**Rother District Council** **Agenda Item: 8**

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| Report to | - | Council |
| Date | - | 18 December 2017 |
| Report of | - | Councillors Clark, Earl and Mrs Prochak |
| Subject | - | Minority Report – Community Governance Recommendations |

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**Recommendation:** It be **RESOLVED:** That the minority report be received and considered alongside the Cabinet recommendation.

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**This is the original Minority Report submitted and considered at the Cabinet meeting on 4 December 2017.**

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**The minority report as received is reproduced below:**

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**Recommendation:** It be **RESOLVED:** That the contents of this report be annexed to the report to Cabinet from the Overview & Scrutiny Committee and the Community Governance Review Steering Group, in order for the Cabinet and the Full Council to be aware of:

1) The requirements of the Government's Transparency Code and the need for decision making to be open and transparent and based on published data.

2) The Secretary of State for Community and Local Government's Localism Policies and statements regarding devolving local democracy.

3) The financial data absent from the Overview & Scrutiny report, showing the financial costs for the three options the subject of the Stage 2 Community Governance Review consultation. This data sets out:

   i) The existing (2016/17 year) local precept costs for individual Band D households of all existing parish and town councils in the Rother district and the estimated additional cost to a Band D household in Bexhill, if a Town Council for Bexhill were to be established.

   ii) Financial data estimating the costs to Bexhill residents of adopting the alternative options for local democracy for Bexhill (an Area Committee for Bexhill and four parish councils across the Bexhill area, neither of which were supported by a significant number of people during Stage 2 of the Review

4) The legitimacy, by any measure, that the result of the Stage 2 consultation, where 9032 residents (25.8% of Bexhill electors) participated, is an undeniable and clear indication that the residents of Bexhill want a Town Council.

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**Introduction**

1. The main outcome of the Community Governance Review for Bexhill public consultation Stage 2, which featured 4 options agreed by the Full Council on 10 July 2017, is that of the 9227 people who responded to the consultation,

9032 were Bexhill residents and of these 8458 (93.6%) indicated their support for a Town Council for Bexhill. On the basis of these figures and the very low support for any of the other 3 options consulted upon it can be concluded without dispute that there is clear and overwhelming support for the formation of a Town Council for Bexhill, from those who participated in the review.

2. Despite the Council wishing to keep publicity and other costs for the public consultation to a minimum (£1067), the participation of over 25% of the Bexhill population, measured by their individual responses, is a clear measure of the support for a Town Council for Bexhill and the effectiveness of the public consultation process in reaching all households. None of the other three options that were consulted upon in Stage 2 had significant support which is borne out by the data reported later in this report.

3. An important factor for the Council to full take note of and be in compliance with is the Government's Transparency Code. The essence of the Code is summarised in the Government's most recent Local Government Transparency Code (2015). *"Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society." …"Data" means the objective, factual data, on which policy decisions are based and on which public services are assessed, or which is collected or generated in the course of public service delivery."*

4. It is essential that the Members of Full Council in making their own decisions, following the review, do this in a transparent way and that the data has been conscientiously taken into account. *It is also important in evaluating and making decisions that the results of the consultation are shown in a transparent way. It is for this reason that the issues set out below are in the public domain and are considered fully in making the decision.*

5. This report emphasises the importance of demonstrating publicly that decision making with respect to the community governance review for Bexhill has been undertaken in compliance with the Government's Local Government Transparency Code. The essential elements of this will be discussed below, including the evidence based approach that should be based on data available to all Members.

6. An important consideration for the Council in making a decision following the Stage 2 consultation will be the costs to Bexhill households if a Town Council or any of the other options were agreed. The Overview and Scrutiny report contains no information on costs in relation to any of the 4 options. This is an omission in our view and this minority report sets out below financial details intended to better inform the Full Council's debate and decision-making, and enable an open and transparent debate on this issue.

7. To enable a decision that takes into account all the data that is relevant following the Review and the two public consultation stages, this report sets out data that is relevant to the decision making process, absent from the report from the Overview and Scrutiny committee report. It includes important information on

   - The requirements of the Government's Transparency Code 2015, and the importance of open and transparent evidence based decision making
   - Estimated Financial cost data for the 3 change options that were agreed

by the Council for Stage 2 of the review.

- Participation comparisons for the participation by the public in Bexhill at recent local elections compared to the participation in Stage 2 of the review.
- The Government's Localism policies – summarised as *"local decisions being taken by local people, local taxes being collected and spent locally, assisting and encouraging local people to take ownership of projects and improve community pride".*

8. Because the Council is placed under a statutory duty through The Local Government and Public Involvement in Health Act S96 (2)(a)(ii) that in publicising the outcome of the review the Council must "*publish ….the Council's reasons for making"* its decision, the data in this report is an important element for the review process.

