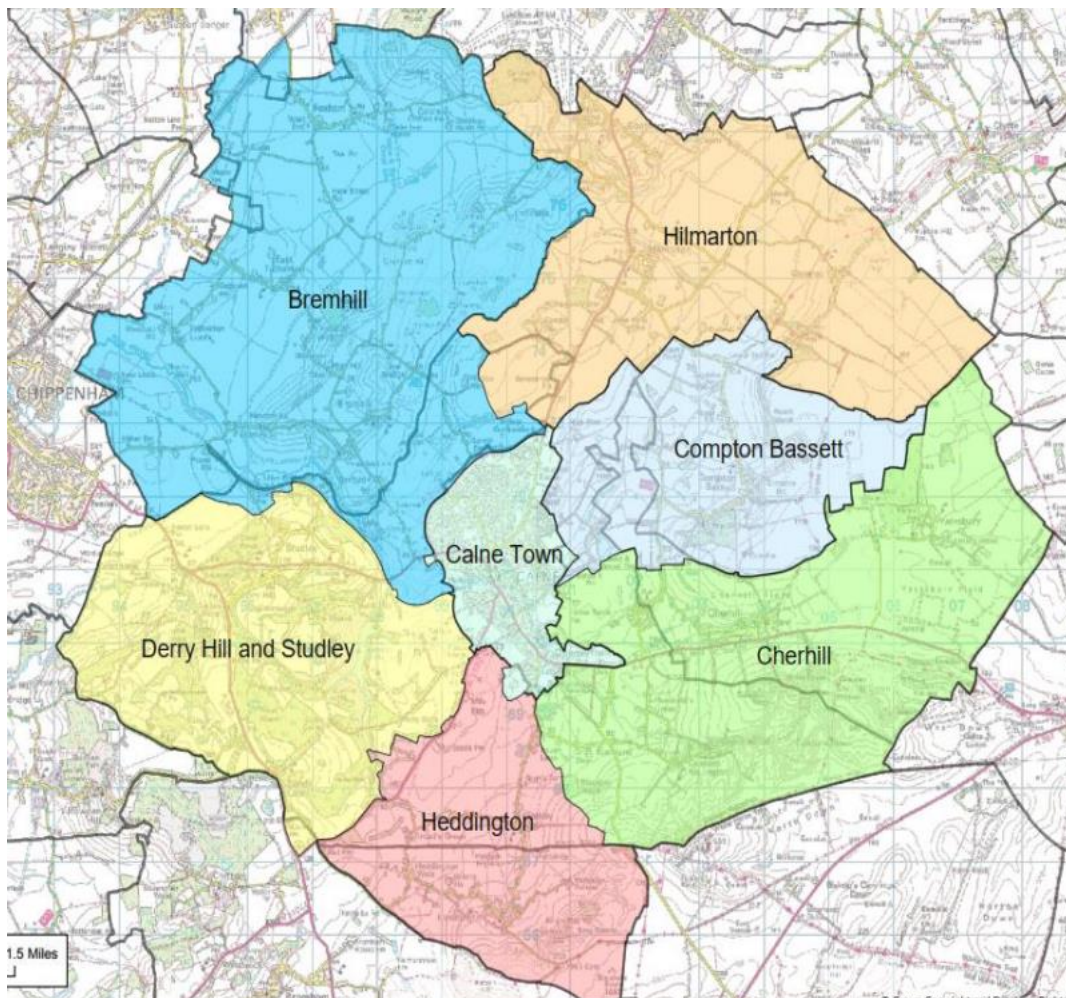


## Community Governance Review Transfer of Assets

### 1. Background

At its meeting on 18<sup>th</sup> October 2022, Wiltshire Council resolved to support the recommendations of the Electoral Review Committee in respect of changing the boundaries and governance arrangements of parishes in the Calne Community Area. This followed a petition raised in 2019 by residents requesting the creation of a separate parish council for Derry Hill, Studley and Pewsham, and. In response to this, a Community Governance Review, with public consultation, was undertaken by Wiltshire Council in 2021/22, with the majority of respondents supporting the proposed changes.

Under the proposals, areas of the current civil parish of Calne Without will be moved to the existing civil parishes of Bremhill, Hilmarton, Compton Bassett, Cherhill, Heddington and town of Calne, with the remainder (Derry Hill, Studley, Sandy Lane and Old Derry Hill) renamed as Derry Hill and Studley parish.



The changes will have financial impacts on the town and parish councils affected. In most cases, the number of households and the associated tax base will be increased. The exception will be the future Derry Hill and Studley Parish Council, which will have significantly fewer households and therefore a smaller tax base, whilst its running costs are not expected to proportionally reduce.

