



**All Party Parliamentary
Local Democracy Group**

House of Commons
London SW1A 0AA
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Meeting of the All Party Parliamentary Group on Local Democracy

Tuesday 15 March 2015

15.00 -16.00, Committee Room 18, Palace of Westminster

Speakers:

ANDREA JENKYNS: Chair and MP for Morley and Outwood

LORD GARY PORTER: Lord Porter of Spalding, South Holland District councilor

JONATHAN OWEN: Chief executive of NALC

GILL HARDING: Buckinghamshire County Council

REBECCA CARLEY: Buckinghamshire County Council

LINDA LARTER: Sevenoaks Town Council

HENRY SMITH: MP for Crawley



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ANDREA JENKYNS: Right, I think we may as well start, don't you? Well, welcome to our next meeting of the APPG on Local Democracy and those, first of all I'd like to thank those who were at our last session which was our first reception that we held, I'd like to thank Gary and a few others for coming along to that. Those who did go along, I hope you had your picture taken on the love seat (laughs). It was an evening celebrating all the great work, it's a bit of a once only for our local town and parish counsellors and clerks too so that was a great evening. Now today, following on from our Devo session that we had in autumn and from that there was concerns regarding finance and business rates and I know that NALC have already been and the LGA have also done a lot of work and produced a lot of reports on how should it look with the business rates when they are devolved so it's going to be an interesting session today.

I'd like to, before I introduce our first speaker, Lord Gary Porter, I'd like to, sort of, pay tribute to him. He, when I was in local government he was a bit of my mentor and ... he was my mentor actually and through the IDEA, which was part of the LGA, I was on the Leadership Academy and he was, sort of, leading the way and guiding me and so, and I probably wouldn't have got here if it wasn't for you as well, Gary, so thank you for that. So without further ado I'm going to introduce our first speaker, Lord Gary Porter, who is the LGA Chairman. He's going to outline the position of Local Government Association on devolution and business rates. I'd also like to thank everybody for coming; it's great to see two more MPs here as well, thank you.

LORD GARY PORTER: Thanks and thanks for that, kind of, really warm introduction. As is always the thing with this, it's easy to get great things when you're given great material to work with and that cohort of people, you're one of a couple that managed to get in the department –

ANDREA JENKYNS: That's true, yes.

LORD GARY PORTER: - and you're my most famous one given the person that you took out from a, I'm sure and without dragging it into a party political space, the people who remember Michael Portillo being taken out by Stephen Twigg, well we had the same thing when Andrea took down Ed Balls; so yes, one that still makes people smile everytime we think about the results, well done.

Okay, anyway back onto the subject, devolution and particularly around business rates. People may or may not know business rates and retention locally has been something that the Local Government Association has been trying for since before I become involved in the Local Government Association; it's always been an anomaly where local taxes are collected then sent up to the Treasury for the Treasury to come up with a clever way of redistributing it back to some areas and nobody being content with how it's done, not the businesses where it's taken from, not the councils where the money lands back in again.



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We've managed to get under the coalition government a move towards full business rate potential, we got as far as half which no mean feat in itself, there was a little bit of criticism that it wasn't 100% but I don't think anybody really expected the government, particularly the Treasury, to give up that level of funding that soon into a government that had been taken over on the back of the financial situation that they had. If I'm being brutally honest, my aspiration for this government would have been to get to something like 85-90% and to get an announcement that we're moving to 100% I think is beyond what anybody could have really realistically expected in the run up to or just after the last election.

So it is a massive and significant move for the sector to get that but the difficulty now starts now we've got the announcement that that's where we'll be moving to because all of the real problems start about how do we redistribute the money that's collected, how do we make sure the money that's collected still has some connection in the businesses that we take it off and how do we manage to end up with a system where some councils who are not ever going to be able to raise the level of business rates that some other areas can, how they're not disadvantaged to such a level that their local economies collapse on the back of it. So there needs to be a large amount of redistribution, I mean, the easiest ones are being able to say places like Westminster; I don't believe Westminster Council for one minute think they're going to keep all the business rates they raise for Westminster because, you know, it's just financially not viable.

So the sector appreciates there's going to be a need to redistribute money around the sector and we're now working with, or soon to be starting work with DCLG on how that will work. I don't know whether we'll be able to achieve it because you're going to have winners out of the system, you'll have losers and at some time the LGA will no doubt probably have to step back from the final decision making part of that process but our intention is to work as closely as we can with the government to get to a decision that best suits our members, so we need to be at the table.

