

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

24 September 2014

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

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 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 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.
- 1.1.4 Adopting the same methodology for the forthcoming financial year will increase the budget for the Scheme of Financial Arrangements with Parish Councils 2015/16 by 1.3%. The proposal was reported to the Parish Partnership Panel on 4 September and was welcomed.
- 1.1.5 The transition to individual elector registration has brought about a decrease in the number of electors on the register. Consequently for 2015/16 we have calculated the 'Basic Allocation' to be an increase of 1.3% over the 2014/15 'Basic Allocation' instead of a rate per elector.

1.1.6 The final debt charge will be paid in 2014/15 and consequently, from 2015/16 onwards there will not be any debt charges included in the Financial Arrangements with Parish Councils.

1.1.7 **[Annex 1]** sets out details of the allocations to individual parish councils in accordance with the above methodology.

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

1.4.1 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.

1.5 Equality Impact Assessment

1.5.1 See 'Screening for equality impacts' table at end of report

1.6 Recommendations

1.6.1 Members are asked to **RECOMMEND** to Cabinet that:

- 1) The methodology outlined above is adopted in calculating the allocations to parish councils under the Scheme of Financial Arrangements with Parish Councils for the year 2015/16.
- 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, Innovation
and Property

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.