The table below sets out the likely change in the tax base of each council, expressed as the equivalent number of Band D council tax households and the projected annual financial impact (assuming each council's precept is unchanged):

Council	Estimated Change in Nr of Households	Current (2022/23) Band D Precept	Estimated change in income from Precept
Bremhill Parish Council	+48	£24.99	+£1,200
Calne Town Council	+336	£215.57	+£72,400
Derry Hill & Studley Parish Council (ex Calne Without PC)	-752	£21.72	-£16,300
Cherhill Parish Council	+298	£41.95	+£12,500
Compton Bassett Parish Council	+12	£59.55	+£700
Heddington Parish Council	+63	£33.38	+£2,100
Hilmarton Parish Council	-	£28.30	-

During the review the issue was raised around the transfer of assets from one parish to another. This process of transfer would be undertaken in accordance with the Local Government and Public Involvement in Health Act 2007. Under section 99 public bodies affected by a reorganisation of community governance (the Parish Councils themselves) can make agreements with respect to any property, income, rights etc. Wiltshire Council has therefore asked the Parishes to work together to try to reach a suitable agreement early in 2023.

In the event agreement cannot be reached, the parties may refer the matter to arbitration or, if necessary, Wiltshire Council could determine the allocation.

This paper sets out a series of options for consideration by the Council, ahead of a meeting planned with the other affected parish and town councils on 23<sup>rd</sup> January.

## 2. Options for the allocation of Assets

### 2.1 General Reserve

Options for the allocation of General Reserve, including all cash reserves not included under Sections 3 and 4 below, are as follows:

Option	Description	Rationale
A	General Reserves shall be divided between successor councils in direct proportion to the number of Calne Without households located within each successor council.	All households within the current parish of Calne Without have contributed through the precept to the accumulation of reserves. Their "share" of the reserves should therefore transfer with each household to the appropriate successor council. To avoid over-complicating the calculation no distinction is made between the Council Tax Banding of the households.

Option	Description	Rationale
B	<p>General reserves should be decided by taking into account each council's need to maintain an appropriate level of reserves in 2025/26 and any ongoing adverse financial impact of the boundary changes.</p> <p>The proposal should allow the renamed Derry Hill &amp; Studley Council as the only council adversely affected financially by the boundary changes to retain a reasonable general reserve, equivalent of about 85% of its revenue budget. The remainder of uncommitted general reserves would be divided between the other 6 parishes in direct proportion to their additional number of voters residing within the current boundaries of Calne Without.</p>	<p>As the renamed Derry Hill &amp; Studley Parish Council is the only council to suffer any ongoing adverse financial consequences of a governance review that has produced both democratic and financial benefits to all other councils. It is logical and morally justified not to further worsen the initial financial position of the council by stripping it of over half its essential general reserves. The other neighbouring councils either do not need to increase their reserves or will be in receipt of very significant additional council tax through an increased tax base.</p> <p>There is a nationally recognised need for councils to hold adequate general reserves to allow them to operate satisfactory if they faced certain foreseeable additional costs. It is normally accepted, and strongly recommended by Auditors, that general reserves of between 80% and 100% of a council's operating revenue budget are essential.<sup>1</sup></p> <p>In the past there have been a series of boundary changes made to incorporate new urban housing estates into Calne. It is nationally accepted that housing estates on the edge of towns should be incorporated into those urban town councils. It is understood that previous transfers of housing estates in Wiltshire have never been accompanied by a transfer of general reserves from the parish to the town council (or for that matter between any parish councils) It would therefore be inappropriate and unprecedented to make any transfer of general reserves from a small parish council to large Town Council such as Calne.</p>

1. Editor. NALC's recommendation is that "the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure. The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve."

## 2.2 Sun Edison Reserve

The Sun Edison Reserve was established in 2015 by the operators of High Penn Solar Farm as a fund for community initiatives to be administered by Calne Without Parish Council. The options for the allocation of the Sun Edison Reserve are as follows:

Option	Description	Rationale
A	Remaining funds shall be transferred to Compton Bassett Parish Council.	The fund was derived from the High Penn Solar Farm development which, following implementation of the changes, will lie within the future parish boundary of Compton Bassett.

Option	Description	Rationale
B	The remaining funds shall be split between Compton Bassett, Cherhill and Calne Town councils.	The fund was derived from the High Penn Solar Farm development. The communities surrounding the Solar Farm, continue to suffer the visual blight of it. This impact extends beyond the future boundaries of Compton Bassett into Calne and Cherhill.
C	The remaining funds shall be transferred to the 6 parish councils and the Town Council in proportion to the number of voters residing in the current parts of Calne Without.	The funds were to be used for communities across the whole of Calne Without and should be distributed in proportion to the number of voters in each element's part of Calne Without.

