

MAIDSTONE BOROUGH COUNCIL

**MINUTES OF THE CORPORATE SERVICES AND COMMUNITIES
JOINT OVERVIEW AND SCRUTINY COMMITTEE MEETING
HELD ON TUESDAY 7 FEBRUARY 2012**

PRESENT: Councillors Mrs Blackmore, Burton, Butler, English, FitzGerald, Mrs Gooch, Hogg, D Mortimer, Mrs Parvin, Paterson, Pickett, de Wiggondene, Mrs Wilson and Yates

9. The Committee to consider whether all items on the agenda should be web-cast.

Resolved: That all items be web-cast.

10. Apologies.

Councillors Field, Mrs Gibson, Mrs Stockell and Paine sent their apologies.

11. Notification of Substitute Members.

Councillors Burton and Butler substituted for Councillors Paine and Mrs Gibson respectively.

12. Notification of Visiting Members.

There were no Visiting Members.

13. Disclosures of Members and Officers:

The following Members declared an interest in item 8, Draft Parish Services Scheme:

- Councillor Mrs Gooch, Chairman of Barming Parish Council;
- Councillor Burton, Chairman of Langley Parish Council;
- Councillor Hinder, Member of Boxley and Bredhurst Parish Councils;
- Councillor English, Member of Tovil Parish Council and Secretary to Kent Association of Local Councils (KALC);
- Councillor Mortimer, Member of Tovil Parish Council and representative at KALC;

All Members of the Committee with the exception of Councillor Yates made disclosures of lobbying.

14. To consider whether any items should be taken in private because of the possible disclosure of exempt information.

It was agreed that all items should be taken in public as proposed.

15. Minutes of the meeting held on 29 November 2011.

Resolved: That the Minutes of the meeting held on 29 November 2011 be agreed as a correct record and duly signed by the Chairman.

16. Draft Parish Services Scheme.

The Chairman welcomed Councillor John A Wilson, Cabinet Member for Communities and Leisure Services, Ryan O'Connell, Corporate Projects and Overview and Scrutiny Manager and Paul Riley, Head of Finance and Customer Services to the meeting. The Chairman noted the presence of a number of representatives from Parish Councils seated in the public gallery.

Mr O'Connell began the meeting with a short presentation outlining the objectives of the proposed draft Parish Services Scheme, the consultation responses received from Parishes, the amendments made to the scheme as a result and the planned implementation process. The Officer referenced the November Meeting held by the Joint Committee at which stage consultation responses from Parishes had been received but had not been evaluated. Members were informed that an alternative scheme had also been suggested by KALC at that time. All responses had been considered and many were included in the amended scheme. The objectives of the scheme were to:

- To align parish funding with the Council's priorities and budgeting process whilst achieving:
 - Equity of council tax funded service provision between non-parished and parished areas;
 - Accountability and Transparency; and
 - A mechanism to agree the local provision of services

It was explained that that the Council's priorities to which the scheme was aligned had been developed with Members involvement in the Budget Strategy setting and via Cabinet.

'The test' would be applied to determine which services were priority services and would be funded by Maidstone Borough Council via the Parish Services Scheme. The test would be: 'In the theoretical absence of the parish council, would MBC change its service provision in the parish?'

Services handed over to Parishes to deliver would need to meet legal minimums that Maidstone Borough Council would retain responsibility for in law. Members questioned the legal responsibilities associated with the delivery of services. Mr O'Connell gave the example of litter enforcement where MBC had a legal duty to meet that Parishes would also have to maintain. It was felt that this would not be an area of contention and an example of where legal responsibility could be given to a Parish.

A 'price list' would be developed so that Parishes would have access to Maidstone Borough Council (MBC) contract prices to either utilise the

economies of scale or use this information to increase their local knowledge for pricing services. If a service cost put forward by a Parish related to an agreed service, by applying 'the test', funding would follow the service. The Committee raised concerns about Council overheads being included in the price list. Mr O'Connell explained that the cost of each service would consider the overall cost of service and would vary from service to service. There would be some 'core' costs included in some service costs that Parishes would be providing. It was questioned whether the method of costing, and the price list referred to would be made public. It was confirmed by the Officer that it would be.

Members were informed that Parishes could go to a local provider for services and if they could provide a service cheaper they could then keep the funds and allocate them to other agreed, priority services. The scheme outlined that the Council would not look to claw back monies spent on incorrect services, instead funding would be reviewed and the list of services amended or funding provided adjusted. Some Members raised concerns about the wording relating to inappropriate expenditure of funds and felt that this should not prevent the Council from being able to recoup incorrectly allocated monies but as it was felt that this eventuality would be extremely unlikely to occur the wording should reflect this.

The Committee questioned the ambitions of the scheme and whether it was focused on saving money. Paul Riley, Head of Finance and Customer Service told Members that the saving being made was not an insignificant amount, but the amount was minor to the overall level of savings the Council had to find, £1.8 m for 2012/13 and £1.9m for 2012/14. In response to suggestions that savings could be made by simply leaving the current system in place Mr Riley explained that there were no other grant systems in place at Maidstone Borough Council. The key focus of the new scheme was to combat double taxation. The test involved establishing which services the council funded. If a Parish chose to provide any additional services they would fund them via their precept and only they would be taxing for that service. The Cabinet Member confirmed that it was about savings but it was also to bring Parish services funded by the Council into line with the Council's Priorities.

