

Adrian Rowbotham

From: Roy Parsons
Sent: 20 December 2012 16:05
To: Parish and Town Councils
Cc: Councillors; Pav Ramewal; Helen Martin; Lee Banks; Adrian Rowbotham
Subject: FW: Update on Localising Support for Council Tax - Effect on Town & Parish Councils
Attachments: Parish Funding Shortfall #2.xlsx

Further to the email below and my letter dated 11 December 2012, I have now received details of the Local Government Finance Settlement for 2013/14 and am in a position to advise town and parish councils of their shares of the funding available to reduce the effect of receiving less council tax income.

I have updated the spreadsheet that was attached to my letter of 11 December 2012 and attach a copy. The column headed (k) shows each town or parish share of the funding and the column headed (l) shows the estimated shortfall in income.

When setting your budget and, hence, your precept for 2013/14, you need to be mindful that you will be receiving the funding specified in column (k). The process is to calculate your net budget (i.e. take expenditure less income and then deduct the amount of funding the district will be providing), which will be your precept requirement and then divide that figure by the taxbase in column (g) of the table to arrive at the band D tax for your town or parish.

So, taking Ash-cum-Ridley as an example, its precept in 2012/13 is £68,500 and its taxbase is 2,550.68. This means that the Band D tax is $£68,500 / 2,550.68 = £26.86$. Assuming that it wanted to hold its Band D tax at £26.86 for 2013/14, the spreadsheet shows that it needs to reduce its precept to £62,920 in 2013/14. However, it will be receiving funding of £4,782 from the district council, so its net expenditure can be that much higher. What I am trying to show is that, even though you may be holding your combined cash precept plus funding at the same level as for 2012/13, the band D tax may increase.

Indications are that, in future years, the funding will be included in this council's overall RSG settlement. You should be aware that if future years' RSG settlements are lower, this will affect the level of grant that the district passes on to town and parish councils.

I trust this will assist in your precept setting for 2013/14, but if you have any questions, do please let me know.

I have also copied this email into a letter, which you will receive in due course.

Roy Parsons
Principal Accountant
Tel: 01732 227204
Fax: 01732 740693
Sevenoaks District Council | Council Offices | Argyle Road | Sevenoaks | Kent | TN13 1HG
Email: roy.parsons@sevenoaks.gov.uk
Web: www.sevenoaks.gov.uk

From: Adrian Rowbotham
Sent: 30 November 2012 09:58
To: Parish and Town Councils

Cc: Councillors; Pav Ramewal; Helen Martin; Roy Parsons; Lee Banks

Subject: Update on Localising Support for Council Tax - Effect on Town & Parish Councils

On 1 October 2012 Dr Pav Ramewal, Deputy Chief Executive and Director of Corporate Resources, emailed you to provide an update on the effect of the change to Council Tax Support on the tax base and therefore the level of precept. At that stage the government proposal meant that the change to Council Tax Support would have no impact on town and parish councils.

On 26 November 2012 the Department for Communities and Local Government (DCLG) provided a communications update which was different to the earlier proposal. The DCLG has decided that there will be no specific protection for town or parish councils and that the district council should not apply an unadjusted council tax base to the town or parish council. However, the government will provide additional funding to the district council that can be passed on to town and parish councils which will help to reduce the effect of receiving less council tax income.

Details of the additional funding will be given to the district council alongside the provisional Local Government Finance Settlement which is not expected to be announced until 19 December. Therefore, it will not be possible to provide you with details of the tax base and additional funding until after this date and no later than 11 January.

I understand that this is later than originally intended and may affect the plans you have for setting your precept but unfortunately, we are reliant on government information and are restricted by their timescales. I recognise that in some cases you will need to change the dates of your Town or Parish Council Meeting. In the meantime I will ensure that the relevant information is forwarded to you as soon as we are in receipt of it which will then allow you to make a fully informed decision.

We will continue to keep the development of localising support for council tax under review and will update town and parish councils with any relevant information.

Regards

Adrian Rowbotham
Group Manager – Financial Services
Tel: 01732 227153
Fax: 01732 740693
Sevenoaks District Council
Council Offices
Argyle Road
Sevenoaks Kent TN13 1HG
Email: adrian.rowbotham@sevenoaks.gov.uk
Web: www.sevenoaks.gov.uk

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SEVENOAKS AREA COMMITTEE

Chairman: Larry Abraham

Secretary: Philip McGarvey
17 Tilmans Mead, Farningham DA4 0BY
Tel: 01322 862870 / 07803 121830
Email: cllr.mcgarvey@sevenoaks.gov.uk

MINUTES of KALC 7oaks Area Meeting, at 7pm 11th January 2013 (at Sevenoaks Town Council Offices, Bradbourne Vale Road, Sevenoaks)

Presentations & Discussions:

Adrian Rowbotham, Group Manager, Financial Services, SDC, on "Localising Support for Council Tax – the Effect on Town & Parish Councils"

