselling, in a facility that is not as threatening as a school environment.
- It offers opportunities for young carers to have a break away from their duties.
- Other drivers to the project include a growing obesity problem with youth in Milton Keynes, which healthy exercise in a Youth Facility can address.
- It can offer the opportunity for disabled/disadvantaged children to become engaged in sporting activities.

10. Funding, finance, and cash flows

Year 1 Income and Expenditure

Income		Expenditure	
Rental income	18,354	Utilities	4,356
Casual bookings	1,326	TV licence	152
Vending	5,291	Phone and Internet	855
Strawberry Fayre*	2,784	Cleaning	6,487
		Insurance	700
		PRS & PPS	352
		Small Business rates	1,168
		Action for Youth	103
		Security	649
		Fire safety	455
		Maintenance	2,050
		Toilet services	121
		Refuse	358
		Variable costs	1,962
		Vending	4,874
		Strawberry Fayre*	648
		Friday night Youth Club	7,740
		* Subject to volunteer work	
Total income	27,755	Total Expenditure	33,030

CASH FLOW PROJECTIONS	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
Income	27,755	28,587	29,445	30,328	31,238
Expenditure	33,030	41,849	49,104	50,081	51,583
Surplus/(Loss)	(5,275)	(13,262)	(19,659)	(19,753)	(20,345)

It is envisaged that losses will be funded from the precept. Year 2 should see the introduction of a teenage club, and in Year 3 provision for supporting education and youth counselling will increase the level of services at the club, which accounts for the additional expenditure in the cash flow forecast over and above inflationary increases.

11. Savings to MKC

There would be a saving to Milton Keynes Council of £14,220 (2015 figures) for funding to maintain the building. This is funding Milton Keynes Council has already decided to withdraw. However, if no one runs the Youth Club, then some of the costs of building maintenance will still apply, unless Milton Keynes Council wishes to see the building become derelict.

12. MKC Play Strategy.

The Milton Keynes Council Play Area Strategy states that *Play is key to both the physical and cognitive development of young people and successful play areas can help to regenerate areas and increase community cohesion.* It goes on to state that *whilst on the whole play areas should be areas of positive activity, allowing children to freely vent their physical, cognitive and emotional impulses. There will at times be negative issues surrounding these areas. Issues such as anti-social behaviour might occur; but these could indeed crop up in any number of places and spaces, and should be dealt with in an appropriate manner. However, some negative impacts could well be foreseen and should be designed out, for example noise impact, the need for car parking and the relationship to surrounding homes and buildings.*

The Newport Pagnell Youth Club offers a facility that allows for indoor play, and some outdoor play, including two large halls for sports and recreation activities. Play takes place in a managed environment, reducing much of the anti-social behaviour that might occur. Noise is strictly managed and confined within the building, and is therefore not a problem for surrounding neighbours. If the facility were to close, then they would be likely to attract significant anti-social behaviour and become derelict.

13. Marketing

The venue is let to short term hirers from time to time, and this income could be marginally increased, amounting to a further £700 per annum (approx.) The Town Council already owns three community centres, and has the existing capacity in place to extend this marketing to the Youth Club. Such marketing occurs on the Town Council website and Facebook accounts, in the Town Council Quarterly Magazine, and in various other publications, such as the Phone Box magazine that is circulated to residents in the area on a monthly basis.

Perhaps the more important marketing issue is the promotion of the Youth Club to the young people of the area. There is already very good attendance at the Friday night Youth Club sessions, ranging between 39

and 70 children per night with over 200 children registered as members. However, during the period when the older teenage club was being run at the centre, attendance was poor, and when this is re-introduced a concerted effort will be required to ensure the Youth Club meets the requirements of this age group, and is well publicized. The Town Council will do this through consultation with schools to establish what it is that teenagers require from a teenage Youth Club. Individual services to meet needs will then be commissioned. These may include music provision and opportunities to ‘jam’ together, meeting of ‘sporting heroes’ with related activities, opportunities for teenagers to mingle socially in a non-pressured environment, or various activities such as ‘tough mudder’ obstacle courses that may appeal to this age group. It is important that whatever is offered through the club directly meets the needs of teenagers, and is not a series of initiatives designed by adults for what they believe teenagers are interested in. The Town Council is uniquely placed to undertake such consultations.

14. Staffing

The Town Council understands that the Transfer of Undertakings, Protection of Employment regulations do not apply to the Youth Club, as all youth workers and the administrative staff member will be transferred to other areas of work within Milton Keynes Council. The Town Council has an existing staffing structure including both a Properties Clerk and a Responsible Finance Officer, which will allow for the management of facilities hire, property management, and accounting functions to easily be absorbed into the normal functions of the Town Council. The Town Clerk, who is an experienced and qualified clerk accustomed to dealing with large scale projects worth millions of pounds, will hold ultimate responsibility for the facility. The Town Clerk will report to a Stakeholder’s Sub-Committee comprising members of the Town Council and members of the existing Management Committee at the Youth Club who wish to attend these meetings. In this way continuity will be assured. At this point it is not clear whether Council staff will need to be based at the Youth Club, but should this be the case, this can be arranged by the Town Council.