We're also going to have conversations about what actually do we spend the business rates on; there's a lot of concern in the sector at the moment that the things that built up the size of the block grant no longer apply in the world that we now live in so there's a fairly large workstream going to be done around what actually does 'need' constitute, what should be in there, so that we know where the money should go and then probably, the biggest problem for the sector is business rates currently raise about twice as much that we get in powers and duties to spend it on so there'll be a, let's say, a conversation, it'll probably end up being a row with the Treasury over how much extra money is in the system. Obviously local government will say they haven't been sufficiently funded for a lot of what we already do and before we worry about how the extra money's going to be spent on new things, we should make sure the existing things are fully funded first.



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So that's likely to be the most contentious part of that is what does the extra money then get spent on and obviously the LGA is making sure that the business community where this money comes from is fully represented in their view, sort of, extra things around skills improving workplaces, improving town centres, that sort of stuff we think should be the first call on the money. That might not necessarily be where the Treasury think the first call on the money should be. So it's an exciting prospect and one that also fills me full of dread as cross-party Chairman of an organisation that has to represent councils from up and down the country, so we're likely to get blue on blue and red on red complaints, we're likely to get Met complaints against counties, against districts, where the redistribution system is. So it's, obviously it's a great opportunity, it's also fraught with difficulty but one that I'm pleased we're at least we're going to have the chance to grapple with.

ANDREA JENKYNs: Thank you very much Gary. It's interesting that you said about rejuvenating the high street as well with the money raised from business rates. I might ask a question about that later. I'm going to go onto Jonathan Owen now who's NALC Chief Exec. I have to say NALC are, I sort of Chair three different APPG's and NALC, I must say, they're the most supportive secretariat –

JONATHAN OWEN: Thank you.

ANDREA JENKYNs: - it's fantastic, so thank you so over to you then Jonathan.

JONATHAN OWEN: And also we'd like to welcome your support as well, you're extremely supportive to us. I've got a little paper that I'll just pass round, I haven't got hundreds and hundreds of copies but we've got a few copies which I think will probably get to the key people in the room today and I just wanted to give a bit of an overview of where we stand around devolution and business rates and also a little mention of public conveniences, I think, which is always something that's important to talk about at events like this.

So our contention, NALC's contention, is that the shape of local government is set to change rapidly over the next few years and we believe for the better. We have the opportunity to establish strong upper tier councils and strategic partnerships that will make the UK more efficient and competitive and release local energy as well; so Greg Clark's devolution crusade, as Ian's described it when he visited Kent, is to be welcomed and we can expect tomorrow's budget to confirm a number of devo deals across the country. I guess less positively, we can expect tomorrow's budget to continue the trend of significant reductions in funding for local government leading, I think, to a focus on statutory services such as that of care and education and continued pressure on discretionary services, the things that probably matter to local communities and local councils, the play areas and parks and services, public conveniences and a range of other things and I think the combination of these two developments means that the focus of local government on local issues and the provision of local community services is likely to



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shift; the emphasis will be on strategic economic development, quite rightly, housing strategies and adult care and social care and how to bring the adult care and health together.

So that leaves many of the things that make a difference to local communities and businesses which build community wellbeing and resilience would disappear unless they are provided by communities themselves and I think NALC believes that parish and town councils, you won't be surprised to hear, are best placed to fill this vacuum and address the democratic deficit that otherwise might be created at very local level and many local councils are already seizing this opportunity. I've been around the country with colleagues, we've seen where they're working with upper tier colleagues in Kent, Hampshire, Cornwall, Gloucestershire, Isle of Wight, and Buckinghamshire which I think we might hear about a bit more today. So, you know, the Secretary of State has made it very clear that devolution shouldn't stop with upper tier authorities, it has to go down to the localist level possible and many of those things are being looked at now.

I'm also struck, I guess, by how many large, especially the larger councils are already stepping up to the plate and paying for a range of services from toilets to flowerbeds, community transport to youth services, community facilities to tourist information and I think many of these things actually contribute to local economic development and in the run up to the consultation on business rates, we did a bit of a consultation with our member authorities about their views on business rates and what they were doing to support local economic development and I've attached as an annex to this paper some of the examples of what some councils are doing, Oswestry, Stone, Sevenoaks, which you'll hear about in a bit, and then very tangible examples of how those larger councils are providing support to the businesses to enable them to cope, especially with the last few years and in fact, our survey revealed that something like 37.5% of our larger councils actually pay for a town centre manager in their town who actually then helps to shape the local economic development.

It's very local economic development and obviously upper tier councils are focusing on those big strategic issues, the big economic development things but actually having a town centre manager in place at a local level, looking after markets, looking after the high street makes a tremendous difference and I've just attached to this paper a few of the other survey results and also just picking up a bit around public conveniences which I don't want to make a big deal of today but it is, public conveniences play a part in the local economy. If tourists are travelling around Cornwall they need to have a public convenience to visit and unfortunately, many of our parish councils are taking over responsibility for public conveniences but they're being hit with a massive non-domestic rate bill which makes it difficult, you know, they take over the facility, they refurbish it, they do it up and they are



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then faced with several £2,000, £3,000, £4,000, £5,000 non-domestic rates so that's something that we would like to see change.

