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FAIRER FUNDING FOR COMMUNITIES

NALC

SEVENOAKS TOWN COUNCIL

LGA

NALC Fairer Funding for Communities

Linda Larter MBE

Sevenoaks Town Council Presentation

Sevenoaks Town Council

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How does the squeeze on public funds impact a local community?

Services and facilities may not be able to be funded in the traditional way – which leads to important questions and choices.

- **Seriously consider what is important to the community?**
- **Is it sufficiently important enough to pay more in council tax rather than lose it?**
- **Is it sufficiently important for the town or parish councils to step up and deliver if nobody else does?**

Sevenoaks Town Council was faced with these questions on a few facilities in its local community – see examples

Sevenoaks town council

THE STAG

COMMUNITY ARTS CENTRE

(THEATRE & CINEMA)

Stag
Community
Arts Centre

What was the aim?

Assisting the sustainability of the local economy of the town, particularly the night time economy and the tourism economy;

What was delivered?

Total visitor spend is estimated at £9.2m per annum some spend is captured by the Stag and supports 20 permanent FTE jobs.

After considering the effects of leakage, deadweight, displacement, substitution and multiplier effects, the total net impact of The Stag is 151 FTE jobs. This equates to approximately £7m of GVA contribution to the local economy.

Sevenoaks Town Council

Stag
Community
Arts Centre

What was the aim?

Retaining a valuable social and leisure facility for both performers and audiences.

What has it delivered?

- 650 shows & events each year
- 300,000 audience per year
- 6,000 hours of voluntary opportunities

Sevenoaks town council

Stag
Community
Arts Centre

What was the aim?

Enabling the development of youth services both in performing both performers arts and youth outreach services.

What has it delivered?

- The Stag runs a strong youth theatre, dance classes, drama groups and the provision of a Youth café.

Sevenoaks Town Council

Stag
Community
Arts Centre

What was the aim?

Retaining an iconic building in the town and preserving the street scene.

What was delivered?

This aim of the Stag was delivered. The theatre has become a community hub for Sevenoaks' High Street.

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Stag
Community
Arts Centre

Cost to residents:

- The Town Council provides an annual grant of £27,000 and assists with obtaining external funding for capital projects.

Sevenoaks town council

The No. 8 Bus

Winner of the Transport Planning Award 2018
for Community Travel

The No.8 Bus

What was the aim?

To improve bus access to the town centre.

What has it delivered?

New bus service was started, providing an hourly service around the town.

Sevenoaks Town Council

The No.8 Bus

What was the aim?

Reduce vehicle congestion, improve and ensure that visitors and residents can access the town.

What has it delivered?

Up to 140 passengers per day using the service, giving residents a reason to leave their cars at home.

Sevenoaks Town Council

The No.8 Bus

What was the aim?

To improve sustainable travel options and put in place a new orbital bus service linking the town centre and the two railway stations.

What has it delivered?

The service has delivered what it has set out to do in giving residents a sustainable local transport system around key areas of Sevenoaks, with a recently updated

Sevenoaks Town Council

The No.8 Bus

Cost to residents:

First 3 years funded by s.106 agreement via Kent County Council.

Currently in the next 3 year partnership agreement for 36k per annum:

KCC - 50%

Sevenoaks Town Council - 50%

Bus operator retains ticket income and ability to use the bus for school runs.

Sevenoaks town council

Public Toilets

Sevenoaks town council

Public Toilets

What were the aims?

- Consult with residents, were public toilets needed?
- Retain public toilets if needed
- Install additional public toilets if needed

Sevenoaks town council

Public Toilets

What has it delivered?

