



NEWSLETTER

No.118 - January 2008

CHAIRMAN'S MESSAGE

Well – what a Christmas present. A decision as everyone was closing for the Christmas holidays on local government reorganisation. This was for the formation of two unitaries, one in the East and the other in the West of Cheshire not so neatly fitting with the Manchester and Liverpool City Regions.

The Association will be exploring with the interim councillor led groups how the fledgling unitaries propose involving town and parish councils. In particular it is the responsibilities that they will be seeking to devolve to our sector and the level of resource the unitaries will be making available to enable town and parish councils to make an effective contribution.

The Association has established a small sub-committee of the Executive to undertake these contacts and gain some answers and will be reporting back to you as further information becomes available. In the meantime we can expect a busy and interesting few months leading to the interim unitary council elections in May.

A key issue will be the establishment of more town and parish councils where these do not presently exist and not only in rural communities but also in urban areas. An expansion of the Quality Parish Council network in Cheshire will also be of increasing importance as we move forward to unitary local government in April 2009.

In the meantime the principle of double rating relief for parish councils must be pursued vigorously in those Districts which are not wholly parished. Since progress is necessarily staged it is important that the precedent for reclaiming this tax is properly

established within the existing Districts so that this continues into the new unitary budgeting process.

With little publicity a consultation has been launched to which town and parish councils might like to respond. It is about local petitions and you can find it through this link: <http://www.communities.gov.uk/publications/localgovernment/petitionscalls>.

May I send you best wishes for a happy and prosperous New Year, 2008

ROGER PARKIN - County Chairman

CONGRATULATIONS!

I am sure you will want to take a moment to acknowledge the success of **NORTHWICH** and **NANTWICH** Town Councils for their achievement in attaining Quality Status.



Northwich Town Council received their certificate from the National Chairman, Cllr Ken Cleary, when the Mayor of Northwich, Cllr Brian Cooke and the Chief Executive and Clerk to the Council, Steve Sharman attended the NALC Northern Conference near Skipton in North Yorkshire. It was appropriate that their certificate was handed across at this event, as it was entitled "Quality Counts" and was a two day event covering many aspects of Quality working, that included examples of best practice from councils from our tier, Principal Authority contacts and even the Voluntary sector.

Nantwich Town Council were also awarded Quality Status at the meeting of the Accreditation Panel but could not get to the Northern Conference.

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CREDIT ARRANGEMENTS AND BORROWING BY PARISH & TOWN COUNCILS

A number of auditors have raised concerns about the propriety of local councils entering into credit arrangements other than loans such as HP, deferred purchase and operating leases, apparently without the necessary approvals. The Commission has sought and now obtained clarification from CLG who issued the following statement on 14th November:

Under Schedule 1 to the Local Government Act 2003, the borrowing of money will require the approval of the Secretary of State (before borrowing is undertaken), subject to the exceptions set out in that Schedule.

Normally, other forms of credit arrangement e.g. deferred purchase, hire purchase, leasing and other financial transactions will not require approval, provided that the borrowing of money is not also involved. This will depend on the precise terms of individual contracts entered into.”

CLG officials add that all borrowing by small bodies should always be prudent and be examined as part of the internal decision making process to ensure that cost-effectiveness and value for money are achieved. But this clarification, that unless the borrowing of money is involved, other methods of financing do not require formal CLG issued borrowing approvals, is clear and thus welcome, even though it may heighten the risk profile of individual bodies.

Auditors should, therefore, consider this additional risk element as part of their overall risk assessments when determining annual audit coverage.

You may care to save this text with the CLG/NALC Notes on the Borrowing Approval process.

**This briefing was issued by Peter Lacey,
Accounts and Audit Adviser, NALC**

REPORT OF THE COUNCILLOR'S COMMISSION

Election Expenditure

Following an email request for elections expenses data to both Quality councils and Direct Information Service councils NALC received 105 full data sets from councils across the country. Electorate sizes varied from a low of 155 to a high of 56,675, but typically fall into a range roughly between 6,000 and 20,000. Precepts varied from £1,200 in an exceptional instance to over £1,300,000, however, they typically fell within the range roughly between £50,000 and £500,000.

Combined precepts for all 105 councils exceeded £26.5m with an average election expenditure of £4,666.21, 2.25% of the total of their precept. However, of the sample, 31 councils recorded an expenditure of £0.00 which we can probably assume denotes that their elections were funded by their principal authority or that they did not hold elections this year. The election costs of the remaining 74 councils amounted to almost £22,000,000, an average per council of £6,620.97 or 3.19% of the total precept. Analysis of the data will largely draw from these 74 councils.

There does not appear to be any clear pattern of expenditure and this may reflect different circumstances for different councils. For example, XXX Town Council in XXX, a town with 16,675 electors, spent 20.22% (£10,465) of their total precept (£51,760) on elections costs, while XXX Town Council with a similar number of electors but a precept six times larger spent half as much (£5,078.55), 1.61% of their precept. From our sample XXX Town Council spent most on elections, £32,000, however, this total still only represented 4.15% of their total precept, only 1% above the average.

Factors that need to be taken into account include;

- Whether elections were contested. Expenditure is likely to be higher still where a parish is warded and where elections in each were contested;

- whether the council proactively promoted the elections in the local community;
- the amount that the council felt it could afford to spend on the election;
- costs passed on by the principal authority

Precepting

The data drew out a number of good examples of councils working with their community to decide local priorities and the willingness of the community to pay for them. Evidence would suggest that where a council can justify the costs and benefits of a project to a community or respond to its wishes local people are prepared to contribute extra funds. A number of parish and town councils stated that they had significantly raised their precepts in recent years. XXX Town Council (current precept – £839,450, electorate – 15,929) increased their precept by 12.48% between 02/03 and 06/07. This helped to provide for sports pitch drainage (with a F.A. grant of £200,000) and provided for investment of £100,000 each year towards a new community centre.