But the other big result from our surveys really was that all the respondents, all those larger councils, said actually they could make an even bigger difference if they had some more money and if they had some, a share of any devolved business rates and that, I think, is something we'd like to explore, we've given evidence to the Treasury Review, we've been talking to a number of organisations about it and we'd like to develop it. So I guess in, sort of, summary the points I would get across were firstly just to make people more aware that many local councils, especially our larger towns, are actually very active in local economic development already but this is probably under-recognised and we'd like to get the support of parliamentarians, really, to raise the profile of the work that the councils are doing.

I think the other point to make is that this activity, this local economic activity, actually supplements and compliments the work of upper tier authorities so it's not about competing for the same space it's doing very different things with local council economic development activity focused on things that are very tangible to businesses in the high street and I think I'd like to put out a plea, really, to work with government and upper tier councils over the next few years to see whether we could develop some pilots with some of our largest councils to see how a share of the business rates might work at that most local level and we'd like those pilots to map out what parishes could do distinctively from what others do; to identify how some of the gaps in local provision could be addressed by having local councils involved. To map out again, how local councils would address the local priorities of local businesses and that's something that Linda from Sevenoaks, I think, would be able to talk a bit about; but perhaps most importantly, as part of this pilot, to put in place some mechanisms to evaluate what has been the added value of having local councils have that share of business rates in terms of generating greater income for business rates, other resources from other places to support local economies.

So I think local councils have a key role to play and we'd like to have a share of the business rates and to make local places more effective and more economically strong. So thank you for listening.

ANDREA JENKYNS: Thank you, hear, hear. I'd like to introduce Rebecca and Gill now from Buckinghamshire County Council. Your reputation precedes you, actually, in the work that you're doing and so it'll be interesting to learn today what best practices are that you can, sort of, share with us here.

GILL HARDING: Okay.

ANDREA JENKYNS: Over to you, thank you.



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REBECCA CARLEY: Well I'll start, I'm Rebecca Carley from Buckinghamshire County Council. The County Council for some years now, it probably goes back about fifteen years, has been really interested in working more closely with local councils in Buckinghamshire and this is really for two reasons; one, because we know that local councils and local communities are often best placed to deliver some services at, with better quality and at better value than large authorities, principal authorities like ourselves and we have some evidence to support that, so it's not just an article of faith, both research we've done ourselves but also looked at some of the national work that has been done on, if you like, the diseconomies of scale and we have also seen some really creative local solutions emerge for the delivery of local services which would just, which would never have materialised if we'd carried on delivering those services as a large county council.

The other reason why the County Council is interested is that, and again this is partly an article of faith but I think we're starting to see it bear fruit and the evidence emerge that where communities and where people, especially through their local council, feel that there is much greater connectivity between what they're paying in their local precept, in what they say is important and then what materialises in terms of tangible activity or facilities in their local community creates not only a much stronger community but much greater, sort of, connectivity into the democratic process.

The County Council started offering formal devolution agreements to parish councils in Buckinghamshire, again, sort of ten to fifteen years ago. Slow growth, very, very slow growth and for the most part, town and parish councils were predominantly interested in public realm activities so minor highways, highways activity. As I say, it was fairly slow growth and by about, well by 2014 we had three, 23 formal agreements in place but we then discovered when we opened up a fresh devolution offer that there was actually a raft of, sort of, handshake agreements operating across the county as I'm sure operate up and down the, up and down the UK and around about 2014, but we started thinking about it earlier than that, as we became acutely, we became acutely aware that as our budgets came under real pressure it became so important that we offered local communities through their local councils the opportunity to step in and actually start to exercise much greater discretion to, sort of, over that gap which was starting to emerge over these services which we had historically provided and which were disappearing and I'll hand over to Gill who'll just talk very, who'll talk through what our main devolution offer was then.

GILL HARDING : Okay, so I think Rebecca's touched on it, certainly when we picked this up as a project for us to deliver we were acutely aware there were a number of different agreements that different bases attached to them so it was actually quite a hard thing to manage as a county council and historically there'd been predominantly around grass cutting which is almost similar to, I know people talk about, sort of, public toilets but grass cutting is one of those areas that as budgets become squeezed, it is an area that is, it's not,



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sort of, statutory or the totality of it isn't statutory and therefore it's an area that does get reduced.

