

TONBRIDGE & MALLING BOROUGH COUNCIL
FINANCE, INNOVATION and PROPERTY ADVISORY BOARD

02 October 2013

**Report of the Director of Finance and Transformation and Cabinet Member for
Finance and Innovation**

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 2014/15.

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 the budget for the Scheme of Financial Arrangements with Parish Councils would increase or decrease by the same percentage as the increase or decrease in the Borough Council's Local Government Finance Settlement in the previous year. Were this methodology to be followed again, the budget for the Scheme of Financial Arrangements (s136) would decrease by 10.6%.
- 1.1.3 At the meeting of the Parish Partnership Panel (PPP) on 5 September 2013, the Leader of the Council acknowledged the financial challenges that are presently being faced by parish councils. It was, therefore, proposed that the Borough Council's 'grant baseline' for the purposes of this calculation be expanded to include both the Local Government Finance Settlement and the New Homes Bonus funding.
- 1.1.4 The PPP meeting was advised that by adjusting the formula in this way it was anticipated that, rather than suffering a decrease of 10.6%, the overall s136 budget would decrease by less than 1%. This proposal was welcomed by the PPP.

1.2 Budget for Financial Arrangements with Parish Councils 2014/15

- 1.2.1 Based on the proposed 'revised' methodology the Council's grant funding for 2013/14 decreased by **0.8%** when compared to the equivalent figure for 2012/13.
- 1.2.2 **[Annex 1]** sets out details of the allocations to individual parish councils in accordance with the revised methodology.

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 revised methodology is adopted in calculating the allocations to parish councils under the Scheme of Financial Arrangements with Parish Councils for the year 2014/15.
 - 2) Parish Councils be notified of their allocations as set out in **[Annex 1]**.

Background papers:

contact: Francis Gahan

Nil

Sharon Shelton
Director of Finance and Transformation

Martin Coffin
Cabinet Member for Finance and Innovation

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?		Not applicable.

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.