15. Existing and future project controls

The Town Clerk will be responsible for taking day to day decisions regarding the Youth Club, and the Stakeholder’s committee will be responsible for the strategic direction taken by the Youth Club. In this way protection will be offered to existing users of the facility, through attendance by members of the Management Committee at Stakeholder meetings. Financial controls will take place in the first instance through the Stakeholder’s Committee, whilst the Policy and Finance committee will set budgets and keep an overriding watch on expenditure. Provision of Youth Services will be managed by means of Service Level Agreements with providers, and undertakings at the club will be managed both quantitatively in terms of numbers attending, as well as through qualitative surveys.

16. Delivery of the project and timing of the transfer

Anticipated timetable

Approval by Town Council members to take on the asset	Completed
Consultation with existing users, trustees and other interested parties such as local churches	Completed
Condition and Structural surveys of the building	April 2016
Application for CAT transfer process Stage 1	March 2016
Stage 2 application	May 2016

Anticipated conclusion of CAT transfer process	June 2016
Legal Transfer of asset to NPTC	July 2016

17. Measurement of success

Success of managing the Youth Club can be measured through continued and improved attendance at the Friday Night Youth Sessions, development of a successful teenage Youth Club, the introduction and use of auxiliary youth provision such as youth counselling and further youth education, as well as through the continued ability to hire the club to existing and future users who also provide youth activities.

18. Risk Management

Property Risk

A reserve of approximately £90,000 is held by the Youth Club, for building maintenance, which was accumulated during the years when Milton Keynes Council paid building maintenance funding to the Trustees. This reserve should be enough to deal with any structural issues arising from the condition survey, unless there are major failings to the roofing structure. In the longer term the building will no doubt require resurfacing of the parking area, replacement windows, lighting and flooring, replacement of kitchen and bathroom fixtures and redecoration. Computers provided at the centre for youth work will need regular updating of both hardware and software. It is unlikely that the £90,000 will fund all the long term repairs required over a 20 year period, but it will go some way towards reducing this risk. The Trustees of the Youth Club are responsible for handing the reserve to any organisation of their choice on the dissolution of the Trusteeship. However, Milton Keynes Council may wish to have a voice in its distribution, given that most of this funding was obtained from Milton Keynes Council in the first place, for the purpose of maintaining the Youth Club Building.

Safeguarding risk

A condition of all Service Level Agreements with Youth Providers will be that staff and volunteers interacting directly with young people are DBS checked.

Legionella risk

The facility does include showers. There appears to be no legionella risk assessments, descaling or water flushing processes at this time, so this will need to be addressed.

Insurable risk

The property and contents will be insured by the Town Council. Public Liability risk will be added to the Town Council's current policy which offers £10M cover.

19. Environmental issues

Flooding

The area of the Youth Club is within Flood Zone 3 of the Environment Agency Flood maps. This risk will be insurable. No further hard core build would be planned, and the field next to the site will allow for adequate surface water drainage.

Noise

This factor has already been dealt with in clause 12 above. It is not envisaged that new activities at the Youth Club will create any additional noise, and most of the activities will take place inside the club.

Protection from illegal occupation of site

The site is gated, and gates will be kept closed to prevent illegal occupation. Where this is not possible owing to hirer requirements, a height barrier can be erected. It may be necessary to separate the school playing field from the Youth Club by means of a fence which will further discourage illegal occupation of the adjacent school field.

20. Legal issues

The Town Council is fully cognisant of all the legal requirements of the CAT process, including the Pre Emptive Agree and TR1, protections for claw back, and maintenance of accounts.

The charitable trust comprising of the three trustees will need to be wound down, and the trust removed from the Charities Commission website and records. The lease to the trustees, although expired, will have to be legally dissolved.

Arrangements for the transfer of funding held as reserves will have to be made. The current agreement between the Management Committee and the Trustees states that any assets of The Club remaining after satisfaction of any liabilities properly payable there out shall not be distributed amongst the members of The Club but shall be given to such other charitable organisation or organisations for the benefit of young people in the Parish of Newport Pagnell as the Management Committee, with the consent of the Trustees, shall decide.

21. Health and Safety

Health and Safety management will be undertaken through regular Health and Safety audits of premises, and completed risk assessments for the activities taking place at the Youth Centre.

23. Condition and structural surveys of the project

A condition survey on the building will need to be conducted, and should this provide evidence of any issues, a full structural survey will be undertaken. Should any major defects be present in the building, the Town Council would seek to negotiate with Milton Keynes Council as to refurbishment costs of these. On immediate visual inspection, there is nothing evidently wrong with the fabric of the building although some life cycle costs will be incurred. The car park is in need of some attention, with serious potholes.

24. Localism agenda

In line with Milton Keynes Council's decision to actively engage in an asset transfer programme with the community, this project will see the Newport Pagnell Youth Club continue to be managed through very close links between the members of the Town Council, residents, the existing Management Committee and user groups. Members are best placed to ensure that service provision and facilities best reflect the needs

of the community.

