

Subject: Parish Grants Review Update

Report to: ELT - 29 November 2022
Policy and Resources Committee - 6 December 2022

Report by: Finance Director



SUBJECT MATTER/RECOMMENDATIONS

This report sets out the current levels of parish grants provided by the Council and makes recommendations for the level of grants for the 2023/24 financial year.

It is recommended that Policy and Resources Committee:

- 1) Note the level of financial support provided to parish councils;
- 2) Approve the removal of the Local Council Tax Support Grant of £25,003 for 2023/24;
- 3) Approve the removal of the concurrent function grants for bus shelters in 2023/24 of £8,714;
- 4) Agree to establishment of a small working group to review the Burial Grounds and Parks and Open Spaces element of the Concurrent Function Grants with no changes to these elements proposed for 2023/24, but to review in line with the criteria of grants as outlined in section 2.1 and 2.2 of the report for concurrent function grants.

1. Introduction and Background

- 1.1. As part of a previous budget approval it was agreed that a review of concurrent function grants should be carried out. As part of the review, all support to parishes has been included.
- 1.2. The setting of the annual council tax reflects the parish precepts as set by the Parish Councils. In order to inform the setting of the parish precepts, the parish councils should have regard to the level of concurrent function grants and therefore any change to this can be taken into account.
- 1.3. Parish Councils within the borough currently receive financial support from the Borough Council through a number of ways in the form of discretionary grants. At a time when the Council faces significant financial pressures, all areas of discretionary spend should be subject to review.
- 1.4. Parishes receive grants in the form of concurrent function grants and local council tax support grants. In addition, as reported to the Housing and Neighbourhoods committee in September 2022 from the Playground and Open Spaces Audit report the Council maintain a number of playground and open space areas across parished areas which fall outside of the concurrent grants and are funded by the Borough Council.

2. Current System – Concurrent Function Grants (CFG)

- 2.1. The criteria for concurrent functions are that they are services which can be carried out by the Borough Council but are also within the statutory remit of a parish council where these exist. These will cover services that are provided in some parts of the borough by the borough council and in others part of the borough by a parish council. Where this occurs parish

taxpayers may be charged twice, for example within the parish charge and the borough council charge.

- 2.2. The services are discretionary in nature to whoever carries out the function. To avoid 'double taxation' (where a service which could be provided by either the Borough Council or a parish council is financed from the parish precept in a parished area and by the Borough Council in non-parished areas with no corresponding reduction in Council Tax for the parished areas) the Borough Council provides a scheme of whereby a grant is provided to parish/town councils in the borough for use by these councils against concurrent function expenditure.
- 2.3. Concurrent grants are paid to 19 of the 21 parishes in the borough and total £142,313 for 2022/23. Appendix A provides a breakdown of the parish grants for 2022/23 for each of the parishes for each of the following functions:
 - 2.3.1. Burial Grounds £34,074
 - 2.3.2. Beach Cleaning £9,240
 - 2.3.3. Parks and Open Spaces £90,285
 - 2.3.4. Bus Shelters £8,714
- 2.4. The cost of the grants of £142,313 is a cost the general fund budget and across the tax base equates to an average band D charge of £4.85 per annum to all parished and non parished areas. The level of grants paid are historic in nature.
- 2.5. When asked previously to confirm the actual amount Parish Councils use of the grants towards the function and whether the function covers the full cost of the service, the responses in the whole suggested that the grants covered the costs or at least contributed to the costs. Some detail was previously provided detailing the areas of spend under each of the categories. Supporting evidence of the payments has not been requested at this stage, although this could be requested as part of a further review but would require additional resources to be allocated to gather the information to inform further review.
- 2.6. Funding for parishes can come from other sources in addition to precepts and grants, for example chargeable fees. Without full access to the parish budgets, the proportion of spend that is funded by concurrent function grants is not known, depending on the functions funded, this will vary. For example, Caister set a precept of £136,013 in 2022/23 and received a grant of £2,550 (2% of the precept amount), in comparison, Thurne set a precept of £1,120 and received a grant of £1,440 (129% of the precept amount). Appendix B provides the details of the precepts for 2022/23 along with the tax base (and band D) and grants for the 2022/23 year.

3. Play Areas

- 3.1. As mentioned in the previous report to Housing and Neighbourhoods Committee, the Council provide the maintenance of a number of parks and open spaces including playgrounds. These fall outside of the concurrent function grants and maintained by the borough council i.e., for the replacement of equipment. Of the 19 receivers of CFG, 14 play areas (under the ownership of the parish) are maintained by the borough council with no recharges to the parish.
- 3.2. There is clearly inequity in the current system of grant awards and support for concurrent functions.

4. Local Council Tax Support Grant

- 4.1. Concurrent Functions grant is not the only grant the Council provides to the parish councils. The Council also provides a Local Council Tax Support (LCTS) grant to each of the parishes. The grant compensates for the loss of council tax income from those properties in receipt of Local Council Tax Support and was introduced when the LCTS scheme was introduced and originally funded from central government grant, which the Council passed down to Parish Councils. The grant from

central government has now ended, as such the Council now funds the LCTS grant to parishes from its own locally raised budget e.g. council tax and retained business rates.