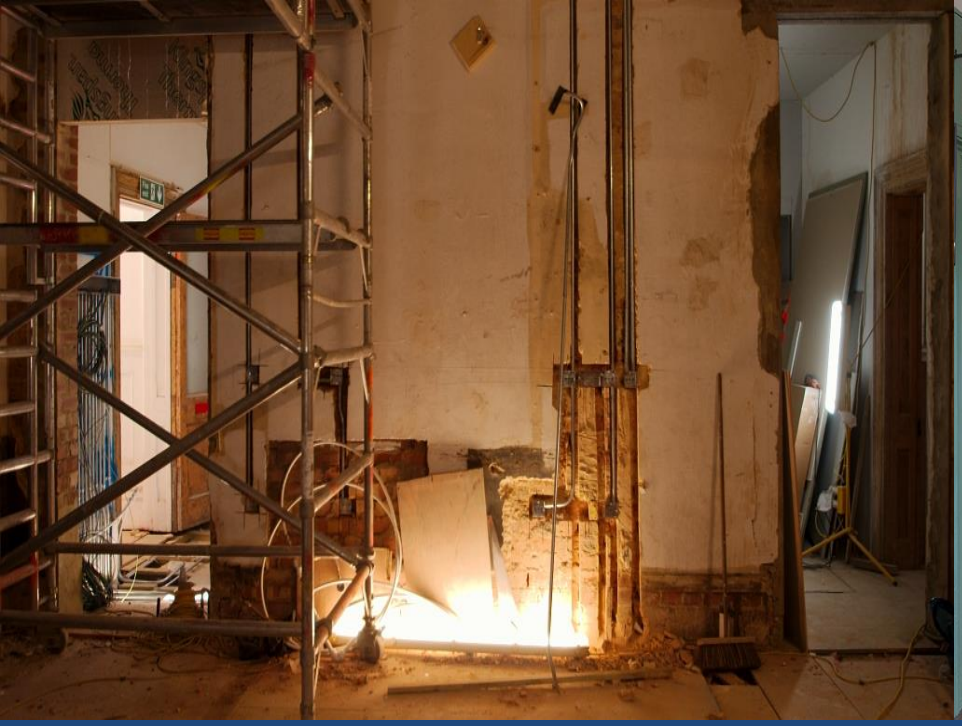
- District proposing to no longer operate 2 public toilets sites. Public response was that only **1** site needed
- Town Council took over the operation of **1** public toilet site, another site was closed.
- Consultation indicated need for the new public toilet within a recreation ground.

Sevenoaks town council

Cost to residents:

- Operating the public toilet = approximately 10k per annum.
- New build toilet £25k met by Community Infrastructure Levy funding.

BAT & BALL STATION RESTORATION



Bat & Ball station Restoration

What was the aim?

- Bring a Grade II Listed Building back to life via a full restoration project.

What has it delivered?

- Boarded up since 1991. Now sensitively restored. Shortlisted for RIBA South East Award

Sevenoaks town council

Bat & Ball station Restoration

What was the aim?

- Create a sustainable future for the building.
- Enable community use for the building

What has it delivered?

- Business plan with rooms to hire & café completely open to the public.
- Public facilities. Full engagement activity visits including educational events for local school children.

Sevenoaks town council

Bat & Ball station Restoration

What was the aim?

- Provide a wider impact for the local community

What has it delivered?

- A huge number of compliments and people feeling more pride in their local environment. Benefits to the local economy approximately £1.2m of GVA per annum.
- Social value at £500k per annum expected to rise to £2.4m per annum.
- Springboard for the future developments in the area as well as volunteering opportunities to be taken up.

Sevenoaks town council

Bat & Ball station Restoration

What were the aims?

- To address public safety concerns and encourage more people to use the station.
- Enable awareness of the heritage of the station.

What has it delivered?

- Within the first 6 months police crime statistics indicated a drop by up to 80%. Commuter survey indicated 23% have begun to travel more frequently to and from the station
- A full programme of activities from hard hat tours, to school visits, heritage talks and a website that gives both heritage & modern information on the station building. www.batandballstation.com

Sevenoaks town council

BAT & BALL STATION RESTORATION

- **Cost to residents:**
- The overall project was £1.5m. Funded by the Heritage Lottery Fund £755,600, Community Infrastructure Levy and Sevenoaks Town Council Capital reserves of £164,000

Sevenoaks town council

Sevenoaks Town Council

It should be borne in mind also the pressure on local council resources for the delivery of these projects. There will be no separate departments for finance, law, health & safety, planning etc.

The Clerk of the Council is a profession that even with staff needs to be multi-talented and experienced to deliver these project however big or small, and know who to call on.

It is also important that these new activities for the town and parish councils are recognised particularly in the ability to bid for funding which has, to date, only been open to higher tier authorities.