So we, I guess we took quite a hard line initially and actually made it very clear that the old agreements and the old arrangements, we were almost moving into a new era and we were trying to get everybody on the same page with the same, exactly the same agreement across all the parishes so we opened up, we opened up a conversation with the parishes, I think, and I'm sort of like the service delivery side in terms of transport services and we engaged heavily with Rebecca's team in terms of the localities and actually built on those really good relationships with the parishes which, I think, actually really put us in good stead to start those discussions. I think it's fair to say when we started those discussions I think it was difficult at times for the parishes to come to the table. We started a very honest conversation with the parishes where we made it very clear that these were agreements that were being put in place and they were being put in place ahead of a shrinking in budgets associated with this particular service so it was a case of, and we've openly said it, if they didn't come to us in what we call tranche one, then the budgets would look quite different.

What we did do is we did take a conscious decision to passport the budget as was or the best we could calculate it from the budget we were paying and a contractor to deliver the service to actually then passport that directly to the Parish Council and we tried to provide as much evidence in calculations to show the parishes that there was no hoodwinking going on anywhere, it was what it was. We, in the legal agreement, which at the time felt quite tortuous to get through a process but that is always the case when you've got in excess of 160 odd parishes and you're trying to get an agreement that will work for everybody so we went through that and I think it has worked to actually engage, get the right agreement in place and then take it forward and in the agreement it's really quite clear that in essence it is a contract so there's an amount of money that gets passported to the parish council and we expect them to deliver up to a certain service; however, as Rebecca's quite rightly said, there is flexibility there in that service so they can choose how to then use the budget that's been passported to them in the best way for their local community.

There was a lot of engagement, a lot of discussion and it was a project that, you know, we invested, sort of, time, not too much money but officer time in terms of actually working through that engagement process and really I think we actually did quite well in tranche one given it was, sort of, a new era we were going into and of the, we've got one town that's, sort of, unparished but of the 168 parishes that we've got, we've got 44 signed up which in terms of number doesn't look huge but it was about 46% of the actual budget that was available at the time. So we then, sort of, agreed that we would work from that and we'd start looking at what we then called our tranche two which was being, again, honest



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and saying that offer wasn't as good as it was in tranche one because we've had to reduce budgets, however again, we'll be open and visible in terms of what's available and I think we're now in a place where we've got, hopefully, and signed legal agreements are coming in on a daily basis at the moment for the year starting, sort of, on 1 April but we've got now over 50% of parishes which is quite significant and certainly looking at the figures up to £500,000 worth of budget that's actually been passported onto the parish councils.

We have, as part of tranche two, done an awful lot of work with parishes that didn't want to come on board and to, sort of, share a little bit of that with you there were issues as I flagged in terms of trying to come together with this same legal agreement, there was this issue that the old agreements that had been put in place were, in certain places, quite lucrative to the parish councils and when we actually looked at it we've got to show that we're maintaining value for money and they really weren't appropriate to be able to be continued so as I said, we did have to take a hard line.

A lot of parishes felt that they were too small. We did try initially to start the idea of trying to get or trying to facilitate the clustering of parishes but for a variety of different reasons parishes felt uncomfortable in doing this in the early stages. However, we're starting to see that come together a little bit more and some just felt fundamentally, and I know we've had conversations in our organisation and, sort of, with Rebecca's team about the capacity building. The parishes just didn't feel as though they were ready to do it even for like 2016-2017, they felt uncomfortable because they felt it was quite a big step change from where they come from. What was really positive and, sort of, an event that we had a few months ago, we actually got some of the parishes that came with us in tranche one and shared. So that's where we've actually benefitted from where parishes have been prepared to share their experiences and actually, sort of, share it out and, sort of, what we heard back was there was definitely more local control, there was more ability to deliver what they knew their residents within, sort of, their areas wanted them to deliver.

There was an issue that we had a service provider that a few years ago it was a bit of a disaster in terms of grass cutting, in terms of the way that the weather was so it probably was good times in terms of that so they've seen positive reaction from the residents in terms of an improvement in the service and they made it quite clear that at the time because we committed and we only committed for the period of the contract which for tranche one, I think, was four years, we were very honest and said, "We can only commit to that budget and that contract for that four years. In four years' time we know we're going to be in a different kind of place."

So I think it's been really positive and at the last event we had where a number of parishes came to an event ran by Rebecca's service they were eager and hungry to take it to the next level, so to move it on from the grass cutting side of things to start looking at other areas. So yes, it's been, sort of, a long two years but a very productive two years.



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ANDREA JENKYNS: Thank you very much and finally I'd like to hand over to Linda Larter from the clerk at Sevenoaks. I actually met your council leader at the party conference and he's a real bundle of energy (laughs). So I look forward to, hearing all of the stuff that you're doing; spearheading the business rates.