- 4.2. The Council has continued to pass on the grant to the parishes with small annual reductions with the funding allocated to parishes totalling £25,003 for 2022/23 for LCTS, this equates to an average band d charge of £1.52 for a parish charge.
- 4.3. As the Council is no longer funded for the parish element of LCTS and as a precepting authority it is fair that the parish fund the impact of LCTS and therefore it is recommended that the LCTS support grant is passed down to the parish councils from 2023/24 onwards.

5. Proposals

- 5.1. The funding to the parishes through discretionary grants should be subject to review, taking into account that increases to council tax for the billing authority are capped. Options available for the future provision of support for parishes are outlined below, this has been separated between recommendations for the Local Council Tax Support and those for the Concurrent Function Grants.
- 5.2. LCTS Grants – Two options are available for these grants, to continue or to end. Continuing with the grants means that the parishes continue to be protected from the impact of the LCTS scheme which has now been in operation for 10 years. As a precepting body, the parishes like the borough are faced with risks around the impact on the tax base of changes in the demand for discounts. As the funding is no longer allocated to the Borough Council it is recommended that the LCTS grant is removed from 2023/24.
- 5.3. Concurrent Function Grants – Any changes to the allocations of CFGs for the future financial years could even with notice have an impact on the budget/precepting process for the parishes. Early notice of these even for 2024/25 can provide time for the parishes to take informed decisions in setting the precepts for the coming financial year for 2023/24. Any proposals for changes would be phased over a number of budget cycles to allow transition.
- 5.4. The proposals for change are set out below:
- 5.5. **Beach Cleaning** – It is recommended that these continue as there will be beach cleaning in the non parished areas for comparison.
- 5.6. **Burial Grounds** – Further review of these areas are required including arrangements for closed churchyards and maintenance of any that fall to the responsibility of the Borough Council in the non parished areas.
- 5.7. **Bus Shelters** – These are provided to seven parishes only and is recommended that these are removed from 2023/24 as no provision is made for maintenance of these in non parished areas.
- 5.8. **Parks and Open Spaces** – As the most significant area of CFG spend of £90,285 this needs further review and understanding of the responsibility for the functions that are funded by the CFG. As flagged in the Playground and Open Space Audit completed earlier this year there are play areas within Parish areas which are maintained by the Borough Council with no recharges made, therefore an inequity in provision. Of the 18 parishes currently receiving a CFG for Parks and Open Spaces 14 have playground provisions where the Council are providing some level of maintenance, duplication of support. Those not maintained are Hopton, Mautby, Orm St Michael and Winterton.
- 5.9. **Special Expenses** – The Local Government Finance Act 1992 allows for different amounts of Council Tax to be calculated for different areas i.e., parished and non parished areas, of a borough, depending on whether any, special items relate to those parts. A special item is an item (service)

which relates only to part of the district council's area. The areas of Gorleston and Great Yarmouth are unparished and make up 44% (12,876) of the tax base (of the 2022/23 taxbase total of 29,344).

- 5.10. Any special expense that is charged forms part of the Councils council tax bill and is included within the referendum limits, ie within the 3% for 2023/24. For example, subject to the referendum limits for 2023/24 which would allow a maximum increase to a band D of £5.28, the introduction of a special expense of £1 would mean that the Borough Council's Band D charge could only increase by £4.28, with the £4.28 being chargeable over the total tax base and £5.28 (£4.28 plus £1 special expense) being chargeable over the non parished areas. This would result in a small reduction in the amount of council tax collected, however as there is an increase in tax base growth in the un parished areas, the introduction of special expenses provides an opportunity to provide greater equity in the funding of costs in the unparished areas.
- 5.11. To inform the introduction of special expenses, the items to be charged for would need to be considered, for example these may be different between Great Yarmouth and Gorleston depending on service provision. Equally the administration of the special expenses would need to be taken into account. These should all be considered as part of the wider review on the parks and open spaces element of the CFG to come forward in 2023/24.

6. Financial and Risk Implications

- 6.1. As the Council continues to face budgetary challenges, it must look at all spending areas to identify efficiencies and savings.
- 6.2. Under the operating arrangements of the collection fund, shortfalls in the collection of council tax in respect of the parishes will fall to the billing authority. Unlike the major preceptors (Police and Norfolk County Council) who each cover their respective shares of shortfall in collection, the billing authority is required to cover both parish and billing element thereby protecting the parishes.

