

Executive Report

Wards affected: Ash South and Tongham, Ash Vale, Ash Wharf, Clandon and Horsley, Effingham, Lovelace, Normandy, Pilgrims, Pirbright, Send, Shalford, Tillingbourne and Worplesdon

Report of Director of Resources

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PARISH COUNCILS – CONCURRENT FUNCTIONS GRANT AID APPLICATIONS FOR ASSISTANCE 2022-23

Executive Summary

The Council's concurrent functions grant aid scheme provides financial assistance to parish councils. Concurrent functions are services which both the Borough Council and the parish councils are empowered to undertake.

The Executive is asked to approve the budget for 2022-23 at this time because the parish councils need to be aware of the level of grant aid available to them so that they can build the sums into their budget calculations for the coming year. They will fix their budgets and precept requirements for 2022-23 in December and early January, enabling this information to be included in the Guildford Borough Council's final budget approval process in February 2022.

Parishes were asked to complete a detailed application form and written estimate for each project and identify how the project meets at least one of the five fundamental themes within the Council's corporate plan. We have received 33 requests from 17 of the 23 active parish councils totalling £97,828. A panel of officers have evaluated the bids. One bid was subsequently retracted by the Parish, the bids brought forward for approval total £97,109, which is £7,109 over the base budget of £90,000, it is requested that the remaining balance be met from the Parish Council Urgent Schemes Reserves to achieve a balanced budget.

Recommendation to Executive

That the Executive approves

- (i) the grant budget for 2022-23 at £90,000, subject to final confirmation at budget council in February 2022.
- (ii) Future years' budget from 2023-24 be reduced to £60,000 as per

- (iii) recommendation from the Director of Resources.
- (iii) the parish council requests for grant aid for 2022-23, as set out in Appendix 3 to this report.
- (i) the remaining balance of £7,109 be met from the Parish Council Urgent Schemes Reserve.

Reasons for Recommendation:

- (i) to assist parish councils with expenditure on concurrent function schemes in 2022-23.
- (ii) to enable parish councils to take account of financial assistance from Guildford Borough Council when calculating their precept requirements for 2022-23.

1. Purpose of Report

- 1.1 This report gives details of the applications from parish councils for financial assistance through the concurrent functions grant aid scheme in 2022-23. The parish councils will include all grants recommended for approval in their precept calculations for the 2022-23 financial year.

2. Strategic Priorities

- 2.1 As part of the bidding process, we asked parishes to indicate how their project(s) meet one of the five fundamental themes within the Council's corporate plan. In all cases, the projects meet at least one of the five themes.

3. Background

- 3.1 The Council's concurrent functions grant aid scheme provides financial assistance to parish councils. Concurrent functions are services which both the Borough Council and the parish councils are empowered to undertake. The policy relating to the operation of the scheme was last updated in 2019-20 and is summarised in **Appendix 1**.
- 3.2 In 2018-19 the minimum grant request was amended to £500, this was having an adverse effect on smaller Parish Councils who rely on the grant. Therefore it was been agreed by the Director of Resources, in conjunction with the Lead Councillor for Resources to reduce this amount to £200 with effect from 2019-20 grant applications.
- 3.3 Parish council tax payers pay more than Guildford town centre tax payers. They contribute towards facilities and services provided throughout the Borough as well as additional facilities provided by the Parish on their behalf. For example, the Parish pays for the upkeep of their own play areas, as well as those for which the Borough is directly responsible e.g. Sutherland Memorial Park. The purpose of the CFGA scheme is essentially to address this 'double-rating' element.
- 3.4 It is important to note that the Parishes only receive a maximum of 50% in grant aid towards any projects (the % is lower for any schemes over £10,000). The

balance has to be funded from their precept. Therefore, the Parishes need to carefully consider their priorities and spending needs when submitting bids. The parishes vary considerably in size, tax base, responsibilities for service provision etc. They are autonomous bodies and each will have its own priorities.