LINDA LARTER: Lovely, well I was going to try not to be too repetitive because –

ANDREA JENKYNS: Yes.

LINDA LARTER: - obviously it's covering the terms. So I've worked for town and county councils for 25 years from the very smallest to what was the largest, Weston-Super-Mare, which obviously is no longer and obviously I've seen a lot of changes, our sector has changed considerably and it's operating different services that I would never have thought of years ago and some of them can be quite large. So Sevenoaks Town Council, if it takes into account the theatre and cinemas that it operates has an annual turnover of approximately £4,000,000 and we aspire to be a super council one day but we're not, NALC doesn't describe us a super council.

ANDREA JENKYNS: Did you say that's a turnover for what, did you say, for the whole parish?

LINDA LARTER: £4,000,000 –

ANDREA JENKYNS: £4,000,000 right.

LINDA LARTER: - if you take into account theatre and cinema, which we've hived off, at the moment. So we're aware that all tiers of councils are subject to economic pressures, you know, we know, we've been to our colleagues' offices of different authorities, we know they're under pressure that their grants, government money has been reduced and that they have more demands for social and health services. From our sector, we feel that we're under more pressure because the principal authorities can't deliver as much as they used to and we're often left in the scenario of 'take it or leave it'.

So whatever the facility was, including the theatre and cinema, so we feel that we had to step up to the plate if our residents were supporting that and we also feel that we're the ones that are providing the day to day wellbeing stuff for local residents whether it's public toilets, parks, leisure facilities, bus services etc but the biggest change I've seen probably in the last five to six years has been that we've had to become more involved in economic development and I would have said years ago my sector wouldn't have even had that discussion and for us, that includes, as I mentioned, running a theatre and commercial cinema which attracts 300,000 visitors a year because it's right in the town centre, we run a bus service that links to the National Trust property because we had hundreds of thousands of people going to National Trust who drove straight there and straight home, didn't come into the town centre.



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We now run an orbital bus service that brings in people from neighbouring towns to Sevenoaks, we operate four markets, events, we're just about to sign a deal to regenerate one of the train stations, that's something I never thought I would be doing to tell the truth and we are hoping to build a new conference and community centre for £3,000,000 and the local county council have come to us to talk to us about taking over our library. What was a surprise was that they didn't just to take over the one library, they wanted to take over eleven in the district which, you know, is a problem that ... so but what's not changed for our sector is our funding mechanism, it's exactly the same as it has been since a percentage of the rates was removed back in 1980.

So 100% of everything we do, if we don't raise grants and get external funding, goes to the local council and they have to pay for what we do and we don't receive any government grants and we don't receive any money from business rates and I think we need to be clear that most town and parish councils don't want to receive a government grant. I think, you know, I'm talking on behalf of my sector because we know what's likely to come with it, so, regulations etc.

We're not capped which gives us the freedom and we need that freedom if we're picking up these services that need to increase the rates. So this year from 1 April Sevenoaks has increased its rates by 19% and issued a leaflet and I've got some handouts later for you all, Talking Money, which went to residents and we took a whole page in the local advert to say that we were going to raise our rates by 19% and what for. I had one letter of complaint, we've had four letters or emails from people asking for more information and we sent the Talking Money leaflet to them and that was fine, not the uproar that was expected. So I have got a copy of that.

So to come to business rates, the town council firmly believes that the council should receive a percentage of the business rate. It did submit an application onto the Sustainable Communities Act and although there was 45,000 people that didn't ask, we weren't surprised about that the monetary rates of the business rates collected in our town is £11,000,000 for last year and we are talking about, to our businesses, what could they do if they just and one percent of that and there's lots of reasons why but I won't go through them but they're in the handout but what it comes down to is local businesses want to see something tangible coming back into their town centre and they're absolutely astonished when they find out that we, as a local council, don't receive and funding, they absolutely don't believe us, quite a few and they just say, "We want to work with you to do something where our business is" a stop or maybe they had families and to make the town look better and work better for our corporate businesses.

So that's where we start with, there's lots of other reasons but that's the basics and also we have very strong partnership with the local businesses so we have had, we did a survey of what they would spend it on and then give them a list of, easy came to a list of twelve



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things which was dedicated town centre manager, improvements to public realm, subsidising non-domestic rates for new ventures, investing in young entrepreneurs, supporting car park initiatives. Now, we just introduced a new hourly bus service and people want us to run it off and, you know, you can never do that; capital projects, the conference centre, advice and training to independent traders and we wondered if there's any potential, thinking of a halfway house really because I've been talking about business rates for too long but it's almost, sort of, grown as standard line from us, but ... and it's going to be a difficult path, it's been a difficult path for the LGA and they've done amazing to get where they have now and for us it's going to be even harder to be truthful.

