



NEWSLETTER

No.125 - January 2009

CHAIRMAN'S MESSAGE

I trust that all those connected with the Cheshire Association of Local Councils enjoyed a Happy Christmas and are now looking forward to a Peaceful New Year. As we start this New Year may I say a big thank you to the staff at Burleydam for the way they have managed the extra workload caused by the change to two Unitary Authorities for Cheshire (we will all be looking forward to a period of 'peace' later this year).

In regard to change in the way Cheshire is governed ChALC is working hard with both Cheshire East and Cheshire West and Chester to get the best possible deal for Town and Parish Councils. Several meetings have already taken place and more are planned in the New Year with both Unitaries who have indicated a willingness to work with ChALC not only to improve the lot of Local Councils but to help in the Parishing of unparished areas especially in the urban areas.

In order to do this work we, of course, need your help. It is particularly important that we as an organisation are seen to be united in what we are trying to achieve. It may be that in the future some reorganisation might be necessary, but for the moment perhaps our members might take some comfort in at least some of our working environment staying the same. From a personal perspective, I feel that if the Constabulary and the Fire Service can serve four unitary authorities (do not forget that Warrington and Halton are both in the ceremonial County of Cheshire and served by both these organisations and of course ChALC) then there is no reason why we cannot do the same (at least for the time being).

The future looks promising for our umbrella organisation the National Association of Local Councils (NALC) which has secured £750,000 from the Government to increase the number of Parish Councils especially in London, and to undertake some development work (in partnership with the Society of Local Council Clerks and the IdEA). This money has come just

in time as there was a shortfall in funding for the NALC due to changes in Government Departments and the associated changes in policy that accompanies such changes. This funding is over a three year period, and will result in more training and support for all those connected with our movement.

STUART HULSE - County Chairman

P O awarded card account contract

The Post Office has been awarded the contract to continue providing the Post Office Card Account (POCA), secretary of state for Work and Pensions James Purnell MP has announced.

The government announced in December 2006 that there would be a successor to POCA, and a tender process was started. However, in order to support a viable Post Office network, the decision has been taken to cancel the competitive tender. Consequently a new contract has been awarded to Post Office Ltd. The contract will run initially from 2010 to March 2015, with the possibility of an extension beyond that.

Mr Purnell said: "I firmly believe that this is the right decision for our customers, the Post Office and sub-postmasters.

"The Post Office is a cherished national institution at the heart of many communities. The card account is an important source of income, and brings customers through the doors of Post Offices across the country.

"Global economic events have made people, particularly the most vulnerable in our society, more concerned about financial transactions. The Post Office is a trusted brand, and is seen as a safe, secure and reliable provider of services in these turbulent times.

"Now is not the time for the government to do anything to put the network at risk, particularly as Post Offices are often the only providers of financial services in remote areas."

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Local Government and European Parliament Elections 2009

This is to let you know that, following approval by Parliament, the Local Elections (Ordinary Day of Elections in 2009) Order 2008 has been made and comes into force today. As a result the date of local elections in England in 2009 will be the same as the date of the European Parliamentary elections, which are planned to take place on 4 June 2009.

Please contact Nisha Malde if you have any queries.

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PARISH/TOWN COUNCIL VAT UPDATE

“Errors” in VAT repayment claims

In the year to 31st March 2008 a total of 163 claims were sent for verification from Southend to the Public Bodies Unit of Expertise in London. Only £6,483-63 was blocked in the year (which is a great improvement in the Parishes).

The categories causing difficulty were:

- Arithmetic errors
- 3 year cap
- Presence of business taxable supplies
- Not being a s33 body
- Not being the recipient of the supply

In the period to date, a similar pattern is shown, with the addition of a few claims for repayment of Insurance Premium Tax (as if it were VAT).

Member councils need to be reminded of the strict conditions for repayment set out in Notice 749. (PC to place the order, accept delivery, invoice to the Council, pay for with own funds, use for a non-business purpose, and retain records).

