

TONBRIDGE & MALLING BOROUGH COUNCIL

FINANCE and PROPERTY ADVISORY BOARD

28 September 2011

Report of the Director of Finance and Cabinet Member for Finance

Part 1- Public

Matters for Recommendation to Cabinet - Key Decision

1 FINANCIAL ARRANGEMENTS WITH PARISH COUNCILS

This report gives details of the proposed allocations to individual parish councils under the Scheme of Financial Arrangements with Parish Councils for the financial year 2012/13.

1.1 Introduction

1.1.1 The Council has a Scheme of Financial Arrangements with Parish Councils to provide funding for local services under the provisions of the Local Government Act 1972. This Act allows payments by one council to another where both councils have powers to carry out a specific function. The Borough Council uses these powers to assist parishes with the cost of services they provide which are provided by the Borough Council in unparished areas.

1.1.2 In 2008, the Council, in liaison with the Parish Partnership Panel, agreed to increase the budget for the Scheme of Financial Arrangements with Parish Councils by the same percentage as the cash increase received by the Borough Council in its Revenue Support Grant settlement in the previous year.

1.2 Budget for Financial Arrangements with Parish Councils 2012/13

1.2.1 The budget for the scheme has been increased in line with inflation until 2008, when the Council, in liaison with the Parish Partnership Panel, decided to increase the budget by the same percentage as the cash increase in the revenue support grant.

1.2.2 Members will be aware, however, that for the 2011/12 budget, the Revenue Support Grant was not increased, but in fact was cut by 16%.

1.2.3 **[Annex 1]** sets out details of the reduced allocations to individual parish councils under this methodology.

1.2.4 Naturally, we do appreciate the impact that this reduction may have on parish councils, but it must be remembered that the Council has suffered significant cuts to its own grant and will need to make savings in excess of £2 million as set out in the Medium Term Financial Strategy.

- 1.2.5 To assist parish councils with one-off expenditure, we propose that a further, **exclusive**, bidding round for the Community Enhancement Fund is offered to parish councils before the end of this financial year. At the time of writing, we have not worked out the details for this bidding round but will update Members on the evening of the meeting. If this proposal is agreed, the Director of Finance will notify the parish clerks of this additional closed bidding round when she advises of the allocations for 2012/13.

1.3 Legal Implications

- 1.3.1 The Financial Arrangements with Parish Councils are in accordance with Section 136 of the Local Government Act 1972 which says: "Two or more local authorities may make arrangements for defraying any expenditure by one of them in exercising any functions exercisable by both or all of them."

1.4 Financial and Value for Money Considerations

- 1.4.1 As set out above.

1.5 Risk Assessment

- 1.5.1 There will always be a degree of risk associated with third party service delivery; however our experiences with the Parish Councils lead us to believe this risk is very small.

1.6 Equality Impact Assessment

- 1.6.1 See 'Screening for equality impacts' table at end of report

1.7 Recommendations

- 1.7.1 Members are asked to **RECOMMEND** to Cabinet that:
- 1) The usual methodology be adopted in calculating the allocations to parish councils under the Scheme of Financial Arrangements with Parish Councils for the year 2012/13;
 - 2) Parish Councils be notified of their allocations as set out in **[Annex 1]**; and
 - 3) A further, exclusive, bidding round for the Community Enhancement Fund is offered to parish councils before the end of this financial year.

Background papers:

contact: Francis Gahan

Scheme of Financial Arrangements with Parish Councils held by the Accountancy Section

Sharon Shelton
Director of Finance Cabinet Member for Finance

Martin Coffin

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Changes to grant allocations are not expected to cause adverse impact or discriminate against different groups in the community.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	See above.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		None

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.