Fairer funding for communities

National Association of Local Councils Conference 2019

Aivaras Statkevičius

Senior Adviser (Finance), Local Government Association

29 October 2019

www.local.gov.uk/finance

Outline

- Context: 2019 Spending Round
- 2020 Spending Review
- Business rates retention reforms
- Review of relative needs and resources (‘Fair Funding Review’)

Spending Review: timing changes

- Spring 2019 - If Brexit deal agreed soon, an Autumn multi-year Spending Review

Instead:

- 2019 Spending Round on 4 September - revenue (mostly) for 2020/21 (mostly)
- Autumn Budget on 6 November; cancelled
- 2020/21 settlement – (hopefully!) December

Spending Round 2019 - outcome

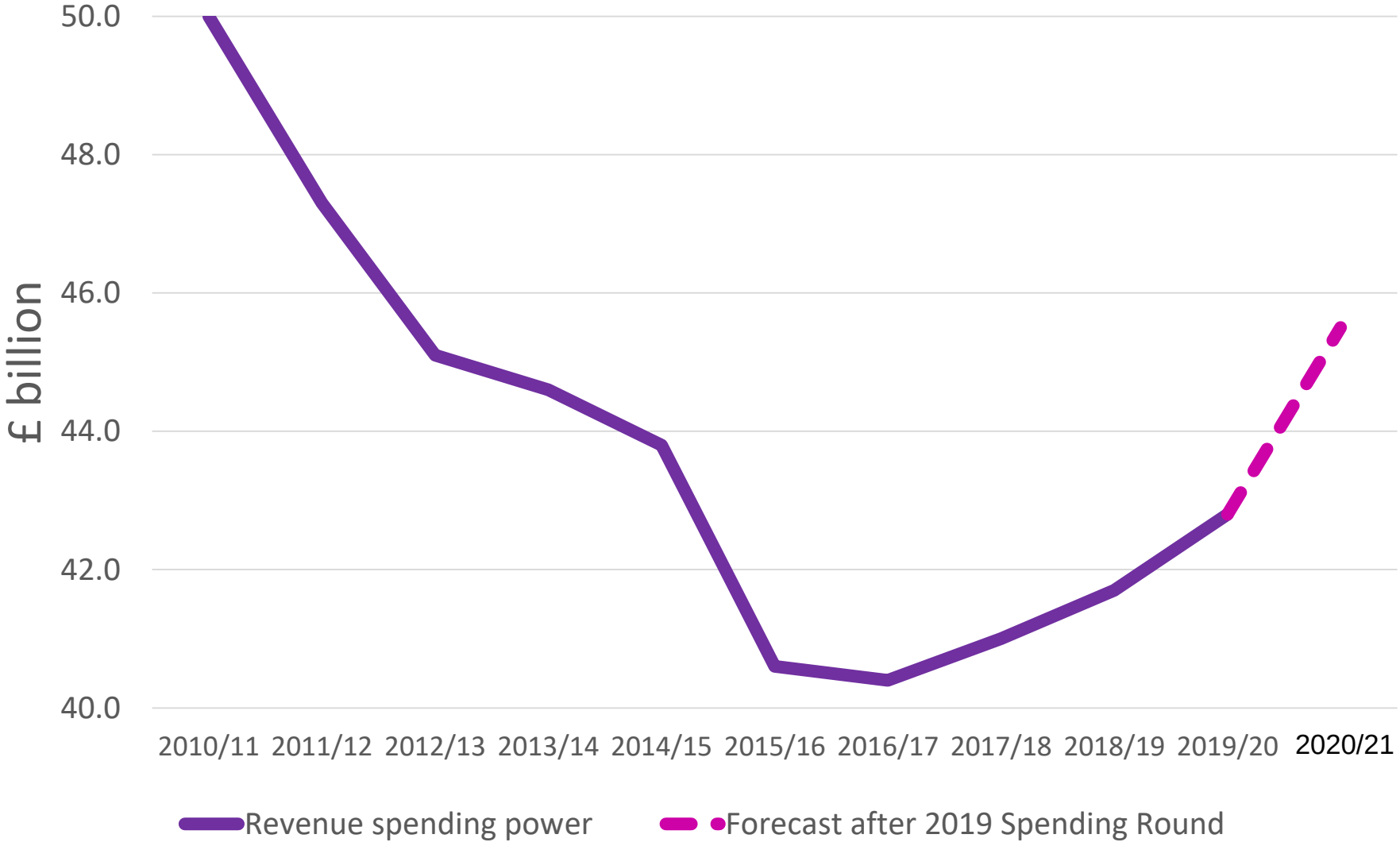
Measure	2019/20 £bn	2020/21 £bn	Change £bn	Change, real terms
Local government core spending power*	46.2	49.1	2.9	4.3%
Local Government Departmental Expenditure Limit**	7.5	8.6	1.1	12.4%
NHS England	123.7	129.9	6.2	3.1%
Department for Education	64.0	67.8	3.8	3.3%
Schools	44.4	47.6	3.2	3.9%
Total managed expenditure	**842.8**	**878.6**	**35.8**	**2.4%**

