

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

22 March 2016

Report of the Management Team

Part 1- Public

Matters for Information

1 REVIEW OF FUNDING ARRANGEMENTS WITH PARISH COUNCILS

This report updates on progress with detailed research into funding for parish councils as commissioned by Cabinet at its meeting on 11 February. Unfortunately, at the time of writing, the work is still being finalised and is not ready to circulate with this agenda. Arrangements are being made for a special meeting of the Cabinet in April.

1.1 Funding Streams to be Reviewed

1.1.1 At the last meeting of Cabinet on 11 February, Members agreed an outline timetable to commence a review of funding to parish councils. Members are reminded that funding to parish councils is made up of two streams:

- 1) the Financial Arrangements with Parish Councils (FAPC) Scheme (currently circa £226,000 in total); and
- 2) the Council Tax Reduction Scheme (CTRS) contribution (currently circa £175,000 in total).

1.2 Objectives

1.2.1 At the outset, the main reason for commencing this review was to assist the Borough Council in making savings required through the Savings and Transformation Strategy (STS). This is, therefore, a key objective of this review.

1.2.2 However, there is a risk that simply reducing the funding to parish councils could generate 'inequity' across the borough. This is because 'all other things being equal', parish councils would need to levy additional precepts on residents in their areas to maintain the status quo; or alternatively cut local service provision to those residents.

- 1.2.3 This point has been touched upon during discussions at Cabinet (11 February – see minute CB16/6) and the recent meeting of the Parish Partnership Panel (PPP) on 18 February. An extract from the minutes of PPP is attached at **[Annex 1]**.
- 1.2.4 It is very important, therefore, that a second objective of this review must be to promote equity in terms of how much residents in different parts of the borough have to pay towards the cost of services.
- 1.2.5 The key objectives of this review are, therefore, twofold:
- 1) Make savings in the Borough Council's revenue budget; and
 - 2) Promote 'equity' across the borough in terms of how much residents in different parts of the borough have to pay towards the cost of services.

1.3 Progress

- 1.3.1 Work began in earnest by a cross-service team of officers immediately after the Cabinet decision on 11 February. However, the review has been extremely challenging and unfortunately, despite the priority that has been afforded, it has not been possible to complete the research and significant project work at this point in time given the complexity.
- 1.3.2 Having spoken with the Leader and Deputy Leader, it has been agreed that a special meeting of the Cabinet will be convened in April to consider this matter. At the time of writing, 20 April is being favoured as the date for the special meeting.
- 1.3.3 Members will appreciate that this slight delay will have an impact on the project plan, and we intend to bring an updated timetable to the meeting in April. It may be necessary to programme a special meeting of the Cabinet in July; but otherwise we believe the programme can still be delivered by the ultimate target date of 1 November (Full Council).
- 1.3.4 We appreciate that this is unfortunate, but hope that Cabinet will understand the significance and complexity of this project.

1.4 Parish Partnership Panel (PPP)

- 1.4.1 Members will note from the minutes of the PPP set out at **[Annex 1]** that members of the PPP (including the local branch of KALC) were advised that the 'options' report would be presented to Cabinet on 22 March.
- 1.4.2 Given the significance for parish councils, we propose to write to chairmen and clerks to advise that work has been slightly delayed, and it is intended to hold a special meeting of the Cabinet in April to consider the matter.

1.5 Legal Implications

- 1.5.1 None at this stage

1.6 Financial and Value for Money Considerations

1.6.1 One of the Council's objectives is to deliver savings in the context of the STS. However, it is acknowledged that promoting 'equity' across the borough in terms of how much residents in different parts of the borough have to pay towards the cost of services, is also an objective.

1.7 Risk Assessment

1.7.1 If the programme cannot be progressed and culminate in a decision by November, we would not be able to effect any savings for 2017/18.

1.8 Policy Considerations

1.8.1 Customer Contact; Community

Background papers:

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Nil

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