

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: 7 NOVEMBER 2023
title: CONCURRENT FUNCTIONS GRANT SCHEME
submitted by: DIRECTOR OF RESOURCES AND DEPUTY CHIEF EXECUTIVE
principal author: VALERIE TAYLOR

1 PURPOSE

1.1 In September 2023 this committee considered and approved the payment of concurrent function grants to town and parish councils for the 2023/24 financial year.

1.2 It was also agreed that a report be brought back for members consideration regarding the areas included and excluded under the concurrent functions grant scheme.

2 BACKGROUND TO THE CONCURRENT FUNCTIONS GRANT SCHEME

2.1 Concurrent functions are services provided in some parts of the borough by the borough or county council and in others by a parish or town council.

2.2 An approach to solving the problem of concurrent functions and double taxation was reported to Parish Council's Liaison Committee in November 2007. The report includes a list of where concurrent functions may occur (report attached at Annex 1).

2.3 Following this meeting, budget working group met to investigate a grant scheme for recommendation to Policy and Finance Committee.

2.4 The council's initial concurrent functions grant scheme was approved by Policy and Finance Committee in November 2008 following recommendations from budget working group (report attached at Annex 2).

2.5 The list of concurrent function areas supported within the grant scheme was expanded in 2017 to include parish lengthsman expenditures following merger with the council's parish lengthsman grant scheme.

2.6 In 2021 this committee approved a further amendment to the scheme to allow for grant support in respect of CCTV revenue and capital expenditures.

3 THE CURRENT SCHEME

3.1 In summary, the council's current scheme:

- Supports parish and town councils with net revenue expenditure on the following concurrent functions
 - Burial Grounds
 - Bus Shelters
 - CCTV (*since 2021*)
 - Footpaths
 - Footway Lighting
 - Litter Collection
 - Dog waste bins
 - Parks and play areas
 - Parish lengthsman (*since 2017*)
- Reimburses councils with 25% of expenditure that is net of other methods of support, VAT and any administration costs.

- Supports revenue expenditures that occurred in the previous financial year i.e expenditure incurred in the day-to-day activities of the organisation or for ongoing maintenance or repairs.
- Excludes capital expenditures or large one-off items of expenditure except for
 - CCTV equipment and installation (*since 2021*)

3.2 Reimbursement is subject to the cost of claims under the overall scheme to the Borough Council not exceeding the annual approved budget. If claims were to exceed this amount then they would be scaled back to the funds available.

4 PRIOR YEAR GRANT SUPPORT

4.1 Grant approvals over the most recent three financial years have been lower than the annual budget of £33,200:

Financial Year	Grant Support Paid £	Underspend £
2021/22	20,403	-12,797
2022/23	19,195	-14,005
2023/24	26,656	-6,544

4.2 During these years the following are examples of town and parish council expenditure queries or claims that were not supportable under the current concurrent function grant scheme:

- Allotments
- Capital expenditure
- Common land
- Defibrillator maintenance
- Pest control
- Public conveniences

4.3 The most common queries or claims that were not supported are for capital items of expenditure, with the remaining examples in the list being queries from only one or two town/parish clerks and therefore not representative of all councils in the Borough.

5 CONCLUSIONS

5.1 The council's concurrent function grant scheme was approved by Policy and Finance Committee in 2008 at the recommendation of Budget Working Group.

5.2 The list of concurrent functions supported via the approved scheme was subsequently expanded to include parish lengthsman and CCTV expenditures.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES
AND DEPUTY CHIEF EXECUTIVE

PF77-23/VT/AC
OCTOBER 2023

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PARISH COUNCILS' LIAISON COMMITTEE

INFORMATION

Agenda Item No 7

meeting date: 22 NOVEMBER 2007
title: CONCURRENT FUNCTIONS
submitted by: DIRECTOR OF RESOURCES
principal author: MARSHAL SCOTT

1 PURPOSE

- 1.1 To suggest an approach to solving the problem of concurrent functions and double taxation.