25. Conclusion

In conclusion the Newport Pagnell Youth Club funds and will manage a thriving Friday night Youth Club, as well as providing a whole host of other activities for children, ranging from theatre and singing to karate and football. There are risks associated with taking on ownership of the building and continuing Youth Services, but these risks are manageable through the Town Council's precepting and insurance activities. It is unlikely other service providers interesting in taking on the building would offer the same standard of Youth Services as well as continuing to provide a home for all the existing clubs and organisations that use the building. This building is one of the last remaining in Milton Keynes for the provision of Youth Services, and it would be a great pity to see it closed, or restructured into a facility that did not service youth in the area. The building is known throughout Milton Keynes, as is evidenced by the youth who attend from a far greater area than just Newport Pagnell. The proximity to Ousedale Secondary School also attracts a number of teenagers to the Youth Club. The Town Council's extensive involvement with the Youth Club for many years has meant that the Town Council already has youth provision as a key element of its future vision, and the Town Council will therefore not only be seeking to maintain existing Youth Services, but also to increase these.

5.2 EXAMPLE OF A TRANSFER AGREEMENT FOR TRANSFERRING AN ASSET

See next page.

Land Registry
Transfer of part of registered title(s)

TP1

If you need more room than is provided for in a panel, and your software allows, you can expand any panel in the form. Alternatively use continuation sheet CS and attach it to this form.

1 Title number(s) out of which the property is transferred:

2 Other title number(s) against which matters contained in this transfer are to be registered or noted, if any:

3 Property:

Land and buildings on the north side of Wolverton Road, Newport Pagnell being part of land more particularly described in a Conveyance dated 3 May 1946 between (1) The Misses E. And F.G. Leach and others and (2) The Bucks County Council.

The property is identified

on the plan annexed hereto and shown edged red thereon

on the title plan(s) of the above titles and shown:

4 Date: 17 November 2016

5 Transferor:

The Council of the Borough of Milton Keynes

For UK incorporated companies/LLPs

Registered number of company or limited liability partnership including any prefix:

For overseas companies

(a) Territory of incorporation:

(b) Registered number in the United Kingdom including any prefix:

6 Transferee for entry in the register:

Newport Pagnell Town Council

For UK incorporated companies/LLPs

Registered number of company or limited liability partnership including any prefix:

For overseas companies

(a) Territory of incorporation:

(b) Registered number in the United Kingdom including any prefix:

5.3 EXAMPLE OF A PRE-EMPTIVE AGREEMENT WITH A PRINCIPAL AUTHORITY FOR A TRANSFERRED ASSET

THIS AGREEMENT is made the day of BETWEEN:

- (1) Newport Pagnell Town Council of 80 High Street, Newport Pagnell, MK16 8AQ ('the Seller') and
- (2) The Council of the Borough of Milton Keynes of Civic Offices 1 Saxon Gate East Milton Keynes MK9 3EJ ('the Buyer')

1 Definitions and interpretation

In this Agreement:

- 1.1 'the Buyer's Solicitors' means Legal Services, the Council of the Borough of Milton Keynes or such other solicitor as the Buyer may appoint
- 1.2 "Buy Out Value" means a sum equal to the market value of the Property at the time of payment, and disregarding any increase in value attributable to alterations made since the date of this agreement, (as evidenced by reference to the attached photographs assessed in accordance with the edition at the time of payment of the publication known as "RICS Valuation – Professional Standards" or such other relevant publication as the Buyer may reasonably nominate on the basis of full vacant possession and in the event of any dispute clause 25 shall apply.
- 1.3 'the Completion Date' means where clause 4 applies the twentieth working day after the date of service by the Buyer on the Seller of the duplicate Offer Notice with the acceptance statement signed by the Buyer or where clause 6 applies the twentieth working day after the date of service by the Buyer on the Seller of the Option Notice the Expert has provided his written decision
- 1.4 'the Contract Rate' means 3% over the base rate of the National Westminster Bank PLC or such other similar rate as the Buyer shall nominate
- 1.5 'a Disposal' means
disposal of the Property or any part by sale or by lease for more than 99 years without the prior written consent of the Buyer whether by means of a single transaction or by a number of separate transactions whether or not at the same time and whether before or after it has negotiated terms for a disposal whether or not for valuable consideration
- 1.6 'the Offer Notice' means the notice signed by and served by the Seller pursuant to clause 4
- 1.6 "the Option" means the Option granted to the Buyer by clause 5
- 1.6 "the Option Notice" means the notice served by the Buyer pursuant to clause 6 in the form contained at the Fourth Schedule
- 1.7 'the Pre-emption' means the right granted to the Buyer by clause 2
- 1.8 'a Pre-emption Event' has the meaning given in clause 3
- 1.9 'the Pre-emption Period' means the period of 25 years from the date of this Agreement
- 1.10 'the Property' means the property described in the First Schedule
- 1.11 'the Purchase Price' means One pound (£1) which shall be the purchase price at which the Seller

offers to sell the Property to the Buyer

1.12 'the Seller's Solicitors' means the Seller or such law firm as the Seller may appoint

1.13 'the Standard Conditions' means the Standard Commercial Property Conditions (2nd Edn)

