

MAIDSTONE BOROUGH COUNCIL

CABINET

19 December 2012

REPORT OF THE DIRECTOR OF REGENERATION AND COMMUNITIES

Report prepared by Ellie Kershaw

1. Parish Services Scheme Petition from Parishes

1.1 Issue for Decision

1.1.1 To consider feedback received from the Council meeting on 12 December 2012, and take action as appropriate.

1.2 Reason for Urgency

1.2.1 The budget setting timetable for parishes and the council necessitates urgent consideration of any changes affecting the Parish Services Scheme for 2013/14.

1.3 Recommendation of the Director of Regeneration and Communities

1.3.1 That the petition presented by Councillor John Perry, Chairman of Staplehurst parish council on behalf of residents living in parished areas of the Borough and the Maidstone Area Committee of the Kent Association of Local Councils, and the points made by Members during the Council debate, be considered by the Cabinet.

1.4 Reasons for Recommendation

1.4.1 At the meeting of the Council held on 12 December 2012, a petition in the following terms was presented by Councillor John Perry on behalf of residents living in parished areas of the borough and the Maidstone Area Committee of the Kent Association of Local Councils:-

"We the undersigned believe that the removal of the Concurrent Functions Grant and its replacement by the proposed Parish Services Scheme will seriously damage the provision of essential local services or lead to a significant percentage increase in the tax burden on residents of parished areas. We further believe that the proposal will cause an unfair difference in the treatment of residents between

parished and unparished areas and re-establish double taxation on Parishes that the Concurrent Functions Grant has addressed over the last 20 years or more. We call upon Maidstone Borough Council to turn away from the proposed abolition of the Concurrent Functions Grant and to continue with current arrangements (that have already been subject to cuts of more than 35% since 2010-11). Alternatively, we call upon Maidstone Borough Council to establish an alternative rating system for Parishes to reflect their lesser absorption of Borough services, while recognising that Parishes must play their part in keeping the overall standards and central services of the Borough at an acceptable level. Should Maidstone Borough Council not commit, as a matter of priority, to maintaining funding for parished areas at the current level (which is already substantially reduced), we call on our Parish Council to arrange an appropriate poll under the 1972 Local Government Act, in co-ordination with other Parishes within the Borough”.

1.4.2 During the ensuing debate a number of points were made;

- It was accepted that there was a need to review the existing Concurrent Functions arrangements, and that funding should be based on the services provided. However, Concurrent Functions funding had been cut by more than 30% already, and this was far greater than cuts to other budgets.
- Parish Councils played a fundamental role in local government and needed flexibility in decision making. The situation should be reviewed.
- It was difficult to justify cutting the funding for Parishes by more than 30%, given the underspend on the revenue budget, and then proposing what appeared to be a further 80% cut in funding.
- Parish Councils had a degree of autonomy over how they spent their money and to take this away was not in the spirit of localism.
- Parish Councils were united in their opposition to the change in arrangements and disappointed about the way in which the negotiations had been conducted taking into account the good working relationship which had been fostered between the Borough and Parish Councils over many years. It should have been possible to negotiate amendments to the current framework and make budgetary savings.
- The Borough Council’s Concurrent Functions Scheme had been regarded as an exemplar, but times had changed and the Scheme was now in need of some amendment.
- At a time when local Councils were being provided with more flexibility, with an emphasis on devolution and localism, the narrowing of the Scheme went against the thrust of government policy.