**The Government's Transparency Code 2015**

9. The essence of the Code is summarised in the Government's most recent Local Government Transparency Code 2015. "Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society. ……'Data' means the objective, factual data, on which policy decisions are based and on which public services are assessed, or which is collected or generated in the course of public service delivery. This should be the basis for publication of information on the discharge of local authority functions"

10. The Code was brought to the attention of Cllr Maynard, the current Leader of the Council, in two letters from the (then) Minister for Local Government; Kris Hopkins MP, in December 2014 and in March 2015. In the letter dated December 2014 he stated *"We expect councils to be open and transparent about how they use taxpayers' money and how they make decisions. By doing so, they give local people the information they need to hold their elected leaders to account."*

11. Unless the Council demonstrates that it is complying with the Transparency Code, there is a real risk that the Government could restrict the Council's freedoms to act of its own accord in the future.

**Cost Data**

**A. Costs relevant to a Town Council for Bexhill (option 2 in the consultation)**

12. The costs of a Town Council for Bexhill is an important consideration when considering issues relevant to the Governance Review. A recent Parliamentary Briefing Paper[1] explains how parish and town councils raise some or all of their operating funds.

    - "Parish councils may raise a 'precept' on the council tax bills produced by their local billing authority (unitary authority or district council). This is essentially a demand for a sum to be collected through the council tax system. Council tax-payers cannot refuse to pay it, and the billing authority cannot refuse to levy it. It is the only source of tax revenue

1 House of Commons Library; Briefing paper no 04827; "Parish and town councils: recent issues ;15 My 2015

available to parish councils…..

- ……In 2014-15, data on parish precepts showed that a total of £389 million was collected via the parish precept (including Charter Trustees and the Middle and Inner Temple). This was 1.6% of total collected council tax. 8,813 parish councils raised a precept. The average precept for 2014-15 on a Band D property was £52.37, a rise of 4.3% compared to 2013-14. In 2014-15, the largest amount precepted by a parish council was £1.98 million, and the lowest was £16. The largest amount per Band D household was £318.82 and the smallest 27p. The largest taxbase of a precepting parish was 23,582.1 and the smallest 1.4"

13. It should be noted however that while parish and town councils' only taxation power is the precept, they may raise money from other sources if they so wish. They may accept gifts including legacies from parishioners, or raise money from grant-making bodies such as the Big Lottery or Government initiatives, such as the Coastal Communities Fund. They may set up lotteries to raise funds locally, though they must hold a licence from the Gambling Commission under section 98 of the Gambling Act 2005. They may also set up a public subscription for a specific purpose, to be subscribed to by electors in the parish or town council. A further source of funds often use by parish and town councils wishing to raise capital sums for infrastructure projects is the Public Works Loan Board. Additionally, they are entitled to 15% of the Community Infrastructure Levy raised on developments in their area, rising to 25% if a Neighbourhood Plan is in place.

14. The Council published a comparison table in Dec 2016 (reproduced in the Table below) as part of the information available for Stage 1 of the community governance review, that shows the costs (2016/17 year) of the parish councils already established in Rother and for each the amount of precept and the community charge element that a band D householder is required to pay.

15. Comparisons of the precepts of the existing town council and parish councils in Rother with the estimated precept if a town council was established in Bexhill clearly indicate that the precepts of 18 of the total number of parishes and other town councils in Rother (31 in total) are higher than that estimated for a future Bexhill Town Council.

16. Due to the size of its population and consequently its tax base, the figures for each Town and Parish Council area in Rother illustrate that Bexhill experiences economies of scale, make the running costs of a Town Council just £7.43 for a Band D property. (Source data confirmed by the Sussex and Surrey Associations of Local Councils). See Appendix 1.

17. As the Rother Parks & Gardens contract runs until 2022, no change of control of this contract, constituting 98% of Bexhill Special Expenses, is envisaged upon the possible formation of a Bexhill Town Council.