1.14 "Transfer" means the transfer of the Property dated the same date as this agreement made between the Buyer (1) the Seller (2)

1.15 "VAT" means value added tax or any substituted or similar tax

1.16 where the context so admits the expression 'the Buyer' shall include any successors in title of the Buyer

1.17 words importing one gender shall be construed as importing any other gender

1.18 words importing the singular shall be construed as importing the plural and vice versa

1.19 words importing persons shall be construed as importing a corporate body and/or a partnership and vice versa

1.20 where any party comprises more than one person the obligations and liabilities of that party under this Agreement shall be joint and several obligations and liabilities of those persons

1.21 the clause headings do not form part of this Agreement and shall not be taken into account in its construction or interpretation

1.22 any reference to a clause or a paragraph or a schedule is to one in this Agreement so numbered

2 Grant of the Pre-emption

2.1 In consideration of £1 which is inclusive of VAT at the standard rate if applicable paid by the Buyer to the Seller (receipt of which is acknowledged) the Seller grants to the Buyer the right following the occurrence of a Pre-emption Event during the Pre-emption Period to buy the freehold interest in the whole of the Property at the Purchase Price

2.2 The consideration is not refundable to the Buyer in any circumstances

3 Pre-emption Event

3.1 A Pre-emption Event occurs when:

3.1 the Seller decides to make a Disposal:

3.1.1 whether by means of a single transaction or by a number of separate transactions whether or not at the same time

3.1.3 whether before or after he has negotiated terms for a Disposal to someone other than the Buyer;

3.2 If the Disposal is to be carried out by a number of transactions the Pre-emption Event occurs when the decision is made in relation to the first transaction

3.3 The Seller shall not make a Disposal during the Pre-emption Period unless the procedure set out in clause 4 has been carried out

4 Pre-emption procedure

4.1 The Seller shall serve the Offer Notice in duplicate on the Buyer within seven days after a Pre-emption Event occurs

- 4.2 The Offer Notice shall be in the form set out in the Third Schedule
- 4.3 The Pre-emption shall be exercisable by the Buyer signing the statement of acceptance at the foot of the Offer Notice and serving it on the Seller at any time within two months after service of the Offer Notice on the Buyer
- 4.4 On the valid exercise of the Pre-emption the Seller shall sell and the Buyer shall buy the freehold interest in the Property or the relevant part at the Purchase Price on the terms of this Agreement
- 4.6 The Offer Notice may not be withdrawn or varied before the expiry of the period for acceptance of the offer
- 4.7 The parties shall do all things necessary to ensure that the exercise of the Pre-emption constitutes an enforceable agreement for sale and purchase in accordance with the Law of Property (Miscellaneous Provisions) Act 1989 Section 2 or any statutory re-enactment or modification of it for the time being in force. The Seller confirms that it has the power to enter into this agreement.

5 Grant of the Option

In consideration of the payment of £1 paid by the Buyer to the Seller (receipt of which is acknowledged) the Seller grants to the Buyer the Option to buy the freehold interest in the Property for £1 at any time after the occurrence of either or both of the following:

- 5.1 the Property has been left vacant for more than one year within the Pre-emption Period; or
- 5.2 Any of the sums due under clause 11.5 of the Transfer are not paid at the time due under the Transfer.

6 Exercise of the Option

6.1 The Option shall be exercisable by the Buyer serving on the Seller the Option Notice:

- In the case that clause 5.1 applies, within the Pre-emption Period and (if the Seller has advised the Buyer that the Property has been left vacant for at least 12 months continuously) within three months from when the Seller so advised the Buyer
- In the case that clause 5.2 applies at any time

. On the valid exercise of the Option the Seller shall sell and the Buyer shall buy the Property at the Purchase Price on the terms of this Agreement.

7 Deposit

No deposit shall be payable upon the exercise of the right of pre-emption or upon the exercise of the Option

8. Failure to exercise the Pre-emption

If the Buyer rejects or (within the two month acceptance period stated in clause 4.3) fails to accept the offer contained in the Offer Notice the following provisions apply:

8.1 The Seller may at any time within 6 months after the earlier of the date of rejection or expiry of the time for acceptance of the offer make a Disposal of the Property or the part of it in the Offer Notice to a third party who shall first enter a deed of covenant in favour of the Buyer to observe and perform the obligations of the Seller in this Agreement (other than clauses 3 and 4)

8.2 If such Disposal is completed the Pre-emption shall cease and be extinguished in relation to the premises comprised in the Disposal

8.3 If the Disposal is of less than the whole of the Property the Pre-emption shall continue in respect of the remainder of the Property until the expiry of the Pre-emption Period

8.4 If the Disposal does not take place within the period specified in clause 8.1 or having taken place is never completed the Pre-emption shall continue in respect of the whole of the Property until the expiry of the Pre-emption Period

8.5 For the purposes of clauses 8.1 and 8.4 a Disposal takes place on exchange of contracts for the Disposal if there is one or otherwise on completion of the Disposal

