

**Sevenoaks Town Council Chief Executive / Town Clerk**

**Linda Larter MBE, BA (Hons), FILCM**

**Presentation to**

**All Party Parliamentary Group on Local Democracy**

**15<sup>th</sup> of March 2016 at the House of Commons**

**Retention of Business Rates**

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**Town Clerk**

## Sevenoaks Town Council

Population:	Approximately 18,000
Electorate:	Approximately 14,000
Precept 2015 / 16:	£973,618
Band D:	£105

## Sevenoaks Town Clerk

Linda Larter has been a Parish / Town Clerk for over 25 years working with councils varying in population sizes from 250 to 70,000 plus. Linda has a related degree and is a Fellow of the Institute of Local Council Management. In 2000 the Millennium Commission nominated Linda for an MBE for a Community Centre project.

## Devolution and or New Local Services

The past 25 years have seen many changes and new opportunities in the local council sector. The larger Town Councils have developed to become more independent and operating services that would have previously been operated by the Urban District Councils. Sevenoaks Town Council if it takes into account its Theatre and Cinema, which it operates via a charitable trust has an annual turnover of approximately £4m.

All tiers of councils are subject to considerable economic pressures.

The principle authorities are under pressure due to its government grants being reduced and the ever increasing demands of social and health services.

Town and Parish Councils are under pressure because the principle authorities are in turn delivering less in the community and the town or parish council is left with the principle of take it on or lose it. These facilities are often those which provide the day to day wellbeing for local residents from public toilets, parks and leisure facilities, bus services etc.

A further significant change has been town and parish council's involvement in Economic Development.

For Sevenoaks Town Council examples of this include:-

- Theatre and commercial cinema (attracting 300,000 visitors per year)  
[www.stagsevenoaks.co.uk](http://www.stagsevenoaks.co.uk)
- Bus service linking national trust property to the town centre.
- Orbital Town Centre bus extending to neighbourhood villages.

- Operating markets (4) including Farmers Market
- Arranging events to increase vibrancy in the town, 2000 – 9,000 people
- Provision of Christmas Lights (£25k per annum)
- Floral Decorations
- Regeneration of Train Station
- New Conference Centre (£3m)



## Town and Parish Council's Funding

What has not changed for town and parish councils has been its funding mechanism. 100% of which falls to the local householder council tax payer. Town and parish councils do not receive government grants or any income from business rates.

To be clear there are very few town and parish councils who do want to receive government grants which would undoubtedly come with regulations etc. The recent loss of the town and parish council element of the local government support grant which was not handed over by some principle authorities reminded town and parish councils how much it did not want to rely on such funding. For some town and parish councils this has caused some considerable hardship with little or no transition arrangements put in place. Sevenoaks Town Council does not receive any funding from Sevenoaks District Council and took the pragmatic view to increase the Precept to adjust for the £36k loss which at the time was approximately 5% of the Precept.

Town and parish councils are also not capped and this freedom is significant to be responsive to community's needs. It should also be noted that the percentage rise is based on a smaller base figure and therefore does not have the same impact as principle council's council tax on the rate payer.

For the 2016 /17 financial year Sevenoaks Town Council has raised its Precept by 19%. The Town Council produced a leaflet entitled 'Talking Money' which it distributed widely including a half page advert in the local paper. Taking into account local politics from an approx. 18,000 population it has one letter of complaint. It has received some queries and a copy of the leaflet was provided to the resident which resulted in no further queries.

## Local Business Rates

Sevenoaks Town Council strongly believes that town and parish councils should receive a percentage of the Business Rates and has previously submitted an application under the Sustainable Communities Act 2007 for this to be considered. Even though the bid was supported by the following it was not successful:-

1. 4,200 Town and Parish Councils either direct or via their County Associations
2. Association of City and Town Management
3. National Association of British Market Authorities
4. National Association of Local Councils
5. Society of Local Council Clerks
6. Sevenoaks Chamber of Commerce
7. Knole National Trust
8. Sevenoaks Chronicle
9. Go Coach (local bus service)
10. Local retailers (please see below)

### *Wagamama, Sevenoaks*

*When I joined Wagamama sevenoaks in August 2014 there was a lot to organise in terms of marketing. Linda took time out of her schedule to go through up and coming events that have an impact on local business. She provided information I requested and kept me informed of marketing opportunities as well as putting me in touch with members of the community. This has enabled me to forward plan more effectively, enhancing our guest experience which is better for us and the residence of sevenoaks*