*** Core government grants, councils tax and retained business rates (base)**
**** Core spending power excluding local taxation**

Spending Round 2019 - outcome

Funding stream	£ billion
Additional Core Spending Power	
New adult and children's social care grant	1.0
2% additional Adult Social Care precept (incl. taxbase growth)	0.5
2% general referendum principle (incl. taxbase growth)	1.1
Business rates and Revenue Support Grant	0.3
Additional Core Spending Power	**2.9**
Additional SEND funding (outside Core Spending Power)	0.7
Total – '£3.5bn package'	3.5

Core Spending Power



Spending Round 2019 - outcome

• Homelessness (extra £54m in 2020/21)	£422 million
• UC vulnerable claimants	£23 million
• Building safety	£24 million
• Continue Troubled Families programme	?
• Towns fund	£241 million
• Bus service transformation	£200 million
• Air Quality	£30 million
• Discretionary Housing Payments	£40 million
• Brexit preparation funding to roll over?	

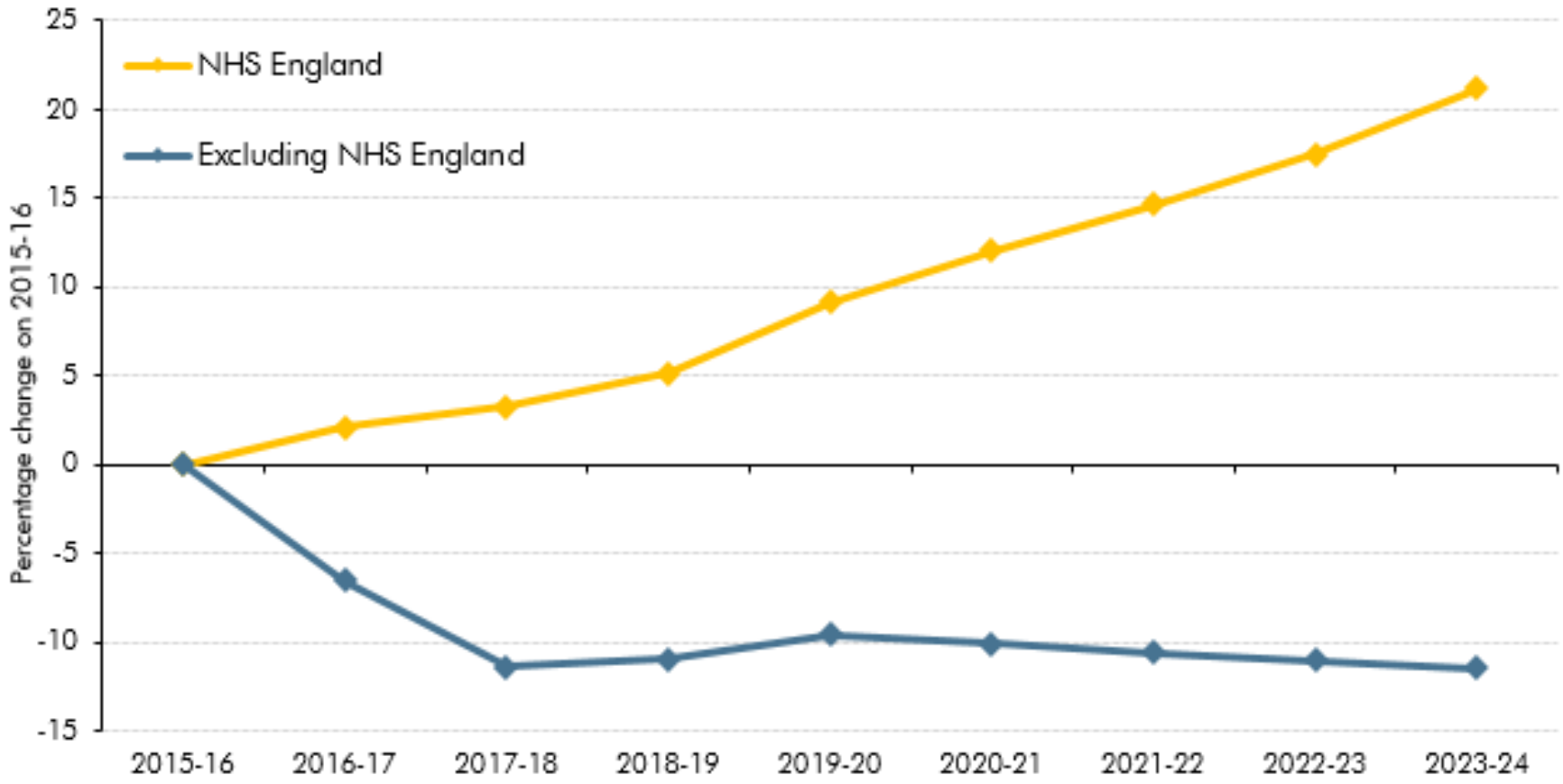
Councils' annual cost pressures

	Average annual cost pressures
Adult social care	£1.2 billion
Children's services (excludes SEND pressures)	£0.7 billion
Homelessness	£0.1 billion
Public health	£0.1 billion
Other services	£0.4 billion
TOTAL	**£2.5 billion**

What do we know?

It’s in 2020!

Spending Review 2020: context



Note: RDEL ex - the basis on which HM Treasury sets Departmental plans - rather than PSCE in RDEL
Source: OBR

Business rates retention and fair funding review

Reform timeline

- April 2013 - 50% Business Rates Retention
- October 2015 - announced 100% retention of business rates
- January 2016 - and a Fair Funding Review
- Jan 2017 - Introduction of Bill & implementation in 2019/20
- Then a General election and fall of the Bill
- Not mentioned in 2017 Queen's Speech
- December 2017 - announced 75% retention in 2020/21
- September 2019 - implementation delayed to 2021/22

Business rates retention

- Government has specified reform should be fiscally neutral
- Grants to be rolled in to retained business rates:
  - Revenue Support Grant
  - Public Health
  - Rural Services Delivery Grant
  - GLA Transport Capital Grant
- Full business rates baseline reset in 2021/22 – keep subsequent growth
- Alternative model? – to compensate for appeals
- Resets, tier splits, safety net, levy, pooling……

Fair funding review – MHCLG principles

Principles

- Simplicity
- Transparency
- Contemporary
- Sustainability
- Robustness
- Stability

Terms of Reference

- **set new baseline funding allocations** for councils
- deliver an up-to-date assessment of **relative needs**
- examine the **relative resources** of local authorities
- consider appropriate **transitional arrangements**
- be developed through **close collaboration with local government**
- focus initially on **services currently funded through the local government finance settlement**, with a subsequent case-by-case consideration of additional responsibilities