8.6 The Seller shall deliver to the Buyer copies certified by a solicitor to be true copies of:

6.6.1 the Disposal contract within 14 working days of it being entered into and

6.6.2 the draft transfer to the third party at least 7 working days before the intended completion date

9 Completion

Completion of the sale and purchase (whether under clauses 3 and 4 or under clauses 5 and 6, and all references in this agreement to the sale of the Property or part are construed accordingly) and payment of the Purchase Price and any other sums due and of any VAT applicable shall take place on the Completion Date at the offices of the Seller's Solicitors or where they may reasonably direct

10. Title guarantee

The Seller sells with limited title guarantee

11 Possession

The Property is sold with vacant possession on completion and free of financial charges

12. Title

Title to the Property is registered at the Land Registry with absolute title under title number BM302497 and in relation to such title the Seller shall when sending the Offer Notice provide to the Buyer official copies of the items referred to in rules 134(1)(a) and (b) and 135(1)(a) of the Land Registration Rules 2003 except charges or encumbrances registered or protected on the register which are to be discharged or overridden at or before completion and the Buyer or the Buyer's Solicitors having been supplied with such copies prior to the date of this Agreement the Buyer shall be deemed to purchase with full knowledge of the title in all respects and shall not raise any requisitions or make any objection in relation to the title except as to matters or events occurring after the date of this Agreement, except that the Seller shall not create any new encumbrances on the title after the date of this Agreement other than a lease for 99 years or less which has no security of tenure, and which includes a clause enabling the landlord to end the lease on not more than six months' notice, at any time after the Seller parts with the freehold interest in the Property.

13 Encumbrances

13.1 The Property is sold subject to and (where appropriate) with the benefit of the matters contained or referred to in the property proprietorship and charges registers of title number BM302497 as at 14 February 2014 except for any subsisting mortgage

13.2 The transfer of the Property shall contain a covenant by the Buyer that the Buyer will observe and perform the covenants and conditions contained or referred to in the property proprietorship and charges registers of title number BM302497 so far as applicable to the Property or the part to be transferred to the Buyer and will indemnify and keep the Seller and his estate indemnified against all actions proceedings damages costs claims and expenses which may be suffered or incurred by the Seller or his estate in respect of any future breach or non-observance or non-performance of those covenants and conditions save to the extent caused by the Seller

13.4 The transfer shall be engrossed in duplicate by the Seller's Solicitors and both engrossments shall be executed by the Buyer before the Completion Date

13.5 If at any time the Seller gives six months' notice to the Buyer and pays the Buy Out Value to the Buyer the Pre-emption and the Option in relation to clause 5.1 only shall cease to apply and this Agreement shall terminate save in respect of any outstanding liability for any breach of covenant which occurred before such termination

13.6 The Seller shall not enter any mortgage or charge on the Property without the consent of the Buyer and shall not grant any financial interest over the Property without the consent of the Buyer

13.7 The Property shall be transferred to the Seller in no worse condition than at the date of this agreement (as evidenced by the attached schedule of condition).

13.8 The Seller shall provide the Buyer with a certified copy of any leases or tenancies granted in relation to the Property or any part within 28 days after completion of the same

14 Matters affecting the Property

The Property is sold subject to the following matters:

14.1 all local land charges whether registered or not before the date of this Agreement and all matters capable of registration as local land charges whether or not actually so registered

14.2 all notices served and orders demands proposals or requirements made by any local public or other competent authority whether before or after the date of this Agreement

14.3 all actual or proposed charges notices orders restrictions agreements conditions contraventions or other matters arising under the enactments relating to town and country planning and environmental law

14.4 all easements quasi-easements rights exceptions or other similar matters whether or not apparent on inspection or disclosed in any of the documents referred to in this Agreement

14.5 all matters which the Seller does not and could not reasonably know about

15 Disclaimer

The Buyer admits that:

15.1 he has inspected the Property and enters into this Agreement with full knowledge of the actual state and condition of the Property and shall take the Property as it stands

15.2 he enters into this Agreement solely as a result of his own inspection and on the basis of the terms of this Agreement and not in reliance upon any representation or warranty either written or oral or implied made by or on behalf of the Seller (save for any representation or warranty contained in written replies given by the Seller's Solicitors to any written preliminary inquiries raised by the Buyer's Solicitors)

15.3 this Agreement contains the entire agreement between the parties

16 Incorporation of conditions of sale

The Standard Conditions shall apply to this Agreement and are incorporated in it in so far as they are applicable to a sale by private treaty and are not varied by or inconsistent with the terms of this Agreement and shall be amended as follows:

Standard Conditions 1.4, 3.3, 7.1.3 and 7.1.4 shall not apply;

In Standard Conditions 6.3.1 the time period for Step 1 and Step 2 shall be within 10 working days of issue of an Offer Notice;

In Standard Condition 6.4.2 the words "pay for" are omitted and for them are substituted the words "at the cost of the seller";

The Part 2 Conditions other than Standard Condition B are not incorporated in this agreement

17 Restriction on assignment

This Agreement is personal to the Buyer and is not capable of being assigned charged or mortgaged