So we wondered if there's a way of doing a halfway house with a kind of project that the District Council, in our case, in our case, one percent of the business rates to, to its Board of Councillors in Sevenoaks and they have the say where that money goes so it's almost like a member's allowance but they have the say in liaising with local businesses, we have a strong Sevenoaks Town Partnership, we're touting the year 2014, has its strategy and the District Council are a member of it but to start to see if that one, even one percent which would be to us £100,000, was earmarked for reinvesting in the town from the businesses to the economic development because the concern at the moment for businesses, they tell us, is they don't know where that money goes, any of it, let alone one percent, they're not absolutely sure that it goes in their town and the district's quite wide or how local is local but then it could be 20 miles away and they don't feel that it's benefitting them so they really want to look at a mechanism to make that happen.

And just lastly, I know we've talked about public toilets but the delivery of community projects is becoming more and more difficult because local councils have been given things under Section 106 which sounds wonderful, they're taking on properties such as theatres, train stations, whatever you want but then comes the real problem, we have raised over £3,000,000 to, we haven't borrowed, we've re-evaluated our assets to build a new centre but it's likely not to be signed off because the business rates for the current centre are £8,000 and the new centre is going to be £125,000 for the year which the local household will have to pay and so that's a really, you know, it used to be that we used to worry about raising the money to build something but now we're worried about how to pay the business rates and so we asked, we have asked the Treasury to look at the exempt model, it does list the VAT for town and parish councils, it has non-business, business exempt in other areas; if it could extend that to business rates so this building that we're going to build will not have to pay any VAT but it does have to pay business rates, if the exemption went to that.

Their argument to me is that they need the money. Well they won't get the money because either we'll spend a lot of money trying to recreate a charitable trust or something that they won't get the business rate or we won't build it, which will be a loss. So they're



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not going to lose out on business because they just won't get any. So that's what I have to say, but I do have a handout to pass round.

ANDREA JENKYNS: Thank you very much. Any questions to any of our guest speakers? Have you got anything?

LORD GARY PORTER: No, that's fine, no thanks Andrea, no.

ANDREA JENKYNS: As one of our own MP's (laughs). No? Shame that Andrew's just left, right, to the floor, anybody? No? To the one person on the floor (laughs)? Well should I kick off with something, yes? Gary, I as the Chair of the APPG town centre and high streets as an ex-retailer and, sort of, a vision I had personally with business rates is, you know, the town centre's very much becoming a haven of pound shops and charity shops and empty stores really. What's your views on how we can, sort of, look at getting these stores filled, not necessarily with retail outlets but looking at diversifying and making the more vibrant town centre communities and whether it's through leisure or other issues. Do you think business rates is an area that we can use to regenerate the high streets?

LORD GARY PORTER: I think conversely it'd be the other way round. I think councils will have to expect to get less money off the town centre area –

ANDREA JENKYNS: Okay, yes.

LORD GARY PORTER: - if they're going to regenerate it because the only way to regenerate town centres in the world we live in now is to make them smaller.

ANDREA JENKYNS: Yes, yes. That's a good point.

LORD GARY PORTER: Too many places have got too many spider legs off the centre –

ANDREA JENKYNS: Yes.

LORD GARY PORTER: - and somehow we need to get those turned back into residential units so there's a greater footfall closer to the town centre so that the, kind of, leisure, food type economy can pick up and that may well be how to generate it. People don't shop like they used to.

ANDREA JENKYNS: No.

LORD GARY PORTER: People shop online, I'm going to score a big point in this one, this place was wrong last week to vote the way it did to remove the ability for local councils to choose to extend hours.

ANDREA JENKYNS: Yes. I voted, I was one of the few who voted for it actually.



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LORD GARY PORTER: Not that they had to do it –

ANDREA JENKYNS: No.

LORD GARY PORTER: - but they should have those local councils who are closer to the community to determine when people should be able to go and use their shops which we've stifled the town centre, in a way, against the internet trade, to a ridiculous point. In my own council when trades come in and moan to me about the state of the town centre and I need to do XYZ my normal retort to them is, "Well, start giving me some money and pay for it then" and they say, "Oh, we pay business rates." Well I don't get them.

ANDREA JENKYNS: Yes.

LORD GARY PORTER: Business rates in South Holland at the moment go to the Treasury and they send them somewhere else but they don't send them back to us. So a heavy footfall in the town centre is actually a piss ending for me because more people cost more to look after.

ANDREA JENKYNS: Yes, of course.

