

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**CABINET**

**30<sup>TH</sup> OCTOBER, 2014**

**REPORT OF THE GROUP DIRECTOR CORPORATE SERVICES**

**Author: Heledd Morgan, Partnership Manager, (01443) 680527**

**PROVIDING OPPORTUNITIES FOR OTHERS TO OPERATE COUNCIL SERVICES AND ASSETS.**

**1. PURPOSE OF THE REPORT**

1.1. This report provides a framework for the Council on providing opportunities to individuals, groups and other key stakeholders in operating Council services or assets.

1.2. The intention of this framework is to build on the process that Cabinet approved for operating replacement services on the 16<sup>th</sup> December 2013,<sup>1</sup> by putting in place a more structured approach. The report sets out:

- 1.2.1. Benefits and risks to the Council and partners;
- 1.2.2. the Council's statement of intent; and
- 1.2.3. a proposed programme of work and resources.

**2. RECOMMENDATIONS**

2.1. It is recommended that Cabinet:

- 2.1.1. Note the benefits and possible risks to the Council of any transfer.
- 2.1.2. Approve and adopt the statement of intent on providing opportunities for individuals and groups to come forward.
- 2.1.3. Approve the establishment of a strategic Third Sector Advisory Group (and its proposed role).
- 2.1.4. Consider and approve the proposal for a third sector engagement session to raise awareness of the opportunities and support available.
- 2.1.5. Allocate appropriate resources to co-ordinate this work.

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<sup>1</sup> Cabinet report available here (16/12/13)

<http://www.rctcbc.gov.uk/en/councildemocracy/democracyelections/councillorscommittees/meetings/cabinet/2013/12/16/cabinet16-dec-2013.aspx>

### **3. BACKGROUND**

- 3.1 Cabinet have continued to receive regular updates on the projections of the Council's revenue budget position for the period to 2017/18 (current financial year 2014/15 and a 3 year projection), as part of the Council's Medium Term Service Planning arrangements. The latest assessment of these projections indicates an estimated budget gap over the 3 years from 2015/16 to 2017/18 of £70.7M with an initial 2015/16 gap totalling £31.2M.
- 3.2 The Council, through its robust Medium Term Service Planning, is undertaking different activities in its approach to meeting these challenges. Part of this strategy is exploring the opportunities for services to be run by others and encouraging, where appropriate, transfer of assets for community benefit and / or commercial use.
- 3.3 There is no intention to change the current Council processes for considering an application for operating replacement services or taking control of assets, which was adopted for both Phase 1 and Phase 2 service change proposals. Rather, this report builds on the current framework, setting out a more structured and proactive approach to supporting interested parties.

### **4. BENEFITS & RISKS**

4.1. As well as the financial pressures public sector bodies are facing, the transfer of assets and / or service delivery to individuals and groups outside of the Council can have significant benefits for service users, the community and the Council itself:

- Case studies suggest that increased community ownership and involvement within a service or asset can improve the performance of that service through being designed, commissioned and delivered with the service-user in mind and, often, by service-users themselves.
- Evidence suggests communities experience increased community cohesion, a reduction in social isolation and a fall in demand for public services. In the medium to long term, the fall in demand often means financial savings are realised for Council services (and other public sector services, such as Health and Police).
- In line with the Medium Term Financial Planning, transfer of assets and / or service delivery can release a more immediate financial saving for the Council with communities accessing grants and voluntary sector funding, and eventually becoming a self-sustaining service.

4.2. There are also risks associated with external partners operating services or assets::

- The timescales linked to the budget settlements are very limited, so without appropriate support, interested parties may not be able to meet the short timescales required.
- There could be ongoing financial risk linked to any funding or leasing arrangements in place.
- Similarly, there could be a reputational risk to the Council and the individuals or groups that take over the service.

- If the arrangements are not monitored and reviewed, there could be a risk poor performance and negative impacts on communities.
- Without appropriate support, there could be a risk around the capacity of community groups / individuals to deliver.
- There may be a conflict identified with any legal or regulatory requirements of delivering services.

4.3. Officers will make every effort to maximise benefits and minimise risks, through the proposed next steps as set out in Section 6 of this report.

## **5. STATEMENT OF INTENT**

5.1. Cabinet is asked to consider and approve the following statement of intent and adopt the principles herein.

5.2. This statement should form the basis of how Members and officers should aim to engage with individuals, groups and other key stakeholders in the processes of agreeing asset transfer and / or service delivery:

5.2.1. *"We are committed to supporting local people, community groups and other key stakeholders to come forward with ideas on how services could be run by them, within their area and for their communities."*

5.2.2. *"We are committed to working with others that can provide financial support and advice to groups in acquiring or leasing an asset or in providing a service; with the aim of creating safe, healthy and prosperous communities now and for future generations."*

5.2.3. *"We will assist local people, community groups, social and commercial ventures in exploring opportunities for service delivery, but we must minimise financial liability for the Council in the future."*

5.2.4. *"We will adopt a transparent process and assess all applications fairly. In the same way that community groups have the right to withdraw, the Council also reserves the right to terminate any arrangement within appropriate and prescribed timescales."*

## **6. PROPOSED PROGRAMME OF WORK & RESOURCES**

6.1. A review of the process to date and of best practice has been undertaken. It is acknowledged that earlier engagement with the third sector would provide a more structured and strategic approach and allow interested parties access to support earlier, allowing them to plan more effectively.

6.2. Members of voluntary sector organisations attended an initial meeting to discuss a way forward. It is proposed that these organisations come together more regularly as a strategic Third Sector Advisory Group.

6.3. The Third Sector Advisory Group can be set up within the Leader's scheme of delegation (Section 3A) as the *Voluntary Sector Liaison Committee*, Chaired by Cllr Keiron Montague.

6.4. The group will:

- be complementary towards the current process for considering bids to run Council services or take on assets, advising officers of any improvements to be made within this process;
- assist the Council in identifying opportunities for the delivery of services by the third sector;
- agree and provide a programme of support for different types of interested groups;
- assist the Council in engaging with the sector on the opportunities available;
- provide information on funding opportunities for support of interested groups.

6.5. In order to publicise the Council's intent, Cabinet are asked to consider running an engagement event for third sector organisations and groups, to be held in late Autumn 2014. If agreed, the Third Sector Advisory Group will be assisting officers in organising this event.

6.6. Given the need for a more structured and proactive approach, it is recognised resources will be required to co-ordinate this work. This will ensure :

- support and co-ordination to the Third Sector Advisory Group;
- a dedicated liaison role between interested parties, other partners and the Council;
- a resource to gather and provide internal information and clarify issues;
- a co-ordination to the process by informing Elected Members of the expressions of interest and progress of applications;
- an additional resource in guiding and supporting interested parties;
- an additional resource in targeting and engaging individuals, communities and commercial organisations to make them aware of this opportunity; and
- the monitoring and review function of the transfer agreements put in place.

6.7. This is not an additional resource, the intention is to work with the Council's Regeneration and Planning Service and consider this requirement linked to the development of a new Enterprise Team as part of these proposals.

## **7. CONCLUSION**

7.1. The Council faces unprecedented budget pressures over the medium term and is seeking different approaches to achieving the financial savings required. Transferring the delivery of services and / or assets to our communities has the potential to deliver immediate and long-term financial gains and improved outcomes, but this is not without risk.

7.2. This paper has set out a way of refreshing the Council's approach to date, providing more focus to this element of service change and giving more opportunities for people to become involved earlier.

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