18 Registration

18.1 The Seller consents to registration of a notice of this Agreement in the charges register of the Seller's title to the Property and shall do all things necessary to enable a notice under the Land Registration Act 2002 Section 32 to be registered. If the Buyer so chooses the Buyer shall send an application for an agreed notice to the Seller's solicitors at completion of the transfer of the property on [] to the Seller and the Seller's Solicitor shall submit such application to the Land Registry together with the application for registration of such transfer and in any event within 30 days of such transfer

18.2 If the Pre-emption and the Option expire without having been exercised by the Buyer the Buyer shall forthwith cancel any registrations made by him in any registers to protect this Agreement and by way of security appoints the Seller his attorney for the purpose of effecting such cancellations

18.3 If a Disposal is made to a third party in accordance with clause 8 then subject to the Buyer having received the documents mentioned in clause 6.6 the Buyer on request by the Seller will deliver to the Seller's solicitors before the intended completion date a signed application form to cancel any relevant registration in relation to the subject matter of that Disposal and the Seller's solicitors shall hold that application to the order of the Buyer until actual completion of that Disposal

19 Insurance

19.1 Until completion the Seller shall insure the Property against the risks listed in clause 19.2 with underwriters or insurers of repute in the full cost of rebuilding and reinstating the Property including VAT

professional fees and shoring up site clearance and incidental expenses and will lay out the proceeds of such insurance in rebuilding or reinstating the Property

19.2 The risks are fire, storm, tempest, earthquake, lightning, explosion, riot, civil commotion, malicious damage, impact by vehicles and by aircraft and articles dropped from aircraft, flood damage and bursting or overflowing of water pipes and tanks and terrorist and environmental damage

20 Merger on completion

The provisions of this Agreement shall not merge on completion of the transfer of the Property so far as they remain to be performed

21 VAT provisions

21.1 All VAT payable by the Buyer shall be paid at the same time as the payment on which it is chargeable

21.2 The Seller shall provide the Buyer with a receipted VAT invoice for any VAT paid by the Buyer under this Agreement

22 Nature of this agreement

This Agreement is a deed and has been executed by the parties to it as a deed

23 Notices

23.1 For the purposes of notices and documents the provisions of Standard Condition 1.3 shall apply to this Agreement although Standard Condition 1.3.2 shall not apply and Standard Condition 1.3.79d) is varied to substitute for "one hour after despatch" the following "before 4.00pm on the first working day after despatch".

24 Contracts (Rights of Third Parties) Act 1999

For the purposes of the Contracts (Rights of Third Parties) Act 1999 it is agreed that nothing in this Agreement shall confer on any third party any right to enforce or any benefit of any term of this Agreement

25 Expert

25.1 The Buyer and the Seller shall endeavour to agree the Buy-out Value during the notice period referred to in clause 13.5 but in the event that agreement is not reached within four months of the service of notice by the Seller either party may refer the matter for determination by an expert and the provisions in clause 25.2 shall apply.

25.2

The expert shall be a member of the Royal Institution of Chartered Surveyors experienced in property valuation in the vicinity of Milton Keynes.

The parties shall agree on the appointment of the expert. The expert's terms of reference shall be to determine the Buy-out Value of the Property as the case may be, and such other matters as the parties may agree.

If the parties are unable to agree on an expert or the terms of his appointment within seven days

of either party serving details of a suggested expert on the other, either party shall then be entitled to request the president for the time being of the Royal Institution of Chartered Surveyors to appoint an expert.

The expert is required to prepare a written decision and give notice (including a copy) of the decision to the parties within a maximum of one month of the matter being referred to the expert.

If the expert dies or becomes unwilling or incapable of acting, or does not deliver the decision within the time required by this clause then:

either party may apply to the president for the time being of the Royal Institution of Chartered Surveyors to discharge the expert and to appoint a replacement expert with the required expertise; and

this clause shall apply to the new expert as if he were the first expert appointed.

The parties are entitled to make submissions to the expert and will provide the expert with such assistance and documents as the expert reasonably requires for the purpose of reaching a decision.

The expert shall act as an expert and not as an arbitrator. The expert's written decision on the matters referred to him shall be final and binding on the parties in the absence of manifest error or fraud.

The expert's fees and any costs properly incurred by him in arriving at his determination (including any fees and costs of any advisers appointed by the expert) shall be borne by the parties equally or in such other proportions as the expert shall direct.

Each party shall act reasonably and co-operate to give effect to the provisions of this clause and otherwise do nothing to hinder or prevent the expert from reaching his determination.

