

BROMSGROVE DISTRICT COUNCIL

CABINET

24TH SEPTEMBER 2014

ALLOCATION POLICY RE GRANT FUNDING TO WARD MEMBERS

Relevant Portfolio Holder	Cllr Michael Webb
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering – Executive Director Finance and Resources
Wards Affected	All
Ward Councillor Consulted	Yes

1. SUMMARY OF PROPOSALS

- 1.1 This report proposes the policy to distribute funds to ward members to utilise within a ward budget scheme as approved at the Council meeting on 26th February 2014.
- 1.2 The proposed scheme will enable the allocation of the £45k funds received by the Council as part of the Government settlement for 2014/15 in relation to the impact on Parish Councils from the Council Tax Support Scheme to be allocated across the District via ward members.

2. RECOMMENDATIONS

It is proposed that Cabinet RECOMMEND

- 2.1 Members note the decision of 26th February 2014 to allocate the sum of £45,000 equally to ward councillors to spend within their wards and in the context of this more detailed report confirm this and their agreement to the introduction of the Bromsgrove District Ward Members Fund Policy detailed in Appendix 1.
- 2.2 That delegation is given to the Executive Director of Finance and Resources to approve requests and make the formal payments in relation to the allocation of funds.

3. KEY ISSUES

Financial Implications

- 3.1 Members will be aware that in 2013/14 £52k was allocated by Central Government to mitigate the impact of the changes to Council Tax support for Parish Councils. Following approval by Council £40k of this was distributed to Parish Councils in 2013/14 to fund the actual impact

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arising from the changes. The remaining £12k was used to fund projects in non parished areas eg Town Centre bridge repairs.

- 3.2 In 2014/15 the Government stated that the parish grant would continue to be included in the Settlement but there would be no separate amount detailed to show the actual figure. An estimate of £45k (from the prior year £52k) was made to reflect the overall reduction in Grant Settlement for 2014/15 for the District. This figure represented the amount that would be due to Parish Councils to cover the shortfall in Council Tax income as a result of the changes to the Discount Scheme. Without the funding Parishes may have to further increase their precepts to offset the shortfall.
- 3.3 As members will be aware this sum was identified within the Medium Term Financial Plan agreed by Council in February 2014 as £45,000.
- 3.4 At the meeting of the Cabinet on 26th February members chose to discuss how this amount could be allocated and this resulted in a recommendation to Council on 26th February 2014. Members discussed this proposal at Full Council and approved that the funds would be allocated equally across all members to undertake projects within their wards that would benefit the residents and wider community and help deliver the Councils strategic purposes. This would mean that the parishes would not receive this additional funding to support the loss of council tax in the parish.
- 3.5 Members are advised that this decision has not yet been implemented as it was felt that a more detailed proposal detailing the mechanism by which this fund allocation could be achieved required member approval
- 3.6 Ward members funds are intended to enhance ward councillors' community leadership role and to support the strategic purposes of Bromsgrove District. Ward members funds are intended to provide ward councillors with a dedicated and flexible resource with which to address specific local priorities.
- 3.7 The total per member would be £1,155 (£45,000 / 39) for use in 2014/15. The funding will need to be spent before the end of the current financial year.
- 3.8 There are a number of options that could be available for members in the use of the funds :
 - Individual allocation – if there is a specific project/s that a ward member wishes to fund the allocation of £1,155 will be paid over to the organisation that is providing the project.

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- Pooled ward funds - It is anticipated that ward members will have the ability to “pool” their resources to provide more financial support towards a particular scheme. This may be within a ward and will need approval from each ward councillor
- Pooled funds across wards/ boundaries – the pooling of funding can be across ward boundaries as long as there is evidence that there is a need for a particular project/ service across the wards. Again this will have to be approved by each member involved;
- Where relevant, funding to be pooled across parishes to support wider parish initiatives

3.9 It is proposed that the Executive Director of Finance and Resources following consultation with the Portfolio Holder for Finance assess the merits of each request against the strategic purposes of the Authority and agree the payments for the projects proposed. Appendix 1 details the draft policy and procedures that will be followed for agreement and payment of funds for members consideration.

Legal Implications

3.10 The scheme as proposed complies with relevant legislation. Members will be aware that the DCLG Minister Brandon Lewis wrote to local authorities in initially in January 2014 and again in February 2014 on the issue of localised council tax support. Specifically the minister reminded local authorities that it was the government’s intention that part of the funding provided to local authorities in respect of localised tax support should be passed down to parish and town councils. Copies of both of the letters are attached for members reference at Appendix 2 & 3. Officers have considered the contents of the letter and the written ministerial statement made to Parliament on 5th February 2014. However, whilst the minister has articulated a view this does not have the effect of legally binding the Council to distribute the money to Parishes. To do this would have required the government to enact specific legislation which it did not do. Whilst the vast majority of local authorities have distributed the monies to parishes, there are a small minority of Councils (15 Councils - per National Association of Local Councils) who have chosen to proceed with alternative schemes.

Service / Operational Implications

3.9 There are no specific service operations as the funds are to be requested and utilised by the ward members.

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Customer / Equalities and Diversity Implications

- 3.10 It is assumed that the funding will be used by ward members to support projects for their residents and community.

4. RISK MANAGEMENT

- 4.1 The risks identified in relation to legal challenge of the principle of allocating the funds to ward councillors are set out at 3.8 above. In addition there is a risk that approving an alternative scheme for distributing the funds which does not reflect the original intention of the grant, will result in a detrimental impact on the relationship between the Parishes and the District Council.

5. APPENDICES

Appendix 1 – Proposed Bromsgrove District Ward Members Fund Policy

Appendix 2 – Letter from Brandon Lewis MP dated 6 January 2014

Appendix 3 – Letter from Brandon Lewis MP dated 21 February 2014

6. BACKGROUND PAPERS

Written statement to Parliament: Final local government finance statement 2014 to 2015

7. KEY

N/A

AUTHOR OF REPORT

Name: Jayne Pickering

E Mail: j.pickering@bromsgroveandredditch.co.uk

Tel: [01527 881207](tel:01527881207)