- The new Scheme was narrow in what it included and there was a risk that full value for money for both the Borough and Parish Councils would not be achieved.
- It was now necessary to draw a line under the past, and move forward to design a Scheme worth having for residents, Parishes and the Borough Council.
- The scale of the reduction in funding for individual Parishes was unacceptable. Parish Councils had their accounts audited and could demonstrate how their funds were spent.
- Further discussions were required to sort out the misunderstandings which had arisen and the misinformation. For example, it should be made clear that Parishes would not be bidding against each other and that the new Scheme was designed to avoid double taxation.
- In the current economic climate, a Scheme was needed which was clear and transparent and which would work for the benefit of all residents of the Borough.
- Further clarification was required as to the services that the Borough Council would fund.
- Although the new Scheme would recompense Parish Councils for any service they carried out that the Borough Council would otherwise perform, any extra service or standard above that which the Borough would provide would need to be funded through the Parish precept, and this could cause problems for smaller Parishes.
- The intention was to introduce a system that was fair to all residents of the Borough and to provide it in a simple, transparent and accountable manner.
- The decision had been made to delay the introduction of the new Scheme until 2013/14 to provide a transitional period for Parish Councils to review their services and options.
- In the present economic climate, the existing Concurrent Functions Scheme was unaffordable.
- It was recognised that the entire process relating to the introduction of the new Parish Services Scheme had been very difficult. However, the national economic picture was grim and it was known that in the Comprehensive Spending Review 2014/15 there would be further cuts in local government funding. All three tiers of local government had to think differently about how they administered their finances, directed resources and prioritised.
- Overall, it was considered that the new Parish Services Scheme was the way forward. There was no statutory requirement upon District Councils to make funding available to Parish Councils, but the new Scheme recognised the needs of Parish Councils and that they carried out services that the Borough Council would otherwise perform.

- There were concerns that could be overcome. Parish Councils should engage with the Officers to identify their funding requirements and priorities.

1.4.3 It was suggested that the petition and the points raised in the debate should be referred to the Cabinet as a whole rather than to the relevant Cabinet Member. The Leader of the Council accepted this change.

1.4.4 In response to the petition and the debate at the council meeting the following points of clarification are provided:

1.4.5 The decision to implement the Parish Services Scheme was made to provide equity of service across parished and non parished areas. The funding test that is being applied is 'in the absence of the parish, would the borough provide this service?' This is in keeping with the 1972 Local Government Act which 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.** There has never been any question of parishes bidding either against each other or against non parished areas for funding; the level of funding is determined solely according to the services each parish provides that are recognised under the scheme.

Maidstone borough council is accountable to all the borough's residents for the way in which it allocates expenditure. However, the council has confirmed that local standards can be set by parishes and the funding from the parish services scheme can be moved between the services that are agreed with each parish. Any service above the standard funded by the council across the borough should be funded through parish precept.

Throughout the implementation period, officers have sought to engage with each parish and have provided regular updates to all parishes, including issues raised at individual meetings and the responses to them. Despite offering to meet with each parish to discuss their individual circumstances this offer was taken up by less than 50% of Parish Councils. Following the meetings that were held, question and answer lists were provided to all parishes.

One of the issues raised by the parishes that met with officers was about green space funding as many of them have no land that is owned by the borough council. In response to this concern and in the spirit of equitable provision, a calculation for funding a proportion of green space was developed, based on the aspirational provision within the Green Space Strategy. This does not distinguish between land that is owned by the borough council or by a parish.

A similar issue has been raised regarding street lighting. This remains unresolved at this time, although contact has been made with Kent Council Council as the highway authority with an offer to support all affected parishes in a discussion regarding funding with KCC.

1.5 Alternative Action and why not Recommended

1.5.1 Cabinet could choose not to debate the subject further. However, this would be in contravention of the recommendation from Council.

1.6 Impact on Corporate Objectives

1.6.1 This relates to the priority 'Corporate and Customer Excellence' and the outcome 'Effective, cost efficient services are delivered across the borough' as well as the priority 'For Maidstone to be a decent place to live'.

1.7 Risk Management

1.7.1 There is a risk that the parishes will choose to undertake a parish poll, even though the results of the poll are not binding. This risk will be mitigated by continuing efforts to engage with those parishes that have not yet engaged in the process to establish funding requirements.

1.8 Other Implications

1.8.1

1.	Financial	X
2.	Staffing	
3.	Legal	X
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

1.8.2 The amount of funding provided under the Parish Services Scheme will impact on the amount required in the Medium Term Financial Strategy. Finalising the total requirement is critical to ensure the budget setting timetable is adhered to.

1.8.3 Guidelines for concurrent functions funding are set out in the Local Government Act 1972.

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected:

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