

## **Connecting Communities Cabinet Report – 30<sup>th</sup> August 2016**

### **Appendix B: Community Considerations**

This appendix sets out the main considerations for moving from council-led to community-led services or led by other appropriate organisations. Detailed guidance and policy is in the process of being worked up, and this document will provide a basis for that document.

This will not be a one-size fits all process. There are two main options, at opposite ends of the spectrum, and lots of hybrid options in between. Depending on which option is adopted there could be ongoing costs and risks for the Council, and ultimately this will need to inform what the Council agrees with community organisations.

#### **Options**

##### Option 1

The Council ends all involvement in delivering the service. Assets transfer to the organisation, which takes on the responsibility for maintenance and replacement of any assets. The ongoing delivery of a service as determined by the community organisation, albeit there may be some high level principles set out in the terms of the asset transfer.

##### Option 2

Community organisation takes on the running of a service, but the Council continue to provide expertise / facilitation. Assets remain the property of the Council. The council continue to determine the running of the service with input from the community organisation. Agreement is in place in relation to what the community organisation pay to the Council for support (e.g. lease for building).

The option that a community organisation adopts is not fixed and may be fluid. For instance in the first year an organisation may look to lease a building from the council with a view to full asset transfer at a later point when service delivery is established.

#### ***Governance Arrangements***

There should be appropriate governance arrangements (e.g. community groups should have a management committee/board of trustees/management board that will oversee the delivery of the service). This should clearly set out the arrangements for governance of the service, and make decisions in relation to the service. As appropriate, the council would want to see relevant information in relation to the experience of board members (e.g. previous experience of managing a group or organisation with volunteers, any previous experience of managing funds or fundraising, or any other relevant experience).

The community group would ultimately need to provide detailed governance, accountability, policies and procedures.

### ***Service specification***

No statutory services would transfer to community groups under this model. It is likely, however, that all services will have minimum basic principle / standards of delivery that groups would be expected to adhere to.

Apart from this, the council will want to ensure that there is flexibility for community groups to determine service and delivery to ensure that it fits their organisational model.

The degree to which there is further service specification from the council will depend on what model of delivery is implemented, taking into account any continuing level of council support (see below).

### ***Council Support***

The Council may continue to provide support to the organisation in a number of ways over the short to medium term. This may come in the following forms:

- Facilitation / Expertise
- Training
- Provision of Assets (see below)

Any degree of support is likely to depend on which model of delivery is implemented. Where support is provided, there will need to be consideration as to whether the council charge the organisation for this support (e.g. lease agreement for building). The level of support that the Council is prepared to give is likely to be dependent on the type of service, but ultimately it will be unviable to provide ongoing support without a charge or to retain certain ongoing liabilities.

### ***Assets***

Consideration will need to be given as to whether assets (e.g. buildings, equipment required to deliver the service including ICT) transfer to the community organisation or whether ownership remains with the council. In some cases statute will dictate this, or there may be legal clauses or grant claw-back risk about how a building or other assets can be used. Where assets transfer to the community this could be dependent on their continuing usage for a particular type of service for an amount of time. Maturity of organisation and record of delivery will also be taken into account.

Where assets remain in the ownership of the council, but are used by a community group, there needs to be consideration as to liability for business rates, maintenance, security, viability / safety, (replacement at the end of asset life) of those assets. This will have implications for the insurance arrangements that need to be in place (see below). Any arrangement will need to clearly document who is responsible for what.

Any agreements in place where the council retains ownership will need to set out clear arrangements for the above considerations including insurable risk. In addition, it is likely charging arrangements would need to be in place for usage of those assets.

## ***People***

It is expected that transfer to community organisations will necessitate the usage of volunteers to deliver service. We would need to understand what experience the group have of using volunteers, and how volunteers would be recruited, retained, supported and co-ordinated.

Where volunteers would be working alone and working with children, young people and vulnerable adults, volunteers would need to have up to date Disclosure and Barring Service (DBS) checks in place.

TUPE will not apply where a community group does not directly employ staff, and this would be our general expectation in these types of transfers.

Partnerships between community groups, voluntary organisations, statutory services, other organisations will be encouraged where they will support the continued provision of a service in line with community needs. This is an area that can develop and grow as developments move forward.

## ***Financial***

The Council would need to understand the group's business plan in terms of the running of the service and the medium to longer term sustainability of the service.

Groups will be able to bid into the transition fund for financial support on a short term basis (i.e. up-front costs, or initial sustainability funding). Ultimately the group will need to demonstrate that there is a sustainable plan for the longer term, without usage of council resource. The Council can also provide a free to use Grant Finder to support income generation.

## ***Liability Insurance***

The Council cannot extend its own insurance programme to cover the liabilities of any such Group. The Group will therefore have to obtain its own Public Liability insurance and where necessary other forms of liability insurance such as Employers, Trustees, Libel and Slander etc.

## ***Property Insurance***

The requirement for the Group to arrange Property insurance is dependent on our position on Asset Transfer – both in respect of Buildings and Contents (including stock and computer equipment) – as discussed above

## ***General Insurances***

The Group will have to have regard to its own insurance risks in addition to those above. It will need to consider: Contents for its own stock, equipment and IT, Legal Expenses, Employee Dishonesty and Money.

### ***Professional Support***

There are numerous insurance brokers and direct insurance companies who provide cover for Community/Volunteer/Charities etc. and this is a mature insurance market.

### **Business Rate**

There will need to be clear agreement on who is responsible for business rates and if it is the community group, this needs to be covered in the business plan.