### 2.3 CIL Reserves

The Council currently holds CIL funds derived from the following developments:

- Marden Farm, Stockley Lane – *to be used by 2024.*
- Blounts Court Nursery, Studley – *to be used by 2024.*
- Land north of Low Lane – *to be used by 2026/27.*
- K4 Kitchens, New Road, Studley – *to be used by 2026.*

The options for the allocation of remaining CIL funds are as follows:

Option	Description	Rationale
A	Funds committed to projects that have been fully approved by Calne Without Parish Council, but not yet completed, shall be transferred to, and held by the successor council responsible for completing the project, or Wiltshire Council, as appropriate. Such projects, along with the funding required, are clearly identified in Calne Without Parish Council's Strategic Plan which will continue to be updated on a regular basis.  Remaining CIL funds shall be transferred to the successor council in which the development, from which the funding was derived, is located.	The funds were originally allocated as the developments occurred within the boundary of Calne Without Parish Council. It is reasonable to re-allocate them as if the future boundaries had been in place.
B	The uncommitted reserves shall be distributed - 50% to the successor council in which the development is located and the remaining 50% to all 6 parish councils and the Town Council in direct proportion to the number of voters in each element of Calne Without.	About half the council's CIL funding has in the past been used in the ward where the funding development was located and the remaining half for general community improvements across the whole parish. The proposed allocation would recognise this and allocate on that basis.

## 2.4 Fixed Assets

Fixed assets are physical assets that are tied to a specific location. These include an old well house, noticeboards, litter bins, dog waste bins, grits bins, a set of goal posts, telephone kiosks, one bus shelter and benches.

The options for the allocation of Fixed Assets are:

Option	Description	Rationale
A	Fixed Assets shall be transferred to the successor council in which they are located.	By definition, the assets are at a fixed location. It is reasonable that both ownership and responsibility should transfer to the successor council in which they are located.

## 2.5 Portable Assets

Portable assets are physical assets that are not tied to a specific location. These include the Clerk's laptop and printer, two speed indicator devices, two thermal imaging cameras, litter picking equipment, hi-viz vests, a first aid kit and tools for footpath repairs.

The options for the allocation of Portable Assets are:

Option	Description	Rationale
A	Portable Assets shall be retained by the future Derry Hill and Studley Parish Council.	All other successor councils are existing organisation that will have accumulated various portable assets over time. It is therefore reasonable that portable assets should be retained by the principal successor body to Calne Without Parish Council, the new parish of Derry Hill and Studley, rather than to already established councils.
B	Portable Assets shall be distributed to the successor Parish Councils.	The portable assets were purchased using money generated from all parts of the parish. Some assets, such as the Clerk's laptop and printer, should be retained by the future Derry Hill and Studley Parish Council. Other assets, such as the speed indicator devices and thermal imaging cameras, should be distributed to the successor councils. For example, the future Derry Hill and Studley Parish Council retains one speed indicator device and one thermal imaging camera, with the others going to Heddington, Cherhill or Calne.
C	Portable Assets shall be distributed to the successor Parish Councils based on the number of Calne Without households to be transferred to that area.	The residual value of all of the portable assets is added up and distributed to the successor Parish Councils. In practice the future Derry Hill and Studley Parish Council will choose assets for retention up to the value of the percentage of the number of Calne Without households in that area. The remaining portable assets will be distributed to the other Parish Councils on a similar basis.

### **3. Matters to be Determined**

Matters that are currently unclear and on which further guidance will be sought from Wiltshire Council include:

- Freeze dates for the determination of the value of financial assets to be transferred.
- Timing of financial transfers.
- The process through which budgets will be set and precepts raised for 2025/26, given that the CGR changes are due to be implemented part-way through the financial year. It is hoped, and expected, that Middle Ward Councillors will be invited to participate in Heddington Parish Council's 25/26 budget setting process, and East Ward Councillors will be invited to participate in Cherhill Parish Council's 25/26 budget setting process. It is similarly expected that Middle Ward and East Ward Councillors will abstain from the vote on the final Calne Without Parish Council 25/26 budget.

### **4. Financial management between now and the implementation date of the Community Governance Review (May 2025)**

Calne Without Parish Council has a Strategic Plan which outlines the projects and initiatives on which CIL and Sun Edison money will be spent over the next 4 years. It is anticipated that this plan will continue to be reviewed on a regular basis and will be executed until April 2025. Money may be allocated to partially completed projects in 25/26 financial year. For the avoidance of doubt, the Strategic Plan will be discussed, and agreed, within Calne Without Parish Council. Whilst other Parishes who will inherit areas to which the plan applies may be consulted on parts of it, they have no right to veto any part of it.

Robust procedures are in place to assess the merits of individual grants which will continue to be followed. Calne Without Parish Council will continue to offer grant funding up to the end of April 2025 but will not do anything to artificially deplete its project funds prior to this date.

Calne Without Parish Council will follow all of its existing processes related to financial management and will do nothing to artificially deplete its reserves, or abnormally raise the precept, in anticipation of the new financial situation in May 2025.

New fixed assets, e.g. dog waste bins, defibrillators, etc, may be procured between now and April 2025 in any part of the Parish without the need to consult the Parish Council to which that asset may transfer in the future.

### **5. Recommendation**

It is recommended that the Council considers the options provided and determines which to promote for agreement with the councils of Bremhill, Hilmarton, Compton Bassett, Cherhill, Heddington and Calne.

*Drafted and edited by Cllr John Barnes, with additional contributions from Cllrs Doug Price and Ioan Rees.*