

Subject:	Parish Council Grant
Reason for briefing note:	To consider options for the format of the Council Tax Support Grant to Parishes
Responsible officer(s):	Russell O'Keefe, Acting Managing Director.
Senior leader sponsor:	Rob Stubbs, Deputy Director and Head of Finance.
Date:	17 January 2019

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SUMMARY

1. This report explains the way the grant' for Parish Councils is derived and the issues around the current process.
2. The report will set out various options for allocation of the grant in future years.

1 BACKGROUND

- 1.1 In 2013/14, a discounted council tax bill replaced direct payments of council tax benefit for those residents affected. This had the effect of reducing the taxbase for the Council and Parishes.
- 1.2 The consequent shortfall in council tax income was initially funded by an increase to the Revenue Support Grant (RSG) for Billing Authorities and a suggestion was made by Central Government that Billing Authorities should fund the shortfall for parishes.
- 1.3 Since then this Council has funded the difference in taxbase for Parishes through the equalisation grant at a total cost of approximately £62,000 each year.

2 KEY IMPLICATIONS

- 2.1 Since 2013/14 RSG, any link to external funding for the grants has been reducing and in 2019/20 will be removed altogether. Billing authorities have reduced or ceased the discretionary funding of the grants from Council Tax receipts. In contrast, this and some other Councils have continued to fully fund these grants to Parishes, including in the Draft 19/20 Budget. Since 2013/14, Parish Councils have each year managed their Parish Precepts, retained cash and reserves with different and varying degrees of reliance on the continuing receipts of these grants.
- 2.2 The reason for the equalisation grant and how it is calculated is not straightforward, although an attempt to explain the calculation is made each year when Parishes are advised of their grant and taxbase.
- 2.3 Without reference to the levels of Parish Precepts, cash or reserve levels, this Council has continued to calculate the grants for each Parish based on the quantity and location of council tax support recipients the previous November. In doing so, the Council has maintained the discretionary basis deemed appropriate in 2013/14, without adjustment for

subsequent reductions in RSG funding or the changing and relative funding needs of individual Parish Councils.

- 2.4 The Lead Member for Finance has responded to the above situation by:
- a. including in the Draft 2019/20 Budget the total grant using the legacy basis of calculation and data from November 2018;
 - b. respecting the principle established in 2018 for any change in the basis of the allocations to be subject to debate and agreement between the Borough and Parish Councils;
 - c. requesting the presentation of this report to the Parish Conference to enable discussion and agreement between the Councils on how the allocations could and should change from the legacy basis for 2019/20(or 2020/21) and subsequent years.
- 2.5 Parish suggestions that the grant distribution could be changed through consultation and the production of this report.

3 DETAILS OF FUTURE OPTIONS

- 3.1 Subject to Council approval on February 26th 2019, the total grant for 2019/20 will be calculated using the legacy basis and allocated to individual Parish Councils using either the legacy basis or such other basis as the Parish Conference determine on February 11th 2019. The Parish Conference may also determine the basis for allocation for 2020/21 and subsequent years, for later approval by Council. Without limitation to any other basis the Parish Conference may identify and determine, the allocations for 2019/20(or 2020/21) and beyond could be made on one of the four bases in table 1 and the related appendices:
- a. the relative project needs of each Parish Council each year, as submitted by them, filtered by a sub-group of Parish Councillors and Clerks using guiding group and the guiding criteria having been established by the Parish Conference, echoing the criteria used by the Council's Grant Panel for the filtering and allocation of annual grants to community organisations – as presented in appendix A;
 - b. the relative number of electors in each Parish in each prior year – as shown as 2023/24 in appendix B;
 - c. the relative tax base difference in each Parish in each prior year – as shown as 2023/24 in appendix C.
 - d. the legacy basis applied from 2013/14 to 2018/19 inclusive – as shown as 2018/19 in both appendices B and C.

And if b or c is adopted, the Parish Conference may determine that a gradual transition away from the legacy basis over five years could and should apply – as shown between 2019/20 and 2023/24.

There are however a number of options for the treatment of the grant in 2020/21 and future years. A preliminary list is included in table 1 below.

- 3.2 The intention is to discuss options with Parish Clerks in order to reach a proposal for the format of the grant. Stephen Hedges, Cox Green Parish Clerk, prepared appendices B and C.

Table 1: Options arising from this report

Option	Comments
Parishes to bid for a grant to fund current projects underway or planned.	Bids would be considered against the criteria in appendix A and agreed by the Parish Conference before payments being made by the Head of Finance in accordance with the Council's constitution and financial controls.
Allocation of the grant based on the number of electors per parish. (Appendix B)	See Note 1 below
Allocation of the grant based on the tax base difference for each Parish, with council tax support and without. (Appendix C).	See Note 1 below
The legacy existing basis continues.	See the 2018/19 existing scheme in appendix B or C.

Note 1 Appendices B and C have several assumptions including that parish precepts increase by 2% each year and that the tax bases stay the same throughout. Whilst a transition period from the existing method to the new method is shown, the grant will be paid in the normal way in 2019/20 and any transition would commence in 2020/21. The Council's grant budget remains the same throughout.

Stephen Hedges, Cox Green Parish Clerk, proposed the options in appendices A and B.

4 RISKS

- 4.1 The total amount of the grant is at risk in future years from competing demands on the Council's funding and spend and the potential for the future questions as to why Parish Council activities remain partly funded by allocation from general Council Tax receipts in addition to Parish Precepts.
- 4.2 An ambiguous implementation of an alternative basis for allocating the grant may not provide additional sustainability, transparency, predictability and acknowledged fairness.

5 NEXT STEPS

- 5.1 Those attending the Parish Conference on February 11th 2019 to debate the options and establish whether there is a consensus to select an alternative basis for determining allocation of the grant for 2019/20 (or 2020/21) and beyond.

APPLYING FOR GRANT FUNDING – A GUIDE FOR PARISHES

The Parish Conference of the Royal Borough of Windsor and Maidenhead provides support to parish councils through Parish Grants. To be successful, grant applications will be required to clearly outline the expected benefits for residents and local communities against the Council's key priorities as defined below.

The Borough's Strategic Priorities:

- 1) Healthy skilled and independent residents
- 2) Safe and vibrant communities
- 3) An excellent customer experience
- 4) Growing economy, affordable housing
- 5) Attractive well connected borough
- 6) Well managed resources delivering value for money.

Criteria for awarding the level of grant funding.

- The grants scheme should not be relied upon by applicants as the sole source of funding for large projects. Applicants should in the main have, or be encouraged to secure, their own independent sources of funding.
- Applications should set out clearly how the grant will be spent, explaining the planned benefits and value for residents.
- Grants should not be relied upon as a contribution towards on-going annual operational costs.
- Allocations of the funds available for Parish Grants will obtain the affirmation of a majority of the members of the Parish Conference present who will also choose representatives to filter the applications and make recommendations of allocations to the Parish Conference.
- Total allocations should not exceed the annual budget for Parish Grants.
- Unspent budget will not be carried over to the following year.
- The Head of Finance will pay the allocations of Parish grant affirmed by the Parish Conference in compliance with the Council's constitution and financial controls.

Timetable for applications

Grant applications can be made throughout the year subject to a scheduled meeting of the Parish Conference taking place prior to the year end and will be filtered, recommended for allocations from the subsequent year's Parish grants budget and affirmed at meetings of the chosen representatives and the Parish Conference in March/April of each year.