Area for consideration	Comment
Monitoring Officer Consultation	
Section 151 Officer Consultation	
Existing Council Policies	See background papers
Financial Implications eg within existing budgets or funding identified	
Legal Implications (including human rights)	
Risk Implications	
Equality Issues/EQIA assessment (if EQIA not required explain why)	
Details contained in strategy	
Crime & Disorder	
Every Child Matters	

Appendix A

Parish	Local Council Tax Support	2022/23 Concurrent Function Grant				TOTAL
		Burial Grounds	Beach Cleaning	Parks & Open Spaces	Bus Shelters	
Ashby Parish Council	£0	£0	£0	£0	£0	£0
Belton with Browston Parish Council	£2,672	£0	£0	£12,950	£0	£12,950
Bradwell Parish Council	£2,933	£1,215	£0	£14,180	£1,015	£16,410
Burgh Castle Parish Council	£420	£1,050	£0	£1,550	£0	£2,600
Caister Parish Council	£6,887	£0	£0	£2,550	£0	£2,550
Filby Parish Council	£143	£1,450	£0	£3,400	£150	£5,000
Fleggburgh Parish Council	£259	£2,300	£0	£1,240	£0	£3,540
Fritton Parish Council	£105	£550	£0	£0	£0	£550
Hemsby Parish Council	£1,011	£5,800	£5,000	£9,750	£5,899	£26,449
Hopton Parish Council	£1,828	£1,000	£0	£500	£0	£1,500
Martham Parish Council	£3,410	£3,800	£0	£11,400	£200	£15,400
Mautby Parish Council	£67	£2,187	£0	£1,250	£0	£3,437
Orm St Margaret Parish Council	£2,833	£7,500	£3,000	£15,000	£0	£25,500
Orm St Michael Parish Council	£70	£850	£0	£3,000	£0	£3,850
Repps-with-Bastwick Parish Council	£284	£0	£0	£4,411	£0	£4,411
Rollesby Parish Council	£341	£1,300	£0	£1,900	£200	£3,400
Somerton Parish Council	£21	£760	£0	£1,025	£250	£2,035
Stokesby Parish Council	£176	£812	£0	£1,919	£0	£2,731
Thurne Parish Council	£45	£900	£0	£540	£0	£1,440
West Caister Parish Council	£0	£0	£0	£0	£0	£0
Winterton Parish Council	£1,498	£2,600	£1,240	£3,720	£1,000	£8,560
	£25,003	£34,074	£9,240	£90,285	£8,714	£142,313

Appendix B

Parish	2022/23 Tax Base	Parish Precept 2022/23	BAND D (Per Annum) Precept	Burial Grounds	Beach Cleaning	Parks & Open Spaces	Bus Shelters	TOTAL CFG	CFG as % of Precept
Ashby Parish Council	23	£0		£0	£0	£0	£0	£0	
Belton with Browston Parish Council	1,128	£44,797	£39.71	£0	£0	£12,950	£0	£12,950	29%
Bradwell Parish Council	3,836	£51,142	£13.33	£1,215	£0	£14,180	£1,015	£16,410	32%
Burgh Castle Parish Council	452	£10,506	£23.24	£1,050	£0	£1,550	£0	£2,600	25%
Caister Parish Council	2,814	£136,013	£48.33	£0	£0	£2,550	£0	£2,550	2%
Filby Parish Council	342	£10,857	£31.75	£1,450	£0	£3,400	£150	£5,000	46%
Fleggburgh Parish Council	408	£7,320	£17.94	£2,300	£0	£1,240	£0	£3,540	48%
Fritton Parish Council	261	£7,685	£29.44	£550	£0	£0	£0	£550	7%
Hemsby Parish Council	1,461	£91,048	£62.32	£5,800	£5,000	£9,750	£5,899	£26,449	29%
Hopton Parish Council	1,068	£30,131	£28.21	£1,000	£0	£500	£0	£1,500	5%
Martham Parish Council	1,239	£59,869	£48.32	£3,800	£0	£11,400	£200	£15,400	26%
Mautby Parish Council	143	£4,143	£28.97	£2,187	£0	£1,250	£0	£3,437	83%
Orm St Margaret Parish Council	1,734	£75,285	£43.42	£7,500	£3,000	£15,000	£0	£25,500	34%
Orm St Michael Parish Council	115	£4,915	£42.74	£850	£0	£3,000	£0	£3,850	78%
Repps-with-Bastwick Parish Council	155	£6,149	£39.67	£0	£0	£4,411	£0	£4,411	72%
Rollesby Parish Council	351	£10,000	£28.49	£1,300	£0	£1,900	£200	£3,400	34%
Somerton Parish Council	114	£2,086	£18.30	£760	£0	£1,025	£250	£2,035	98%
Stokesby Parish Council	119	£5,447	£45.77	£812	£0	£1,919	£0	£2,731	50%
Thurne Parish Council	52	£1,120	£21.54	£900	£0	£540	£0	£1,440	129%
West Caister Parish Council	74	£0	£0.00	£0	£0	£0	£0	£0	n/a
Winterton Parish Council	579	£37,517	£64.80	£2,600	£1,240	£3,720	£1,000	£8,560	23%
	16,468	£596,030		£34,074	£9,240	£90,285	£8,714	£142,313	
GY and Gorleston	12,876								
	29,344								