2 BACKGROUND

- 2.1 The subject of concurrent functions and double taxation is extremely complicated.
- 2.2 Reproduced within this report are extracts from the Best Practice Guidance on Double Taxation from the Quality Parish and Town Council Scheme.
- 2.3 The Government strongly believes that in all areas in which there are parish and town council's there should be a charter setting out how principal (Borough and County) authorities and local councils will work in partnership.

3 WHAT ARE CONCURRENT FUNCTIONS

- 3.1 These are services provided in some parts of the borough by the borough or county council and in others by a parish council. Where this occurs parish taxpayers may be charged twice.
- 3.2 A comprehensive list of where this may occur is attached at Annex A.

4 GETTING THE PARTNERSHIP FRAMEWORK RIGHT FIRST

- 4.1 The Guidance says to achieve a successful solution to double taxation first of all there needs to be in place a forum to enable local council's have their views listened to and or them to consulted on matters of interest.
- 4.2 In our case the Parish Councils' Liaison Committee fulfils this role.
- 4.3 This Committee will therefore have a major role to play in taking forward any proposals to address double taxation.

5 PRINCIPLES TO FOLLOW IN FINANCIAL ARRANGEMENTS

- 5.1 The guidance suggests the following key principles to follow:
- **Fairness in the provision of services** (and access to them) by the principal authority between different parts of their area;
 - **Simplicity** – to keep administrative costs of operation to a minimum;
 - **Transparency** – to help understanding;

- **Democratic control and accountability** – to let local councils support additional services with additional expenditure while ensuring accountability to all those responsible for funding. This means distinguishing between funding by principal authorities (for a service carried out by a local council) and funding raised by local councils themselves (e.g. using their precepting powers);
- **Finance following function** – where provision of a service is devolved or transferred from a principal authority to a local council, funding is also transferred, with the amount involved being agreed by the principal authority and the parish or town council.

These principles should be a continual reference point when setting up new or assessing existing financial arrangements between principal authorities and parish and town councils.

6 WHAT IS THE PROBLEM?

- 6.1 Double taxation arises most often occurs in districts where some areas of the district are parished and other areas are not. The parishes are expected to pay the costs of a particular service in their locality while the district council bears the cost of the same services in the unparished areas.
- 6.2 Even where an area is totally parished like ours, there can also be double taxation where some parishes within a district are providing local services funded through their precept, at the same time that the same services are being provided to other parishes by the district council.
- 6.3 Without doubt there are areas of Ribble Valley where an element of double taxation exists mainly because of decisions taken at the time of the Reorganisation of Local Government in 1974 when some parishes transferred their assets to the Borough Council and others retained them.

7 WHY DOES IT ALL SEEM SO COMPLEX?

- 7.1 Double taxation is a complex issue because:
 - The level of activity within parishes and the degree to which they raise their own funding by issuing a precept or by generating income varies widely.
 - Historic decisions have been taken to provide local facilities by Parish and Town Councils.
 - Assessing the double taxation situation means making a comparison of functions/facilities and a judgement on what is truly 'like-for-like'.

For example, is this provision of a play area in a major town the same as one in a small village?

Also if a parish enhances local provision beyond the standard normally applied in the district as a whole, local taxpayers will be paying for the enhancement through the parish precept so whilst a concurrent function, there is no double taxation in the strict sense, due to enhancement.

8 WHAT STEPS SHOULD BE TAKEN TO REACH A SOLUTION?

8.1 The guidance offers the following advice.

Step one: Gathering the information - is there a problem and what is its nature and extent?

- Is there a widespread view amongst Parishes that double taxation is a major issue?
- Can a simple solution be reached?
- What really is the problem?

Step two: Consulting - how far is the current situation acceptable to all parties?

- A bit like step one. Are current arrangements acceptable to all or any of our parishes?

Step three: Finding positive ways forward

- Once areas of double taxation have been agreed and the number of local councils who have problems with the current arrangements identified. The next step is to calculate the costs and how that may be resourced.