LORD GARY PORTER: So, which is one of the reasons why the Treasury were right to actually start letting us keep the money and that will give us some more security but the best way to regenerate town centres is to reduce the actual footprint that they spread out over getting people back into the centre and actually get people living back in the centre and that means all of those redundant spaces above shops where businesses can't take the pension pot off those needs to be changed; it needs quite a big fiscal change to bring that redundant space back into residential use but if you do that you'll put more people in towns, you put more people in towns they're likely to spend more money in towns.

ANDREA JENKYNS: Yes, great, thank you. Anybody else got any views on, sort of, how you may use the business rates to, sort of, regenerate the town?

HENRY SMITH: Andrea, if I may, just to, because I have to go at quarter to, I'm afraid –

ANDREA JENKYNS: Yes, no that's very good Henry, yes.

HENRY SMITH: - just to let the room know, my name's Henry Smith, I'm the Financial Private Secretary to Greg Clark, of course the Communities and Local Government Secretary; so really my interest in being here today has been to listen and it's been very constructive and informative and I just wanted to say, Andrea, that I will be conveying the comments that we've heard in here today and thank you very much for an excellent presentation.

ANDREA JENKYNS: Thank you very much Henry, thanks for coming, thank you.



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HENRY SMITH: Thanks.

ANDREA JENKYNS: Thank you. Right, anymore questions or shall I fire away (laughs)? You've got one, fantastic

GILL HARDING : Well, I don't know if it's a question but more a, sort of, an observation –

ANDREA JENKYNS: Okay.

GILL HARDING : - or statement.

ANDREA JENKYNS: Yes, sure.

GILL HARDING : We thought it'd be really helpful to resolve the pre-set capping issue. I don't know where we, where it is at the moment but I think it should either be dropped as an idea very publically or be reserved because what we're observing is that it's just spreading anxiety across our 168 odd local councils in Buckinghamshire and although I do hear people from the DCLG and from NALC giving guidance that it's only ever likely to affect the very largest local councils, nevertheless, like I say, it causes anxiety and people don't necessarily hear the explanation. So I think having it being sort of knocking around for a number of years now I just think it would be really helpful in terms of local, building, helping local councils build confidence can just resolve that issue.

ANDREA JENKYNS: Let's bring Gary and Jonathan in here, are you hearing something similar then?

JONATHAN OWEN : Oh yes very much so. I think it provides a, sort of, degree of uncertainty every year really whether that cap is going to be applied –

ANDREA JENKYNS: Okay.

JONATHAN OWEN : - and I was at an event in Kent where Greg Clark spoke and he made it very clear that he thought our sector actually provided the best value for money because it's closest to the people and the people make their views very, very plainly known if they're unhappy with an increase. So he was reasonably clear that he hasn't but it's on the statue books so it has to be considered every year but he's not really considering applying it in a blanket way; they might be making the odd case when, you know, one of our larger towns puts it up by 30% or something that they might not want to consider it but it would be very much in our preserved power and we'd like him, I guess, to say that fairly, well, I don't know, (a) to drop the proposal completely or to be very clear that it will only affect a very small minority of places.

ANDREA JENKYNS: Okay, thank you. Have you got anything to add?



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LORD GARY PORTER: Well, just the reason why it's there is it's really difficult when you talk about a parish council because they go from two man and a dog –

ANDREA JENKYNS: Yes (laughs).

LORD GARY PORTER: - to considerably larger than some of my smallest members. So it's very difficult to kind of generalise but if a small district council is capped on the level of the precept that they ... well not capped, if there's a referendum threshold on the level that they raised then yet a larger town council is collecting more than they are and they're not caught by the same gene there is an anomaly there that the government will have an eye to but I don't know whether you've noticed this year, the government have moved away from necessarily being very prescriptive about low local taxation to the extent that we managed to win the extra pre-set property accounts or for social care and that's a quite huge change and we've got the £5 minimalist threshold, that's now across all small councils as opposed to only applying to the bottom quartile and that was a huge change from the last parliament as well.

So there is a change towards locally raised taxation being used for local projects given that people locally are accountable for them but I don't think you'll ever get the Secretary of State to give up the power that they've got because that's not the nature of how the government works but I know from previous experience, Greg's very keen to listen to representations about when and how powers should be used to the extent that there were rumours this year that the powers were going to be used and they weren't.

ANDREA JENKYNS: Thank you.

LORD GARY PORTER: So he does listen to representations.

ANDREA JENKYNS: Okay, thank you again.

LORD GARY PORTER: I think part of the challenge for us is getting the message across to local councils as they don't, generally they don't need to panic and the examples you are quoting are, you know, fairly few in number really, the kind of councils that you're talking about where they want to raise a little bit more money to do a bit more grass cutting are never really going to be hit by referendum principles I wouldn't have thought.