18. Other Bexhill Town Council costs in respect of services would depend upon decisions taken by Bexhill Town Councillors following their election in 2019. Should these constitute the transfer of existing services, they would be dependent upon a negotiation with the District or Borough Council. However, a Bexhill Town Council could provide new services or save existing services from closure should the residents of Bexhill desire this.

| | | | **Existing local precept NO Bexhill Town Council** | **Future local precepts with Bexhill Town Council** |
|---|---|---|---|---|
| LOCAL TAX AREA | LOCAL PRECEPT | divided by LOCAL TAX BASE [2] | gives Local Band D Council Tax | Estimated Local Band D Council Tax contribution with Town Council for Bexhill[3] |
| | £ | No. | Bexhill non parished area/ Parish/Town Council annual precept [£/household] | Parish/Town Council annual precept [£/household] |
| Bexhill (note 1 below) | 675,695 | 15,991.57 | 42.25 | 49.05 |
| Ashburnham & Penhurst | 8,234 | 188.73 | 43.63 | 43.63 |
| Battle | 252,683 | 2,648.67 | 95.40 | 95.40 |
| Beckley | 21,000 | 528.85 | 39.71 | 39.71 |
| Bodiam | 8,825 | 148.83 | 59.30 | 59.30 |
| Brede | 23,075 | 832.42 | 27.72 | 27.72 |
| Brightling | 7,000 | 197.20 | 35.50 | 35.50 |
| Burwash | 35,712 | 1,246.52 | 28.65 | 28.65 |
| Camber | 61,432 | 686.64 | 89.47 | 89.47 |
| Catsfield | 21,777 | 345.34 | 63.06 | 63.06 |
| Crowhurst | 26,920 | 362.18 | 74.33 | 74.33 |
| Dallington | 8,435 | 176.12 | 47.89 | 47.89 |
| East Guldeford | 0 | 31.22 | 0.00 | 0.00 |
| Etchingham | 35,587 | 396.36 | 89.78 | 89.78 |
| Ewhurst | 62,220 | 538.30 | 115.59 | 115.59 |
| Fairlight | 47,000 | 874.09 | 53.77 | 53.77 |
| Guestling | 5,000 | 607.75 | 8.23 | 8.23 |
| Hurst Green | 33,275 | 570.32 | 58.34 | 58.34 |
| Icklesham | 103,811 | 1,218.45 | 85.20 | 85.20 |
| Iden | 14,000 | 236.99 | 59.07 | 59.07 |
| Mountfield | 13,100 | 199.36 | 65.71 | 65.71 |
| Northiam | 45,000 | 974.95 | 46.16 | 46.16 |
| Peasmarsh | 25,770 | 513.48 | 50.19 | 50.19 |
| Pett | 19,292 | 463.44 | 41.63 | 41.63 |
| Playden | 5,000 | 166.17 | 30.09 | 30.09 |
| Rye Foreign | 2,000 | 172.77 | 11.58 | 11.58 |
| Salehurst | 90,825 | 1,004.70 | 90.40 | 90.40 |
| Sedlescombe | 45,054 | 653.15 | 68.98 | 68.98 |
| Ticehurst | 118,350 | 1,626.33 | 72.77 | 72.77 |
| Udimore | 5,303 | 181.73 | 29.18 | 29.18 |
| Westfield | 33,000 | 1,040.55 | 31.71 | 31.71 |
| Whatlington | 7,600 | 151.39 | 50.20 | 50.20 |
| Rye (note 2) | 171,550 | 1,834.27 | 93.53 | 93.53 |

| Current Bexhill Precept (Bexhill Expenses and Charter trustees) | | |
|---|---|---|
| *Note 1* | Precept £ | Local Taxbase |
| Bexhill Charter Trustees Precept | 10,595 | 15,991.57 |
| Bexhill Special Expenses | 665,100 | 15,991.57 |
| **Total** | **675,695** | |

| Rye local precept shown above comprises (no change of Bexhill Town Council) | | |
|---|---|---|
| *Note 2* | | |
| Rye Town Council Precept | 122,100 | 1834.27 |
| Rye Special Expenses | 49,450 | 1834.27 |
| **Total** | **171,550** | |

2 Local taxbase: The taxbase is the number of households liable for the precept, expressed in terms of Band D households. Households in council tax bands other than D are expressed in terms of the proportion of a Band D bill that they pay, as set in section 5 (1) of the Local Government Finance Act 1992. Therefore, for instance, a Band E property counts as 11/9 of a property when counting the taxbase. This is why the taxbases quoted here have decimal points.

3 Based on a calculated administrative cost of a Bexhill Town Council of £118,850,000 pa. (equivalent to a precept of £7.43) . See Appendix 1 for an estimated annual budget. Any future transferred services currently being paid for through the Bexhill expenses (e.g.; toilets, allotments etc.) would not incur new costs as they are already included in RDC budgets. Also a saving of the current Charter Trustees precept of £0.63 following abolition of the Bexhill Charter Trustees.