- 3.5 The tax payers in the Parishes also pay towards the annual provision for concurrent functions grant aid as included in the Borough's budget (the cost is included in the basic Borough council tax levy).
- 3.6 The parish councils need to be aware of the level of grant aid available to them so that they can build the sums into their budget calculations for the coming year. They will fix their budgets and precept requirements for 2022-23 in December and early January, enabling this information to be included in the Borough Council's final budget approval process in February.
- 3.7 Parishes have two years to complete the works. In exceptional circumstances, the Director of Resources, in conjunction with the Lead Councillor for Resources, are authorised to agree a one-year extension. In 2020-21, 1 project totalling £110 was authorised for a one-year extension.
- 3.8 In 2012-13, an amendment to the scheme was made to allow monies to be retained in a reserve and available for applications for urgent schemes during a financial year. In 2020-21, a net amount of £10,414 was transferred from this reserve as a result of grant amounts in excess of budget (£1,889) as agreed Executive November 2019 and amounts (£8,525) that were either not used, as schemes were out of time, or were delivered within the estimated cost. To date, 47 applications have been made for urgent assistance. The opening balance of this reserve at the start of 2022-23 is expected to be £55,328.55 and after the requested transfer of £7,109, urgent scheme requests received in year and contribution for unspent grants the closing balance is estimated to be £44,219.
- 3.9 The Executive is asked to consider the applications for grant aid for 2022-23. We have received 33 requests from 17 of the 23 active parish councils. A panel of officers namely, the Parks Development Officer, Principal Planning Officer, S106 Officer and Specialist Finance Capital & Assets assessed the bids to ensure compliance with both the scheme criteria and the Council's wider policy objectives, and in the light of the budget available. The panel referred back to the parish council concerned any queries raised and obtained satisfactory responses in all cases. Grant aid towards the requests totals £97,109, in order to bring this figure within the £90,000, the officers request that the remaining £7,109 be met from the Parish Council Urgent Schemes Reserves.
- 3.10 Concurrent Functions grant is not the only grant the Council provides to the parish councils. The Council also provides a grant called the Local Council Tax Support (LCTS) grant. The grant compensates for the loss of council tax income from those properties in receipt of Local Council Tax Support. The grant was introduced when the LCTS scheme was introduced and originally funded from central government grant, which the Council passed through to Parish Councils. The grant from central government has now ceased, as such the Council now funds the LCTS grant to parishes from its own locally raised taxes (e.g. council

tax and retained business rates). The total of LCTS grant to parishes for 2022-23 is proposed to be £92,291 (see **Appendix 4**). This is the same as the LCTS grant paid in 2021-22.

4. Consultations

- 4.1 All parish councils were invited to bid for concurrent functions grant aid
- 4.2 All councillors within affected wards have been consulted and all responses have been supportive

5. Executive Advisory Board comment

- 5.1 The Executive advisory board has not been consulted about this report.

6. Equality and Diversity Implications

- 6.1 There are no equality and diversity implications as a result of this report

7. Financial Implications

- 7.1 The financial implications are set out throughout the report.

8. Legal Implications

- 8.1 The Local Government Act 1972 (s.136) empowered the Borough Council to contribute towards expenditure on concurrent functions i.e. functions exercisable by both the Parishes and/or the Borough. Although the grant was discretionary when introduced, the provisions of the Local Government Finance Act 1992, required local authorities to consider their treatment of special expenses (section 35(2)(d)). In 1993, following consultation with the Parish Councils, the Council decided its policy of not treating any of the Borough's expenditure as special expenses be continued and that the cost of all services be charged equally to all Council Tax payers with financial assistance continuing to be offered to the Parishes via the Concurrent Functions Grant Scheme. The Concurrent Functions Grant Aid scheme, which has been operating since 1975, is an appropriate arrangement for dealing with the issues arising from concurrent functions (services which both the Borough Council and the Parish Councils are empowered to undertake). The scheme is a clear and fair way for grants to be distributed to support parish council activities, based upon pre-determined criteria.
- 8.2 The Council has general powers to make grants of the type referred to in the report. The annual base budget provision for the scheme was fixed at £90,000 by the Executive in November 2017.
- 8.3 The grant award recommendations are based on the current scheme policy set out at Appendix 1. The functions referred to are concurrent.

9. Human Resource Implications

- 9.1 There are no human resource implications as a result of this report

10. Summary of Options

- 10.1 The Executive is asked to approve the budget for 2022-23 at this time because the parish councils need to be aware of the level of grant aid available to them so that they can build the sums into their budget calculations for the coming year. Any delay in approving the budget would affect the parish councils' ability to fix their budget and precept requirement for 2022-23 at the appropriate time to be included in Guildford Borough Council's final budget approval process in February 2022.

11. Conclusion

- 11.1 The level of requests from parish councils for concurrent functions grant aid has exceeded the budgetary provision and it is necessary to determine a method to address this. Following adoption of a suitable method, the report recommends that the budget for 2019-20 is set at £90,000 to accommodate all the successful bids and that the base budget reduces to £60,000 for future years with a minimum grant of £200 for each scheme..

12. Background Papers

- 12.1 Applications on file (2022-23)

13. Appendices

- 13.1 Appendix 1 - Scheme policy
Appendix 2 - Summary of parish council applications 2022-23
Appendix 3 - Summary of LCTS Grant 2022-23