### *Handelsbanken*

*We have received great support from Sevenoaks Town Council (STC) in the time since we opened our doors for business in April 2013. I think it is fair to say that the Council has taken a great interest in us, nominating us for its New Business of the Year award at the 2014 Business Awards evening and promoting our name and services to local individuals and businesses. I recall a meeting I had with you shortly after arriving to set up our branch; your local knowledge of the business and professional community was incredibly helpful to me and really encouraged us to participate fully in all community aspects. As a result we have been keen to reciprocate your support by becoming involved in events run by STC/Sevenoaks Town Partnership, plus fundraising events for the Mayor's chosen local charities. We enjoy a great working relationship with STC and cannot under-estimate its role and influence within the local business community.*

### *Specsavers*

*As a local business in Sevenoaks, I am very passionate about our town and feel strongly about a percentage of our business rates going to Sevenoaks Town Council. I feel that Sevenoaks Town Council represent our local area immensely by providing a lot of local benefits. The Sevenoaks Food Fare, the Sevenoaks Business show, the Sevenoaks War Memorial, the Sevenoaks Red Bus and the Sevenoaks Christmas Lights, these are some examples of the excellent work that the Sevenoaks Town Council does in our community. If a percentage of our business rates were to go to Sevenoaks Town Council, I am sure this would massively help towards their continued work within our Town.*

### *Go Coach Hire*

*After the discussion at the recent town partnership meeting I would like to lend my support to the town council obtaining a percentage of the business rates received by the District council. The town council has a far better grip of how the town businesses work in the local area and can put this money to good use promoting economic development. At present the district council do not have the time or resources to devote to this and the town council is a far better place to do this in partnership with the local businesses such as the town partnership, business show and business awards that we have in our area.*

The monetary rate of the Business Rates collected within Sevenoaks Town is £11.117m in 2014 / 15.

## **Returning a % of Business Rates to Town and Parish Councils**

Sevenoaks Town Council believes it should receive a percentage of the business rates for the following reasons:-

1. The Town Council is increasingly providing services to support the economic development and vibrancy of the town without currently receiving any contribution from the very businesses they are seeking to support.
2. Most local businesses assume the Town Council does receive a proportion of the business rates.
3. Local businesses want so see some of their business rates spent in the locality in which they operate, but cannot afford to or want to pay more.
4. The BIDS system is bureaucratic and resource consuming.
5. A return of a proportion of the business rates could be earmarked for economic development.

6. The current government proposal is for council tax to be retained locally. This however equates to the District Council. There is no guarantee that this would be spent in Sevenoaks parish even though the largest percentage will be obtained from the town. This is similar to car park income where it is generated in one town and spent elsewhere.
7. The Town Council would be easily be available to provide a clear audit trail of share the business rates were spent locally.
8. The Town Council and Town Partnerships would spent the funds in relation to their Economic Development Strategy in consultation with the local community, including businesses.

### **What could a returned % of the local Business Rates be spent on?**

Sevenoaks Town Council and Sevenoaks Town Partnership canvassed local stakeholders in relation to what could the percentage of local business rates be spent on if returned to the town with the following results:-

1. Dedicated Town Centre Manager
2. Improvements to public realm – street furniture and signage
3. Promoting the town nationally
4. Subsidise non-domestic rates for new ventures to help them get established
5. Investing in young entrepreneurs
6. Supporting car park initiatives
7. Increase new hourly bus service to half hourly
8. Provide the facilities / capital projects identified in the NDP
9. Developing new conference centre
10. Developing new hotel provision
11. Providing advice and training to independent traders
12. Installing electric provision to weekly market.

### **Business Rates Exemptions**


Another real challenges for Sevenoaks Town Council as it starts to deliver more community projects are the business rates attributed to these projects.

This is an issue which is of serious concern to town and parish councils as they are having assets devolved to them and wanting to keep these vital facilities available to the community, the business rates can make this economically unviable. It is understood that the government is reviewing this matter in relation to the provision of public toilets but there are many other local facilities that also need to be considered.

The government recognises this issue in relation to the application of VAT, where it has different classifications for community provision including exempt, part exempt and business. Town and parish councils would want the government to consider extending this methodology to business rates.

In raising this matter the response is that the government and local authorities need the revenue. However this is a flawed argument as the town and parish council will either spend large amounts of public tax payer money on implementing an alternative delivery organisation for example a charity or not proceed with providing the facility.

Please see real example of this currently under review by Sevenoaks Town Council.

<b>Current Sevenoaks Community Centre    Current RV £8,400</b>	
	
<b>£3m Proposed replacement                      Estimated RV £125,000</b>	