AS WITNESS of which the parties have executed this Agreement as a deed on the day and year first above written

FIRST SCHEDULE

The Property

Land on the east side of Willen Road, Newport Pagnell, Milton Keynes registered at the Land Registry under title no BM302497

SECOND SCHEDULE

Not used

THIRD SCHEDULE

Form of Offer Notice

Offer

To: (buyer's name and address)

From: (seller's name and address)

Property: (insert details) ('the Property')

This notice is given in accordance with the terms of the Pre-emption Agreement dated (date) made between [myself] (1) and [yourself] (2) relating to the Property ('the Agreement')

1 As required by clause 4 of the Agreement I OFFER to sell the Property to you at the price provided in the Agreement

2 The other terms of the sale are contained in the Agreement and are incorporated in this offer

Dated (date)

Signed by (seller)

Acceptance

1 I (buyer's name and address) ACCEPT the offer to sell the Property contained in the Offer Notice of which this is a duplicate

Dated (date)

Signed [by (buyer) (or) by (name of agent) the
duly authorised agent of (buyer) on his behalf]

FOURTH SCHEDULE

Form of Option Notice

Offer

To: (seller's name and address)

From: (buyer's name and address)

Property: (insert details) ('the Property')

In accordance with the terms of the Agreement dated (date) made between [myself] (1) and [yourself] (2) relating to the Property ('the Agreement') I give notice to you that I exercise my option to buy the Property for the price provided in the Agreement

Dated (date)

Signed by (Buyer)

The Common Seal of the Council of the Borough of Milton Keynes
was hereunto affixed in the presence of:

Assistant Director (Law and Governance)

Executed as a Deed by NEWPORT PAGNELL TOWN COUNCIL
acting by its Clerk and Councillor

Councillor

Clerk

5.4 EXAMPLE OF A PARISH PRECEPT LEAFLET

ALL ABOUT YOUR COUNCIL TAX

This leaflet tells residents about your contribution to the Town Council made through your council tax.

As many residents are aware, the principal authority has suffered significant cuts to its level of Government Funding. Over the last three years this has resulted in the Town Council having to take on £15M (replacement value) of assets from the Borough Council, or face closure of these facilities. They include a Swimming Pool, a Community Centre, a Sports Ground and more recently a Youth Club. Unfortunately these transferred assets have not been in the best condition, so the Town Council has had to fund many repairs such as malfunctioning ventilation systems, leaking roofs and spoiled land which have cost hundreds of thousands of pounds. Over the next five years we will face further maintenance costs estimated at £420,165. In addition to this we face a further reduction of the funding previously provided by government to contribute to the council tax of residents who receive this as a housing benefits.

Because of this – and some minor inflationary pressures – the Town Council precept for residents in April will be £77.67 per D Band property this year. This is an increase of £5.84 per annum – equivalent to just over 11 pence a week. It is important to note that Town Council funding is only a very small proportion of the total amount you pay in council tax (less than 5%, of your total council tax bill). The Principal Authority, the Fire Service and the Police receive the rest of your council tax. The remainder of this leaflet sets out the main areas of our work and highlights where your money is spent by the Town Council.

What services does the Town Council offer? We provide **sports and leisure facilities** at Middleton Pool and Fitness Centre and at Willen Road Sports Ground and operate three **community centres**. We oversee five **allotment sites** and manage the **public toilets** in the town centre. This year we have taken on responsibility for all the dog waste bins in the Town. The High Street Office provides a busy **information point and Citizens Advice Bureau**. We provide funding for **youth services, floral displays and events** in the Town. We provide a local voice on **planning applications, highways and environmental matters**, and plough efforts into **town regeneration projects**.

How did the Town Council perform in the last year?

- **Town development** The Neighbourhood Plan was approved by a referendum of residents and thus became part of local planning policy, making it the most significant development document as the principal planning authority does not have a 5 year land supply in place. This means that planning applications within the town must be assessed within the framework of the Neighbourhood Plan, and that financial contributions as required by the Plan must be made by developers. The Town Council's Neighbourhood Plan Implementation Group continues its work to ensure that every element of the Neighbourhood Plan is adhered to. Two of the approved sites are already moving ahead, and much progress has been made on masterplanning for the large Tickford Fields Farm site. The Plan has been so successfully developed that it has won major national awards.
- **Leisure Services** The Town Council negotiated a new lease with our leisure service partners, Places for People, which has resulted in the refurbishment of Middleton Pool changing rooms – something much appreciated by all swimmers. The Town Council has also been working towards a significant improvement of the facilities at Willen Road Sports Ground, although this project could still take a number of years to come to fruition as funding is acquired from new development and other sources. This year the Town

