

PARISH SUPPORT GRANT

Background

1. The existing PSG scheme was devised in 1974 following the merger of the old rural and urban districts to form the Braintree District Council. The scheme is based on supporting day-to-day spending by parish and town councils on a range of concurrent services, with the grant scale weighted towards giving smaller parishes a greater level of support in terms of the effect on the parish tax rate. The scheme conditions agreed in 1974 provide that the Council (BDC) reserves the right to vary, curtail or suspend the scheme at any time.
2. At present, with the exception of Bardfield Saling, all town and parish councils in the district receive PSG payments. The unparished areas of the district which do not receive any PSG payments are the district council wards of Braintree South, Braintree Central, Braintree East, Bocking Blackwater, Bocking North, Bocking South and part of Great Notley & Braintree West.

Double Taxation

3. A criticism often levelled at the existing parish/unparished arrangements within the district is the possible existence of double taxation on local taxpayers. It is felt that some services funded through the district tax rate, mirror the provision made by parish or town councils within their own areas and funded solely by the local taxpayer. The local taxpayer in parish areas is therefore seen as contributing twice.
4. Double taxation is not solely an issue of parish/unparished areas, and the issue can still occur in areas totally parished due to the historical mix of service provision and varying levels of activity.

Special Expenses

5. The Local Government Finance Act 1992 provides for different amounts of council tax to be calculated for different parts of an area where there are special items. Special items include parish and town council precepts, and special expenses.
 6. For expenses to fall within the definition:
 - They must be carried out by the district council in only part of its area
 - And the same function must be carried out in another part of the district by one or more parish or town councils.
- The presence of enhanced service by parish or town councils is not a reason to special expense.

7. To determine the exact nature of any special expense would require a similar exercise in “service mapping” to be carried out as that set out above for identifying the existence of double taxation. Special expenses might not be solely confined to the unparished areas, or fall neatly within the existing area boundaries. This could create added complexity in both the analysis, and subsequently, the tax setting and billing structures.

Additional Tax for Unparished Areas

8. As a contribution to the debate I am grateful for the comments received from other Members on the issue. Set out below is an example of what is described as “Township-Specific Expenditure”.

**Braintree
&
Bocking.
Township-Specific Expenditure Appropriate for Notional 'Town-Tax'.**

(Source: BDC Budget Book 2009-2010)

Budget Title	Cost (£)
Braintree	
Institute	13470
Goldingham Hall	2430
Glebe Hall	3190
Marks Farm	-4300
Public Halls General (50%)	100000
Public Conveniences (50%)	27420
Town Hall Centre	60430
George Yard Car Park	59690
Manor Street Car Park	11670
Braintree Cemetery	87440
Bocking Cemetery	34010
Parks & Open Spaces (50%)	395165
Play Areas (50%)	39665
Braintree Fountain	5300
Street Cleansing (33%)	291207
Total Concurrent Functions	£1,126,787

It would appear the PSG should be increased by at least 400% for equity to prevail.

9. I have given detailed consideration to the arguments put forward by our colleagues but have found that they raise further questions. I set out below the difficulties that I encountered.

Community Halls

10. It is frequently argued that it is unfair that the Community Halls in the unparished areas should be funded from the District council tax. The figures shown above show the rates and insurance for the four halls plus £100k being 50% of the total maintenance costs of all community halls owned by BDC.

11. It is suggested that these charges should form part of any special charges for the unparished areas.

QUESTION

Should the costs of the four community halls within the area of Witham Town Council, the Halstead Senior Citizens Hall, and the community halls in Rivenhall, Silver End, and Great Notley be charged to the respective town and parish councils?

Public Conveniences

12. The sum of £27,420 represents 50% of the cost of providing public conveniences across the District. However only one of the six conveniences supported from the District rate is within the unparished area.

QUESTION

Should the cost of conveniences situated in parished areas be charged to the host parish or town councils?

Town Hall Centre

13. The figure of £60,430 is the net cost of running and maintaining the Town Hall in Braintree. The building currently houses the district-wide tourist information centre. The building is a listed building and considered, by some, to be a unique district asset.

QUESTION

Should the cost of the Town Hall Centre be apportioned between whole district and unparished use, and if so how?

Car Parks

14. The figures shown in the table show the costs of two car parks within the unparished area. No mention is made of the income from these car parks which contribute to the income of the whole district. In 2008-09 the income FROM George yard was £356k and Manor Street £66k.