Works to village halls, leisure facilities, youth clubs, grounds and play areas

Claims for repayment in respect of works to the various items listed above still cause HMRC some concern. To address this they will be sending out a new letter with the blank VAT 126 claim forms which will include the following text:

“If on your next or future claim you are due to seek recovery of VAT in respect of construction, repair or maintenance works to village halls, recreation facilities, youth clubs, playgrounds and their associated grounds and you have any doubt about your entitlement to VAT recovery it is recommended that you obtain a ruling from the Written Enquiries Team at HM Revenue & Customs, 12th Floor, Alexander House, Victoria Avenue, Southend-on-Sea, Essex SS99 1BD. When requesting a ruling please give the specific detail as shown on the attached schedule.

VAT 126 claims in respect of construction, repair or maintenance works accompanied by a written ruling from HMRC will expedite repayment of the claim; those submitted without a ruling may be subject to further enquiry during which repayment will be withheld”.

Partial exemption and the *de minimis* limits

If a local authority has some exempt business outputs there is a formula for determining whether any VAT paid on relevant purchases is fully recoverable, or not. The *de minimis* limits have been set for some years as Input Tax of £625 per month on average (£7,500 per year) or 5% of total Input Tax. Following discussions within HMRC the 5% limit is being dis-applied for the years 2007/08 and 2008/09 – proposals have been discussed regarding a change in the legislation. If your Council is affected by the partial exemption rules you will need to look at the application in these two years of the *de minimis* limits.

Previously, if your “Exempt Business Input tax” exceeds both of these values then that tax is not open for repayment claim. (See VAT Notice 749) For these two years you may now only consider the cash limit.

The full text of Peter’s briefing is available from the County Office on request.

Peter Lacey - NALC Financial Advisor

NALC STEPPING STONES EVENT Saturday 21st February 2009

NALC is on the road in 2009 for the first time. In a mini tour of England; parish councils, town councils, principal councils, community and voluntary groups can go to a venue near them to hear and discuss how community action can make the lives of local people better - in your area!

The *Stepping Stones: York* event takes place in the beautiful Hospitium building on the grounds of the Yorkshire Castle Museum, a five minute walk from York Train Station. There is a packed programme, including:

- A Welcome from the National Chairman
- A Keynote Address from a senior Communities and Local Government representative
- Workshops on – Working With Young People; Working With Older People; Being Council of the Year; Good Practice for Clerks; The Wellbeing Power; Designing Your Own Website; Audit; Planning – Using the Planning Portal; Quality Parish Scheme; Training and Working With Principal Authorities
- There will be a lunchtime fringe from the Commission for Rural Communities on its Participation Inquiry
- A Keynote address from a senior Local Government Association representative
- A Commission for Rural Communities sponsored Drinks Reception
- Opportunities to see a sector-specific exhibition.

Please complete the enclosed booking form and return it either electronically to nalc@nalc.gov.uk

or by post to:

National Association of Local Councils
109 Great Russell Street
London
WC1B 3LD.

The final deadline for booking is
17:00 on Friday, 13 February, 2009.

Next steps in delivering parish power

Hazel Blears MP, communities secretary, has outlined plans to encourage new town and parish councils to be set up so that more decision-making powers are devolved to local people, and said she particularly wanted to see more set up in urban areas. Recently passed legislation means that parish councils can now be established in London for the first time in 45 years.

Over £750,000 will be allocated to the National Association of Local Councils (NALC) to help communities create new town and parish councils, particularly in urban areas including London, and to encourage both new and existing councils to work to meet the highest possible standards in service delivery and community engagement.

Working with organisations including the Local Government Association, the SLCC and the Participatory Budgeting Unit, NALC will develop new good practice guidance on devolving decision-making, a revitalised National Training Strategy for town and parish councillors, and help for councillors to encourage greater community involvement.

New and existing councils that successfully meet approved standards will be recognised through NALC's Quality Parish and Town Council Scheme – it is hoped that the number of Quality Councils could rise from around 650 in November 2008, to as many as 2,500 by April 2011.