## B. Cost data for the Area Committee for Bexhill option.

19. The Community Governance Steering Group report and that of the Overview and Scrutiny Committee report noted (para 41) " *that should the Council agree to establish an Area Committee further detailed work and legal advice would be required...*" However, following the decision by the Council at its 10 July 2017 meeting that no executive powers be given to an Area Committee for Bexhill (minute C17/28), it can be concluded that the adoption of an Area Committee for Bexhill would neither give the people of Bexhill enhanced local democracy or be value for money whatever the cost to Rother households.

20. Furthermore, the Full Council debate at the 10 July meeting included assertions that if Bexhill were to have an Area Committee, all other wards of the Rother area would also require one or more Area committees. If this approach were to be agreed all householders in Rother would see additional costs in their council tax bills.

21. It should also be noted that while the original petition for a community governance review for Bexhill was for an Area Committee for Bexhill, once the Council announced that such a committee would have no executive powers, the public support for this option fell to a very low level, demonstrated clearly at the Stage 2 consultation.

## C. Cost data for the 4 Parish Councils across Bexhill option

22. This option agreed by Full Council at the 10 July 2017 meeting is based on the four County Council ward boundaries for Bexhill. In cost terms this is the most expensive of the four options the subject of the Stage 2 review consultation.

23. Establishing four parish councils would involve employing a minimum of four (part time) parish clerks at salaries of around £17,000 and the potential for either a clerical assistant at £10,000 pa or a full time clerk at £31,500 [4] The arrangements for determining part time parish clerk's salaries is set out in nationally agreed guidance [5] On the basis of these figures, plus the costs of a parish office established in each of the 4 parishes, plus administrative costs , the annual budget of each of the proposed parish councils can be estimated at between £71,000 and £88,400. In total, this summates to £306,000 across the whole of Bexhill. A detailed costing is displayed in Appendix 2

24. Based on this budget figure and taking account of the existing Bexhill area precept of £675,695 for Bexhill expenses (2017/17 figures) it can be seen that the calculated full precept for Bexhill households averaged across all households in Bexhill would be £54.76 per annum per household.

| LOCAL TAX AREA | LOCAL PRECEPT (Bexhill Expenses) | Parish Council Precept (4 Parish Councils ) | Divided by Tax base | Future local Bexhill precept with 4 Parish Councils across Bexhill |
|---|---|---|---|---|
| | £ | £ | No. | Total annual precept for Bexhill households |
| Bexhill | £675,695.00 | £306,000.00 | 15991.57 | £61.38 |

4 National salary awards - (National Association of Local Councils (NALC)); Scale LC2 SCP 36 : £31,601 pa

5 The Local Council Clerk's Guide; Paul Clayden; 3rd edn 2010; Sweet & Maxwell.

25. The above figures are unlikely to be high estimates when the population of Bexhill at around 40,000 people is compared with the population of the Rye (4,547 in 2015), which is serviced by Rye Town Council at a public cost of £122,100 pa. If Bexhill were to have 4 parish councils each servicing a population of 10,000 people (a quarter of Bexhill's population), it seems likely that each parish council would need the capacity at least of that of Rye Town Council.

26. It can be concluded that 4 Parish Councils across Bexhill is the most expensive option of those consulted upon and does not represent value for money compared with other options, for the reasons set out above and in Appendix 2.

27. The four parish council option would also fail to produce a coherent strategy for services used communally by Bexhill residents. Bexhill would also lose its Mayor in a damaging blow to civic pride.

**How did the public participate in the Stage 2 Consultation?**

28. The outcome of the two stages of the Community Governance Review, both publicised by the efforts of this Council's Members at publicity events around Bexhill, handing out postcards and other printed information, together with the efforts of the D4B group, has resulted in the best participation response to public consultations in the Rother district Rother for many years.

29. The number of electors (8458 (93.6% of the total respondees)) who indicated their support for a Town Council is of the same order as the average number of Bexhill electors voting in recent Bexhill ward elections for individual winning ward candidates.

30. The legitimacy, by any measure including the above, that the result of the Stage 2 consultation, where 9032 residents (25.8% of Bexhill electors) participated, is an undeniable and clear indication that the residents of Bexhill want a Town Council.

**The Government's Localism agenda**

31. The Government's Localism policies are based on the belief that neighbourhoods, and the communities that live in them, are the most fundamental element of localism. Neighbourhoods are where local democracy begins and where people are often most ready to get involved. The various measures enacted through the Localism Act 2011 passes significant new rights direct to communities and individuals, making it easier for them to get things done and achieve their ambitions for the place where they live. These measures are designed to hand communities more control of the decisions, assets and services that affect them. There are many examples of parish and town councils *working in partnership* with their district and county councils to deliver significant improvements locally that could not be financed without the opportunities local parish and town councils have for raising additional funding through access to a wide range of funding sources, as described earlier.

