

Maidstone Borough Council

Joint Corporate Services and Communities Overview & Scrutiny Committee

Tuesday 29 November 2011

Parish Services Scheme

Report of: Overview & Scrutiny Officer

1. Introduction

- 1.1 A concurrent function is a function or service that can be carried out by two or more local authorities. Section 136 of the Local Government Act 1972 states that: 'Two or more local authorities may make arrangements for defraying any expenditure incurred by one of them in exercising any functions exercisable by both or all of them.'
- 1.2 Overview and Scrutiny have a duty to hold the executive to account as part of the decision making process. In December 2011 the Executive will be considering the outcome of the concurrent functions review and agreeing a new Parish Services Scheme.
- 1.3 The decision on the new Parish Services Scheme cuts across the remit of two Overview and Scrutiny Committees; value for money and the Medium Term Financial Strategy for Corporate Service and the impact on Parishes for Communities. Therefore a joint meeting is appropriate.

2. Recommendation

- 2.1 The Committee is recommended to consider whether the proposed Parish Services Scheme (**Appendix A**) is 'fit for purpose' and make recommendations as appropriate. The Committee should consider, as a background to this, the current scheme as well as the Council's current financial planning constraints including the impact of the Government's comprehensive spending review on the Council's strategic and financial priorities.
- 2.2 The Committee are recommended to interview Councillor John Wilson, Cabinet Member for Community and Leisure Services, Zena Cooke, Director of Regeneration and Communities, Ryan O'Connell, Corporate Projects and Overview and Scrutiny Manager, Paul Riley, Head of Finance and Customer Services, Geraldine Brown, Chairman of Kent Association of Local Councils, John Perry, Chairman of Staplehurst Parish Council, a representative from Bredhurst Parish Council and Harry Rayner Chairman of Wrotham Parish Council (Borough of Tonbridge and Malling).

3 The Strategic Plan and the Council's Priorities

3.1 The Council's new priorities, as set out in the new Strategic Plan 2011-15 (as identified in the Sustainable Community Strategy 2009-20). The three priorities and six outcomes set out in the strategic plan are:

- a) For Maidstone to have a growing economy
 - A transport network that supports the local economy
 - A growing economy with rising employment, catering for a range of skill sets to meet the demands of the local economy
- b) For Maidstone to be a decent place to live
 - Decent, affordable housing in the right places across a range of tenures
 - Continues to be a clean and attractive environment for people who live and visit the borough
- c) Corporate and customer excellence
 - Residents are not disadvantaged because of where they live or who they are, vulnerable people are assisted and the level of deprivation is reduced
 - The Council will continue to have value for money services that residents are satisfied with.

3.2 The Committee should consider the proposed new scheme primarily against priority c) and specifically its two outcomes.

4 The Budget and Medium Term Financial Strategy (MTFS)

4.1 Maidstone Borough Council has historically considered strategic budget issues at an early stage. As part of the development of the 2012/13 budget strategy and to enable balanced consideration of the MTFS with the revised strategic plan, there has been a focus on the council's three key priorities in order to identify and prioritise actions to achieve the six outcomes that support the priorities. The MTFS and the strategic plan must be closely aligned to achieve maximum benefit. The MTFS assumes a complete reduction in concurrent functions grant by 2014/15 with a provision for growth of £80,000 to support some parish funding.

4.2 The Council faces a number of financial pressures including:

- A cut to the Revenue Support Grant;
- Reduced Council Tax Income;
- Reduced Service income;
- Increase in service costs, and

Other factors and considerations, for example:

- Introduction of Welfare Reform.

- 4.3 The Council is therefore prioritising all spending on all services.
- 4.4 The changes to Benefits with the Government's Welfare Reforms and the introduction of Universal Credit will place additional financial pressures on the authority. The implementation of Welfare Reforms which began in April 2011 will place an emphasis on the authority to protect the most vulnerable people in the borough in its administration of Council Tax Benefit.
- 4.5 The Committee may wish to consider the relationship between the Concurrent Function Grant and the Council's budget and savings over an extended time frame as shown in the graph (**Appendix B**) **to follow.**

5. The Current Scheme

- 5.1 The Council has had a Concurrent Functions scheme in place since 1974. The current scheme, including amendments, (**Appendix C**) has been in existence for over 20 years. The scheme details a number of Concurrent Functions headings under which the Parish allocates Concurrent Functions expenditure. The Parish is required to tell the Council how much they have spent under each. The grant is then paid in two instalments up to the maximum allowance. The maximum allowance consists of a 'block grant' (a set amount) and an amount per head of population.

6. The proposed Parish Services Scheme

- 6.1 The proposed Parish Services Scheme is the result of a review which began in January 2011. Throughout the review there has been consultation with parishes and the Kent Association of Local Councils. The main consultation began in August 2011 with a presentation (**Appendix D**) and question and answer session for all Parish Councils. The timetable has subsequently been amended, with the parish consultation ending on 25 November 2011. A transitional year, 2012/13, has now been agreed.
- 6.2 The proposed Parish Services Scheme (**Appendix A**) has the following aims:
- To ensure equity of council tax funded service provision between non-parished and parished areas;
 - Accountability and Transparency; and
 - To provide a mechanism to agree the local provision of services.

- 6.3 'Maidstone Borough Council (MBC) will provide funding via funding agreements for specific concurrent services provided by parishes in their area. Any service funded through this scheme will need to be assessed and meet MBC's corporate and service priorities.'

7. Concurrent Function Grant Provisions in Kent

- 7.1 Of the 11 other local authorities in Kent, three have a Concurrent Grant provision. Canterbury's grant is awarded on the basis of scoring on specific criteria as desirable or non-desirable when grants are applied for. Tonbridge and Malling's grants are allocated on population within each parish and Ashford's grants are allocated in line with the Parish Tax Base but will be cut in line with the Borough's grant cut. See table attached at **Appendix E**.
- 7.2 The Committee may wish to interview the Chairman of Wrotham Parish Council, Harry Rayner, to gain an understanding of how Concurrent Function Grants are administered in other areas.

8. Impact on Corporate Objectives

- 8.1 The Committee will consider reports that deliver against the Council's priorities:
- 'Corporate and Customer Excellence'
 - 'For Maidstone to have a growing economy'; and
 - 'For Maidstone to be a decent place to live';
- 8.2 The Strategic Plan sets the Council's key objectives for the medium term and has a range of objectives which support the delivery of the Council's priorities. The Committee's work will contribute to the delivery of these key objectives over the next year.

9. Further Information and background reading.

- 9.1 There is a wide range of information available on Concurrent Functions. This can be provided on request. Please contact Orla Sweeney on 01622 602524.