

# TONBRIDGE & MALLING BOROUGH COUNCIL

## PARISH PARTNERSHIP PANEL

04 September 2014

### Report of the Director of Finance and Transformation, Leader of the Council and Cabinet Member for Finance, Innovation and Property

#### Part 1- Public

#### Matters for Information

### 1 FINANCIAL ARRANGEMENTS WITH PARISH COUNCILS

**This report outlines the proposed methodology to be adopted to determine the Scheme of Financial Arrangements with Parish Councils budget for the financial year 2015/16.**

#### 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 2013, 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 including New Homes Bonus funding in the previous year.
- 1.1.3 We propose to again adopt this methodology for the forthcoming financial year. As a result the Scheme of Financial Arrangements with Parish Councils budget for 2015/16 will increase by 1.3%. (Allocations to individual parish councils may vary as allocations of the budget available are made with regard to electorate).
- 1.1.4 It is worth noting that with this methodology when the New Homes Bonus scheme reaches its sixth year or is replaced by something else it could result in a marked percentage decrease.

## **1.2 Legal Implications**

- 1.2.1 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."

## **1.3 Financial and Value for Money Considerations**

- 1.3.1 As set out above.

## **1.4 Risk Assessment**

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.

Background papers:

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Nil

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