32. The Secretary of State for Communities and Local Government, The Rt Hon Sajid Javid; MP recently reaffirmed this policy approach when he said...*" Let me get one thing absolutely clear…. Both myself and government remain absolutely, 100 per cent committed to localism and devolution. Principal authorities should be devolving responsibilities to local councils because*

*(they) are best placed to deliver more tailored services "….*

33. The principle of Localism is one of the pillars of the Conservative Party, local decisions being taken by local people, local taxes being collected and spent locally, assisting and encouraging local people to take ownership of projects and improve community pride. It has been clearly demonstrated over at least the last 5 years years that the people of Bexhill want greater locally based democracy for Bexhill. Following the most recent campaign and the petition signed by around 4000 Bexhill residents for a community governance review, 25.8% of the electorate of Bexhill participated in the Stage 2 public consultation. The outcome of this extensive work has shown clearly that this was the best response to public consultation for many years. It is an opportunity for Rother District Council and the elected members to show that they respect the will of those who elected them as decision makers.

## 6. Conclusions

34. It is the conclusion of this minority report that the information set out in the Overview and Scrutiny Report is:

- insufficient for the Cabinet or the Full Council to fully evaluate and to demonstrate in an open and transparent way and in accordance with the Government's Transparency Code 2015 and the Governments Localism Policies that it is making a decision on the Community Governance Review for Bexhill based on the full relevant facts.
- The financial and other data set out above in this minority report is highly relevant to the decision making process that the Cabinet and the Full Council is required to comply with through S93 of the Act[6] following the earlier stages of the Community Governance Review, and should be made available to all Members.

35. Furthermore, we believe that this report offers an opportunity for the District Council as well as for Bexhill. We are sure the residents of Bexhill wish to enhance all the services offered to the tax payers, not deprive any area of investment, and by doing this it will relieve some of the pressure currently being faced within the existing RDC budget, allowing greater investment for the common good of all Rother residents. A free vote for all Members at this point in the Governance Review would demonstate this to all Bexhill electors.

6 The Local Government and Public Involvement in Health Act 2007.

## Appendix 1: The estimated cost of a Town Council for Bexhill

| **Illustration of the estimated annual costs for a Town Council for Bexhill** | |
|---|---|
| **Cost Headings** | **Annual Costs** |
| Town Clerk stipend and assistant (both part time) including pension and on costs | £66,350.00 |
| Accommodation costs (inc Business rates, utilities etc) | £30,000.00 |
| Administration Costs ( inc annualised equipment costs) | £5,000.00 |
| Insurances | £2,000.00 |
| Hire of meeting rooms (Town Council meetings) | £2,500.00 |
| Miscellaneous expenses | £5,000.00 |
| Mayoral Allowance | £3,000.00 |
| Election Costs (25% of the 4 yearly cost) | £5,000.00 |
| **Total estimate of a Town Council for Bexhill** | **£118,850.00** |

| **Illustration of the estimated precept for a Band D Household for a Bexhill Town Council** | |
|---|---|
| Local Tax Base of Band D Households | 16000 |
| Total estimate annual budget of a Town Council for Bexhill | £118,850.00 |
| **Estimated Annual Precept for a Band Dbexhill property (PER Household/year)** | **£7.43** |

## Appendix 2: The estimated cost of a Parish Council for a quarter of Bexhill

| **Illustration of the estimated annual costs for one of four proposed parish councils for Bexhill** | |
|---|---|
| **Cost Headings** | **Annual Costs** |
| Parish Clerk stipend and assistant (both part time) including pension and on costs | £36,500.00 |
| Accommodation costs (inc Business rates, utilities etc) | £28,500.00 |
| Administration Costs ( inc annualised equipment costs) | £3,000.00 |
| Insurances | £2,000.00 |
| Hire of meeting rooms (parish meetings) | £1,250.00 |
| Miscellaneous expenses | £2,500.00 |
| Election Costs (25% of the 4 yearly cost) | £2,750.00 |
| **Total estimate per Parish Council** | **£76,500.00** |

**NOTE**:
For the proposed Option 4 of the Stage 2 consultation, for four Parish Councils established in each of the four County Council wards for Bexhill, the public expenditure cost is estimated at around £306,000.

**END.**