- This has come about to replace existing Council Tax Benefits Scheme.
- 100% Council Tax benefits are to reduce to 91.5%
- All pensioners are protected, therefore full extent of the cuts in Council Tax Benefits falls on working age claimants.
- It will mean that some Council Tax Benefit recipients who had been used to receiving 100% benefits will now have to pay some council tax.
- Those [households] who receive Council Tax benefit are no longer included in the Tax Base.
- The Tax Base and therefore the Council Tax on which it is calculated are both being reduced.
- Support Grant will cover some of the shortfall in 2013/4 – but only guaranteed for this first year (there might be more, but do not expect it).
- Support Grant will be paid out on top of parish/town precept requested.
- It was not compulsory on District Councils that they pay out the Support Grant to Town/Parish Councils, but SDC will, and will pay it at the same time as the precepts are paid out.
- Threat that capping on Town/Parish councils may be introduced by Government (from 2014/5).
- SDC collect council tax into the Collection Fund and while the collection rate had been 99.5% up to now in Sevenoaks District, they are making provision for this to drop next year to 99.3 %

Adrian Rowbotham

From: Adrian Rowbotham
Sent: 31 December 2013 11:46
To: Parish and Town Councils
Cc: Councillors; Pav Ramewal; Helen Martin; Roy Parsons; Lesley Bowles
Subject: Update on Council Tax Support - Effect on Town and Parish Councils

As I am sure you are aware, the Government recently announced the Local Government Finance Settlement 2014/15.

The Government has suggested that there is an amount in the settlement to pass on to Town and Parish Councils. However, we have been unable to identify this, particularly when our Revenue Support Grant amount has been reduced by over 20% in 2014/15 and a further 30% in 2015/16.

Once we have completed our analysis of the settlement, the implications will be reported to Members and I will contact you again with a more detailed update.

I have not found any mention in the settlement of Town and Parish Councils being capped so it is likely that you will continue to have the freedom to set Council Tax increases. Many of you took advantage of this last year to increase your Council Tax so that the uncertainty regarding Council Tax Support funding would not have a detrimental effect on your income streams.

Roy Parsons wrote to you on 5 December to inform you of your tax bases which have generally increased due to the reduced discounts included in the 2014/15 Council Tax Support Scheme.

Regards

Adrian Rowbotham
Chief Finance Officer
Tel: 01732 227153
Fax: 01732 740693
Sevenoaks District Council
Council Offices
Argyle Road
Sevenoaks Kent TN13 1HG
Email: adrian.rowbotham@sevenoaks.gov.uk
Web: www.sevenoaks.gov.uk

From: Adrian Rowbotham
Sent: 25 November 2013 16:36
To: Parish and Town Councils
Cc: Councillors; Pav Ramewal; Helen Martin; Roy Parsons; Lesley Bowles
Subject: FW: Update on Council Tax Support - Effect on Town and Parish Councils

It wish to clarify the situation regarding Sevenoaks District Council's position regarding any additional funding the Government may provide for the impact of Council Tax Support on town and parish council's.

Please see the email below that I sent last month, stating that as mentioned last year, funding will only be passed on to town and parish council's if the Government specifically earmarks it for that purpose.

The Government has not provided any relevant new information since my last email and it is possible that nothing will be disclosed until the Government issues the local government settlement figures in December.

I will send you an update as soon as I hear anything as I realise that this has an impact on your budget setting processes for next year.

Regards

Adrian Rowbotham
Chief Finance Officer
Tel: 01732 227153
Fax: 01732 740693
Sevenoaks District Council
Council Offices
Argyle Road
Sevenoaks Kent TN13 1HG
Email: adrian.rowbotham@sevenoaks.gov.uk
Web: www.sevenoaks.gov.uk

From: Adrian Rowbotham
Sent: 23 October 2013 10:00
To: Parish and Town Councils
Cc: Councillors; Pav Ramewal; Helen Martin; Roy Parsons
Subject: Update on Council Tax Support - Effect on Town and Parish Councils

You will recall that from 1 April 2013 Sevenoaks District Council was required to put in place a local scheme for Council Tax Support to replace the national Council Tax Benefit system.

One of the impacts of the change to Council Tax Support was that the tax base reduced because previously all households receiving Council Tax Benefit were included in the tax base but now those in receipt of Council Tax Support are excluded. This resulted in a reduced tax base for town and parish councils meaning that each of them would have to increase their Band D Council Tax charge to receive the same level of precept.

In 2013/14 the Government provided additional funding to the district council that was passed on to all town and parish councils. As mentioned last year, if the Government provides additional funding to the district council for 2014/15 that is specifically earmarked for this purpose, it will again be passed on to town and parish councils. However, if no funding is specifically earmarked for this purpose then nothing will be passed on.

I will provide further updates when I have more information.