Fair funding review – likely structure

Foundation Formula	County and District	Area Cost Adjustment
Adult Social Care		Area Cost Adjustment
Children and Young People's		Area Cost Adjustment
Public Health		Area Cost Adjustment or similar
Highways Maintenance		Area Cost Adjustment
Fire & Rescue		Area Cost Adjustment
Legacy Capital Finance		No area cost adjustment
Flood Defence & and Coastal Protection		Area Cost Adjustment
Total needs assessment		Sum of the above for each authority
Less: council tax adjustment		(Taxbase X notional council tax level per authority type)
New funding baseline		Needs assessment less council tax adjustment
Transition to be applied, may take into account other income		

The next 12 months..

- Autumn Budget: cancelled due to General Election
- December (?) – local government finance settlement
- February/March: budgets set for 2020/21 to be funded primarily from council tax and business rates
- Further consultations on business rates retention and fair funding review (LGA pushing for early exemplifications)
- Spending Review 2020 – uncertain timing.
- LGA campaigning continues. Revising funding gap but clear it is not possible to meet via business rates and council tax growth alone
- National politics a big uncertain factor

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COMPREHENSIVE SPENDING REVIEW 2019 – NALC VIEWS

CHRIS BORG, FSLCC, ACMI
NALC

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OVERVIEW

- Sajid Javid, MP announced spending review for 2020-21 in first week in 09/19;
- NALC argued vital for local councils to have flexible and diverse funding moving forwards; &
- This would enable local councils to continue to play a vital role in building strong communities.

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NALC ASK 1;

- A further multi-year deal on council tax referendums;
- Current three year deal coming to an end; &
- Extension to three year deal would provide greater financial certainty.

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NALC ASK 2;

- Access to dedicated government grants and further reforms to business rates;
- Many Government funding pots announced during 2019-20 local councils were not eligible to apply for; &
- The Government needs to re-introduce a bill to end the toilet tax on public conveniences during its next parliamentary session.

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NALC ASK 3;

- Support to build capacity and help to local councils to improve through a share of investment in local government sector support;
- In recent years NALC has worked closely with the LGA on joint projects to help support effective relationships working between the tiers and to deliver the National Improvement Strategy; &
- In future the Govt. should work with NALC to explore further ways to build capacity to improve through a share of local government sector support.