

**CABINET**  
**05 DECEMBER 2019**

**GENERAL ASSEMBLY OF THE COUNCIL**  
**13 JANUARY 2019**

**FINANCIAL CONTRIBUTIONS TO PARISH AND TOWN COUNCILS 2020/21**

1. Summary

To agree the level of financial contributions to be paid to Parish and Town Councils in 2020/21

2. RECOMMENDATIONS TO CABINET

- 2.1 That the following contributions be made to Parish and Town Councils to compensate for lost council tax income in local areas for the introduction of the council tax support scheme:

Bean	334
Darenth	1,923
Longfield	631
Southfleet	198
Stone	7,021
Sutton at Hone and Hawley	1,737
Swanscombe and Greenhithe	14,435
Wilmington	1,317

- 2.2 That the contributions be made subject to the Parish and Town Councils submitting suitably analysed details of estimated net expenditure for the ensuing year by 31 January each year, and actual net expenditure for the preceding year no later than six months after the end of each financial year, in a format prescribed by the Council.
- 2.3 That the payments be made in two equal instalments; the first on 30 April (or next working day) and the second, the latter of 30 September (or next working day) or seven days following receipt of the Parish or Town Councils' 2019/20 accounts, certified as correct by their Clerks.
- 2.4 That the Council continues to operate the Capacity Building Fund and makes a contribution of £40,000 into the fund in 2020/21
- 2.5 That the Managing Director, in consultation with the Leader and Deputy Leader of the Council, be granted delegated authority to agree the Capacity Building Fund bidding criteria and approval of awards through a Grants Panel process.

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2.6 RECOMMENDATION TO GENERAL ASSEMBLY OF THE COUNCIL

- 2.6.1 That the proposed contributions to Parish/Town Councils, be part of the overall budget, subject to formal approval at the 24 February 2020 Budget meeting.

3. Background and Discussion

- 3.1. Since 1 April 1974, the Council has made an annual contribution under Section 136 of the Local Government Act 1972 towards the expenses incurred by Parish/Town Councils for certain services which may be provided by both the Borough Council and the Parishes/Town Councils, i.e. concurrent functions.
- 3.2. It is important that Parish/Town Councils receive sufficient notice of the Council's plans in this area in order to set their own budgets and Council Tax levels.
- 3.3. The Section 136 contribution was set at a total of £17,354 in 2018/19.
- 3.4. The Council also provided funding to Parishes/Town Councils following the introduction of the Council Tax Support Scheme. The amount received by Parishes/Town Councils in relation to this was £27,596 (in total) in 2019/20. Initially the Council received a separately identifiable grant element for this but now any remaining funding is unidentified. Any distribution of funding to Parish and Town Councils is at the discretion of the Borough Council, which has been pleased to support the Parish/Town Councils in this way.
- 3.5. The Council also set aside £40,000 in 2019/20 within the Capacity Building Fund in order to assist Parish and Town Councils to become less reliant on core funding from the Council and to explore innovative ways of working.
- 3.6. In 2019/20 the Council's revenue support funding stopped.
- 3.7. Given this cessation it is not feasible for the Council to continue to make the same level of funding available to Parish/Town Councils. It is proposed that the [Borough] Council share the burden of the grant reduction and therefore the annual contribution under Section 136 of the Local Government Act 1972 should be removed.
- 3.8. The commitment to funding the impact of the Council Tax Support Scheme continues and the funding for this has been retained at the same level.

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- 3.9. It is also proposed to continue the Council's commitment to the successful Capacity Building Fund grants at the same level of £40,000 (in total). The grants will continue to assist Parish and Town Councils to become less reliant on core funding from the [Borough] Council and to explore innovative ways of working.
- 3.10. Overall total contributions will reduce by 20%.
- 3.11. Given that Revenue Support Grant has ended, it is likely that further adjustments will be applied going forward so that funding to Parish and Town Councils fully reflect the reductions in grants received to date.
- 3.12. The effect of the cessation of core Section 136 funding, the continuation of Council Tax Support Grant and Capacity Building Fund for 2020/21 is shown in Appendix A.

4. Relationship to the Corporate Plan

The contribution by the Council assists Parishes and Town Councils to provide high quality services that reflect public aspirations and to ensure that public and open spaces are clean and safe.

5. Financial, legal, staffing and other implications and risk assessments

Financial Implications	The total sum payable by the Council to Parish and Town Councils in 2020/21 will be £27,596. In addition, the Council will continue to operate the Capacity Building Fund and make a contribution of £40,000 into the fund.  Overall, the reduction in total funding is £17,354.
Legal Implications	Section 136 of the Local Government Act 1972.
Staffing Implications	None
Administrative Implications	None
Risk Assessment	No uncertainties and/or constraints

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6. Details of Exempt Information Category

Not applicable

7. Appendices

Appendix A - Amounts payable to Parish and Town Councils in 2020/21

**BACKGROUND PAPERS**

<u>Documents consulted</u>	<u>Date / File Ref</u>	<u>Report Author</u>	<u>Section and Directorate</u>	<u>Exempt Information Category</u>
Parish Accounts		Tim Sams (01322) 343148	Financial Services/ Internal Services	N/A