There are currently 8,900 parish councils and 70,000 elected parish councillors in England, covering 90% of the country. Although small in size, they perform key functions in their local communities, such as managing parks and allotments, maintaining community halls and investing in community transport projects.

Nineteen new parish and town councils were set up last year. However changes announced in February make it easier for principal authorities to respond to community demands for new parish councils, without seeking government approval.

Parish councils have been a popular and effective way to represent the views of local people, particularly in rural areas. Now, Ms Blears is looking to parish, town and neighbourhood councils to repeat their success in England's cities, representing people in densely-populated, urban areas – and, in recognition of the impact they can make, changes have been made so that, for the first time since 1963, parish councils can now be created in London.

DIS 697

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Government to allocate £97m Gypsy site funding

Ministers are on the verge of announcing the locations of new and refurbished sites for Gypsies and travellers under a three-year £97m scheme.

The east of England is expected to get around a third of the cash (£28m) and just under a fifth is likely to go to the south-east (£17m).

Communities minister Iain Wright MP will announce the winning bids from local authorities in November.

The grant scheme aims to help create homes for up to 25,000 Gypsies and travellers and to reduce to problem of illegal camps being set up. It is also expected to save councils money by cutting the costly evictions required.

Regional allocations outlined in the Communities and Local Government's guidance on the grant scheme show that the south-west is expected to receive around £14m, the east Midlands £9.5m and the west Midlands £7.5m.

London, the north-west and Yorkshire and Humber will be given around £6m each, and £3m is allocated for the north-east

Local authorities are obliged to identify appropriate sites within their local plans, based on the need in their areas. Milton Keynes and Brighton councils are asking for almost £2m each to build new, large sites while South Norfolk council wants £250,000 to help local Gypsies establish a number of smaller sites.

The January 2006 count showed that there are more than 15,500 Gypsy and traveller caravans in England, with 79% of these on authorised sites.

But 14% or 2,154 were on unauthorised developments, where Gypsies and travellers own the land but do not have planning permission. Seven per cent were on unauthorised encampments, where they neither own the land nor have planning consent. **DIS 697**

New funding for local planning

Up to £5 million will be committed to promoting new ways to encourage community participation in planning Hazel Blears MP, communities secretary, has confirmed. The new grants are part of a major government drive to put communities in control, strengthen active citizenship and give people more say over local services.

Planning is already one of the most democratic processes with the majority of decisions taken by elected local councillors. But too often decisions become contentious because of the perceived lack of public involvement in decisions that leave under represented groups frustrated and disenchanted.

The planning empowerment grants announced will help tackle this sense of injustice by encouraging councils to secure greater legitimacy for decisions by placing some power in the hands of local communities generating a vibrant, engaged and healthier local democracy.

Eligible councils could receive up to £70,000 additional funding from the Housing and Planning Delivery Grant to strengthen the legitimacy of their consultation and local decision-making process. Also funding from the new £7.5 million Empowerment Fund will go to third sector groups who promote community engagement in the planning system.

Councils should use the grants to encourage citizens to actively engage in the planning process and the development of their community through new consultation methods and better access to information. Innovative techniques to involve the community would be encouraged such as citizen's juries. Schemes might involve traditionally unrepresented people or groups, such as minority groups, social tenants or those on waiting lists, in pre-application discussions, large-scale development proposals, local development master plan preparations, neighbourhood regeneration, section 106 (affordable housing) agreements and plans for decentralised or renewable energy supply.

Ms Blears said: "Sometimes people feel that planning decisions are made behind closed doors, or that traditional ways of getting involved, like public meetings, are not for them".

A key aim of the government's planning reform agenda is to place community engagement at the heart of the planning system. Planning Aid funding has already being doubled to £3.2 million this year, to enable more people to engage with the planning system and benefit from free independent advice to help them comment on proposals.

ENCLOSURES:

The following documents have been mailed with this newsletter. Please ask your clerk for a copy or contact us directly for additional copies.

NALC Stepping Stones Booking Form

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