LORD GARY PORTER: What's the band D on Sevenoaks?

LINDA LARTER: As of 1 April it is going to be 105.

LORD GARY PORTER: Yes, is it? In my parish it's 136 I think but 51% of what I pay goes to the drainage boards so I'm only collecting £65-£70 per household in band D to do the local



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services that I do. So your town council is collecting considerably more for the operations that are in your control.

LINDA LARTER: Yes, it's where you're investing the money directly back from the business back into its own patch that's, that's what we're able to do.

LORD GARY PORTER: Well that's what I, yes, and that's what I do with my money as well.

LINDA LARTER: Yes, but your patch is wider.

LORD GARY PORTER: Yes, but they claim, collect, quite a lot less per household and it has to operate over a greater geographical area, so it's not an easy question to, kind of resolve. There are lots of nuances in there and it's much more deeper than that and I think your attitude's right, you just need to tell those parish councils that you're going to do some really good things with the money, crack on and get public support to do the really good things and nobody's likely to bother you too much about fact that you've collected the money.

ANDREA JENKYNS: Okay. Our next session on 12 April is going to be on the role of councillors. I'd like to, sort of, finish off, I don't know if there's any more questions; I think in any industry but especially local government, local leadership's the most important thing which determines success, really and over the years it'd be interesting to know from Rebecca and Gill and Linda really, you must have seen several council leaders and how is this transition when you, you know, how have you, has the transition, sort of, to new leaders, how do you ensure that you carry on with your business plan and do you invest, as a county council, in your parishes in leadership to ensure that they've got the right skills to take it forward?

GILL HARDING : Yes. Buckinghamshire County Council has recently established a, sort of, capacity building programme for town and parish councils. How, how, what use town and parish councils will make of it, we don't know yet but we certainly were hearing from town and parish councils not that it's so much in terms of their, sort of, political leadership but more in terms of the capability of their organisations that they, that they were struggling so we invested, like I say, resources which they can access to start building, try and build up their capacity to be able to do more or do things differently.

ANDREA JENKYNS: Because my point of the question is, like, I know Gary he spends a lot of time in developing your own team, don't you, your own exec team and councillors and I know that the county council, the Lincolnshire county council did the same really. So admittedly, if that's filtered down to, sort of, your town and parish council Chairmen as well as the new councillors because I don't think it is, that's my personal view.

LINDA LARTER: I think quite a lot of those are dual hatted and...ANDREA JENKYNS: Yes, okay.



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LINDA LARTER: ...and are benefitting from other tiers and there's political dimensions We do invest in a lot of so we had, we're at the level where we have quite a lot to start with and there is the leadership on this we get from councillors.

ANDREA JENKYNS: Yes.

LINDA LARTER: And also having the face because I think when one, they do, when we push it they and that's perhaps because some of yours are worrying about whether they have the money, can they do it but I found that whichever council I've worked for that once they've done something they then have the confidence to go and do something else but the first one is a real concern and we're just embarking on doing quite a lot with the County Council and sharing resources, especially in asset management, so the new centre that we're going to build which is for us is probably the only one Sevenoaks Town Council will build but there's a lot of professional services that we'll need in that but we're going to tie up with the County Council and use their professionals instead of trying to buy councillors. So that's really helpful. It doesn't really help councillors but then I suppose it helps them know the absolute concerns.

ANDREA JENKYNS: Brilliant, thank you very much. It would be interesting, actually, to not only your handout but others as well, to sort of send it out to all those on our wider committee.

REBECCA CARLEY : Yes, can I just make another observation?

ANDREA JENKYNS: Yes, absolutely.

REBECCA CARLEY : I think there is an issue around the size of councils because whilst I think, you know, local councils are uniquely well placed because they are so much closer to their communities, probably the greater number of them do not have sufficient householder base to be able to do anything much more meaningful than they are doing and they may be able to represent the ambition and the, you know, the fears and hopes of their communities well but in terms of developing more services, they are very limited in what they can do. So if most of us in this room are about trying, are passionate about building a bigger role for local councils then I think that is an issue which, sort of, needs closer examination.

ANDREA JENKYNS: Good observation. Anything else before we close?

JONATHAN OWEN : I'd agree with that point but it's a difficult one –

REBECCA CARLEY: Yes, but I've put it out there (laughter).

ANDREA JENKYNS: Well thank you to Lord Porter, Jonathan Owen, Rebecca, Gill and Linda and it's definitely been an informative session and I would like to also distribute this to all the



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members round the Group. There's a lot of best practice we can share here. So have a safe journey back and thank you all for coming and for those here, please do come along on 12 April.

END OF TRANSCRIPT