The Committee recognised that providing a new scheme without a Concurrent Grant or separate 'pot of money' would impact on services across the borough as service managers had responsibility for allocating funding to services across the borough.

Members highlighted scenarios that could have a negative impact on parishes in the future such as a change in the Council's administration and thus their corporate priorities which would impact on contracts taken out by parishes for extended periods of time. Officers agreed that the Council's priorities could change but felt the proposed scheme was flexible enough to allow for this. Mr O'Connell told Members that in these circumstances re consultation could be required and a planning period would be factored in.

Concerns were raised regarding the consultation needed to apply the 'test' to all services currently provided by Parishes. It was felt that this would be a costly process to the Council and could be greater than a minimum of 35 visits, one visit to each individual parish. It was explained this would take place during the transitional year for which funding had been allocated. The setting up of the scheme would be a one off exercise and the administrative burden would fall to the Council. There would be consultation with all 35 councils and applicable service managers would be involved in the process.

The Committee considered whether funding calculations could be too generous if applied to funding received from the Concurrent Functions Grant and the Parish Precept in its estimations. Mr O'Connell explained that a breakdown of the total costs had been provided in the financial returns provided by parishes. Approximately 62% of the service spend related to Parks and Open Spaces. He informed Members that work was being done with service managers on costing. Mr O'Connell responded to Members concerns regarding staff resources and the financial impact on the Council in progressing the scheme. He told Members that when an organisation looked to make a saving that would also look at the payback period and any short term expenditure need would be found with an 'Invest to save' bid, however having looked at the hours of staff time involved this was not expected to be necessary but was a risk management provision. Mr Riley explained that in terms of savings from the Concurrent Functions Grant system. The year on year savings were as follows:

- £120,000 in 2011/12;
- £100,000 in 2012/13;
- £100,000 in 2013/14; and
- £80,000 in 2014/15.

He explained that the new scheme would be in place before the funding had completely disappeared so a saving could be made in 2013/14. He explained that utilising monies from 'balances' was the suggested way of funding the transitional year as detailed in the Cabinet report going to full Council on 29 February. Members were informed that in response to the consultation with parishes the annual review of the scheme had been removed. Every three years the 'price list' for services would be reviewed and Parishes would be required to return one form a year thus decreasing the level of administration involved.

Members felt that test costing and analysis for both the administrative task of visiting parishes and applying the test and an estimation of the services delivery costs for the new scheme were lacking and that it would have been beneficial to see sight of these when considering the proposed scheme. Members were concerned about the lack of evidence and felt that working examples were needed to demonstrate that the scheme would work. It was felt that it was important for Parishes to have some understanding of what funding they would have in the future to help them plan accordingly.

The Committee were keen to establish what, if any, test costings had been carried out to establish the level of funding that would be given to Parishes and if preliminary figures could be provided to the Committee under Part II. The Officer explained any financial information organised by Parish would have significant margins for error and a realistic estimate could only be established during the transitional year.

Whilst the Committee were in agreement that achieving equity in the services provided across the borough was a positive outcome of the scheme it was noted that that there would be 'winners and losers' in terms of the level of funding received.

Some Members considered the Localism Act and the impact of Neighbourhood Planning and the Provision of Social Housing becoming areas Parishes could become involved in delivering. Mr O'Connell told Members that Localism would be considered separately to the Parish Services Scheme. He explained that the Council retained a level of choice and if it was more cost effective the Council would provide a service and determine the level of service provided or not provide a service at all. A parish opting to provide a service was not a commitment on the Borough's behalf that would necessarily require funding through the proposed scheme. The Committee highlighted the importance of the role played by the Local Strategic Partnership (LSP) and later the Locality Board that allowed parishes to feed into priority setting and questioned how this would now be achieved. The Locality Board, since the dissolution of the LSP was now in a formative stage.

Members raised concerns about changes within Parishes as a result of new housing and other changes that would impact on the level of funding required to deliver priority services. Mr Riley explained that this would be dealt with in the budget strategy and savings would be found to allow for growth items.

It was highlighted that relations with KALC had faltered during the consultation process as highlighted in the consultation summary document. Members had received a response from KALC on the proposed scheme and felt that there were only three areas of concern highlighted and therefore it would be worthwhile for Officers to begin working with them again.

It was resolved that:

- a) The Cabinet Member provides the draft figures used by Officers (including those provided by service level managers) to develop the scheme as currently proposed. These figures include costs to:
 - i. Set up;
 - ii. Administer; and
 - iii. Estimated payments to Parish Councils
- b) Officers resume working with KALC (Kent Association for Local Councils); and
- c) The Cabinet Member removes the current wording in the scheme which states 'Any expenditure by a parish on non-agreed services

of funding provided under this scheme will not be clawed back for the preceding year, but may lead to the funding agreement being reviewed and the list of services amended or funding provided adjusted' and finds a form of words whereby the borough can recover funding in the unlikely event of misallocation.

17. Duration of Meeting

6.33 p.m. to 9.23 p.m.