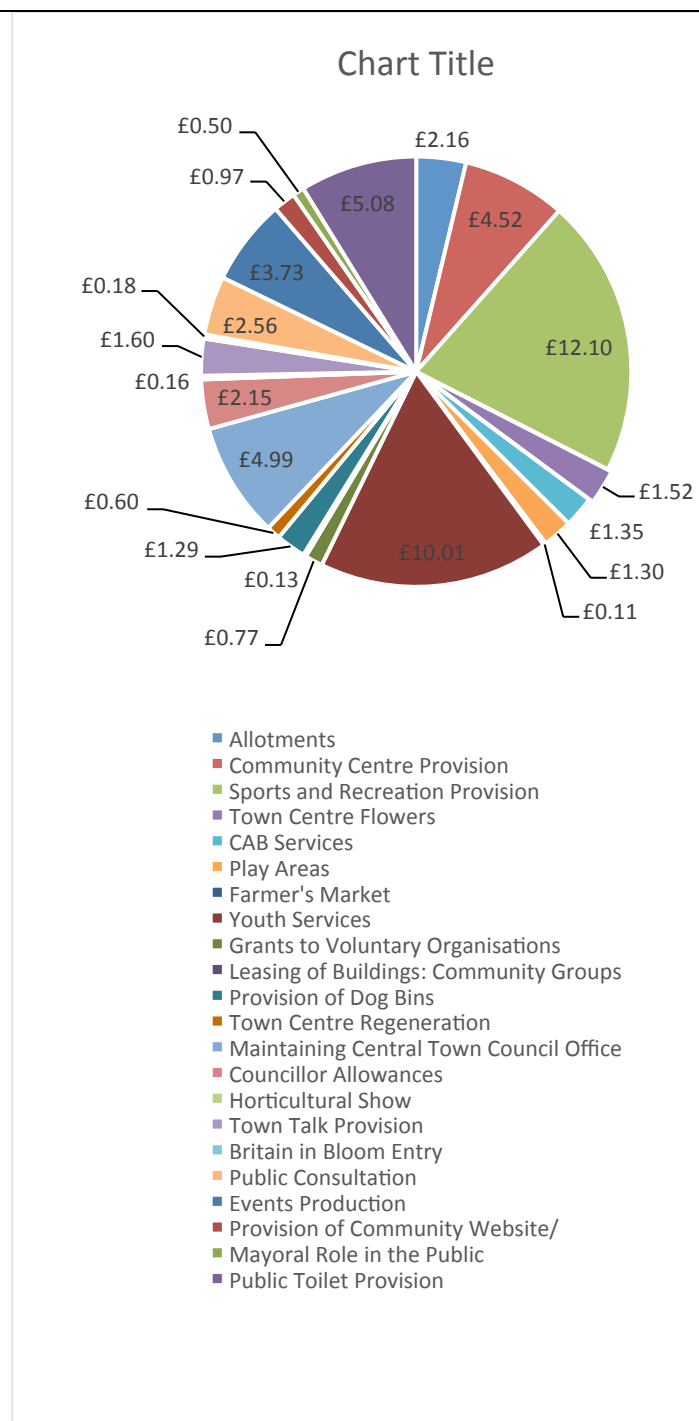
Council applied for a grant of £27,280 for improvements to the Whitethorns Play Area and was delighted that this grant was awarded.

- **Floral displays and horticultural show.** The town again won a 'silver gilt' in the Britain in Bloom competition, and we have been informed that we are not very far off a 'gold' award. The Britain in Bloom working group put on a very successful litter picking event with over 100 people participating, and will repeat this event again this year in July. The town centre hanging baskets brightened up the town for the summer months and the refurbished flags gave the town a welcoming look all year round. The Horticultural Show made its 207th appearance and attracted visitors from well beyond our borders.
- **Allotments** We have moved from a situation where we did not have enough allotment sites to meet residents' demands, to one where we are now able to offer a choice of allotments on several sites, through judicious management of plot space.
- **Public Toilets** Our toilet cleaning and maintenance contract remains at the lower cost level we were able to negotiate last year.
- **Community centres.** All three of our centres are well used by residents for community events and classes, and the refurbishment programme for these centres will continue over the next five year period.
- **Youth services** The big project the Town Council undertook this year was taking on ownership of the Newport Pagnell Youth Club. We have continued to provide a home to those important organisations such as the Diamond School of Performing Arts and the Youth Club Pre-School who use it. We have also expanded the range of youth services offered by Club and are now not only running a Junior Youth Club for 8-11 year olds, but have introduced a Seniors Youth Club for young teenagers. Other social services for young people with special needs are now also on offer at the Club and over the next year we are seeking to expand the Club's range of services.
- **Events** The Town Council made a very large contribution to the Civil War Re-enactment event that took place in the summer of 2016. This year we are planning a new event on 17th and 18th June called the 1940s Vintage Weekend. You won't want to miss it.

The future role of the Town Council Work will continue on plans for sports pitch provision and youth services. As the principal authority will be cutting more services, the Town Council will cost these and consult with residents during the summer as to whether you feel we should take on any further services such as landscaping and cleansing. Please contact the Town Clerk by phoning us on 01908-618756 if you have any questions or comments. Alternatively contact us through Facebook via our website.

What do these services cost ?

SERVICE	COST PER HOUSEHOLD
Allotments	£2.16
Community Centre Provision	£4.52
Sports and Recreation Provision	£12.10
Town Centre Flowers	£1.52
CAB Services	£1.35
Play Areas	£1.30
Farmer's Market	£0.11
Youth Services	£10.01
Grants to Voluntary Organisations	£0.77
Leasing of Buildings: Community Groups	£0.13
Provision of Dog Bins	£1.29
Town Centre Regeneration	£0.60
Maintaining Central Town Council Offices	£4.99
Councillor Allowances	£2.15
Horticultural Show	£0.16
Town Talk Provision	£1.60
Britain in Bloom Entry	£0.18
Public Consultation	£2.56
Events Production	£3.73
Community Website	£0.97
Mayoral Role in the Public	£0.50
Public Toilet Provision	£5.08



Note that there is also a cost to running a Council that cannot be split into services.