Step four: Agree and set up new arrangements

Once all this has been agreed new arrangements can be put in place, including how they will be monitored and reviewed.

9 HOW TO HELP FINANCE FOLLOW FUNCTION

9.1 The most difficult part is financing concurrent functions. The options available are:

- Special expenses
- Grant payments
- Agency agreements
- Support in goods or in kind.

Each of these are summarised briefly below.

(a) Special Expenses

This allow district council's to make an additional charge to Council taxpayers in parts of its area where a function is carried out by the district in only part of its area, and the same function is carried out in another part of the district by one or more parish councils.

This would involve complicated calculations and be difficult to administer for what are fairly small amounts and as such this Council passed a resolution many years ago saying we would have no special expenses.

(b) Grant

The majority of other Council's with parishes appear to use a grant system to resolve double taxation issues.

There are a variety of ways in which Council's are using this method.

- Some have fully worked-up grant schemes for their parishes, providing support for both revenue and capital expenditure of their parishes
- Some use a system of competitive bidding among those qualified for support, for an annual sum.
- Others use formulae agreed locally eg relating to population, for distribution of a sum set aside for discretionary grants. In some the district will pay capital costs of new facilities where the parish agrees to take on the running costs.
- Others operate a 'menu' approach to concurrent functions, offering parishes the choice between letting the district take on the concurrent function and retaining local control by undertaking the function with a grant provided to cover costs.
- Some areas have set up joint funding schemes for projects where matching funding is expected from parishes raised from their precept.
- Some respondents also report that grant is paid to parishes to support that element of their administrative expenditure that relates to exercising concurrent functions.

As indicated above, there is considerable flexibility in the way that grants can be operated.

(c) Support in goods and kind

Many Councils help their local Councils in this way and the following types of help in goods or in kind were mentioned in responses:

- Peppercorn rent charged to a parish where a facility was transferred for parish use, in exchange for the parish taking on maintenance costs
- Administrative and professional expertise provided for parish lottery grant applications; also for setting up construction contracts
- Favourable rates of interest provided by principal authority for investing parishes' surplus cash, giving them the opportunity to enjoy rates not otherwise available to them
- Joint use of assets without a charge to the parish e.g. town tourist information point located in a library building owned by the county
- Parish election expenses not recharged to parishes

(d) Agency Agreements

This is where a principal authority devolves to a parish the responsibility for carrying out agreed tasks the examples used are grass cutting or minor highway maintenance and pays the local council for doing so.

10 CONCLUSION

10.1 The Council currently supports parishes by:

- (i) Various grant schemes but mainly for capital purchases.

(ii) Support in kind e.g. officer support, election costs.

10.2 Concurrent functions is very complex when relating to double taxation. It is difficult to put in place a standard arrangement because each and every parish will have differing degrees of concurrent functions.

10.3 The most popular method to deal with this issue appears to be a grant system based upon pre determined criteria.

11 SUGGESTED APPROACH

11.1 I know work has been carried out in the past by a working group of parishes and some information exists on what Parishes are spending on concurrent functions. This will need updating. The most difficult task however, will be developing criteria to determine what proportion of any costs should be borne by local council's and the proportion borne by the borough council.

11.2 To progress matters further I would recommend that the Council's budget working group be asked to develop over the next 12 months a grant scheme based upon criteria to be agreed to support Parish and Town Council's Concurrent Functions. The scheme to be in place before local Council's agree their precepts for 2009/10.

12 RECOMMENDED THAT COMMITTEE

12.1 The Council's budget working group be asked to investigate a grant scheme for providing assistance to Parishes with the cost of Concurrent Functions.