XXX Parish Council (electorate – 3933) increased their precept by more than 50% between 04/05 (£60,800) and 06/07 (£134,000) to implement the improvements identified in their adopted parish plan. The parish plan was devised by the community over a three year period but the Parish Council sent a letter to each resident giving details of the proposed increase to the precept. No objections were received.

XXX Town Council (precept – £1,029,678, electorate – 19,954) increased their precept by £19.95 per household from £75 in order to fund the building of a new community building for the community, a facility with two halls, meeting rooms, theatre, café, office for neighbourhood police and new council offices. The loan costs for the building were £2 million and the increase in precept helped to raise £200,000 extra each year. The local public were consulted on the project and on the future needs of the town.

XXX Town Council (precept – £338,500,

electorate – 9,216) have increased their precept by almost £150,000 since 02/03 from £192,079. The increase has been used to help fund the purchase of land in the town and contribute to the building of a new Library and Community Resource building. The Council consulted through their Community Action Plan which sets out the vision for the area over the next 10-20 years. The Library and Community Resource building were identified by the community as the top priority.

Dave Mahon
NALC COUNCILS DEVELOPMENT OFFICER

DIS 672/4 – New drive to improve Gypsy and traveller site provision

Communities minister Iain Wright MP has announced a further £97 million in Government funding to help local councils meet the housing needs of Gypsy and Traveller families in their area. The funding is part of a package of new measures aimed at cutting the number of unauthorised sites in inappropriate locations, such as car parks or lay-bys.

The Gypsy and Traveller site grants will be available for councils to deliver new and refurbished sites for Gypsies and Travellers in their areas. The grants cover 100 per cent of the cost of local council schemes that provide additional pitches through new sites, extensions to existing sites, or bring pitches back into use.

By increasing the supply of authorised sites, the Government aims to improve the current levels of unauthorised encampment and development, which are a result of nearly a quarter of Gypsies and Travellers living in caravans having no authorised place to stay.

This renewed commitment to tackle the problem of unauthorised sites follows publication of a Government-commissioned report from the Task Group on Site Provision and Enforcement. The group's report concludes that Government policy on site provision and enforcement is sound, and calls for a consensus around the need for authorised Gypsy and Traveller sites.

Other measures being taken forward following the report's recommendations include:

- New Government guidance for councils on tackling anti-social behaviour - the guidance will

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support local authorities and the police in dealing with anti-social behaviour where Gypsies and Travellers are either the victims or perpetrators;

- A Gypsy and Traveller 'summit' - Ministers will meet with Gypsy and Traveller representatives to discuss their concerns about the different definitions used for Gypsies and Travellers for housing and planning purposes;
- Improved monitoring - the Government will report annually to Parliament on progress on Gypsy and Traveller issues.

Mr Wright said: "We are increasing council funding to ensure that local authorities can thoroughly assess and meet the accommodation needs of Gypsies and Travellers, as required by legislation.

"It is important that councils ensure there are enough authorised sites for travelling communities. A good supply of legal sites can break the vicious circle of evictions that is costly in terms of both local tensions and taxpayers' cash."

DIS 673/4 – Ordnance Survey to consult councils on GIS data for heavy goods vehicle satnavs

Ordnance Survey has announced plans designed to help keep heavy goods vehicles (HGV) on the appropriate roads in support of citizens, hauliers and local authorities across Great Britain.

Every local authority creates freight route maps, which highlight the council recommended roads for hauliers. Ordnance Survey, which provides the underlying road network data to the satellite navigation industry, wants to consult with local government organisations on how it can help get these maps into satnav devices.

By using the recommended routes, hauliers can be sure that they are being directed along the most suitable roads. This will in turn help reduce congestion on local roads and help ensure hauliers can make their journeys safely and efficiently.

According to figures from the Department for Transport, goods vehicle traffic in Great

Britain accounted for 29 billion vehicle kilometers in 2006 – a rise of 11% in a decade – while overall vehicle traffic broke the 500 billion kilometer barrier for the first time in 2006.

Tom Satterthwaite, senior product manager for transport at Ordnance Survey, says, "With more HGVs on our roads than ever before, we recognise that having lorries and trucks routed down unsuitable roads is a problem for the hauliers, residents and the local authorities.

"I believe that as the national mapping agency, Ordnance Survey is best placed to help facilitate a solution that will benefit everyone. Over the coming months we'll be talking with local authorities across the country to see how we can help encourage commercial vehicles to use these routes and hopefully get them into satnavs."

Further support of road hauliers is coming from Ordnance Survey's business partners through the use of its HGV attribute data.

OS made available information on the weight, width and height restrictions on Britain's roads in October 2006. This information can further support HGV drivers by highlighting the roads that should be avoided due to low bridges or narrow lanes, for example.

It is hoped that the uptake of this information within Ordnance Survey's partner community will result in the first satnavs designed specifically for hauliers.

Mr Satterthwaite comments, "Alongside our plans with local authorities we have also been working with our partners to get road restriction information to the market. In combination, we hope to give hauliers the full picture of Britain's roads – highlighting the best recommended routes from local authorities as well as the roads to avoid".

Donald Armour of the Freight Transport Association welcomes the developments: "HGV drivers becoming stuck up unsuitable roads creates a bad image for our industry, disrupts delivery schedules and causes inconvenience to local residents. The ability to select routes for heavy lorries, bearing in mind vehicle width, height and length restrictions, will be a huge benefit to all parties concerned."

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