QUESTIONS

(i) If the unparished areas are to meet the costs of these car parks should they also be entitled to retain the income?

(ii) Should the same argument be extended to other parished areas that have “district” car parks within their boundaries?

(iii) Should those parished areas that have car parks, but with no parking charges, be charged the full cost of maintaining them?

Cemeteries

15. The table shows the cost of maintaining the cemeteries in Braintree and Bocking. They are available to people both within the district and outside the district. The costs of burial are doubled for deceased persons living outside the district.

QUESTIONS

(i) If the costs of the cemeteries are to be met only by the residents of the unparished areas should charges for residents of the district who live outside of the unparished areas be the same as those living outside the district i.e. double?

(ii) Should the costs of maintaining Halstead (£62k) and Witham (£31k) be charged to the respective town councils? Should town councils levy similar charges in these cemeteries?

(iii) Should the existing costs be shared across the district depending on the last address of the deceased?

Play Areas

16. It is often argued that the cost of play areas in the parish areas are met from parish and town council budgets whilst those in the unparished areas are met by all taxpayers in the district.

17. Since we began our programme of improving play areas across the district in 2005 no less than £614k has been spent on 18 play areas in parished areas. The eighteen areas have covered Witham Town Council (5 play areas), Halstead Town Council (4), Sible Hedingham PC (3), Earls Colne PC (3), Great Notley PC (1), Silver End PC (1), and Rivenhall (1).

QUESTION

Should BDC treat equally all the play areas that it owns irrespective of where they are situated?

Street Cleansing

18. The figure shown in the table above is an apportionment of 33% of the total cost of street cleansing in the whole district. The total cost includes costs of £49k paid to Parish Councils under the Street Cleansing Partnership.

QUESTIONS

(i) If the residents of the unparished areas are to be charged for street cleansing should the costs for Witham and Halstead be similarly charged to local residents?

(ii) Should residents in town centres pay more than residents in suburbs?

(iii) How should visitors to town centres contribute to the cost?

Parks & Open Spaces

19. I have not been able to break down the cost of maintaining parks and open spaces between the parish/unparished areas. Suffice it to say that a significant amount of open space exists in parished areas. e.g. Great Notley.

QUESTION

Should we identify the exact costs of maintaining each park and open space in the district and charge the appropriate council?

Braintree Fountain

20. I think that it may be difficult to argue that this should be a district charge. However residents of the unparished wards, other than Braintree Central, may argue that they should not contribute to its cost.

Other Income

21. In paragraph 14 above I mentioned the fact that income from car parks had been overlooked and should such income go to where the costs are met. There are other income streams which arise from specific areas, both parished and unparished, in the district.

22. An example of this is commercial rents which total over £1million and which go into the whole district pot. This income is restricted to four areas namely, Witham Town Council (£580k), Unparished Braintree (£290k), Sible Hedingham PC (£91k) and Great Yeldham PC (£14k).

QUESTION

Should sources of income which can easily be identified as accruing in a specific area of the district be allotted to that area irrespective of the detrimental affect that it would have on the council tax for other areas?

Differential Costs

23 Some colleagues representing urban areas have put to me that it is unfair that their constituents should have to contribute to the increased costs of providing services in more distant areas. They point to the additional unit cost of collecting refuse in sparsely populated areas as opposed to high density areas.

QUESTION

Should the differential cost of services be reflected in local taxes assuming that it would be possible to fairly determine the differentials?

Parish Unparished Areas

24. Some colleagues have argued that the current unparished areas should be parished and that there should be a Braintree Town Council. Such a change can only be achieved if a "District Review" is carried out leading to recommendations being made to the Secretary of State. Alternatively a review could be initiated through a petition from no less than 250 people or 10% of the electorate within the area concerned.

25. If a new town council or councils were to be created they would be entitled to a (lion's) share of the PSG pot and this would adversely affect existing beneficiaries of the PSG.

QUESTION

Do colleagues representing unparished areas sense that there is a demand from their constituents for third tier councils?

Conclusion

26. I have tried to demonstrate that this is an issue which has no easy solutions. A detailed examination of services provided, costs incurred, and revenue raised may not necessarily address the concerns of all the existing parished areas. In all probability the urban parished areas would benefit to the detriment of the rural parished areas.

Graham Butland
Leader of the Council