DIRECTOR OF RESOURCES

PCL1-07/MHS/AC
13 NOVEMBER 2007

Concurrent functions

Allotments
Boating pools
Bus shelters
Car parking (off street)
CCTV (installation and maintenance)
Cemeteries and burial grounds
Christmas lights and trees
Closed cemeteries and burial grounds
Commons and common pastures
Community centres
Crematoria
Entertainment and the arts
Footway lighting
Grants to bus operators
Grass cutting
Information services (transport, tourism)
Highways maintenance
Leisure facilities
Litter and dog waste bins
Museums
Open spaces
Parks
Playgrounds
Playschemes
Playing fields
Public clocks
Public conveniences
Public seats adjoining highways
Recreation grounds
Sports pitches
Street cleansing
Subsidies for uneconomic post or telecommunications services
Taxi fare concessions
Tourism promotion
Traffic calming
Village greens
Village halls
War memorials

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO POLICY AND FINANCE COMMITTEE

DECISION

Agenda Item No

meeting date: 18 NOVEMBER 2008
 title: CONCURRENT FUNCTIONS GRANT SCHEME
 submitted by: DIRECTOR OF RESOURCES
 principal author: MARSHAL SCOTT

1 PURPOSE

1.1 To agree the introduction of a concurrent functions grant scheme.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions – to help make people's lives safer and healthier and to protect and enhance the existing environmental quality of our area.

2 BACKGROUND

2.1 For several years our parishes have been pressing the Council to provide grant assistance for those parishes/Town Councils who provide services in their areas which elsewhere are provided by ourselves.

2.2 In such instances there is an element of 'double taxation' i.e. the Council taxpayer pays for the service in his/her charge from the Borough Council and then again in the parish element of the Council Tax.

2.3 We undertook last year to devise a grant scheme to assist parishes in time for when they set their 2009/10 precepts.

3 RESEARCH

3.1 We have spent a considerable amount of time looking at the concurrent function grant schemes that are in operation in other local authorities. It is clear from this research that there is no uniform system in place for instance:

- Some Council's support only capital or one-off expenditure
- Some support revenue expenditure only
- Some schemes are based upon a set allocation to each parish
- Some are based upon paying a percentage of eligible expenditure

Interestingly,

- Some Councils are bringing concurrent function grant schemes in
- Some are actually phasing them out.

There is without doubt no common approach to this difficult and challenging topic.

4 BUDGET WORKING GROUP

4.1 I reported my finding to the Budget Working Group and after careful consideration they recommend that we do introduce a Concurrent Functions Grant Scheme to assist Parish and Town Councils with their revenue costs in providing certain services in their areas.

The recommended scheme is therefore as follows:

Eligible Expenditure

The Council will support Parish and Town Council net revenue expenditure on the following concurrent functions (excluding VAT and administration costs).

Burial Grounds	Footway lighting	Parks and Play Areas
Bus Shelters	Litter collection	
Footpaths	Dog waste bins	

The Council will not support capital expenditure or large one off items through the concurrent function scheme.

Financial Support

Support will be at a rate of 25% of eligible net revenue expenditure in the previous year subject to the overall cost to the Borough Council not exceeding £30,000 p.a. If it did claims would be scaled back to the funds available.

The Process

Parish and Town Council's wishing to claim grant assistance under the Concurrent Functions Grant Scheme must submit a grant claim to the Director of Resources by 31st May each year properly certified.

Once the claim has been agreed the Council will pay to the Parish/Town Council the grant due in 2 equal instalments on the 30th September and 31st March.

The Council will review the operation of the scheme after 12 months and thereafter as and when it is felt appropriate.

5 RISK ASSESSMENT

- Resources – The maximum annual cost of the proposed grant scheme is £30,000. This will need to be included in the Council's base budget for 2009/10.
- Technical, Environmental, Legal – None
- Political – None
- Reputation – The Parishes within Ribble Valley have been asking for support for concurrent functions for many years. The introduction of this scheme will honour the undertaking we gave 12 months ago.

6 RECOMMENDED THAT COMMITTEE

- 6.1 Agree the recommendation of the Budget Working Group to introduce the Concurrent Functions Grant Scheme as set out in the report.

DIRECTOR OF RESOURCES
PF46-08/MHS/AC
7 November 2008