Roy Parsons will be writing to all town and parish councils in early December as usual, informing you of the tax base figures and arrangements for next years precept.

Regards

Adrian Rowbotham
Chief Finance Officer
Tel: 01732 227153
Fax: 01732 740693
Sevenoaks District Council
Council Offices
Argyle Road
Sevenoaks Kent TN13 1HG
Email: adrian.rowbotham@sevenoaks.gov.uk
Web: www.sevenoaks.gov.uk

Adrian Rowbotham

From: Adrian Rowbotham
Sent: 21 January 2014 09:49
To: Parish and Town Councils
Cc: Councillors; Pav Ramewal; Helen Martin; Roy Parsons; Lesley Bowles
Subject: Council Tax Support - Town and Parish Councils

Firstly I wish to thank you for inviting Pav Ramewal and I to the Town and Parish Council Clerk Forum on Tuesday where you highlighted your thoughts about Council Tax Support funding for your Councils.

At the forum you requested further information regarding timescales due to the uncertainty of this issue affecting your ability to set your precepts, which I have explained below.

Roy Parsons has previously provided you with a deadline of 31 January so that your precepts can be included in the report to Full Council that will be circulated to Members prior to the meeting. Some of you have already provided us with your precept figures.

I am pleased to inform you that we will be able to accept your precepts up to 14 February which will then be circulated to Members at the Full Council meeting.

If a precept is not received before the Full Council meeting, then the District Council is required to anticipate a precept for a Town or Parish Council as stated in 'The Billing Authorities (Anticipation of Precepts) Regulations 1992 S.I.3239 as amended by S.I.1995/235'.

A Town or Parish Council is still legally able to set a precept up to 1 March.

I have delayed responding to you until now as I took part in a conference call with Brandon Lewis MP yesterday when I was hoping for further information about referendum limits. Unfortunately no further information was released and no mention was made of Town and Parish Councils.

I will contact you again if I obtain any more information that may affect your decisions but in the meantime please come back to me if you have any further questions.

Regards

Adrian Rowbotham
Chief Finance Officer
Tel: 01732 227153
Fax: 01732 740693
Sevenoaks District Council
Council Offices
Argyle Road
Sevenoaks Kent TN13 1HG
Email: adrian.rowbotham@sevenoaks.gov.uk
Web: www.sevenoaks.gov.uk

Councillor Peter Fleming
Leader of the Council



Tel No: 01732 227180
Ask for: Cllr Fleming
Email: Cllr.Fleming@Sevenoaks.gov.uk
My Ref: PF/kd
Your Ref:
Date: 5 February 2014

I am writing to you to clarify the District Council's position regarding Council Tax Support funding, particularly with regard to any element to support Town and Parish Councils.

Last year, 2013/14, Sevenoaks District Council passed 100% of the identified and ring fenced funding on to the parishes, this was not universally the case with a number of districts holding back some or all of the money. We also wrote to all parishes clearly setting out our position for 2014/15. In our letter to parishes we stated that if this funding wasn't identifiable in our grant settlement we wouldn't be in a position to pass anything on. Our reasoning behind the letter was that the District had been caught before by government ring fencing for one year then removing the ring fence and claiming it was contained within our core grant settlement, the most recent example being the support for bus passes.

We also recommended that parishes used their ability as precepting authorities, without referendum limits, to protect their base for future years which many did, although clearly this was a decision for individual parishes.

Below I have set out the figures that illustrate the situation described above that the District Council finds itself in. We have also been given an indicative grant position for 2015/16 in which we see our government grant reduced by a further 30%:

- Revenue Support Grant including Council Tax Support funding 2013/14 £2.934m, including a clearly identified ring fenced £0.274m to be passed on to Town & Parish Councils.
- Revenue Support Grant 2014/15 £2.225m (24% reduction) with no identified or ring fenced amount to be passed on to Town & Parish Councils.

What has made this situation particularly difficult is that Ministers have repeated the mantra that the districts have 'your' money. As you will see from the figures above this has put the District in precisely the position that we feared when we wrote to you early



last year. Ministers are unwilling or unable to identify the money and therefore we have to take the position that the money isn't there.

A number of parishes have asked why the situation in the Sevenoaks District is different from many other Kent authorities; Sevenoaks District is fully parished, with four Town Councils, with Swale the only other Kent authority not passing money on being a local authority with a high number of parishes. The situation arises from the fact that towns in many other Kent districts are not parished and therefore the burden of passing on money is greatly reduced, in most cases to a few thousand pounds.

The District Council would always pass 100% of monies clearly identified for another authority on to that authority, as we did last year; unfortunately the government has made this impossible for us to do this year.

Following the announcement today from The Minister, parishes will not be hit this year by any Council Tax referendum limit.

Please do not hesitate to contact me should you have any further questions regarding this matter.

Yours sincerely



Cllr Peter Fleming

Leader Sevenoaks District Council